
CL Media Private Limited

Statutory Audit for the year
ended 31st March, 2013

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 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management'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. 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 31st March, 2013;
- (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.

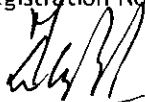
Other Matters

The financial statements of the Company for the year ended March 31, 2012, were audited by another auditor whose report dated July 30, 2012 expressed an unmodified opinion on those statements.

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 subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.:101523W



Raj Kumar Agarwal
Partner
Membership No.:074715



Place: New Delhi
Date: 26th July 2013

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, 2013]

- (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 between the book records and the physical inventory have been noticed. 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 of 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) *In our opinion, the company is not maintaining the proper records of inventory. Further, in the absence of proper records, the discrepancies, if any, between the book records and the physical verification has not been ascertained.* However, as explained, the Company has initiated the process of implementing software to maintain records of inventory.
- (iii) As informed, 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 stated in paragraph 4 (iii)(a),(b),(c) and (d) of the order are not applicable.
- (e) The Company had taken loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 67,760,000 and the year-end balance of loans taken from such parties was ₹ 20,000,000.
- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts 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 fixed assets.

In our opinion internal control system with regard to sale of goods and services and purchase of inventory need to be strengthened to be commensurate with the size of the Company and nature of its business.

During the course of our audit, we have not observed any continuing failure to correct weakness in 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 Companies Act, 1956 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 and sale of traded goods, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 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 presently not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the business activities of the Company.

- (ix)(a) *Undisputed statutory dues including provident fund and service tax have not been regularly deposited with the appropriate authorities and there have been delays in few cases.*

Advance tax payable in respect of income-tax has not been deposited by the company during the year.

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 explanations given to us, undisputed dues in respect of provident fund and income-tax which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Provident Fund Act	Employers and employee contribution	127,220	August, 2012	September 20, 2012	5 July 2013*
Income Tax Act	Advance tax and interest	5,819,580 (including ₹ 1,921,208 due on June 15, 2012)	June, 2012 and September, 2012	June 15, 2012 and September 15, 2012	Unpaid

*It has been explained to us that the Company had deposited the cheque within due date, which was however, not cleared by bank. Accordingly, the Company has re-deposited the same on 5 July 2013.

According to the information and explanations given to us, no undisputed amounts payable in respect of employees' state insurance, 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.

- (c) According to the information and explanation given to us, there are no dues of income tax and service tax which have not been deposited on account of any dispute. As informed statutory dues in respect of sales-tax, wealth-tax, customs duty, excise 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 and 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) According to the information and explanations given to us, 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) According to the information and explanations given to us, 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 Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (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.
Chartered Accountants
Firm Registration No.: 103523W


Raj Kumar Agarwal
Partner
Membership No.: 074715



Place: New Delhi
Date: July 26, 2013

CL MEDIA PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31 2013

	Note	March 31, 2013	(Amount in ₹) March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	100,000	100,000
Reserves and surplus	4	62,421,863	(2,195,692)
		<u>62,521,863</u>	<u>(2,095,692)</u>
Non-current liabilities			
Deferred tax liabilities (net)	5	-	352,655
Long-term provisions	6	239,593	380,772
		<u>239,593</u>	<u>733,427</u>
Current liabilities			
Short-term borrowings	7	44,584,065	47,760,000
Trade payables	8	48,618,377	72,982,672
Other current liabilities	9	12,744,968	8,395,382
Short-term provisions	6	10,562,575	87,470
		<u>116,509,985</u>	<u>129,225,524</u>
TOTAL		<u><u>179,271,441</u></u>	<u><u>127,863,259</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	10	1,783,623	2,035,162
-Intangible assets	11	16,989,878	21,583,071
Deferred tax asset (net)	5	449,875	-
Long-term loans and advances	12	13,699,440	2,921,221
		<u>32,922,816</u>	<u>26,539,454</u>
Current assets			
Inventories	13	11,962,543	6,428,115
Trade receivables	14	133,547,774	88,060,146
Cash and bank balances	15	57,864	4,336,124
Short-term loans and advances	12	780,444	2,499,420
Total		<u>146,348,625</u>	<u>101,323,805</u>
		<u><u>179,271,441</u></u>	<u><u>127,863,259</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.

