

**HARIBHAKTI & CO. LLP**

Chartered Accountants

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CL Media Private Limited

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Statutory Audit for the year  
ended March 31, 2014

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## Independent Auditors' Report

To the Members of

CL Media Private Limited

Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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.

### Auditors' Responsibility

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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.



# HARIBHAKTI & CO. LLP

Chartered Accountants

## 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 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
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 sub-section (3C) of Section 211 of the Act;
  - 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 Act.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W



Raj Kumar Agarwal

Partner

Membership No. 074715

Place: NEW DELHI

Date: August 11, 2014

## Annexure to Independent Auditors' Report

[Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of CL Media Private Limited on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management at the year end, except for inventory lying with third parties. In respect of inventory lying with third parties, the same has been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were material and such differences have been properly dealt with and physical inventories have been considered and valued for the purpose of financial statements.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 the Order are not applicable.
- (e) The Company had taken loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 27,000,000 and the year-end balance of loan taken from such party was Rs. 8,100,000.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (g) According to the information and explanations given to us, in respect of the aforesaid loans, the Company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any continuing failure to correct major weakness in the aforesaid internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.



- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products or business activities of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance and income taxes. However, there are few delays in deposit of service tax in some cases. Undisputed amount of advance tax payable in respect of income- tax which is outstanding at the year-end for a period of more than six months from the date they become payable is as follows:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	Advance tax	7,464,789	April 2013 to September 2013	September 15, 2013	Not yet paid

As informed statutory dues in respect of investor education and protection fund, wealth-tax, sales-tax, customs duty and cess are currently not applicable to the Company.

- (b) According to the information and explanations given to us, there are no dues of income tax, provident fund, employees' state insurance, excise duty and service tax which have not been deposited on account of any dispute. As informed statutory dues in respect of investor education and protection fund, wealth-tax, sales-tax, customs duty and cess are currently not applicable to the Company.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. The Company has no dues to a financial institution or debenture holders outstanding during or as at the end of the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.



# HARIBHAKTI & CO. LLP

Chartered Accountants

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year. Accordingly, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) The Company has not raised money by way of public issue during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Raj Kumar Agarwal

Partner

Membership No.074715

Place: NEW DELHI

Date: August 11, 2014

CL Media Private Limited  
Balance Sheet as at 31 March 2014

Particulars	Note	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	146,204,859	62,421,863
		<u>146,304,859</u>	<u>62,521,863</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	822,679	-
Long-term provisions	6	245,338	239,593
		<u>1,068,017</u>	<u>239,593</u>
<b>Current liabilities</b>			
Short-term borrowings	7	32,830,592	44,584,065
Trade payables	8	71,351,255	48,618,377
Other current liabilities	9	14,776,413	12,744,968
Short-term provisions	6	17,934,301	10,579,429
		<u>136,892,561</u>	<u>116,526,839</u>
<b>Total</b>		<u><u>284,265,437</u></u>	<u><u>179,288,295</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
-Tangible assets	10	1,847,086	1,783,623
-Intangible assets	11	14,326,278	16,989,878
Deferred tax assets (net)	5	-	449,875
Long-term loans and advances	12	31,735,017	13,699,440
		<u>47,908,381</u>	<u>32,922,816</u>
<b>Current assets</b>			
Inventories	13	26,930,009	11,962,543
Trade receivables	14	208,518,768	133,564,628
Cash and bank balances	15	145,386	57,864
Short-term loans and advances	12	762,893	780,444
<b>Total</b>		<u><u>236,357,056</u></u>	<u><u>146,365,479</u></u>
		<u><u>284,265,437</u></u>	<u><u>179,288,295</u></u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W

*Raj Kumar Agarwal*

Raj Kumar Agarwal

Partner

Membership No.:074715

Place: NEW DELHI

Date: August 11, 2014



For and on behalf of the Board of Directors of  
CL Media Private Limited

*Gautam Puri*

Gautam Puri

Director

*Nikhil Mahajan*

Nikhil Mahajan

Director

Place: NEW DELHI

Date: August 11, 2014

CL Media Private Limited  
Statement of profit and loss for the year ended 31 March 2014

Particulars	Note	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
<b>Income</b>			
Revenue from operations	16	288,966,226	262,692,638
Other income	17	3,119,668	798,651
<b>Total revenue (I)</b>		<b>292,085,894</b>	<b>263,491,289</b>
<b>Expenses</b>			
Cost of sales and services	18	164,540,152	155,797,570
Increase in inventories of finished goods and work-in-progress	19	(16,821,177)	(5,727,488)
Employee benefit expenses	20	29,441,426	27,316,902
Finance cost	21	9,861,674	3,275,442
Depreciation and amortisation expenses	22	3,054,925	3,158,217
Other expenses	23	15,436,283	14,117,243
<b>Total expenses (II)</b>		<b>205,513,283</b>	<b>197,937,886</b>
<b>Profit before prior period items and tax (I-II)</b>		<b>86,572,611</b>	<b>65,553,403</b>
Prior period expenses (net)	24	1,517,062	1,736,548
<b>Profit before tax</b>		<b>85,055,549</b>	<b>63,816,855</b>
Less: Tax expense for current year			
- Current tax		17,442,210	11,582,000
- Minimum alternate tax ('MAT') credit		(17,442,210)	(11,582,000)
- Deferred tax charge		1,272,553	1,182,876
Less: Tax expense for earlier years			
- Deferred tax (benefit)		-	(1,985,404)
- Adjustment in tax deducted at source receivable		-	1,828
		<b>1,272,553</b>	<b>(800,700)</b>
<b>Profit after tax</b>		<b>83,782,996</b>	<b>64,617,555</b>
<b>Earnings per equity share (in ₹):</b>			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic	30	8,378.30	6,461.76
-Diluted		8,378.30	6,461.76
Summary of significant accounting policies	2		

