
**G.K.
Publications
Private Limited**

Statutory Audit for the year
ended March 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of

G.K. Publication Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of G.K. Publication Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, its loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;



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(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Pranav Jain

Partner

Membership No. 098308



Place: New Delhi

Date: July 28, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of G.K. Publications Private Limited on the financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not have any Immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The inventory has been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and securities. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products/ activities of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. There are no debenture holders.



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- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/ W100048

Pranav Jain

Pranav Jain
Partner
Membership No. 098308



Date: July 28, 2016
Place: New Delhi

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of G.K. Publications Private Limited on the financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of G.K. Publications Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

- a) The Company has not maintained adequate records related to employees' master data and there is no policy to review and update master data at reasonable intervals. This could potentially result in incorrect salary processing and/ or incorrect provision for employee benefits.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the



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Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Pranav Jain

Partner

Membership No.098308



Place: New Delhi

Date: July 28, 2016

G.K. Publications Private Limited
Balance Sheet as at 31 March 2016

Particulars	Notes	31 March 2016	31 March 2015
		Amount in ₹	Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,900,000	1,900,000
Reserves and surplus	4	5,932,382	16,497,373
		<u>7,832,382</u>	<u>18,397,373</u>
Non-current liabilities			
Long-term provisions	5	933,479	694,420
		<u>933,479</u>	<u>694,420</u>
Current liabilities			
Short-term borrowings	6	44,338,939	47,116,882
Trade payables	7	-	-
(i) total outstanding dues of micro enterprises and small enterprises;		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		198,250,500	163,988,198
Other current liabilities	8	10,276,025	7,144,367
Short-term provisions	5	965,967	1,802,611
		<u>253,831,431</u>	<u>220,052,058</u>
Total		<u><u>262,597,292</u></u>	<u><u>239,143,851</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	9	828,865	1,014,847
-Intangible assets	10	517,920	1,527,648
Deferred tax assets (net)	11	5,695,232	1,356,218
Long-term loans and advances	12	500,010	365,371
		<u>7,542,026</u>	<u>4,264,084</u>
Current assets			
Inventories	13	58,066,818	72,076,093
Trade receivables	14	180,719,595	146,196,785
Cash and bank balances	15	15,659,561	15,731,907
Short-term loans and advances	12	454,504	605,226
Other current assets	16	154,788	269,757
Total		<u><u>255,055,266</u></u>	<u><u>234,879,767</u></u>
		<u><u>262,597,292</u></u>	<u><u>239,143,851</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.

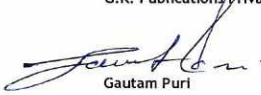
For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.: 103523W/ W100048


Pranav Jain
Partner
Membership No.: 098308



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


Gautam Puri
Director
DIN: 00033548


Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date: July 28, 2016

Place: New Delhi
Date: July 28, 2016



Particulars	Notes	31 March 2016	31 March 2015
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	17	146,599,946	166,583,982
Other income	18	2,120,389	2,815,606
Total revenue (I)		148,720,335	169,399,588
Expenses			
Purchases of stock-in-trade	19	96,433,662	114,632,400
Decrease in inventories of traded goods	20	12,414,839	7,716,119
Employee benefit expenses	21	14,782,886	10,659,083
Finance cost	22	5,926,734	7,586,789
Depreciation and amortisation expense	23	1,339,445	1,399,979
Other expenses	24	32,726,774	30,116,358
Total expenses (II)		163,624,340	172,110,728
Loss before prior period items and tax (I - II)		(14,904,005)	(2,711,140)
Prior period expenses (Net)		-	-
Loss before tax		(14,904,005)	(2,711,140)
Less: Tax expense for current year			
-Current tax		-	-
-Deferred tax (benefit)	11	(4,339,014)	(813,758)
Total tax expenses		(4,339,014)	(813,758)
Loss after tax		(10,564,991)	(1,897,382)
Loss per equity share	25		
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic and Diluted		(55.61)	(9.99)
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/ W100048

