

HARIBHAKTI & CO. LLP

Chartered Accountants

G.K. Publications Private
Limited

Statutory Audit for the year
ended March 31, 2014

Independent Auditors' Report

To the Members of

G. K. Publications Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of G. K. Publications 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.



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 G. K. Publications 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 during the year. 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 Act. Accordingly, the provisions stated in clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable.
- (e) The Company had taken loan from its holding company, CL Educate Limited, a company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 24,700,000 and the year-end balance of loan taken from such party was Rs. 20,646,855.
- (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, the aforesaid loan is repayable by the Company on demand, and as informed to us, CL Educate Limited has not demanded repayment of such loan. The interest is converted into loan as and when it becomes due for accrual in the books of the account in accordance with the terms of the agreement.
- (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 fixed assets, sale of goods and purchase of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company in this regard.

There are no transactions with respect to sale of services.

- (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, in respect of purchase of traded goods, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act aggregating ₹ 500,000 or more in value, the prices are not comparable since similar transactions have not been undertaken with any other party not covered under section 301.
- (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 of the Company.
- (ix)(a) The Company is *generally* regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year 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 not issued any debentures.
- (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.
- (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.



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- (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

G.K. Publications Private Limited
Balance Sheet as at 31 March 2014

Particulars	Notes	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,900,000	1,900,000
Reserves and surplus	4	18,486,318	7,040,036
		<u>20,386,318</u>	<u>8,940,036</u>
Non-current liabilities			
Long-term borrowings	5	-	-
Long-term provisions	6	254,725	220,406
		<u>254,725</u>	<u>220,406</u>
Current liabilities			
Short-term borrowings	7	53,934,309	9,400,000
Trade payables	8	116,594,501	101,369,048
Other current liabilities	9	5,262,859	20,240,246
Short-term provisions	6	7,164,188	2,506,242
		<u>182,955,857</u>	<u>133,515,536</u>
Total		<u><u>203,596,900</u></u>	<u><u>142,675,978</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	10	1,156,725	898,463
-Intangible assets	11	2,551,286	3,500,000
Deferred tax assets (net)	12	501,515	80,367
Long-term loans and advances	13	350,000	-
		<u>4,559,526</u>	<u>4,478,830</u>
Current assets			
Inventories	14	79,792,212	49,614,110
Trade receivables	15	101,809,953	81,543,313
Cash and bank balances	16	16,820,929	5,946,724
Short-term loans and advances	13	266,643	1,093,001
Other current assets	17	347,637	-
Total		<u><u>199,037,374</u></u>	<u><u>138,197,148</u></u>
		<u><u>203,596,900</u></u>	<u><u>142,675,978</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

Partner

Membership No.: 074715

Place: NEW DELHI

Date: August 11, 2014



For and on behalf of the Board of Directors of
G.K. Publications Private Limited

Gautam Puri

Gautam Puri
Director

Nikhil Mahajan

Nikhil Mahajan
Director

Place: NEW DELHI

Date: August 11, 2014

G.K. Publications Private Limited

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

Particulars	Notes	31 March 2014	31 March 2013
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	18	185,190,275	150,611,375
Other income	19	615,974	2,025,392
Total revenue (I)		185,806,249	152,636,767
Expenses			
Purchases of stock-in-trade	20	159,184,040	144,140,667
(Increase)/Decrease in inventories of traded goods	21	(30,178,102)	(22,019,676)
Employee benefit expenses	22	9,822,178	7,687,716
Finance cost	23	2,486,804	694,777
Depreciation and amortisation expense	24	1,419,596	1,309,471
Other expenses	25	26,711,849	17,141,381
Total expenses (II)		169,446,365	148,954,336
Profit/(Loss) before prior period items and tax (I - II)		16,359,884	3,682,431
Prior period expenses	26	52,340	655,138
Profit before tax		16,307,544	3,027,293
Income tax expense:			
Tax adjustments for earlier years			
-Current tax			466,055
-Reversal of minimum alternate tax ('MAT') credit		-	204,903
-Deferred tax (benefit)/ charge		-	204,093
Tax expenses (for current year)			
-Current tax		5,282,410	1,402,000
-Deferred tax (benefit)	12	(421,148)	(207,172)
Total tax expenses		4,861,262	2,069,879
Profit after tax		11,446,282	957,414
Earnings per equity share			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic		60.24	5.04
-Diluted		60.24	5.04