Chartered Accountants

Firm Registration No.: 103523W

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date : July 26, 2013



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

Gautam Puri

Gautam Puri

Director

Place: New Delhi

Date : July 26, 2013

Nikhil Mahajan

Nikhil Mahajan

Director

CL MEDIA PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations	16	262,692,638	107,228,272
Other income	17	798,651	94,371
Total Revenue		263,491,289	107,322,643
Expenses			
Cost of sales and services	18	155,112,810	41,219,025
Purchases of stock-in-trade	19	-	20,965,080
Increase in inventories of finished goods and work-in-progress	20	(5,727,488)	(1,144,054)
Employee benefit expenses	21	28,001,662	19,621,329
Finance cost	22	3,275,442	6,605
Depreciation and amortisation expenses	23	3,158,217	2,538,746
Other expenses	24	14,117,245	11,120,991
Total expenses		197,937,888	94,327,722
Profit before prior period items and tax		65,553,401	12,994,921
Prior period expenses/(income) (net)	25	1,736,548	-
Profit before tax		63,816,853	12,994,921
Less: Tax expense for current year			
- Current tax		11,582,000	977,126
- Minimum alternate tax ("MAT") credit		(11,582,000)	(977,126)
- Deferred tax charge		1,182,874	352,655
Less: Tax expense for earlier years			
- Deferred tax (benefit)/ charge		(1,985,404)	4,698,279
- Adjustment in Tax deducted at source receivable		1,828	-
		(800,702)	5,050,934
Profit after tax		64,617,555	7,943,987
Earnings per share (in ₹):			
-Basic and diluted	31	6,461.76	794.40

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.**

Chartered Accountants

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

Gautam Puri

Director

Nikhil Mahajan

Nikhil Mahajan

Director

Place: New Delhi

Date : July 26, 2013

Place: New Delhi

Date : July 26, 2013

CL MEDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from operating activities		
Net Profit before tax	63,816,853	12,994,921
Adjustments for:		
Depreciation and amortisation	3,158,217	2,538,746
Fixed assets written off	34,803	-
Finance costs	3,275,442	6,605
Rebates and discounts	2,002,274	-
Provision for doubtful debts	2,642,075	2,995,659
Liabilities no longer required written back	(541,256)	(94,371)
	<u>10,571,555</u>	<u>5,446,639</u>
Operating profit before working capital changes	74,388,408	18,441,559
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(5,534,428)	(6,428,115)
Trade receivables	(97,891,978)	(70,650,058)
Short-term loans and advances	1,718,976	(2,286,436)
Long-term loans and advances	(585,244)	(1,765,094)
Other current assets	-	1,560
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(24,364,296)	68,983,438
Other current liabilities	4,030,161	4,483,969
Short-term provisions	10,475,105	65,568
Long-term provisions	(10,638,404)	(14,350)
	<u>(122,790,108)</u>	<u>(7,609,518)</u>
Cash generated from / (used in) operations	(48,401,700)	10,832,042
Net income tax (paid) / refunds	(327,900)	1,178,480
Net cash generated from / (used in) operating activities (A)	(48,729,600)	12,010,522
Cash flow from investing activities		
Capital expenditure on fixed assets	(178,438)	(16,330,198)
Proceeds from sale of fixed assets	1,830,150	-
Net cash generated from / (used in) investing activities (B)	1,651,712	(16,330,198)

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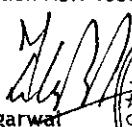
CL MEDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Continued from previous page

	Year ended March 31 2013	(Amount in ₹) Year ended March 31 2012
Cash flow from financing activities		
Net increase in short term borrowings from banks	24,584,065	-
Proceeds from other short-term borrowings from related parties (net)	20,000,000	7,085,000
Interest and other borrowings costs paid	(1,784,439)	(6,605)
Net cash generated from / (used in) financing activities (C)	42,799,626	7,078,395
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(4,278,262)	2,758,719
Cash and cash equivalents (Refer to note 15)		
-Beginning of the year	4,336,124	1,577,406
-End of the year	57,862	4,336,125
Summary of significant accounting policies	2	

- i. The notes referred above form an integral part of the financial statements.
ii. The above Cash flow statement has been prepared under the indirect method set out in AS-3 the Companies (Accounting Standard) Rules, 2006 (as amended).

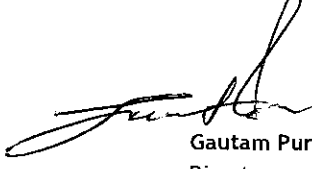
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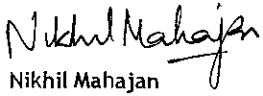

Raj Kumar Agarwal
Partner
Membership No.:074715



Place: New Delhi
Date : July 26, 2013

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


Gautam Puri
Director


Nikhil Mahajan
Director

Place: New Delhi
Date : July 26, 2013

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 (the holding company) 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.