Pranav Jain

Partner

Membership No.: 098308

Place: New Delhi

Date: July 28, 2016

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

Gautam Puri

Director

DIN: 00033548

Place: New Delhi

Date: July 28, 2016

Nikhil Mahajan

Director

DIN: 00033404



	31 March 2016 Amount in ₹	31 March 2015 Amount in ₹
A Cash flow from operating activities		
Net loss before tax	(14,904,005)	(2,711,140)
Adjustments for:		
Depreciation and amortization	1,339,445	1,399,979
Finance cost (excluding interest on delayed payment of income tax and statutory liabilities)	5,916,149	6,889,054
Interest on delayed payment of income tax and statutory liabilities	10,585	697,735
Interest income	(1,346,395)	(1,400,613)
Bad debts written off	775,275	1,249,607
Provision for doubtful debts	200,000	450,000
Provision for slow moving inventory	1,594,436	-
Provision for sales return	949,228	1,788,747
Liabilities no longer required, written back	-	(493,302)
Operating profit before working capital changes	(5,465,282)	7,870,067
Adjustments for (increase) / decrease in operating assets:		
Inventories	12,414,839	7,716,119
Trade receivables	(35,498,085)	(46,086,439)
Short term loan and advances	150,722	(338,583)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	34,262,302	47,393,697
Other current liabilities	3,462,907	2,043,561
Long term provisions	239,059	439,695
Short term provisions	(1,785,872)	(1,344,340)
Cash generated from operations	7,780,590	17,693,777
Taxes paid	(134,639)	(6,519,090)
Net cash generated from operating activities	7,645,951	11,174,687
B Cash flow from investing activities:		
Capital expenditure on fixed assets	(474,984)	(35,722)
Interest received	1,461,364	1,478,493
Net cash flow generated from investing activities	986,380	1,442,771
C Cash flow from financing activities:		
Finance cost paid	(5,926,732)	(6,889,054)
Repayment of short-term borrowings (net)	(2,777,943)	(6,817,427)
Net cash flow used in financing activities	(8,704,675)	(13,706,481)
Net (decrease) in cash and cash equivalents (A+B+C)	(72,344)	(1,089,023)
Cash and cash equivalents (Refer note 15)		
-at beginning of the period	731,907	1,820,930
-at end of the period	659,563	731,907
Add: Deposits with maturity less than 12 months from balance sheet date (Refer foot note 3)	15,000,000	15,000,000
Cash and bank balances	15,659,563	15,731,907

foot notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 as notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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 ₹ 15,000,000.

As per our report of even date,

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W/ W100048
Pranav Jain
Partner
Membership No.: 098308



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

Gautam Puri
Director
DIN: 00033548

Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date: July 28, 2016

Place: New Delhi
Date: July 28, 2016



1. Background

G.K. Publications Private Limited ("the Company") was incorporated on 31 May 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 100%) equity shares of the Company.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year 01 April 2015 to 31 March 2016.

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 under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 III to the Act.

(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 reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimate is recognised 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 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 recognised 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 recognised when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and trade discounts.



Interest

Revenue from interest on time deposits is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

(v) Fixed assets

Tangible Assets

Tangible fixed assets are stated at cost of acquisition net of recoverable taxes (wherever applicable), 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Fixed assets retired from active use and held for disposal are stated at lower of book value and net realisable value as estimated by the Company and are shown separately in the financial statements under other current assets. Loss determined, if any, is recognised immediately in the Statement of Profit and Loss, whereas profit and sale of such assets is recognised only upon completion of sale thereof.

Intangible assets

An intangible asset is recognised 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 amortisation 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.

(vi) Depreciation and amortisation

Depreciation

Depreciation has been calculated on Straight Line Method at the following useful lives, based on management estimates, which are equal to useful lives as per schedule II to the Act.

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

Useful life of its assets as per Schedule II which is as follows:

Asset	Useful life
Plant and Machinery	15
Computer Equipments	3
Furniture and Fixtures	10
Office Equipments	5



Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The useful lives of assets are as under:

Asset	Useful life
Non compete fee	5
Software	2

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.

(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 recognised 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 recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

(b) Long term employee benefits:

(i) Defined contribution plans: Provident Fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

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



(ii) Defined 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 of 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.

(iii) 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 recognised 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, deferred tax charge or benefit and MAT credit entitlement 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 realised 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 realisation 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 realised.



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 recognises 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 recognises 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.

(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 recognised 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 recognised 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 cognisance.