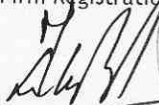
The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W

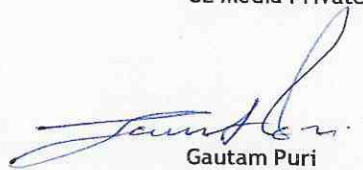


Raj Kumar Agarwal  
Partner

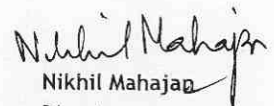
Membership No.: 074715



For and on behalf of the Board of Directors of  
CL Media Private Limited



Gautam Puri  
Director



Nikhil Mahajan  
Director

Place: NEW DELHI

Date: August 11, 2014

Place: NEW DELHI

Date: August 11, 2014



CL Media Private Limited  
Cash Flow Statement for the year ended 31 March 2014

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
<b>A Cash flow from operating activities</b>		
Net profit before tax and after prior period items	85,055,549	63,816,855
<b>Adjustments for:</b>		
Depreciation and amortization	3,054,925	3,158,217
Fixed assets written off	-	34,803
Bad debts written off	6,396,476	-
Finance cost (excluding interest on delayed payment of income tax)	7,739,978	3,275,442
Interest on delayed payment of income tax	2,121,696	-
Rebates and discounts	-	2,002,274
Provision for doubtful debts	-	2,642,075
Liabilities no longer required written back	(284,042)	(541,256)
<b>Operating profit/(loss) before working capital changes</b>	<b>104,084,582</b>	<b>74,388,409</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(14,967,466)	(5,534,428)
Trade receivables	(81,350,616)	(97,891,978)
Short-term loans and advances	17,551	1,718,976
Long-term loans and advances	14,086	(585,244)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	22,732,878	(24,364,296)
Other current liabilities	(1,141,776)	4,030,161
Short-term provisions	(73,636)	10,475,105
Long-term provisions	5,745	(10,638,404)
<b>Cash generated from / (used in) operations</b>	<b>29,321,348</b>	<b>(48,401,698)</b>
Taxes and interest thereon paid (net of refund)	(12,725,996)	(327,900)
<b>Net cash generated from/ (used in) operating activities</b>	<b>16,595,352</b>	<b>(48,729,598)</b>
<b>B Cash flow from investing activities:</b>		
Capital expenditure on fixed assets	(454,788)	(178,438)
Proceeds from sale of fixed assets	-	1,830,150
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(454,788)</b>	<b>1,651,712</b>

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CL Media Private Limited  
Cash Flow Statement for the year ended 31 March 2014

Continued from previous page

C Cash Flow from financing activities:

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Net increase in short term borrowings from banks	155,527	24,584,065
Proceeds from short-term borrowings	7,000,000	20,000,000
Repayment of short-term borrowings	(18,909,000)	-
Interest and other borrowings costs paid	(4,282,715)	(1,784,439)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(16,036,188)</b>	<b>42,799,626</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>104,376</b>	<b>(4,278,260)</b>
<b>Cash and cash equivalents (Refer to note 15)</b>		
-at beginning of the year	57,864	4,336,124
-at end of the year	162,240	57,864

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under section 211(3C) of the Companies Act, 1956.
2. Notes to the Financials Statements are integral part of the Cash Flow Statement.

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W



Raj Kumar Agarwal

Partner

Membership No.:074715



For and on behalf of the Board of Directors of  
CL Media Private Limited



Gautam Puri  
Director



Nikhil Mahajan  
Director

Place: NEW DELHI

Date: August 11, 2014

Place: NEW DELHI

Date: August 11, 2014

1. Background

CL Media Private Limited ("the Company") was incorporated on February 1, 2008 under the Companies Act, 1956 with the object of publishing educational content and books and providing advertising services on any form of media. The Company is a 100% subsidiary of CL Educate Limited with all equity shares held through nominee shareholders.

2. Summary of significant accounting policies

(i) Basis for preparation of Financial Statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

(ii) 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, liabilities and contingent liabilities at the reported date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the managements' best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimate is recognized prospectively in current and future periods.

(iii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

*Revenue from sale of books*

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and trade discounts.

*Advertisement income*

Revenue in respect of advertisement services rendered is recognised as and when services are rendered.

*Content development income*

Income from content development is recognised as and when services are rendered, as specified in the agreement entered into or any amendments thereto.

*Royalty income*

Revenue is recognized if the right to receive payment is established by the balance sheet date.



CL Media Private Limited  
Notes to the financial statements for the year ended March 31, 2014

*Subscription fee*

Income from subscription services is recognized on accrual basis.

*Unearned revenue*

Amount billed prior to the reporting date for services to be performed after the reporting date is recorded as unearned revenue in other current liabilities.

(iv) Fixed Assets

*Tangible Assets*

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

*Intangible Assets*

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

(v) Depreciation and amortization

Depreciation and amortisation has been calculated on Straight Line Method using the following years of useful lives, based on management estimates, which are equal to or higher than the life specified as per schedule XIV of the Companies Act, 1956 and which in the opinion of the management are reflective of the estimated useful lives of the Fixed Assets:-

Particulars	Useful life (years)
<b>Tangible Assets:</b>	
Plant and machinery	15
Furniture and Fixtures	10
Office Equipment	10
Computer Equipment	5-7
Leasehold improvements	3
<b>Intangible Assets:</b>	
Software	5
License fees	10
CAT Online Module	4

Depreciation and amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard from fixed assets is provided for upto the date of sale, deduction or discard of fixed assets as the case may be.

All assets, costing ₹ 5,000 or below are depreciated/amortized in full by a one-time depreciation/amortization charge.