(ii) Use of estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates. Any revision to accounting estimates is recognised prospectively in the 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. Specifically, the following basis is adopted:

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 and is disclosed net of discounts, if any.

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.

Subscription fee

Income from subscription services is recognized on accrual basis over the period to which it relates.



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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)
Tangible Assets:	
Plant and machinery	15
Furniture and Fixtures	10
Office Equipment	10
Computer Equipment	5-7
Leasehold improvements	3
Intangible Assets:	
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 in full by a one-time depreciation charge.



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(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 material and packaging materials are valued at cost. Cost of inventories comprises all cost of purchases, freight inwards and other costs incurred in bringing the inventory to their present location and condition. Cost is determined on first in first out basis. The carrying cost of raw materials are appropriately written down when there is a decline in replacement cost of such materials and finished products in which these will be incorporated are expected to sell below cost.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress, manufactured finished goods and traded is determined on the first in first out basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. 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.

(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.



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(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 under the Act, 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.



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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.

(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 cognisance.



CL MEDIA PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****3. Share Capital**

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

	March 31, 2013		March 31, 2012	
	Number	Amount in ₹	Number	Amount in ₹
Authorised Shares				
Equity shares of ₹ 10/- each (previous year ₹ 10/-)	10,000	100,000	10,000	100,000
Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10/- each (previous year ₹ 10/-)	10,000	100,000	10,000	100,000
	-	-	-	-
	10,000	100,000	10,000	100,000

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

Particulars	March 31, 2013		March 31, 2012	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the year	10,000	100,000	10,000	100,000
Outstanding at the end of the year	10,000	100,000	10,000	100,000

b. 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.

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

As at March 31, 2013 10,000 equity shares (100% of equity shares) were held by the holding company CL Educate Limited. (Previous year 10,000 equity shares i.e. 100% of equity shares)

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CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

Name of shareholder	March 31, 2013		March 31, 2012	
	Numbers	% of total equity shares	Holding in numbers	% of total equity shares
CL Educate Limited (by way of nominee shareholders)	10,000	100%	10,000	100%

e. 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.

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4. Reserves and Surplus

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Surplus in the statement of profit and loss		
Opening balance	(2,195,692)	(10,139,679)
Add: Profit after tax for the year as per statement of profit and loss	64,617,555	7,943,987
Closing balance	<u>62,421,863</u>	<u>(2,195,692)</u>

5. Deferred tax liabilities/ assets

In accordance with Accounting Standard 22 on 'Accounting for taxes on Income' the net increase in deferred tax asset of ₹ 802,528 has been recognised as credit in the statement of profit and loss. The tax effect of significant timing differences as at March 31, 2013 that reverse in one or more subsequent years gave rise to the following net deferred tax liability as at March 31, 2013.

Deferred tax assets and liabilities are attributable to the following:

(Amount in ₹)

	March 31, 2013	(Benefit)/ Charge for the year	March 31, 2012
Deferred tax assets			
Provision for gratuity	120,630	(109,952)	10,678
Provision for doubtful debts	857,221	(857,221)	-
Provision for bonus	282,747	(282,747)	-
Provision for leave encashment	78,047	(60,387)	17,660
	<u>1,338,645</u>	<u>(1,310,307)</u>	<u>28,338</u>
Deferred tax liabilities			
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial statements	888,770	507,777	380,993
Total deferred tax liabilities	<u>888,770</u>	<u>507,777</u>	<u>380,993</u>
Net deferred tax assets/ (liabilities)	<u>449,875</u>	<u>(802,530)</u>	<u>(352,655)</u>

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

	(Amount in ₹)			
	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employees benefit (Also refer note 30)				
Provision for gratuity (net)	-	247,936	-	11,841
Provision for leave encashment	239,593	132,836	82,204	75,629
	<u>239,593</u>	<u>380,772</u>	<u>82,204</u>	<u>87,470</u>
Other provision				
Provision for tax [net of advance tax and tax deducted at source of ₹ 1,686,629 (previous year ₹ Nil)]	-	-	10,480,371	-
	<u>-</u>	<u>-</u>	<u>10,480,371</u>	<u>-</u>
Total	<u>239,593</u>	<u>380,772</u>	<u>10,562,575</u>	<u>87,470</u>



CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

7. Short-term borrowings

	March 31, 2013	(Amount in ₹) March 31, 2012
Secured		
Loan from bank (Refer footnote a)	24,584,065	-
Unsecured		
Loans repayable on demand from related parties (Refer footnote b and note 34)	20,000,000	47,760,000
	<u>44,584,065</u>	<u>47,760,000</u>

	March 31, 2013	(Amount in ₹) March 31, 2012
Aggregate amount of loan from bank guaranteed by directors	24,584,065	-

Footnote a: Secured loan from bank represents cash credit facility from Kotak Mahindra Bank in the current year. The above amount represents the limit availed out of the total fund limit of ₹ 25,000,000 (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 immovable fixed assets of the company.