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 2016		31 March 2015	
	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 2016		31 March 2015	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the period	190,000	1,900,000	190,000	1,900,000
Shares outstanding at the end of the period	190,000	1,900,000	190,000	1,900,000

Terms/rights attached to equity shares

Voting

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

Dividends

The Company declares and pays dividend 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 declared any dividend during 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 holding/ ultimate holding company and/ or their subsidiaries/associates

Particulars	Nature of Relationship	31 March 2016		31 March 2015	
		Number	% of Holding	Number	% of Holding
CL Educate Limited	Holding Company	189,999	99.99%	189,999	99.99%
Nikhil Mahajan	Nominee of CL Educate Limited	1	0.01%	1	0.01%

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

	31 March 2016		31 March 2015	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
Equity shares of ₹ 10, each fully paid				
CL Educate Limited	189,999	99.99%	189,999	99.99%
	189,999	99.99%	189,999	99.99%

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

One share is held by nominee shareholder of CL Educate Limited.

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 in the period of 5 years immediately preceding the balance sheet date.



4 Reserves and surplus

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Surplus in the Statement of Profit and Loss		
Opening balance	16,497,373	18,486,318
Net Loss for the year	(10,564,991)	(1,897,382)
(-) Depreciation adjustment pursuant to Schedule II of the Companies Act, 2013 (Refer footnote)	-	(132,508)
(+) Deferred tax on depreciation adjustment pursuant to Schedule II of the Companies Act, 2013	-	40,945
Total reserves and surplus	5,932,382	16,497,373

Footnote

During the year ended March 31, 2015, pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life was "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 132,508 and deferred tax thereon had been adjusted against the opening reserves.

5 Provisions

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Provision for sales return (Refer footnote i)	A	-	949,228	1,788,747
Provision for employee benefits				
Gratuity (Refer note 32)	803,396	643,083	14,129	10,860
Leave encashment (Refer note 32)	130,083	51,337	2,610	3,004
Total	B	694,420	16,739	13,864
Total (A+B)		933,479	965,967	1,802,611

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 twelve months period. The provision has been recorded based on management's estimate as per past trend and actual sales return till the date of signing of financial statements. Following is the movement in provision made:

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Opening balance	1,788,747	1,350,000
(+) Additions during the period	949,228	1,788,747
(-) Utilised/reversed during the period	(1,788,747)	(1,350,000)
Closing balance	949,228	1,788,747

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6 Short-term borrowings

	31 March 2016 Amount in ₹	31 March 2015 Amount in ₹
Secured loans		
Loan from bank (Refer footnote i)	14,572,273	13,991,285
Unsecured loans		
Loan from bank (Refer footnote ii)	18,832,035	18,849,868
Loan from others (Refer footnote iii and note 31)	10,934,631	14,275,729
	44,338,939	47,116,882

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

Lien over the fixed deposit of ₹ 15,000,000 (previous year ₹ 15,000,000).

Guarantees

The overdraft facility is further secured by personal guarantees of directors of the company named, Mr. Satya Narayanan R., Mr. Gautam Puri and Mr. Nikhil Mahajan.

Aggregate amount of overdraft facility guaranteed by directors of the Company ₹ 14,572,272 (previous year ₹ 13,991,285).

Interest rate:

The overdraft facility carries an interest rate of (bank's base rate + 4.25%) i.e., range from 13.75% to 14.10% 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. The above amount represents the limit availed out of the total fund limit of ₹ 19,000,000 (previous year ₹ 19,000,000).

Security:

Kestone Integrated Marketing Services Private Limited, a fellow subsidiary company has pledged its fixed deposits amounting ₹ 20,000,000 (previous year ₹ 20,000,000) as security for the above over draft facility from IndusInd Bank Limited.

Interest rate:

The overdraft facility carries an interest rate 10.75% (Bank fixed deposits rate i.e., 9.25% + 1.50%) per annum payable on monthly basis.

The above loan is repayable by 20 February 2017 or maturity date of underlying fixed deposits, whichever is earlier.

Footnote iii: Represents loan repayable on demand to the holding company. The aforesaid loan bears interest rate of 14.50% (previous year 14.50%). The interest on loan is added to the loan amount at the end of every financial year, when it becomes due. The disbursement under the loan shall be repaid on demand at any time upon service of 1 month notice on the borrower.