(vi) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(vii) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

(viii) Inventories

Raw materials are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first in first out method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, Cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

(ix) Employee Benefits

(a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

(b) Long term employee benefits:

(i) Defined contribution plans: Provident Fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly



contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to the scheme are expensed off in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Defined contribution plans: Employee state insurance

Employees whose wages/salary is within the prescribed limit in accordance with the Employee State Insurance Act, 1948 are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to the scheme are expensed off in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

(iii) Defined Benefit Plans: Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the statement of profit and loss. The expected return on plan assets is based on the assumed rate of return of such assets. The Company contributes to a trust set up by the company which further contributes to a policy taken from the Life Insurance Corporation of India.

(iv) Other long-term benefits: Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the end of the year. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss.

(x) Taxation

Tax expense for the year comprising current tax, deferred tax and minimum alternate tax credit is included in determining the net profit for the year.

*Current Tax*

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.



*Deferred Tax*

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the Balance Sheet date.

*Minimum alternate tax*

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- (xi) Provisions, contingent liabilities and contingent assets

*Provision*

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

*Contingent liabilities*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

*Contingent assets*

Contingent assets are neither recorded nor disclosed in the financial statements.

- (xii) Borrowing Cost

Borrowing costs relating to acquisition or construction or production of assets which takes substantial period of time to get ready for its intended use are also included as cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.



CL Media Private Limited  
Notes to the financial statements for the year ended March 31, 2014

(xiii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(xiv) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results would be anti-dilutive.

(xv) Material Events

Material events occurring after the balance sheet date are taken into cognizance.

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## 3. Share Capital

a) The Company has only one class of share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

	31 March 2014		31 March 2013	
	Number	Amount in ₹	Number	Amount in ₹
<b>Authorised Shares</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	10,000	100,000	10,000	100,000
<b>Issued, subscribed and fully paid-up shares</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	10,000	100,000	10,000	100,000
	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Particulars	31 March 2014		31 March 2013	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares outstanding at the end of the year	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

c. Terms/rights attached to equity share

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current and previous year.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d. Shares held by holding/ ultimate holding company and/ or their subsidiaries/associates

Particulars	Nature of Relationship	31 March 2014		31 March 2013	
		Number	% of Holding	Number	% of Holding
CL Educate Limited	Holding Company	10,000	100.00%	10,000	100.00%

e. Detail of shareholders holding more than 5% of equity share of the Company

Name of shareholder	31 March 2014		31 March 2013	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
CL Educate Limited (through nominee shareholders)	10,000	100%	10,000	100%

f. No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.



4. Reserves and Surplus

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	62,421,863	(2,195,692)
(+) Net profit for the year	83,782,996	64,617,555
<b>Total reserves and surplus</b>	<b>146,204,859</b>	<b>62,421,863</b>

5. Deferred tax liabilities/ assets

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax asset of ₹ 1,272,554 has been recognised as charge in the Statement of Profit and Loss. The tax effect of significant timing differences as at 31 March 2014 that reverse in one or more subsequent years gave rise to the following net deferred tax liability as at 31 March 2014.

Deferred tax assets and liabilities are attributable to the following:

	31 March 2014	(Benefit)/ Charge for the year	31 March 2013
	Amount in ₹	Amount in ₹	Amount in ₹
<b>Deferred tax assets</b>			
Provision for gratuity	99,165	21,465	120,630
Provision for doubtful debts	-	857,221	857,221
Provision for bonus	155,646	127,101	282,747
Provision for leave encashment	53,922	24,125	78,047
<b>Total deferred tax assets</b>	<b>308,733</b>	<b>1,029,912</b>	<b>1,338,645</b>
<b>Deferred tax liabilities</b>			
On account of depreciation/amortisation	1,131,412	242,642	888,770
<b>Total deferred tax liabilities</b>	<b>1,131,412</b>	<b>242,642</b>	<b>888,770</b>
<b>Net deferred tax (liabilities)/assets</b>	<b>(822,679)</b>	<b>1,272,554</b>	<b>449,875</b>

In assessing the realisability of deferred tax assets, management considers whether it is reasonable, that some portion, or all, of the deferred tax assets will be realized. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

6. Provisions

	Long-term		Short-term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Provision for employee benefits</b>				
Leave encashment (Refer note 29)	245,338	239,593	8,568	82,204
	245,338	239,593	8,568	82,204
<b>Other provision</b>				
Provision for tax [net of advance tax and tax deducted at source of ₹ 851,987 (previous year ₹ 1,686,629)]	-	-	17,925,733	10,497,225
	-	-	17,925,733	10,497,225
<b>Total</b>	<b>245,338</b>	<b>239,593</b>	<b>17,934,301</b>	<b>10,579,429</b>



7. Short-term borrowings

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
<b>Secured</b>		
Loan from bank (Refer footnote a)	24,739,592	24,584,065
<b>Unsecured</b>		
Loans repayable on demand from related parties (Refer footnote b and note 33)	8,091,000	20,000,000
	<b>32,830,592</b>	<b>44,584,065</b>
Aggregate amount of loan from bank guaranteed by directors	<b>24,739,592</b>	<b>24,584,065</b>

**Footnote a:** Secured loan from bank represents cash credit facility from Kotak Mahindra Bank. The above amount represents the limit availed out of the total fund limit of ₹ 25,000,000 (previous year ₹ 25,000,000). The loan is secured by the following:

Primary security

First and exclusive charge on all present and future current and movable assets and immovable fixed assets of the Company.