Collateral Security

Charge over the followings properties of 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 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 (Also refer note 29)

	March 31, 2013	(Amount in ₹) March 31, 2012
Trade payable	48,618,377	72,982,672
	<u>48,618,377</u>	<u>72,982,672</u>



CL MEDIA PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

9. Other current liabilities

	March 31, 2013	(Amount in ₹) March 31, 2012
Interest accrued but not due on unsecured short-term borrowings (refer note 34)	774,613	-
Others		
- Payables for expenses	2,971,664	1,351,052
- Employee related payables	3,468,792	2,629,290
- Payables on purchase of fixed assets	54,000	54,000
- Advances from customers	-	352,614
- Unearned revenue	1,348,375	1,072,768
- Other liabilities (Duties and taxes payable to government authorities)	4,127,524	2,935,658
	12,744,968	8,395,382

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CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10. Tangible assets (Refer footnote a)

Particulars	Gross block (at cost)				Accumulated depreciation				(Amount in ₹) Net block	
	As at April 1, 2012	Additions	Disposals	As at March 31, 2013	As at April 1, 2012	Depreciation for the year	Disposals	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
	Own assets									
Plant and machineries	1,074,670	101,920	-	1,176,590	8,391	79,698	-	88,089	1,088,501	1,066,279
Leasehold Improvement	6,960	-	6,960	-	6,960	-	6,960	-	-	-
Furniture and fixtures	32,900	6,860	-	39,760	12,350	9,475	-	21,825	17,935	20,550
Office equipments	195,199	-	-	195,199	33,821	19,275	-	53,096	142,103	161,378
Computers and other peripherals	1,717,444	69,658	153,800	1,633,302	930,489	286,726	118,997	1,098,218	535,084	786,955
Total	3,027,173	178,438	160,760	3,044,851	992,011	395,174	125,957	1,261,228	1,783,623	2,035,162
Previous year	1,807,299	1,219,874	-	3,027,173	706,856	285,155	-	992,011	2,035,162	-

Footnote

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

11. Intangible assets (Refer footnote a)

Particulars	Gross block (at cost)				Accumulated amortisation				(Amount in ₹) Net block	
	As at April 1, 2012	Additions	Disposals	As at March 31, 2013	As at April 1, 2012	Amortisation for the year	Disposals	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
	Computer software	327,604	-	-	327,604	228,161	99,443	-	327,604	-
CAT online module	4,300,000	-	4,300,000	-	2,469,850	-	2,469,850	-	-	1,830,150
License fees	26,636,000	-	-	26,636,000	6,982,522	2,663,600	-	9,646,122	16,989,878	19,653,478
Total	31,263,604	-	4,300,000	26,963,604	9,680,533	2,763,043	2,469,850	9,973,726	16,989,878	21,583,071
Previous year	16,153,280	15,110,324	-	31,263,604	7,426,942	2,253,591	-	9,680,533	21,583,071	-

Footnote

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



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

12. Loans and advances

	(Amount in ₹)			
	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, considered good				
Capital advances	-	10,000	-	-
Security deposits	95,000	95,000	-	-
MAT credit entitlement	12,559,126	977,126	-	-
Advance income-tax [(net of provision for tax of ₹ 977,126) (P.Y. ₹ 1,062,152)]	697,069	1,839,095	-	-
Advance to vendors	-	-	339,495	104,026
Service tax credit receivable	-	-	-	2,067,976
Prepaid expenses	-	-	114,227	113,221
Employee advances	-	-	108,498	214,197
Gratuity fund (net) (Refer note 30)	348,245	-	218,224	-
Total	13,699,440	2,921,221	780,444	2,499,420

13. Inventories (refer footnote a)

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Valued at lower of cost and net realisable value		
Raw materials (Refer footnote b)	5,091,001	5,284,061
Work-in-progress (Refer footnote c)	6,666,990	1,144,054
Finished goods	204,552	-
	11,962,543	6,428,115