7 Trade payables

	31 March 2016 Amount in ₹	31 March 2015 Amount in ₹
Trade payable (Refer note 30 and footnote i)	198,250,500	163,988,198
	198,250,500	163,988,198

Footnote

i. Includes amount payable to related party (Refer note 31).

8 Other current liabilities

	31 March 2016 Amount in ₹	31 March 2015 Amount in ₹
Payable for expenses (Refer note 30)	3,607,310	2,526,308
Employee related payables	3,243,665	1,606,342
Advance from customers	3,074,390	2,464,542
Payable to government authorities	350,660	215,926
Payable for capital expenditure (Refer note 30)	-	331,249
	10,276,025	7,144,367



9 Tangible assets* (Refer footnote a)

Description	Gross block (at cost)			Accumulated depreciation			(Amount in ₹) Net block As at 31 March 2016
	As at 1 April 2015	Additions during the year	Disposal/ Adjustment	As at 31 March 2016	For the year	Disposal/ Adjustment	
Furniture and fixtures	285,125	-	-	285,125	18,935	-	127,559
Office equipments	401,403	-	-	401,403	63,968	-	82,234
Plant & machinery	432,312	-	-	432,312	26,708	-	378,268
Computers	1,672,579	128,915	-	1,801,494	205,286	-	240,804
Total	2,791,419	128,915	-	2,920,334	314,897	-	828,865

Description	Gross block (at cost)			Accumulated depreciation			Net block As at 31 March 2015
	As at 1 April 2014	Additions during the year	Disposal/ Adjustment	As at 31 March 2015	For the year	Adjustment pursuant to Schedule II	
Furniture and fixtures	285,125	-	-	285,125	119,748	-	146,494
Office equipments	399,754	1,649	-	401,403	68,006	-	146,202
Plant & Machinery	185,731	246,581	-	432,312	11,358	-	404,976
Computers	1,585,779	86,800	-	1,672,579	246,153	132,508	317,175
Total	2,456,389	335,030	-	2,791,419	344,400	132,508	1,014,847

Footnote

a. Tangible assets are subject to first and exclusive charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current year and in the previous year. (See note 6).

During the year ended March 31, 2015, pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life was "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 132,508 and deferred tax thereon had been adjusted against the opening reserves.



10 Intangible assets (Refer footnote a)

Description	Gross block (at cost)		Accumulated amortisation		(Amount in ₹) Net block	
	As at 1 April 2015	As at Additions during the year Disposal/ Adjustment	As at 31 March 2016	As at 1 April 2015	For the year Disposal/ Adjustment	As at 31 March 2016
Computer softwares	125,918	14,820	140,738	98,270	24,548	122,818
Non-competitive fees	5,000,000	-	5,000,000	3,500,000	1,000,000	4,500,000
Total	5,125,918	14,820	5,140,738	3,598,270	1,024,548	4,622,818
						17,920
						500,000
						517,920
Description	Gross block (at cost)		Accumulated amortisation		Net block	
	As at 1 April 2014	As at Additions during the year Disposal/ Adjustment	As at 31 March 2015	As at 1 April 2014	For the year Disposal/ Adjustment	As at 31 March 2015
Computer softwares	93,977	31,941	125,918	42,691	55,579	98,270
Non-competitive fees	5,000,000	-	5,000,000	2,500,000	1,000,000	3,500,000
Total	5,093,977	31,941	5,125,918	2,542,691	1,055,579	3,598,270
						27,648
						1,500,000
						1,527,648

Footnote

a. Intangible assets are subject to first and exclusive charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current year and in the previous year. (See note 6).



11 Deferred tax asset (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net increase in deferred tax asset of ₹ 4,339,014 has been recognised as benefit in the Statement of Profit and Loss. The tax effect of significant timing differences as at 31 March 2016 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at 31 March 2016.