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

Place: NEW DELHI

Date: August 11, 2014



For and on behalf of the Board of Directors of
G.K. Publications Private Limited

Gautam Puri
Director

Nikhil Mahajan
Director

Place: NEW DELHI

Date: August 11, 2014

G.K. Publications Private Limited
Cash Flow Statement for the year ended 31 March 2014

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
A Cash flow from operating activities		
Net profit before tax and after prior period items	16,307,544	3,027,293
Adjustments for:		
Depreciation and amortization	1,419,596	1,309,471
Finance cost (excluding interest on delayed payment of income tax)	2,357,564	529,093
Interest on delayed payment of income tax	129,240	165,684
Interest income	(386,263)	-
Liability no longer required written back	-	(18,000)
Operating profit/(loss) before working capital changes	19,827,681	5,013,541
Adjustments for (increase) / decrease in operating assets:		
Inventories	(30,178,102)	(22,019,676)
Trade receivables	(20,266,640)	(24,092,274)
Short term loan and advances	826,358	10,104,000
Long term loans and advances	(350,000)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	15,225,453	53,923,854
Other current liabilities	-3,755,698	1,367,988
Long term provisions	34,319	150,090
Short term provisions	324,962	315,651
Cash generated from operations	(18,311,666)	24,763,174
Taxes paid (net of refund)	(1,078,666)	(1,639,112)
Net cash generated from operating activities	(19,390,332)	23,124,062
B Cash flow from investing activities:		
Capital expenditure on fixed assets	(729,144)	(339,374)
Investments in fixed deposits	(15,000,000)	-
Interest received	38,626	-
Net cash used in Investing activities	(15,690,518)	(339,374)
C Cash Flow from financing activities:		
Finance cost paid	(2,826,291)	(60,366)
Proceeds from short-term borrowings	58,248,809	12,417,571
Repayment of short-term borrowings	(13,714,500)	(26,335,030)
Repayment of long-term borrowings	(10,752,963)	(6,164,498)
Net cash flow from financing activities	30,955,055	(20,142,323)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(4,125,795)	2,642,365
Cash and cash equivalents (Refer note 16)		
-at beginning of the year	5,946,724	3,304,359
-at end of the year	1,820,929	5,946,724
Add: Deposits with maturity less than 12 months from balance sheet date (Refer note 3)	15,000,000	-
Cash and bank balances	16,820,929	5,946,724

Notes :

- 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.
- Notes to the Financials Statements are integral part of the Cash Flow Statement.
- This deposit is pledged against Cash Credit facility from Kotak mahindra Bank of Rs.15,000,000.

As per our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.:102623W

Raj Kumar Agarwal
Partner
Membership No.:074715
Place: NEW DELHI
Date: August 11, 2014



For and on behalf of the Board of directors of
G.K. Publications Private Limited

Gautam Puri
Director

Nikhil Mahajan
Director

Place: NEW DELHI
Date: August 11, 2014

1. Background

G.K. Publications Private Limited ("the Company") was incorporated on May 28, 2001 under the Companies Act, 1956. The Company operates in test preparation industry through distribution of study resources, study guides, sample test papers and question banks to help students improve their performance in professional entrance examinations like GATE, IES, IAS, IIT, AIEEE, etc. CL Educate Limited holds 100% (previous year 76%) equity shares of the Company.

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) Inventories

Inventories comprising traded goods are valued at the lower of cost and net realisable value. Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Cost is arrived at on the basis of specific identification method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item by item basis.

(iv) Revenue recognition

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

Sale of books and scrap

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.



(v) 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.

(vi) Depreciation / Amortisation

Depreciation and amortisation has been calculated on Straight Line Method at the following useful life, based on management estimates, which are equal to or higher than the useful 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)
Tangible assets:	
Plant and machinery	5
Furniture and fixtures	5
Office equipment	5
Computer equipment	5-7
Intangible assets:	
Software	1-5
Non compete fees	5

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 in full by a one-time depreciation charge.

(vii) 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.



(viii) 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.

(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 recognized 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 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 is recognised as an income or expense in the Statement of Profit and Loss.



(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) 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.

(xi) Taxation

Tax expense for the year comprising current tax and deferred tax 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.



G.K. Publications Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

(xii) 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.