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

Footnote b: Includes raw materials lying with third parties ₹ 5,091,000 (Previous year ₹ 5,284,061)

Footnote c: Includes work-in-progress lying with third parties ₹ 4,689,018 (Previous year ₹ Nil)

14. Trade receivables

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
-Considered good	10,533,219	8,753,209
-Considered doubtful	2,642,075	4,948,843
	13,175,294	13,702,052
Less: Provision for doubtful trade receivables	2,642,075	4,948,843
	10,533,219	8,753,209
Other trade receivables		
-Considered good (Refer footnote a)	123,014,555	79,306,937
	123,014,555	79,306,937
	133,547,774	88,060,146

Footnote a: Includes amount due from a private company, ₹ 102,513,045 (Previous year ₹ 47,403,232) in which directors of the Company are directors.

15. Cash and bank balances

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Cash and cash equivalents		
Cash on hand	5,163	703
Balances with banks		
- in current accounts	52,701	4,335,421
	57,864	4,336,124



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

16. Revenue from operations

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Revenue from operations		
Sale of books and study material	234,079,777	74,225,512
Sale of advertisement services	23,765,621	24,451,797
	<u>257,845,398</u>	<u>98,677,309</u>
Other operating revenues		
License fees	-	3,096,148
Royalty Income	-	583,362
Content development fees	4,800,000	4,800,000
Subscription income	47,240	71,453
	<u>4,847,240</u>	<u>8,550,963</u>
Total	<u><u>262,692,638</u></u>	<u><u>107,228,272</u></u>

17. Other Income

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Interest income on income tax refund	116,027	-
Other non-operating income:		
-Liabilities No longer required	541,256	94,371
- Miscellaneous income	141,368	-
	<u>798,651</u>	<u>94,371</u>

18. Cost of sales and services

18.1 Cost of materials consumed

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Inventory at the beginning of the year	5,284,061	-
Add: Purchases during the year (Refer footnote a)	78,776,780	20,999,372
	84,060,841	20,999,372
Less: Inventory at the end of the year	5,091,001	5,284,061
Total (A) (Refer footnote b)	<u><u>78,969,840</u></u>	<u><u>15,715,311</u></u>

Footnote a: Details of purchases are as follows:

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Paper	76,413,511	20,818,759
Lamination material	589,154	180,613
Electronic storage disks and other material	1,774,115	-
	<u>78,776,780</u>	<u>20,999,372</u>

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

Particulars	Year ended March 31, 2013		Year Ended March 31, 2012	
	Value (₹)	Percentage	Value (₹)	Percentage
Raw materials and other goods				
Indigenous	78,969,840	100%	15,715,311	100%
Total	<u>78,969,840</u>	<u>100%</u>	<u>15,715,311</u>	<u>100%</u>



CL MEDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

18.2 Other cost of goods sold

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Printing cost	37,213,737	3,478,878
Binding and cover pasting charges	1,944,084	1,853,117
Packing material consumed	1,345,724	960,308
Content editing and typing charges	755,396	-
Royalty charges	21,040,963	5,947,115
Total (B)	62,299,904	12,239,418

18.3 Cost of services rendered

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Advertisement support services	9,506,248	9,934,095
Content development cost	1,716,076	2,315,223
Material printing cost	2,620,742	1,014,978
Total (C)	13,843,066	13,264,296
TOTAL (A+B+C)	155,112,810	41,219,025

19. Purchase of stock-in-trade

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Text books	-	20,965,080
	-	20,965,080

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

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Inventories at the beginning of the year		
-Finished goods produced	-	-
-Work-in-progress	1,144,054	-
	1,144,054	-
Less: Inventories at the end of the year		
-Finished goods produced	204,552	-
-Work-in-progress	6,666,990	1,144,054
	6,871,542	1,144,054
Net (increase)/decrease	(5,727,488)	(1,144,054)

21. Employee benefit expenses

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Salary, wages, bonus and other benefits	26,936,849	18,992,957
Contribution to provident and other funds	813,454	489,155
Staff welfare expenses	251,359	139,217
	28,001,662	19,621,329

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CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

22. Finance cost

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Interest expense on		
- short term borrowings from related parties	860,681	-
- short term borrowings from banks	1,643,989	-
- Delay in payment of income tax	585,000	-
- Delay in payment of other statutory dues	45,322	6,605
Other borrowing costs	140,450	-
	<u>3,275,442</u>	<u>6,605</u>