Collateral Security

Charge over the followings properties of CL Educate Limited, the holding company:

- Plot No. 15-A , Block II , Knowledge Park, Greater Noida
- Plot No. 9A, Sector 27-A, Faridabad
- Office space No. 1 and 2, Third Floor, FC Road, Shivaji Nagar, Pune
- Unit No. 207, Second Floor, District Centre, Laxmi Nagar, Delhi
- Office Space No. 201, Second Floor, Business Point, Andheri West, Mumbai.
- Lien over fixed deposits of ₹ 145,000,000

Above assets are common collateral for loan taken by the Company and CL Educate Limited, the holding company from Kotak Mahindra Bank.

The loan is further secured by personal guarantees of Mr. Satya Narayanan , Mr. Gautam Puri and Mr. Nikhil Mahajan and corporate guarantee of the holding company.

The facility carries an interest rate of bank's base rate + 3.75% per annum payable on monthly basis.

**Footnote b:** Unsecured loan from related parties in the current year represents loan taken from fellow subsidiary in the current year. The loan carries an interest rate of 16% per annum payable on maturity.  
Unsecured loan in the previous year represents interest free loan taken from the holding company.

8. Trade payables

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Trade payable (Refer note 28 and 33)	71,351,255	48,618,377
	<b>71,351,255</b>	<b>48,618,377</b>



CL Media Private Limited

Notes to Financial Statement for the year ended 31 March 2014

9. Other current liabilities

	<u>31 March 2014</u>	<u>31 March 2013</u>
	Amount in ₹	Amount in ₹
Interest accrued but not due on unsecured short-term borrowings (refer note 33)	4,231,876	774,613
Others		
- Payables for expenses (Refer note 28)	4,062,767	2,971,664
- Employee related payables	2,960,363	3,468,792
- Payables on purchase of fixed assets (Refer note 28)	-	54,000
- Unearned revenue	1,571,155	1,348,375
- Other liabilities (Duties and taxes payable to government authorities)	1,950,252	4,127,524
	<u>14,776,413</u>	<u>12,744,968</u>

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CL Media Private Limited

Notes to Financial Statement for the year ended 31 March 2014

10. Tangible assets (Refer footnote a)

Description	Gross block				Accumulated depreciation				(Amount in ₹) Net block	
	As at 1 April, 2013	Additions during the year	Disposal/ Adjustment	As at 31 March, 2014	As at 1 April, 2013	For the year	Disposal/ Adjustment	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
<b>Own assets</b>										
Plant and machineries	1,176,590	357,283	-	1,533,873	88,089	103,324	-	191,413	1,342,460	1,088,501
Leasehold Improvement	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	39,760	-	-	39,760	21,825	2,615	-	24,440	15,320	17,935
Office equipments	195,199	-	-	195,199	53,096	19,275	-	72,371	122,828	142,103
Computers and other peripherals	1,633,302	97,505	-	1,730,807	1,098,218	266,111	-	1,364,329	366,478	535,084
<b>Total</b>	<b>3,044,851</b>	<b>454,788</b>	<b>-</b>	<b>3,499,639</b>	<b>1,261,228</b>	<b>391,325</b>	<b>-</b>	<b>1,652,553</b>	<b>1,847,086</b>	<b>1,783,623</b>
Previous year	3,027,173	178,438	160,760	3,044,851	992,011	395,174	125,957	1,261,228	1,783,623	-

Footnote

a. All tangible fixed assets are pledged against cash credit facility taken from Kotak Mahindra Bank Limited.

11. Intangible assets (Refer footnote a)

Description	Gross block				Accumulated amortisation				(Amount in ₹) Net block	
	As at 1 April, 2013	Additions during the year	Disposal/ Adjustment	As at 31 March, 2014	As at 1 April, 2013	Amortisation for the year	Disposal/ Adjustment	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
Computer software	327,604	-	-	327,604	327,604	-	-	327,604	-	-
License fees	26,636,000	-	-	26,636,000	9,646,122	2,663,600	-	12,309,722	14,326,278	16,989,878
<b>Total</b>	<b>26,963,604</b>	<b>-</b>	<b>-</b>	<b>26,963,604</b>	<b>9,973,726</b>	<b>2,663,600</b>	<b>-</b>	<b>12,637,326</b>	<b>14,326,278</b>	<b>16,989,878</b>
Previous year	31,263,604	-	4,300,000	26,963,604	9,680,533	2,763,043	2,469,850	9,973,726	16,989,878	-

Footnote

a. All intangible fixed assets are pledged against cash credit facility taken from Kotak Mahindra Bank Limited.



12. Loans and advances

	Long-term		Short-term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Unsecured, considered good</b>				
Security deposits	95,000	95,000	-	-
MAT credit entitlement	30,001,336	12,559,126	-	-
Advance income-tax [(net of provision for tax of ₹ 13,144,126) (P.Y. ₹ 977,126)]	1,304,522	697,069	-	-
Advance to suppliers	-	-	126,724	339,495
Service tax credit receivable	-	-	21,719	-
Prepaid expenses	-	-	85,057	114,227
Loans and advances to employees	-	-	318,212	108,498
Gratuity fund (net) (Refer note 29)	334,159	348,245	211,181	218,224
<b>Total</b>	<b>31,735,017</b>	<b>13,699,440</b>	<b>762,893</b>	<b>780,444</b>

13. Inventories (Refer footnote a)

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
<b>Valued at lower of cost and net realisable value</b>		
Raw materials (Refer footnote b)	3,237,290	5,091,001
Work-in-progress (Refer footnote c)	16,327,484	6,666,990
Finished goods	7,365,235	204,552
	<b>26,930,009</b>	<b>11,962,543</b>

Footnote a: All inventories categories represent text books or study materials.