(xiii) 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 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.

(xiv) Provisions, Contingent Liabilities and Contingent Assets:

Provision

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates. Provision for sales returns is recognized to the extent of estimated margin on expected returns based on past trends.

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.

(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 ₹
Authorised shares				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	250,000	2,500,000	250,000	2,500,000
Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	190,000	1,900,000	190,000	1,900,000
	190,000	1,900,000	190,000	1,900,000

b. Reconciliation of the equity 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	190,000	1,900,000	190,000	1,900,000
Shares outstanding at the end of the year	190,000	1,900,000	190,000	1,900,000

Terms/rights attached to equity shares

Voting

Equity shares: 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.

Liquidation

Equity shares: 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.

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

Particulars	Nature of Relationship	As at March 31, 2014		As at March 31, 2013	
		Number	% of Holding	Number	% of Holding
CL Educate Limited	Holding Company	190,000	100.00%	144,400	76.00%

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

	31 March 2014		31 March 2013	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
Equity shares of ₹ 10, each fully paid				
CL Educate Limited	190,000	100.00%	144,400	76.00%
Rakesh Mittal	-	-	25,080	13.20%
Poonam Mittal	-	-	20,520	10.80%
	190,000	100.00%	190,000	100.00%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.

e. No class of shares have been allotted as fully paid up pursuant to contract 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 ₹
Surplus in the Statement of Profit and Loss		
Opening balance	7,040,036	6,082,622
(+) Net profit for the year	11,446,282	957,414
Total reserves and surplus	<u>18,486,318</u>	<u>7,040,036</u>

5 Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Loans and advances from related parties				
Unsecured (refer footnote i)	-	-	-	10,752,963
The above amount includes				
Amount discussed under the head "other current liabilities".	-	-	-	(10,752,963)
Net amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Footnotes

i. Amount indicated in previous year represent interest free loan taken by G. K. Publications Private Limited from its director Mr. Rakesh Mittal, which is payable by June 30, 2013. The same has been guaranteed for payment by the Holding Company.

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 ₹
Provision for taxes				
-for Income tax [net of advance tax and tax deducted A at source of Rs.2,911,028 (previous year Rs.1,832,362)]	-	-	5,805,984	1,473,000
Provision for sales return (Refer footnote i) B	-	-	1,350,000	998,559
Provision for employee benefits				
Gratuity (Refer note 30)	245,033	206,081	7,782	32,234
Leave encashment (Refer note 30)	9,692	14,325	422	2,449
Total C	<u>254,725</u>	<u>220,406</u>	<u>8,204</u>	<u>34,683</u>
Total (A+B+C)	<u>254,725</u>	<u>220,406</u>	<u>7,164,188</u>	<u>2,506,242</u>

Footnote

i. Provision for sales return has been created for estimated loss of margin on expected sales returns in future period against products sold during the year. The provision has been recorded based on management's estimate as per past trend. Following is the movement in provision made:

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Opening balance	998,559	711,696
(+) Additions during the year	1,350,000	998,559
(-) Utilised/reversed during the year	(998,559)	(711,696)
Closing balance	<u>1,350,000</u>	<u>998,559</u>



7 Short-term borrowings

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Secured loans		
Loan from bank (Refer footnote i)	14,323,063	-
Unsecured loans		
Loan from bank (Refer footnote ii)	18,964,391	-
Loan from others (Refer footnote iii and note 35)	20,646,855	9,400,000
Net amount	53,934,309	9,400,000

Footnote i: Secured loan from bank represents over draft facility from Kotak Mahindra Bank Limited in the current year. The above amount represents the limit availed out of the total fund limit of ₹ 15,000,000 (Previous year ₹ NIL). The loan is secured by the following:

Primary security

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

Collateral Security

Lien over the fixed deposit of Rs.15,000,000.

The loan is further secured by personal guarantees of Mr. Satya Narayanan, Mr. Gautam Puri and Mr. Nikhil Mahajan.

The facility carries an interest rate of bank's base rate + 4.25% per annum payable on monthly basis.

The above loan is repayable on demand.

Footnote ii: Unsecured loan from bank represents over draft facility from IndusInd Bank Limited in the current year. The above amount represents the limit availed out of the total fund limit of ₹ 19,000,000 (previous year ₹ NIL).