23. Depreciation and amortisation expenses

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation of tangible assets	395,174	285,155
Amortisation of intangible assets	2,763,043	2,253,591
	<u>3,158,217</u>	<u>2,538,746</u>

24. Other expenses

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Provision for doubtful debts	2,642,075	2,995,659
Rebates and discounts	2,002,274	-
Freight and cartage outward	1,862,367	250,750
Retainership fee	1,696,721	3,623,840
Legal and professional Charges	1,354,649	562,616
Equipment rentals and other hire Charges	417,812	116,061
Travelling and conveyance expenses	834,397	2,118,497
Marketing research	600,000	3,450
Repairs and maintenance (Others)	487,004	136,089
Office administration expenses	471,110	290,428
Lease rent charges	420,000	175,000
Business promotion expenses	376,210	42,226
Communication expenses	265,123	289,931
Insurance	175,104	35,901
Rates and taxes	-	30,473
Preliminary expenses written off	-	1,560
Miscellaneous expenses	512,399	448,510
	<u>14,117,245</u>	<u>11,120,991</u>

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CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

25. Prior period (income)/expenses (net)

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Prior period income		
-Miscellaneous income	39,981	-
-Reversal of excess gratuity expense booked earlier	532,233	-
Total (A)	572,214	-
Prior period expenses		
Advertisement service assistant charges	133,218	-
Contribution to provident and other funds	73,966	-
Miscellaneous expenses	77,349	-
Legal and professional Charges	190,000	-
Paper purchases	757,495	-
Printing cost	1,076,734	-
Total (B)	2,308,762	-
Prior period expenses (net) (B-A)	1,736,548	-

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26. Contingent liabilities

There are no contingent liabilities as at March 31, 2013 (previous year ₹ nil).

27. Commitments

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Other material commitments (Refer footnote a)	-	-
	-	-

Footnote a: In accordance with agreement with CL Educate Limited dated October 1, 2011, the Company is 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. 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 which are not determinable as on date, the amount of commitment in respect of the same has not been ascertained.

28. Auditor's Remuneration (excluding Service Tax) (Refer footnote a):

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Statutory audit	500,000	250,000
Tax audit	-	125,000
Other matters	-	170,000
	500,000	545,000

Footnote a: Amount in the previous year represents amount paid to previous statutory auditors of the Company.

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

The Company is in the process of identifying Micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, disclosures required by the said Act have not been provided. However, the management is of the opinion that there will be no interest liability under the said act in view of the supplier's profile of the company.

30. Employee benefits obligations

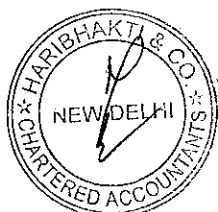
The Company has in accordance with the Accounting Standard-15 'Employee Benefits' has calculated the various benefits provided to employees as under:

A. Defined contribution plans

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Employers contribution to provident fund	721,783	489,155
Employers contribution to employee state insurance	91,671	-
Total	813,454	489,155

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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)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate (per annum)	8.00%	8.77%	8.00%	8.77%
Expected rate of increase in compensation	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	NA	NA	9.15%	9.15%
Expected average remaining working lives of employees (years)	26.71	27.73	26.71	27.73
Retirement age (Years)	58	58	58	58
Mortality table	IALM (1994-96)		IALM (1994-96)	
Ages	Withdrawal	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 8.00% p.a. 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. Present value of obligation

	Earned Leave (Unfunded)		Gratuity (Funded)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation at the beginning of the year	208,465	178,379	259,777	204,407
Current service cost	134,256	92,192	181,335	113,086
Interest cost	16,677	15,644	20,782	17,926
Past service cost	-	-	-	-
Benefit paid	(12,633)	(1,720)	(64,182)	-
Actuarial (gain)/loss on obligation	(24,968)	(76,030)	57,559	(75,642)
Present value of obligation at the end of the year	321,797	208,465	455,271	259,777

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CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

III. Fair value of plan assets

(Amount in ₹)

	Gratuity fund	
	March 31, 2013	March 31, 2012
Fair value of plan assets at the beginning of the year	-	-
Plan assets recognised during the year (Refer footnote a)	997,645	-
Expected return on plan assets	91,285	-
Contributions	-	-
Benefits paid	(64,182)	-
Actuarial gain/(loss) on plan assets	(3,008)	-
Fair value of plan assets at the end of the year	1,021,740	-

Footnote a: Plan asset of ₹ 997,645 has been transferred from CL Educate Limited (the holding Company) during the current year.