Footnote b: Includes raw materials lying with third parties ₹ 3,237,290 (Previous year ₹ 5,091,001)

Footnote c: Includes work-in-progress lying with third parties ₹ 16,327,484 (Previous year ₹ 6,666,990)

14. Trade receivables

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
-Considered good	9,467,034	10,533,219
-Considered doubtful	-	2,642,075
	9,467,034	13,175,294
Less: Provision for doubtful trade receivables	-	2,642,075
	9,467,034	10,533,219
Other trade receivables		
-Considered good (Refer footnote a)	199,051,733	123,031,409
	199,051,733	123,031,409
	<b>208,518,768</b>	<b>133,564,628</b>

Footnote a: Includes amount due from related parties. (Refer note 33)



15. Cash and bank balances

Cash and cash equivalents

Cash on hand  
Balances with banks  
- in current accounts

<u>31 March 2014</u>	<u>31 March 2013</u>
<u>Amount in ₹</u>	<u>Amount in ₹</u>
8	5,163
<u>145,378</u>	<u>52,701</u>
<u>145,386</u>	<u>57,864</u>

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16. Revenue from operations

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
<b>Revenue from operations</b>		
Sale of books and study material (refer footnote)	256,675,037	234,079,777
Income from advertisement services	27,474,574	23,765,621
	<u>284,149,611</u>	<u>257,845,398</u>
<b>Other operating revenue</b>		
Royalty income	7,495	-
Content development fees	4,800,000	4,800,000
Subscription income	9,120	47,240
	<u>4,816,615</u>	<u>4,847,240</u>
<b>Total</b>	<u><u>288,966,226</u></u>	<u><u>262,692,638</u></u>

Footnote:

The Company is engaged in publishing educational content and books which are subject to nil rate of excise duty.

17. Other Income

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Interest income on income tax refund	-	116,027
Liabilities no longer required written back	284,042	541,256
Provision for doubtful debts written back	2,642,074	-
- Miscellaneous income	193,552	141,368
	<u>3,119,668</u>	<u>798,651</u>

18. Cost of sales and services

18.1 Cost of materials consumed

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Inventory at the beginning of the year	5,091,001	5,284,061
Add: Purchases during the year (Refer footnote a)	91,801,498	78,776,780
	96,892,499	84,060,841
Less: Inventory at the end of the year	3,237,290	5,091,001
<b>Total (A) (Refer footnote b)</b>	<u>93,655,209</u>	<u>78,969,840</u>

Footnote a: Details of purchases are as follows:

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Paper	87,581,553	76,413,511
Lamination material	315,567	589,154
Electronic storage disks and other material	3,904,378	1,774,115
	<u>91,801,498</u>	<u>78,776,780</u>





CL Media Private Limited  
Notes to Financial Statement for the year ended 31 March 2014

Footnote b: Details of consumption of imported and indigenous items are as follows:

Particulars	31 March 2014		31 March 2013	
	Value (₹)	Percentage	Value (₹)	Percentage
Raw materials and other goods				
Indigenous	93,655,209	100%	78,969,840	100%
Total	93,655,209	100%	78,969,840	100%

18.2 Other cost of goods sold

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Printing cost	49,194,409	37,213,737
Binding and cover pasting charges	3,215,824	1,944,084
Content development cost	721,431	-
Packing material consumed	1,083,705	1,345,724
Content editing and typing charges	1,005,980	755,396
Royalty charges	-	21,040,963
Labour cost	993,056	684,760
Total (B)	56,214,405	62,984,664

18.3 Cost of services rendered

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Advertisement support services	10,989,830	9,506,248
Content development cost	1,283,858	1,716,076
Material printing cost	2,396,850	2,620,742
Total (C)	14,670,538	13,843,066
<b>TOTAL (A+B+C)</b>	<b>164,540,152</b>	<b>155,797,570</b>

19. Increase in inventories of finished goods and work-in progress

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Inventories at the beginning of the year		
-Finished goods produced	204,552	-
-Work-in-progress	6,666,990	1,144,054
	6,871,542	1,144,054
Less: Inventories at the end of the year		
-Finished goods produced	7,365,235	204,552
-Work-in-progress	16,327,484	6,666,990
	23,692,719	6,871,542
Net (increase)	(16,821,177)	(5,727,488)

20. Employee benefit expenses

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits	28,274,188	26,252,089
Contribution to provident and other funds (Refer note 29)	840,968	813,454
Staff welfare expenses	326,270	251,359
	29,441,426	27,316,902



## 21. Finance cost

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Interest expense on		
- short term borrowings from related parties	3,841,403	860,681
- other interest cost	601,844	-
- short term borrowings from banks	3,159,710	1,643,989
- Delay in payment of income tax	2,121,696	585,000
- Delay in payment of other statutory dues	66,796	45,322
Other borrowing costs	70,225	140,450
	<b>9,861,674</b>	<b>3,275,442</b>

## 22. Depreciation and amortisation expenses

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer note 10)	391,325	395,174
Amortisation of intangible assets (Refer note 11)	2,663,600	2,763,043
	<b>3,054,925</b>	<b>3,158,217</b>

## 23. Other expenses

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Provision for doubtful debts	-	2,642,075
Rebates and discounts	-	2,002,274
Freight and cartage outward	1,488,690	1,862,367
Retainership fee	702,711	1,696,721
Legal and professional Charges (Refer note 27)	2,104,701	1,354,649
Equipment rentals and other hire Charges	53,561	417,812
Travelling and conveyance expenses	801,813	834,397
Marketing research expenses	1,100,000	600,000
Repairs and maintenance:		
Building	40,711	-
Machinery	244,555	-
Others	537,736	487,004
Office administration expenses	432,741	471,110
Lease rent charges (Refer note 34)	420,000	420,000
Business promotion expenses	232,030	376,210
Communication expenses	280,784	265,123
Insurance expenses	119,839	175,104
Bad debt	6,396,476	-
Miscellaneous expenses	479,935	512,397
	<b>15,436,283</b>	<b>14,117,243</b>