Deferred tax assets and liabilities are attributable to the following:

	31 March 2016	Benefit/ (Charge)	31 March 2015
	Amount in ₹	for the year Amount in ₹	Amount in ₹
Deferred tax assets			
Provision for leave encashment	41,002	24,211	16,791
Provision for gratuity	252,615	50,547	202,068
Provision for sales return	293,311	(259,412)	552,723
Unabsorbed losses	3,818,634	3,411,514	407,120
Provision for sales incentive	369,944	269,357	100,587
Provision for bonus	154,929	81,234	73,695
Provision for doubtful debts	61,800	61,800	-
Provision for slow moving inventory	492,681	492,681	-
On account of depreciation	210,316	207,082	3,234
Total deferred tax assets	5,695,232	4,339,014	1,356,218
Net deferred tax asset	5,695,232	4,339,014	1,356,218

The management is of the view that the current losses are of temporary nature due to changes in market conditions resulting changes in pattern of competitive examination. The Company is in process of revising its content and revamping distribution channel and sales strategies including identification of new markets. The management believes on the basis of current order book and agreements/ MOUs that the Company will be profitable in next 2-3 years and will be able to fully recover unabsorbed depreciation and losses within the timeframe allowed under Income Tax Act, 1961.

12 Loans and advances

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Unsecured, considered good, unless otherwise stated				
Advance to suppliers	-	-	41,153	68,151
Security deposits	350,000	350,000	1,000	1,000
Prepaid expenses	-	-	172,154	166,709
Loans and advances to employees	-	-	240,197	369,366
Advance income tax and tax deducted at source [Net of provision ₹ 8,422,088 (previous year ₹ 8,422,088)]	150,010	15,371	-	-
	500,010	365,371	454,504	605,226

13 Inventories

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Valued at lower of cost and net realisable value		
Stock in trade-Books	59,661,254	72,076,093
Less: provision for slow moving / obsolete inventory	(1,594,436)	-
	58,066,818	72,076,093



14 Trade receivables

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured and considered good	58,674,560	33,057,093
Unsecured and considered doubtful	200,000	450,000
Less: Provision for doubtful debts	200,000	450,000
	<u>58,674,560</u>	<u>33,057,093</u>
Other receivables		
Unsecured and considered good (Refer footnote a)	122,045,035	113,139,692
	<u>180,719,595</u>	<u>146,196,785</u>

Footnote a: Includes amount due from related parties. (Refer note 31)

15 Cash and bank balances

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Cash and cash equivalents		
Balances with banks		
- on current accounts	659,561	731,907
	<u>659,561</u>	<u>731,907</u>
Other bank balances		
Deposits with maturity less than 12 months from Balance Sheet date *	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>
Sub total (A+B)	<u>15,659,561</u>	<u>15,731,907</u>

* The deposit is pledged against Cash Credit facility from Kotak mahindra Bank of ₹ 15,000,000 (Also refer footnote i of note 6)

16 Other current assets

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Interest accrued but not due on fixed deposits	154,788	269,757
	<u>154,788</u>	<u>269,757</u>

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17 Revenue from operations

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Revenue from operations		
Sale of books	146,599,946	166,583,982
	<u>146,599,946</u>	<u>166,583,982</u>

Footnote:

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.

18 Other Income

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Interest income on fixed deposits	1,346,395	1,400,613
Liabilities no longer required written back	-	493,302
Sale of scrap	687,763	828,288
Miscellaneous income	86,231	93,403
	<u>2,120,389</u>	<u>2,815,606</u>

19 Purchase of Stock-in-trade

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Text books (Refer note 31)	96,433,662	114,632,400
	<u>96,433,662</u>	<u>114,632,400</u>

20 Decrease in inventories of stock-in-trade

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Inventories at the end of the period	59,661,254	72,076,093
Inventories at the beginning of the period	72,076,093	79,792,212
Net (increase)/decrease	<u>12,414,839</u>	<u>7,716,119</u>

21 Employee benefit expenses

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits	13,406,101	9,308,537
Contribution to provident and other funds (Refer note 32)	671,828	748,742
Leave encashment (Refer note 32)	93,652	44,227
Gratuity expenses (Refer note 32)	186,395	401,128
Staff welfare expenses	424,910	156,449
	<u>14,782,886</u>	<u>10,659,083</u>

22 Finance cost

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Interest expenses		
- On loan from related party (Refer note 31)	1,954,337	2,754,305
- On bank overdraft facility	3,940,343	4,092,614
- On delay in payment of statutory liabilities	1,245	160
- On delay in payment of income tax	9,340	697,575
Loan processing charges	21,469	42,135
	<u>5,926,734</u>	<u>7,586,789</u>