Keystone Integrated Marketing Services Private Limited, a fellow subsidiary company has pledged its fixed deposits as security for this facility.

The facility carries an interest rate of Bank's fixed deposit rate + 1.75% per annum payable on monthly basis.

The above loan is repayable by 20th February 2015 or maturity date of underlying fixed deposits, whichever is earlier.

Footnote iii: Represents loan repayable on demand to the holding company. The above loan bears interest rate of 14.25%.The interest on loan is added to the loan amount as and when it becomes due.

8 Trade payables

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Trade payable (Refer note 34 and footnote i)	116,594,501	101,369,048
	116,594,501	101,369,048

Footnote

i. Includes amount payable to related party (Refer note 35).

9 Other current liabilities

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Current maturities of long term borrowing (Refer note 5 and note 35)	-	10,752,963
Interest accrued but not due on loans from related parties (Refer note 35)	-	468,727
Payable for expenses (Refer note 34)	1,960,059	1,253,817
Employee related payables	1,885,784	1,499,291
Payable for purchase of fixed assets to related parties (Refer note 34 and note 35)	-	5,000,000
Advance from customers	988,975	958,194
Payable to government authorities	428,041	307,254
	5,262,859	20,240,246



G.K. Publications Private Limited

Notes to Financial Statement for the year ended 31 March 2014

10 Fixed assets- Tangible assets

(Amount in ₹)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2013	Additions	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
Furniture and fixtures	285,125	-	-	285,125	62,722	57,026	-	119,748	165,377	222,403
Office equipments	311,018	88,736	-	399,754	119,294	67,901	-	187,195	212,559	191,724
Plant & machinery	-	185,731	-	185,731	-	15,978	-	15,978	169,753	-
Computers	1,203,079	382,700	-	1,585,779	718,743	258,000	-	976,743	609,036	484,336
Total	1,799,222	657,167	-	2,456,389	900,759	398,905	-	1,299,664	1,156,725	898,463
Previous year	1,459,848	339,374	-	1,799,222	612,263	288,496	-	900,759	898,463	-

11 Fixed assets- Intangible assets

(Amount in ₹)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2013	Additions	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
Computer softwares	22,000	71,977	-	93,977	22,000	20,691	-	42,691	51,286	-
Non-compete fees	5,000,000	-	-	5,000,000	1,500,000	1,000,000	-	2,500,000	2,500,000	3,500,000
Total	5,022,000	71,977	-	5,093,977	1,522,000	1,020,691	-	2,542,691	2,551,286	3,500,000
Previous year	5,022,000	-	-	5,022,000	501,025	1,020,975	-	1,522,000	3,500,000	-



12 Deferred tax asset (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net increase in deferred tax asset of ₹ 421,148 (Previous year Rs.3,079 including prior period adjustment of deferred tax) has been recognised as benefit 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 asset 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 ₹
Deferred tax assets			
Provision for leave encashment	3,125	(2,058)	5,183
Provision for gratuity	78,120	4,481	73,639
Provision for sales return	417,150	108,595	308,555
Provision for Sales Incentive	213,269	213,269	-
Total deferred tax assets	711,664	324,287	387,377
Deferred tax liabilities			
On account of depreciation	(210,149)	96,861	(307,010)
Total deferred tax liabilities	(210,149)	96,861	(307,010)
Net deferred tax asset	501,515	421,148	80,367

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 realised. 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.

13 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 ₹
Unsecured, considered good, unless otherwise stated				
Advance to suppliers	-	-	12,701	857,139
Security deposits	350,000	-	1,000	1,000
Prepaid expenses	-	-	142,609	112,547
Loans and advances to employees	-	-	110,333	122,315
Total	350,000	-	266,643	1,093,001

14 Inventories

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Valued at lower of cost and net realisable value		
Stock in trade-Books	79,792,212	49,614,110
	79,792,212	49,614,110

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15 Trade receivables

Unsecured

Outstanding for a period exceeding six months from the date they are due for payment

-Considered good

Others

-Considered good

31 March 2014	31 March 2013
Amount in ₹	Amount in ₹
438,381	3,317,562
101,371,572	78,225,751
<u>101,809,953</u>	<u>81,543,313</u>

16 Cash and bank balances

Cash and cash equivalents

Cash in hand

Balances with banks:

- in current accounts

Cheques/ drafts on hand

Sub Total A

Other bank balances

Deposits with maturity less than 12 months from Balance Sheet date*

Sub Total B

Total A+B

31 March 2014	31 March 2013
Amount in ₹	Amount in ₹
19,783	127,999
1,801,146	5,340,196
-	478,529
<u>1,820,929</u>	<u>5,946,724</u>
15,000,000	-
<u>15,000,000</u>	<u>-</u>
<u>16,820,929</u>	<u>5,946,724</u>

*This deposit is pledged against Cash Credit facility from Kotak mahindra Bank of ₹ 15,000,000 (Also refer Footnote I of Note 7)

17 Other current assets

Interest accrued but not due on fixed deposits

31 March 2014	31 March 2013
Amount in ₹	Amount in ₹
347,637	-
<u>347,637</u>	<u>-</u>

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18 Revenue from operations

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Revenue from operations		
Sale of books	184,542,825	149,564,753
Other operating revenue		
Sale of scrap	647,450	1,046,622
	185,190,275	150,611,375

Footnote a.

The Company deals in only one product namely "Trading of books". Hence disclosures under broad heads are not applicable. Additionally, electronic storage disks sold are delivered with books (wherever applicable) as an integral part of sale and hence their value cannot be determined separately.

19 Other Income

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Interest income on fixed deposits	386,263	-
Rebate and discounts	-	2,002,274
Liabilities no longer required written back	142,951	18,000
Leave encashment excess provision written back	6,660	5,118
Miscellaneous income	80,100	-
	615,974	2,025,392

20 Purchase of Stock-in-trade

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Text books (refer note 35)	159,184,040	144,140,667
	159,184,040	144,140,667

21 (Increase)/Decrease in inventories of stock-in-trade

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Inventories at the end of the year	79,792,212	49,614,110
Inventories at the beginning of the year	49,614,110	27,594,434
Net (increase)	(30,178,102)	(22,019,676)

22 Employee benefit expenses

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Salary, wages, bonus and other benefits	8,960,028	6,675,040
Contribution to provident and other funds (refer note 30)	670,531	527,130
Gratuity expenses	14,500	183,996
Staff welfare expenses	177,119	301,550
	9,822,178	7,687,716

23 Finance cost

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Interest expenses		
- On loan from related party	1,769,587	520,808
- On bank overdraft facility	418,550	-
- On delay in payment of statutory liabilities	887	8,285
- On delay in payment of income tax	129,240	165,684
Loan processing charges	168,540	-
	2,486,804	694,777



24 Depreciation and amortisation expenses

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer Note 10)	398,905	288,496
Amortisation of intangible assets (Refer Note 11)	1,020,691	1,020,975
	1,419,596	1,309,471

25 Other expenses

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Consumption of packing materials	1,978,204	2,133,795
Rates and taxes	122,037	67,957
Travelling and conveyance expense	8,030,873	4,268,232
Legal and professional expenses(refer note 31)	865,155	802,166
Communication expenses	1,029,796	966,531
Business promotion expenses	1,460,352	637,182
Insurance expenses	160,404	167,723
Freight and cartage	5,012,188	2,221,584
Repair and maintenance		
- Building	257,849	-
- Others	362,890	397,144
Power and fuel	620,360	468,387
Rent	1,769,670	-
Printing and stationery	356,183	372,707
Rebates and discounts	1,892,427	2,803,417
Bank charges	33,152	29,457
Provision for sales return (refer note 6)	1,350,000	998,559
Miscellaneous expenses	1,410,309	806,540
	26,711,849	17,141,381

26 Prior period (Income)/expenses

	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Prior period income		
- liability no longer required	-	(20,000)
	-	(20,000)
Prior period expenses		
- discount difference for earlier year	52,340	7,000
- Salaries, wages and other benefits	-	2,076
- Rebates and discounts	-	545,303
- Electricity charges	-	10,328
- Freight charges	-	92,419
- Others	-	18,012
Prior period expenses	52,340	675,138
Prior period (Income)/expenses (net)	52,340	655,138

27 Basic and diluted earnings per share

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

	Reference	Units	31 March 2014	31 March 2013
Profit attributable to equity shareholders	A	₹	11,446,282	957,414
Weighted average numbers of equity shares	B	Numbers	190,000	190,000
Add: Dilutive potential equity shares	C	Numbers	-	-
Number of equity shares for dilutive EPS	D=B+C	Numbers	190,000	190,000
Basic earning per share (A/B)		₹	60.24	5.04
Diluted earnings per share (A/D)		₹	60.24	5.04

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



G.K. Publications Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

28. Contingent liabilities

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

29. Commitments

There are no capital or other material commitments as at 31 March, 2014 (previous year ₹ nil).