## 24. Prior period (income)/expenses (net)

	<u>31 March 2014</u>	<u>31 March 2013</u>
	Amount in ₹	Amount in ₹
<b>Prior period income</b>		
-Miscellaneous income	16,854	39,981
-Reversal of excess gratuity expense booked earlier	-	532,233
<b>Total (A)</b>	<u>16,854</u>	<u>572,214</u>
<b>Prior period expenses</b>		
Advertisement service assistant charges	-	133,218
Contribution to provident and other funds	-	73,966
Miscellaneous expenses	1,533,916	77,349
Legal and professional Charges	-	190,000
Paper purchases	-	757,495
Printing cost	-	1,076,734
<b>Total (B)</b>	<u>1,533,916</u>	<u>2,308,762</u>
<b>Prior period expenses (net) (B-A)</b>	<u>1,517,062</u>	<u>1,736,548</u>

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25. Contingent liabilities

There are no contingent liabilities as at March 31, 2014 (Previous year ₹ nil).

26. Commitments

	(Amount in ₹)	
	31 March 2014	31 March 2013
Capital commitments	-	-
Other material commitments (Refer footnote a)	-	-
	-	-

**Footnote a:** In accordance with agreement with CL Educate Limited dated October 1, 2011, the Company was liable to pay 8% of its income from sale of books and study material sale as royalty and 40% of its advertisement income as support service cost to CL Educate Limited. As per the termination agreement dated 1 April, 2013, the Company is no longer required to pay 8% of its income from sale of books. The commitment is valid for a period upto September 30, 2016 with a lock-in period of 3 years. As the amount of such payment is based on the future earnings of the Company from advertisement services which are not determinable as on date, the amount of commitment in respect of the same has not been ascertained.

27. Auditors' Remuneration (excluding Service Tax) :

	(Amount in ₹)	
	31 March 2014	31 March 2013
Statutory audit	600,000	500,000
	600,000	500,000

28. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in		
- Trade payables	71,351,255	48,618,377
- Other current liabilities	-	-
Payables for expenses	4,062,767	2,971,664
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	<u>75,414,022</u>	<u>51,590,041</u>
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond day each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-



29. Employee benefit obligations

The Company has in accordance with the Accounting Standard-15 'Employee Benefits' calculated the various benefits provided to employees as under:

A. Defined contribution plans:

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Contribution to provident fund (Refer note 20)	756,369	721,783
Contribution to Employee State Insurance Scheme (Refer note 20)	84,599	91,671
<b>Total</b>	<b>840,968</b>	<b>813,454</b>

B. Defined employee benefits and other long term benefit schemes:

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized positions of various defined benefits are as under:

I. Actuarial assumptions

	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Discount rate (per annum)	9.07%	8.00%	9.07%	8.00%
Expected rate of increase in compensation levels	8% for the next three years. Thereafter 5% is to be taken.	5.00%	8% for the next three years. Thereafter 5% is to be taken.	5.00%
Expected rate of return on plan assets	NA	NA	6.75%	9.15%
Expected average remaining working lives of employees (years)	27.40	26.71	27.40	26.71
Retirement age (Years)	58	58	58	58
Mortality table	IALM (2006-08)	IALM (1994-96)	IALM (2006-08)	IALM (1994-96)
Ages	Withdrawal Rate (%)	Withdrawal Rate	Withdrawal Rate (%)	Withdrawal Rate
Up to 30 Years	3	3	3	3
From 31 to 44 years	2	2	2	2
Above 44 years	1	1	1	1

Note:

The discount rate has been assumed at 9.07% p.a. (Previous year 8%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Change in present value of obligation

	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Present value of obligation at the beginning of the year	321,797	208,465	455,271	259,777
Current service cost	93,505	134,256	160,989	181,335
Interest cost	25,744	16,677	36,422	20,782
Past service cost	-	-	-	-
Benefit paid	(189,558)	(12,633)	(113,077)	(64,182)
Actuarial (gain)/loss on obligation	2,418	(24,968)	(110,221)	57,559
Present value of obligation at the end of the year	<b>253,906</b>	<b>321,797</b>	<b>429,384</b>	<b>455,271</b>



III. Fair value of plan assets

	(Amount in ₹)	
	Gratuity fund	
	31 March 2014	31 March 2013
Fair value of plan assets at the beginning of the year	1,021,740	997,645
Plan assets recognised during the year	-	-
Expected return on plan assets	68,967	91,285
Contributions	-	-
Benefits paid	(113,077)	(64,182)
Actuarial gain/(loss) on plan assets	(2,906)	(3,008)
Fair value of plan assets at the end of the year	974,724	1,021,740

IV. Expenses Recognised in the statement of profit and loss for the year

	(Amount in ₹)			
	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Current service Cost	93,505	134,256	160,989	181,335
Interest cost	25,744	16,677	36,422	20,782
Past service Cost	-	-	-	-
Expected return on plan assets	-	-	(68,967)	(91,285)
Net actuarial (gain)/ loss to be recognized	2,418	(24,968)	(107,315)	60,567
Expense recognised in statement of Profit and Loss	121,667	125,965	21,129	171,399

V. Reconciliation of present value of defined benefit obligation and fair value of assets

	(Amount in ₹)			
	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Present value of obligation as at the end of the year	253,906	321,797	429,384	455,271
Fair Value of plan assets as at the end of the year	-	-	974,724	1,021,740
Funded Status	(253,906)	(321,797)	545,340	566,469
Net (liability)/Asset recognized in Balance Sheet	(253,906)	(321,797)	545,340	566,469
Amount classified as:				
Short term provision (Refer Note 6)	8,568	42,204	-	-
Long term provision (Refer Note 6)	245,338	279,593	-	-
Short term loans and advances (Refer note 12)	-	-	211,181	218,224
Long term loans and advances (Refer note 12)	-	-	334,159	348,245