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

(Amount in ₹)

	Earned Leave (Unfunded)		Gratuity (Funded)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Current service Cost	134,256	92,192	181,335	113,086
Interest cost	16,677	15,644	20,782	17,926
Past service Cost	-	-	-	-
Expected return on plan assets	-	-	(91,285)	-
Net actuarial (gain)/ loss to be recognized	(24,968)	(76,030)	60,567	(75,642)
Expense recognised in statement of Profit and Loss	125,965	31,806	171,399	55,370

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

(Amount in ₹)

	Earned Leave (Unfunded)		Gratuity (Funded)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation as at the end of the year	321,797	208,465	455,271	259,777
Fair Value of plan assets as at the end of the year	-	-	1,021,740	-
Funded Status	(321,797)	(208,465)	566,469	(259,777)
Net liability/(Asset) recognized in Balance Sheet	321,797	208,465	(566,469)	2,59,777
Amount classified as:				
Short term provision (Refer Note 6)	82,204	75,629	-	11,841
Long term provision (Refer Note 6)	239,593	132,836	-	247,936
Short term loans and advances	-	-	218,224	-
Long term loans and advances	-	-	348,245	-

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VI. Net assets/liability and actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets and employers best estimate for next year

(a) Gratuity

	(Amount in ₹)				
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
PBO	455,271	259,777	204,407	144,256	511,871
Plan assets	1,021,740	-	-	-	-
Net assets/(liability)	566,469	(259,777)	(204,407)	(144,256)	(511,871)
Experience gain/(loss) on PBO	(24,258)	39,649	(59,429)	446,703	-
Experience gain/(loss) on plan assets	(3,008)	-	-	-	-

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, 2013 has not been provided by Life Insurance Corporation of India.

(b) Earned leave

	(Amount in ₹)				
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
PBO	321,797	208,465	178,379	121,886	279,809
Plan assets	-	-	-	-	-
Net assets/(liability)	(321,797)	(208,465)	(178,379)	(121,886)	(279,809)
Experience gain/(loss) on PBO	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	218,224
Earned leave	107,843

31. Earnings per share

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

	Reference	Units	Year Ended March 31, 2013	Year Ended March 31, 2012
Profit attributable to equity shareholders	A	₹	64,617,555	7,943,987
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)	₹	6,461.76	794.40
Diluted earnings per share	(A/D)	₹	6,461.76	794.40



32. 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, 2013

Particulars	Publishing of books	Media related services	Others	Total
Segment revenue	234,079,777	23,812,861	4,800,000	262,692,638
Segment expenses (allocable) (including prior period expenses)	149,214,090	14,961,606	16,673,450	180,849,146
Segment results	84,865,687	8,851,255	(11,873,450)	81,843,492
Unallocable expenses (including prior period expenses)				18,825,290
Operating net income				63,018,202
Other income (unallocable)				798,651
Profit before taxes				63,816,853
Tax expense				(800,702)
Profit after tax				64,617,555
Segment assets (allocable)	140,439,949	23,160,275	-	163,600,224
Unallocable assets				15,671,217
Total assets				179,271,441
Segment liabilities (allocable)	48,815,965	3,654,756	2,676,540	55,147,261
Unallocable liabilities				61,602,317
Total liabilities				116,749,578
<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

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CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

For the year ended March 31, 2012

Particulars	Publishing of books	Media related services	Others	Total
Segment revenue	77,321,660	24,523,250	5,383,362	107,228,272
Segment expenses (allocable)	49,633,792	14,616,543	7,966,923	72,217,258
Segment results	27,687,868	9,906,707	(2,583,561)	35,011,014
Unallocable expenses				22,110,465
Operating net income				12,900,549
Other income (unallocable)				94,371
Profit before taxes				12,994,920
Tax expense				5,050,934
Profit after tax				7,943,986
Segment assets (allocable)	75,749,986	41,631,008	1,889,851	119,270,845
Unallocable assets				8,592,414
Total assets				127,863,259
Segment liabilities (allocable)	58,253,716	16,500,858	1,011,808	75,766,382
Unallocable liabilities				54,192,569
Total liabilities				129,958,951

Other information

Capital expenditure (allocable)	16,074,670	-	-	16,074,670
Capital expenditure (unallocable)				255,528
Depreciation and amortisation (allocable)	12,501	1,163,600	1,075,000	2,251,101
Depreciation and amortisation (unallocable)				287,645
Other significant non-cash expenses (allocable)	-	2,995,659	-	2,995,659
Other significant non-cash expenses (unallocable)				-