30. Employee benefit obligations

The Company has in accordance with 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	488,675	365,923
Contribution to Employee State Insurance Scheme	181,856	161,207
Total	670,531	527,130

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 summarised positions of various defined benefits are as under:

I. Change in present value of obligation

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
Present value of obligation at the beginning of the year	238,315	54,319	16,774	21,892
Current service cost	74,993	68,613	3,285	7,089
Interest cost	19,065	4,346	1,342	1,751
Actuarial (gains) / losses	(79,558)	111,037	(11,287)	(13,958)
Benefits paid	-	-	-	-
Present value of obligation at the end of the year	252,815	238,315	10,114	16,774

II. Expense recognised in the Statement of Profit and Loss for the year

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
Current service cost	74,993	68,613	3,285	7,089
Interest cost	19,065	4,346	1,342	1,751
Actuarial losses/(gains)	(79,558)	111,037	(11,287)	(13,958)
Expense/(income) recognized in the Statement of Profit & Loss (note 21)	14,500	183,996	(6,660)	(5,118)



G.K. Publications Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

III. Amount recognised in the Balance Sheet

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
Present value of obligation at the end of the year	252,815	238,315	10,114	16,774
Fair value of plan assets at the end of the year		-		-
Funded status [surplus / (deficit)]	(252,815)	(238,315)	(10,114)	(16,774)
Unrecognized actuarial (gains)/losses		-		-
Net asset / (liability) recognized in the Balance Sheet	(252,815)	(238,315)	(10,114)	(16,774)
Amount classified as:				
Long term provision (note 6)	245,033	206,081	9,692	14,325
Short term provision (note 6)	7,782	32,234	422	2,449

IV. Actuarial assumptions

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
Economic assumptions:				
Discount rate (p.a.)	9.07%	8.00%	9.07%	8.00%
Rate of escalation in salary (p.a.)	5.00%	5.00%	5.00%	5.00%
Demographic assumptions:				
Normal retirement age	58	58	58	58
Mortality	IALM (2006 - 08)	IALM (1994 - 96)	IALM (2006 - 08)	IALM (1994 - 96)
Withdrawal rates (p.a.)				
18 to 30 years	3%	3%	3%	3%
31 to 44 years	2%	2%	2%	2%
44 to 58 years	1%	1%	1%	1%

- The discount rate is based upon the market yields available on Government bonds as at the accounting date with a term that matches that of the liabilities.
- The estimates of rate of escalation in salary considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The above information is certified by the actuary.

V. Experience adjustments

Particulars	Gratuity (unfunded)				
	31 March, 2014	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010
Present value of obligation	252,815	238,315	53,210	-	-
Fair value of plan assets	-	-	-	-	-
Surplus / (Deficit)	(252,815)	(238,315)	(53,210)	-	-
Experience adjustments on plan liabilities-(loss)/gain	32,994	(90,617)	34,361	-	-
Experience adjustments on plan assets-(loss)/gain	-	-	-	-	-



G.K. Publications Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

VI. Experience adjustments

(Amount in ₹)

Particulars	Leave Encashment(unfunded)				
	31 March, 2014	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010
Present value of obligation	10,114	16,774	21,892	-	-
Fair value of plan assets	-	-	-	-	-
Surplus / (Deficit)	(10,114)	(16,774)	(21,892)	-	-
Experience adjustments on plan liabilities-(loss)/gain	9,435	15,256	-	-	-
Experience adjustments on plan assets-(loss)/gain	-	-	-	-	-

VII. Employer's best estimate of contribution during next year

Particulars	Amount in ₹
Gratuity	137,470
Leave encashment	5,597

31. Auditors' remuneration (excluding Service Tax):

Particulars	31 March 2014	31 March 2013
	Amount in ₹	Amount in ₹
Statutory audit (exclusive of service tax)	450,000	450,000
	450,000	450,000

32. Segment reporting

The disclosures as required under Accounting Standard-17 on 'Segment Reporting' has not been provided as the Company deals in one business segment namely "Trading of books". As the Company operates under single geographic location, there are no separate geographical segments.