VI. Net assets/(liability) and actuarial experience gain/(loss) for present benefit obligation ("PBO") and plan assets.

(a) Gratuity (Funded)

	(Amount in ₹)					
	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	
PBO	429,384	455,271	259,777	204,407	144,256	
Plan assets	974,724	1,021,740	997,645	914,013	917,024	
Net assets/(liability)	545,340	566,469	737,868	709,606	772,768	
Experience gain/(loss) on PBO	57,514	(24,258)	39,649	(59,429)	446,703	
Experience gain/(loss) on plan assets	(27,428)	(3,008)	1,371	(7,650)	61,498	

The plan assets of the company are managed by a trust formed by the Company which contributes to a fund managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at March 31, 2014 has not been provided by Life Insurance Corporation of India.



(b) Earned leave (Unfunded)

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	(Amount in ₹) 31 March 2010
PBO	253,906	321,797	208,465	178,379	121,886
Plan assets	-	-	-	-	-
Net assets/(liability)	(253,906)	(321,797)	(208,465)	(178,379)	(121,886)
Experience gain/(loss) on PBO	(30,027)	47,062	60,708	(40,943)	22,266
Experience gain/(loss) on plan assets	-	-	-	-	-

(c) Employer's best estimate for contribution during next year

	(Amount in ₹) Amount
Gratuity	211,181
Earned leave	65,741

30. Earnings per share

The calculation of Earnings per Share (EPS) has been made in accordance with Accounting Standard (AS) -20. A statement of Basic and Diluted EPS is as under:

	Reference	Units	31 March 2014	31 March 2013
Profit attributable to equity shareholders	A	₹	83,782,996	64,617,555
Weighted average no. of equity shares	B	Nos.	10,000	10,000
Add: Dilutive potential equity shares	C	Nos.	-	-
Number of equity shares for dilutive EPS	D=B+C	Nos.	10,000	10,000
Basic earnings per share	(A/B)	₹	8,378.30	6,461.76
Diluted earnings per share	(A/D)	₹	8,378.30	6,461.76

Note: The Company does not have any outstanding dilutive potential equity shares. Hence the Basic and Diluted Earnings Per Share of the Company is same.

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31. Segment reporting

Primary segment

The company has identified two reportable business segments as primary segments: Publishing of books and media related services. The segment have been identified and reported taking into account the nature of products, the differing risks and returns, the organisation structure and the internal financial reporting systems.

Publishing of books include operations of publishing unit established in Roorkee, Uttrakhand.

Content and media related services include mainly advertisement service and content development income.

Financial information about the primary segments is given below:

For the year ended March 31, 2014

Particulars	Publishing of books	Media related services	Others	Total
<b>Revenue</b>				
External revenue	261,475,037	27,474,574	16,615	288,966,226
<b>Total revenue</b>	<u>261,475,037</u>	<u>27,474,574</u>	<u>16,615</u>	<u>288,966,226</u>
<b>Results</b>				
Segment results	<u>118,358,741</u>	<u>(13,807,391)</u>	<u>16,615</u>	<u>104,567,965</u>
Unallocated expenses				11,253,348
Operating profit				93,314,617
Finance costs				9,861,674
Other income including finance income				3,119,668
Prior period income (net)				-1,517,062
<b>Profit before tax</b>				<u>85,055,548</u>
<b>Income taxes</b>				<u>1,272,553</u>
<b>Net profit</b>				<u>83,782,995</u>
<b>As at March 31, 2014</b>				
Segment assets	224,193,581	27,291,121	-	251,484,702
Unallocable assets				32,780,735
<b>Total assets</b>				<u>284,265,437</u>
Segment liabilities	61,287,000	15,076,224	-	76,363,224
Unallocable liabilities				61,597,354
<b>Total liabilities</b>				<u>137,960,578</u>
<b>Other information</b>				
Capital expenditure (allocable)	357,283	-	-	357,283
Capital expenditure (unallocable)				97,505
Depreciation and amortisation (allocable)	1,603,324	1,163,600	-	2,766,924
Depreciation and amortisation (unallocable)				288,001
Other significant non-cash expenses (allocable)	-	6,396,476	-	6,396,476
Other significant non-cash expenses (unallocable)	-	-	-	-

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For the year ended March 31, 2013

Particulars	Publishing of books	Media related services	Others	Total
Revenue				
External revenue	234,079,777	23,812,861	4,800,000	262,692,638
Total revenue	234,079,777	23,812,861	4,800,000	262,692,638
Results				
Segment results	84,865,687	8,851,255	(11,873,450)	81,843,492
Unallocated expenses				13,813,301
Operating profit				68,030,192
Finance costs				3,275,442
Other income including finance income				798,651
Prior period expenses(net)				-1,736,548
Profit before tax				63,816,854
Income taxes				(800,700)
Net profit				64,617,553
<u>As at March 31, 2013</u>				
Segment assets	140,439,949	23,160,275	-	163,600,224
Unallocable assets				15,688,071
Total assets				179,288,295
Segment liabilities	48,815,965	3,654,756	2,676,540	55,147,261
Unallocable liabilities				61,619,171
Total liabilities				116,766,432
<u>Other information</u>				
Capital expenditure (allocable)	101,920	-	-	101,920
Capital expenditure (unallocable)				76,518
Depreciation and amortisation (allocable)	1,579,698	1,163,600	-	2,743,298
Depreciation and amortisation (unallocable)				414,919
Other significant non-cash expenses (allocable)	-	2,642,075		2,642,075
Other significant non-cash expenses (unallocable)				34,803

**Secondary segment**

As the Company operates under single geographic location i.e. India, there are no separate reportable geographical segments.