23 Depreciation and amortisation expenses

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer Note 9)	314,897	344,400
Amortisation of intangible assets (Refer Note 10)	1,024,548	1,055,579
	<u>1,339,445</u>	<u>1,399,979</u>

24 Other expenses

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Consumption of packing materials	1,969,890	2,428,365
Rent (Refer note 33)	2,828,827	2,582,527
Power and fuel	851,071	770,096
Travelling and conveyance expense	5,049,367	7,968,226
Legal and professional expenses (Refer note 28)	935,297	886,922
Business promotion expenses	984,916	825,363
Rebates and discounts	5,566,771	1,785,633
Bad debts	775,275	1,249,607
Provision for doubtful debts	200,000	450,000
Sales Incentive	1,270,367	212,135
Communication expenses	1,399,301	1,209,734
Rates and taxes	214,691	210,429
Insurance expenses	214,524	209,220
Freight and cartage	6,502,645	5,713,228
Repair and maintenance-others	821,000	700,782
Printing and stationery	145,096	106,457
Bank charges	44,639	39,139
Provision for sales return (Refer note 5)	949,228	1,788,747
Provision for slow moving inventory	1,594,436	-
Miscellaneous expenses	409,433	979,748
	<u>32,726,774</u>	<u>30,116,358</u>

25 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 2016	31 March 2015
Loss attributable to equity shareholders	A	₹	(10,564,991)	(1,897,382)
Weighted average numbers of equity shares	B	Numbers	190,000	190,000
Basic and Dilutive loss per share	(A/B)	₹	(55.61)	(9.99)

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



26 Contingent liabilities

There are no contingent liabilities as at 31 March 2016 (Previous Year ₹ Nil).

27 Commitments

There are no capital or other material commitments as at 31 March 2016 (Previous Year ₹ Nil).

28 Auditors' Remuneration (included in legal and professional expenses)(excluding service tax)

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
Statutory audit	500,000	450,000
	<u>500,000</u>	<u>450,000</u>

29 Segment reporting

The disclosures as required under Accounting Standard-17 on 'Segment Reporting' have 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 reportable geographical segments

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

	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
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 the appointed day during 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 expenditure under section 23 of the MSMED Act 2006.	-	-

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

(a) List of related parties

(i) Related parties where control exists:

Relationship	Name of related party
Holding Company	CL Educate Limited

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

Relationship	Name of related party
Enterprises that are under common control with the reporting enterprise - Fellow subsidiaries	1. CL Media Private Limited 2. KeSTONE Integrated Marketing Services Private Limited
Key managerial personnel	1. Mr. Satya Narayanan R. 2. Mr. Gautam Puri 3. Mr. Nikhil Mahajan

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

Particulars	31 March 2016	31 March 2015
	Amount in ₹	Amount in ₹
a) Sale of books (net of returns)		
Holding Company		
- CL Educate Limited	14,205,618	11,899,722
- CL Media Private Limited		33,500
b) Purchase of books (net of returns)		
Fellow subsidiaries		
- CL Media Private Limited	96,433,662	114,632,400
c) Repayment of Loan		
Holding Company		
- CL Educate Limited	5,100,000	8,850,000
d) Interest expense on loan		
Holding Company		
- CL Educate Limited	1,954,337	2,754,305
e) Reimbursement of expenses to related parties		
Holding Company		
- CL Educate Limited	160,000	80,000
Fellow subsidiaries		
- CL Media Private Limited		345,383
f) Expenses incurred on behalf of related parties		
Fellow subsidiaries		
- CL Media Private Limited	52,544	158,013
g) Conversion of interest into loan		
Holding Company		
- CL Educate Limited	1,758,904	2,478,874



Balance outstanding as at period end

	31 March 2016 Amount in ₹	31 March 2015 Amount in ₹
a) Trade Receivables		
Holding Company		
- CL Educate Limited	27,681,152	13,536,134
- CL Media Private Limited		33,500
b) Trade Payables		
Fellow subsidiaries		
- CL Media Private Limited	197,839,208	162,594,980
c) Other Payable		
Holding Company		
- CL Educate Limited	337,922	238,521
d) Short term borrowings		
Holding Company		
- CL Educate Limited	10,934,631	14,275,729

Personal guarantee provided by Key Managerial Personnel

Overdraft from Kotak Mahindra Bank is collaterally secured by personal guarantee of:

- 1) Mr. Satya Narayanan R.
- 2) Mr. Gautam Puri
- 3) Mr. Nikhil Mahajan

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.