Secondary segment

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

33. Additional information pursuant to paragraph 5(iv) and 5(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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CL MEDIA PRIVATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****34. Related party disclosure**

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

(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 Foundation, 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	March 31, 2013 (₹)	March 31, 2012 (₹)
1. Revenue from operations		
a. Sale of books and study material (Gross of returns)		
- CL Educate Limited	89,939,110	20,747,360
- G.K Publications Private Limited	163,496,149	51,320,146
b. Sale return		
- G.K Publications Private Limited	19,355,482	397,314
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. Royalty income		
- CL Educate Limited	-	583,362
e. Subscription fee		
- CL Educate Limited	10,080	14,000
f. Content maintainance fee		
- CL Educate Limited	2,400,000	2,400,000
2. Cost of sales		
a. Advertising support services		
- CL Educate Limited	9,506,248	9,934,095
b. Royalty charges		
- CL Educate Limited	21,040,963	5,947,115



CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

<u>Particulars</u>	<u>March 31 2013</u> (₹)	<u>March 31 2012</u> (₹)
<u>3. Other expenses</u>		
a. Marketing research		
- Career Launcher Education Foundation	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	860,681	-
<u>5.Reimbursement of expense incurred on behalf of company</u>		
- G.K. Publications Private Limited	1,341,077	219,600
<u>6.Reimbursement of expense incurred by Company on behalf of related parties</u>		
- CL Educate Limited	1,342,942	-
<u>7. Amount paid on our behalf by others</u>		
- CL Educate Limited	105,820	-
<u>8. Amount paid 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	20,000,000	-
- CL Educate Limited	-	7,085,000
<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	1,517,985	-
<u>12. Interest income on gratuity fund</u>		
- CL Media Employee Gratuity Trust	88,277	-
<u>12. Loan repaid</u>		
- CL Educate Limited	47,760,000	-
(c) Balance outstanding with or from related parties as:		
	<u>March 31 2013</u> (₹)	<u>March 31 2012</u> (₹)
Amounts Receivable		
<u>Trade receivable</u>		
- CL Educate Limited	13,370,716	20,747,360
- G.K. Publications Private Limited	100,510,771	47,403,232
- Kestone Integrated Marketing Services Private Limited	825,846	-
- Career Launcher Education Foundation	220,337	663,102
<u>Loans and advances (Gratuity fund)</u>		
- CL Media Employee Gratuity Trust	1,021,740	-
Amounts Payable		
<u>Trade payable</u>		
- CL Educate Limited	-	30,742,747



CL MEDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31 2013 (₹)	March 31 2012 (₹)
Short term borrowings		
- Kestone Integrated Marketing Services Private Limited	20,000,000	-
- CL Educate Limited	-	47,760,000
	March 31 2013 (₹)	March 31 2012 (₹)
Other current liabilities (Interest accrued but not due)		
- Kestone Integrated Marketing Services Private Limited	774,613	-
Guarantees given by related party for short term borrowings		
- CL Educate Limited, Mr. Satya Narayanan R, Mr. Gautam Puri and Mr. Nikhil Mahajan jointly and severally	25,000,000	-

35. Lease

The company is a lessee under various operating leases. Rental expense for operating lease for the year ended March 31, 2013 and March 31, 2012 was ₹ 420,000 and ₹ 175,000 respectively. The Company has not executed any non-cancellable operating leases.

36. Transfer pricing

In accordance with recent 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.

37. Previous year figures have been audited by another firm of chartered accountants.

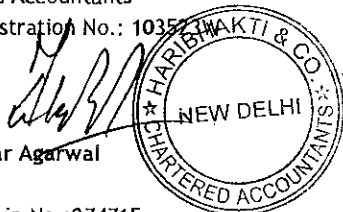
38. Previous year's figures have been regrouped /reclassified to conform to the current year's presentation.

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.: 10357



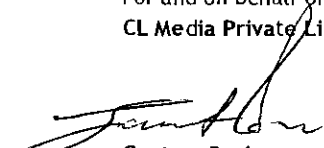
Raj Kumar Agarwal
Partner

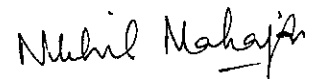
Membership No.:074715

Place: New Delhi

Date : July 26, 2013

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


Gautam Puri
Director


Nikhil Mahajan
Director

Place: New Delhi

Date : July 26, 2013