32. Additional information pursuant to paragraph 5(iv), 5 (vii), (Viii)(a), 5(Viii)(b), 5(Viii)(d) and 5(Viii)(e) of Part II of Schedule VI to the companies Act, 1956 to the extent, either nil or not applicable, has not been furnished.

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33. Related Party Disclosure

The disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are as follows:-

(a) List of related parties

(i) Related parties where control exists:

Relationship	Name of related party
Holding Company	CL Educate Limited

(ii) Other related parties where with whom transactions have taken place:

Relationship	Name of related party
Fellow subsidiaries	1. Kestone Integrated Marketing Services Private Limited, India 2. G.K. Publications Private Limited, India
Enterprises in which key management personnel and their relatives are able to exercise significant influence	1. Career Launcher Education Foundation, India 2. CL Media Employee Gratuity Trust
Key Management Personnel	1. Mr. Satya Narayanan R 2. Mr. Gautam Puri 3. Mr. Nikhil Mahajan

(b) Details of related party transactions are as below:

Particulars	31 March 2014	31 March 2013
<u>1. Revenue from operations</u>		
a. Sale of books and study material (Gross of returns)		
- CL Educate Limited	94,636,327	89,939,110
- G.K Publications Private Limited	209,210,358	163,496,149
b. Sale return		
- G.K Publications Private Limited	50,026,318	19,355,482
c. Advertising income		
- Kestone Integrated Marketing Services Private Limited	-	842,700
d. Content development fee		
- CL Educate Limited	2,400,000	2,400,000
e. Content maintenance fee		
- CL Educate Limited	2,400,000	2,400,000
<u>2. Cost of sales</u>		
a. Advertising support services		
- CL Educate Limited	10,989,830	9,506,248
b. Royalty charges		
- CL Educate Limited	-	21,040,963
<u>3. Other expenses</u>		
a. Marketing research expenses		
- Career Launcher Education Foundation	1,100,000	600,000
b. Rebates and discounts		
- G.K Publications Private Limited	-	2,002,274
<u>4. Interest on loan</u>		
- Kestone Integrated Marketing Services Private Limited	3,841,403	860,681
<u>5. Reimbursement of expense incurred on behalf of company</u>		
- G.K. Publications Private Limited	359,101	1,341,077
<u>6. Reimbursement of expense incurred by Company on behalf of related parties</u>		
- CL Educate Limited	-	1,342,942



CL Media Private Limited  
Notes to Financial Statement for the year ended 31 March 2014

	31 March 2014	31 March 2013
<u>7. Amount paid on our behalf by others</u>		
- CL Educate Limited	519,623	105,820
<u>8. Amount paid by us on behalf of others</u>		
- CL Educate Limited	-	216,188
<u>9. Loan taken from related party</u>		
- Kestone Integrated Marketing Services Private Limited	7,000,000	20,000,000
<u>10. Sale of Intangible fixed asset to related party</u>		
- CL Educate Limited	-	1,830,150
<u>11. Transfer of other current asset to related party</u>		
- CL Educate Limited	406,142	1,517,985
<u>12. Interest income on gratuity fund</u>		
- CL Media Employee Gratuity Trust	66,061	88,277
<u>13. Amount received by others on our behalf</u>		
- CL Educate Limited	7,680	10,080
<u>14. Loan repaid</u>		
- CL Educate Limited	-	47,760,000
- Kestone Integrated Marketing Services Private Limited	18,909,000	-
(c) Balance outstanding with or from related parties as:		
<b>Amounts Receivable</b>		
<u>Trade receivable</u>		
- CL Educate Limited	61,482,108	13,370,716
- G.K. Publications Private Limited	116,293,710	100,510,771
- Kestone Integrated Marketing Services Private Limited	825,846	825,846
- Career Launcher Education Foundation	-	220,337
<u>Loans and advances (Gratuity fund)</u>		
- CL Media Employee Gratuity Trust	974,724	1,021,740
<b>Amounts Payable</b>		
<u>Trade payable</u>		
- Career Launcher Education Foundation	892,027	-
<u>Short term borrowings</u>		
- Kestone Integrated Marketing Services Private Limited	8,091,000	20,000,000
<u>Other current liabilities (Interest accrued but not due)</u>		
- Kestone Integrated Marketing Services Private Limited	4,231,876	774,613
<u>Guarantees given by related party for short term borrowings</u>		
- CL Educate Limited, Mr. Satya Narayanan R, Mr. Gautam Puri and Mr. Nikhil Mahajan jointly and severally.	25,000,000	25,000,000



**34. Leases**

The company is a lessee under operating lease. Rental expense for operating lease for the year ended 31 March, 2014 and 31 March, 2013 was ₹ 420,000 and ₹ 420,000 respectively. The Company has not executed any non-cancellable operating leases.

**35. Transfer pricing**

In accordance with amendment in the year 2012, the Company has conducted a Transfer Pricing Study using the services of an independent chartered accountant for Specified Domestic Transactions ('SDT') with its associated parties domiciled in India as stipulated in newly inserted Section 92BA of the Income Tax Act, 1961, applicable in India, to determine whether such SDT with associated parties in India are being undertaken at "arm's length basis".

The management is of the opinion that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and are at arms' length, and there will not be any impact on the financial statements as a consequence of the legislation.

36. Previous year's figures have been regrouped and/or re-arranged wherever necessary to conform to current year's groupings and classifications.

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 03523W

Raj Kumar Agarwal  
Partner

Membership No.: 074715

Place: NEW DELHI

Date: August 11, 2014



For and on behalf of the Board of Directors of  
CL Media Private Limited

Gautam Puri  
Director

Nikhil Mahajan  
Director

Place: NEW DELHI

Date: August 11, 2014