33. Additional information pursuant to paragraph 5(iii), 5(iv),5(vii) and 5(viii) 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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G.K. Publications Private Limited

Notes to the Financial Statements for the year ended 31 March 2014

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

	31 March 2014 Amount in ₹	31 March 2013 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	116,594,501	101,369,048
- Other current liabilities		
Payables for expenses	1,960,059	1,253,817
Payable for purchase of Fixed assets	-	5,000,000
Principal amount due to micro and small enterprises	118,554,560	107,622,865
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.	-	-

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35. Related Party Disclosure

The disclosures as required by the Accounting Standard-18 on "Related Party Disclosures" are as follows:

a. Names of related parties

Relationship	Name of related party
(i) Holding Company	: CL Educate Limited
(ii) Enterprises that are under common control with the reporting enterprise - Fellow subsidiaries	: CL Media Private Limited Kestone Integrated Marketing Services Private Limited
(iii) Key managerial personnel	: Gautam Puri : Satya Narayanan R. : Nikhil Mahajan

b. Included in the financial statements are the following amounts related to transactions and balances with related parties:

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
Transactions with related parties		
a) Sale of books (net of returns)		
<i>Holding Company</i> - CL Educate Limited	6,464,998	236,023
b) Purchase of books (net of returns)		
<i>Fellow subsidiaries</i> - CL Media Private Limited	159,184,040	144,140,667
c) Loan taken		
<i>Holding Company</i> - CL Educate Limited	17,900,000	9,400,000
d) Repayment of loans		
<i>Holding Company</i> - CL Educate Limited	13,714,500	-
e) Interest expense on loan		
<i>Holding Company</i> - CL Educate Limited	1,769,587	520,808
f) Reimbursement of expenses to related parties		
<i>Holding Company</i> - CL Educate Limited	158,522	1,640,462



G.K. Publications Private Limited
Notes to the Financial Statements for the year ended 31 March 2014

	31 March 2014 Amount in ₹	31 March 2013 Amount in ₹
g) Expenses incurred on behalf of related parties		
<i>Fellow subsidiaries</i>		
- CL Media Private Limited	359,101	1,341,077
h) Other income		
Rebate and discount		
- CL Media Private Limited	-	2,002,274
i) Conversion of Interest into Loan		
- CL Educate Limited	1,592,628	
j) Conversion of payable for Fixed asset into Loan		
- CL Educate Limited	5,000,000	
Balance outstanding as at year end		
a) Trade Receivables		
<i>Holding Company</i>		
- CL Educate Limited	2,986,521	236,023
b) Trade Payables		
<i>Fellow subsidiaries</i>		
- CL Media Private Limited	116,293,710	100,510,771
c) Short term borrowings		
<i>Holding Company</i>		
- CL Educate Limited	20,646,855	14,400,000
Interest accrued but not due on loan		
<i>Holding Company</i>		
- CL Educate Limited	-	468,727
Guarantee given by Holding Company on our behalf and outstanding as at the end of the year	-	10,752,963
Guarantee received from Kestone integrated marketing private limited		20,000,000

The above disclosure does not include Fixed Deposit of ₹ 20,000,000 pledged by Kestone Integrated Marketing Services Private Limited for overdraft facility availed by the Company from IndusInd Bank Limited.

36. The Company is a lessee under an operating lease. Rental expense for operating lease for the year ended March 31, 2014 and March 31, 2013 was ₹ 1,769,670 and ₹ NIL respectively. The Company has not executed any non-cancellable operating leases.



G.K. Publications Private Limited

Notes to the Financial Statements for the year ended 31 March 2014

37. In accordance with recent amendment in the year 2013, 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".

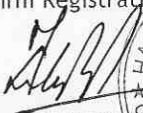
The management is of the opinion that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and are at arms' length, and there will not be any impact on the financial statements as a consequence of the legislation.

38. 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

For and on behalf of board of Directors of
G.K. Publications Private Limited

ICAI Firm Registration No. 103523 W


Raj Kumar Agarwal
Partner
Membership No.: 074715




Nikhil Mahajan
Director


Gautam Puri
Director

Place: NEW DELHI
Date: August 11, 2014

Place: NEW DELHI
Date: August 11, 2014