32 Employee Benefits

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

A. Defined contribution plans:

During the period the Company has recognised the following amounts in the Statement of Profit and Loss:

	31 March 2016 Amount in ₹	31 March 2015 Amount in ₹
Contribution to Provident Fund (Refer note 21)	571,767	558,954
Total	571,767	558,954

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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 summarised positions of various defined benefits are as under:

i. Change in present value of obligation

Particulars	Earned Leave (unfunded)		Gratuity (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Present value of obligation at the beginning of the year	54,341	10,114	653,943	252,815
Current service cost	54,983	15,121	167,722	150,543
Interest cost	4,347	917	52,315	22,930
Actuarial loss/(gain) on obligation	34,322	28,189	(33,642)	227,655
Benefits paid	(15,300)	-	(22,813)	-
Present value of obligation at the end of year	132,693	54,341	817,525	653,943

ii. Expenses recognised in the Statement of Profit and Loss for the year

Particulars	Earned Leave (unfunded)		Gratuity (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Current service cost	54,983	15,121	167,722	150,543
Interest cost	4,347	917	52,315	22,930
Net actuarial loss/(gain) to be recognised	34,322	28,189	(33,642)	227,655
Expense recognised in the Statement of Profit & Loss (Refer note 21)	93,652	44,227	186,395	401,128

iii. Amount recognised in the Balance Sheet

Particulars	Earned Leave (unfunded)		Gratuity (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Present value of obligation at the end of the period	132,693	54,341	817,525	653,943
Planned assets	-	-	-	-
Net liability recognised in the Balance Sheet	132,693	54,341	817,525	653,943
Amount classified as:				
Long term provision (Refer note 5)	130,083	51,337	803,396	643,083
Short term provision (Refer note 5)	2,610	3,004	14,129	10,860

iv. Actuarial assumptions

	Earned Leave (unfunded)		Gratuity (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Discount rate (per annum)	8.13%	8.00%	8.13%	8.00%
Expected rate of increase in compensation levels	8.00%	8.00%	8.00%	8.00%
Expected average remaining working lives of employees (years)	24.77	25.32	24.77	25.32
Retirement age (Years)	58	58	58	58
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3	3	3
From 31 to 44 years	2	2	2	2
Above 44 years	1	1	1	1

The discount rate has been assumed at 8.13% p.a. (Previous year 8.00%) 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.



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

(a) Gratuity (unfunded) [Refer footnote]

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	(Amount in ₹) 31 March 2012
Present value of obligation	817,525	653,943	252,815	238,315	54,319
Fair value of plan assets	-	-	-	-	-
Net funded status	(817,525)	(653,943)	(252,815)	(238,315)	(54,319)
Experience adjustments on plan liabilities-gain/(loss)	15,453	86,800	32,994	(90,617)	34,361

(b) Earned leave (unfunded) [Refer footnote]

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	(Amount in ₹) 31 March 2012
Present value of obligation	132,693	54,341	10,114	16,774	21,892
Fair value of plan assets	-	-	-	-	-
Net funded status	(132,693)	(54,341)	(10,114)	(16,774)	(21,892)
Experience adjustments on plan liabilities-(loss)/gain	(37,465)	(2,280)	9,435	15,256	(6,126)

Footnote: The Company has not funded its gratuity and earned leaves liability.

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

Particulars	Amount in ₹
Gratuity	338,786
Leave encashment	116,753

33 The Company is a lessee under an operating lease. The lease terms of these premises range from 0 to 1 years and accordingly are short term leases. Rental expense for operating lease for the year ended 31 March 2016 and 31 March 2015 was ₹ 2,828,827 and ₹ 2,582,527 respectively. The Company has not executed any non-cancellable operating leases.

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

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W / W100048

Pranav Jain
Pranav Jain
Partner
Membership No.: 098308



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

Gautam Puri
Gautam Puri
Director
DIN: 00033548

Nikhil Mahajan
Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date: July 28, 2016

Place: New Delhi
Date: July 28, 2016

