



AUDITORS' REPORT

TO THE MEMBERS OF CL MEDIA PRIVATE LIMITED.

We have audited the attached Balance Sheet of **CL MEDIA PRIVATE LIMITED** as at 31 March, 2012, the Profit & Loss Account of the Company, for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in item of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable to the company.

Further to our comments in the Annexure referred to in paragraph 3 above:

Further to our comments in the Annexure referred to above, we report that –

- (i) 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;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;



- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2012; and
- b. in the case of Profit & Loss Account, of the profit for the year ended on that date.
- c. In the case of Cash Flow Statement, of the cash flow of the year ended on that day.

For **RAKESH K. SEHGAL & CO.**
Chartered Accountants



Address : 35, Defence Enclave,
3rd Floor, Delhi – 110 092

Dated : 30/07/2012



(**RAKESH K. SEHGAL**)
Proprietor
M. No. 84928

CL MEDIA Private Limited

Companies (Auditors Report) Order 2003
As Issued by the central Government under section 227(4A) of the
Companies Act 1956

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (1) (a) The company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any part of fixed assets.
- (2) Particulars specified in Para 4(ii) of the Order are not applicable to the company.
- (3) (a) The Company has taken unsecured loans from the company listed in the registered maintained u/s 301 of the Companies Act, 1956. Required particulars are given below: –

No. of Parties	Maximum amount outstanding during the year
CL Educate	47,760,000

- (b) Unsecured loan taken by the Company is repayable on demand. Further, no interest is being paid on the unsecured loan taken from the holding company.
- (c) No Loan has been repaid during the year.
- (d) Since the loan has not become overdue, particulars required under Para 4 (iii)(d) are not applicable.



- (4) In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of business with regards to sale of services and purchase of fixed assets. There is no continuing failure to correct major weaknesses in internal control systems.
- (5) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts, or arrangements referred to in Section 301 of the Companies Act, 1956, have been so entered in the register required to be maintained under that section;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. Five lacs in respect of any party during the year have been made at prices which are reasonable having regards to the prevailing market price at the relevant time.
- (6) The company has not accepted deposits from public under section 58A and 58AA or any other relevant provisions of the Companies Act 1956.
- (7) The particulars specified in Para 4(vii) are not applicable to the company.
- (8) The Central Govt. has not prescribed the maintenance of cost record to the company under section 209(1) (d) of the Companies Act, 1956.
- (9) (i) The company is regular in depositing its undisputed statutory dues.
- (ii) Particulars of Para (ix)(b) are not applicable to the company.
- (10) The company being not registered for a period of five years, the matter specified in Para 4 (x) is not applicable to the company.
- (11) Particulars of Para (xi) are not applicable to the company.
- (12) The Company has not granted any loans or advances on the basis of securities, by way of pledge of shares, debentures and other securities.
- (13) The company is not a Nidhi/ Mutual benefit fund or a society.
- (14) The company is not dealing in shares, securities, debentures and other investment.
- (15) The company has not given any guarantee for loans taken by others from bank or financial institutions.

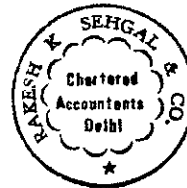



- (16) The particular specified in Para (xvi) are not applicable to company.
- (17) In our opinion and according to explanations given to us, the company has not used short term fund for long term investments and vice versa.
- (18) The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (19) The particulars as required under Para (xix) are not applicable to the company.
- (20) The matter contained in Para (xx) is not applicable to company.
- (21) In our opinion and according to explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **RAKESH K. SEHGAL & CO.**
Chartered Accountants

Address : 35, Defence Enclave,
3rd Floor, Delhi – 110 092

Dated : 30/07/2012




(RAKESH K. SEHGAL)
Proprietor
M. No. 84928

CL MEDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH, 2012

(All Amounts in Rupees)

PARTICULARS	Note No.	As at 31 March, 2012	As at 31 March, 2011
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	(2,195,693)	(10,139,679)
(c) Money received against share warrants			
		(2,095,693)	(10,039,679)
2. Share application money pending allotment			
3. Non-current liabilities			
(a) Long-term borrowings	5	-	40,675,000
(b) Deferred Tax liabilities (Net)	6	352,655	-
(c) Other Long term liabilities		-	-
(d) Long-term Provisions	7	468,242	417,024
		820,897	41,092,024
4. Current Liabilities			
(a) Short term borrowings		-	-
(b) Trade payables	8	58,488,122	5,471,806
(c) Other current liabilities	9	69,421,160	2,513,293
(d) Short term provisions		-	-
		127,909,282	7,985,099
TOTAL		126,634,486	39,037,444
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	2,035,162	1,100,443
(ii) Intangible assets	11	21,583,071	8,726,338
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
		23,618,233	9,826,781
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	4,698,279
(d) Long-term loans and advances	12	2,911,221	2,334,607
(e) Other non-current assets		0	-
		26,529,454	16,859,667
2. Current assets			
(a) Current investments		-	-
(b) Inventories	13	6,428,115	-
(c) Trade receivables	14	88,060,146	20,405,747
(d) Cash and Cash equivalents	15	4,336,124	1,577,406
(e) Short-term loans and advances	16	303,521	193,064
(f) Other current assets	17	977,126	1,560
		100,105,032	22,177,777
TOTAL		126,634,486	39,037,444

See accompanying notes forming part of the financial statements

For & on behalf of
For RAKESH K. SEHGAL & CO.
Chartered Accountants

(RAKESH K. SEHGAL)
Proprietor
Membership No. 84928



For CL MEDIA PRIVATE LIMITED

(GAUTAM PURI)
Director

(NIKHIL MAHAJAN)
Director

PLACE : DELHI

DATED : 30/07/2012

CL MEDIA PRIVATE LIMITED

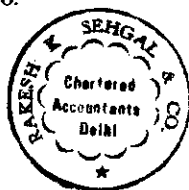
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

				(All Amounts in Rupees)	
	Note No.	As at 31 March, 2012		As at 31 March, 2011	
I	18	103,548,762		37,028,337	
II	19	3,773,937		187,487	
III		107,322,699		37,215,824	
IV					
Expenses					
Cost of Materials Consumed	20	35,536,337			
Purchases of Stock in Trade		-			
Changes in inventories of finished goods, work in progress and Stock-in-trade		-			
Operating expenses	21	7,558,031			
Administrative and Other expenses	22	29,183,936		17,400,460	
Employee benefits expense	23	19,504,123		11,782,165	
Finance Costs	24	6,605		14,540	
Depreciation and amortization expense	10,11	2,538,746		2,478,467	
Total Expense		94,327,778		31,675,632	
V					
Profit before exceptional and extraordinary items and tax (III-IV)		12,994,921		5,540,192	
VI					
Exceptional Items		-			
VII					
Profit before extraordinary items and tax (V-VI)	25	12,994,921		5,540,192	
VIII					
Extraordinary items (Income)		977,126			
IX					
Profit before tax (VII-VIII)		13,972,047		5,540,192	
X					
Tax expense:					
(1) Current tax		977,126		-	
(2) Deferred tax		352,655		1,507,950	
(3) Tax Adjustment for Prior Years		4,698,279		(29,611)	
		6,028,060		1,478,339	
XI					
Profit/(Loss) for the period from operations (IX - X)		7,943,987		4,061,853	
XII					
Earnings per equity share:					
(1) Basic		794.40		406.19	
(2) Diluted		794.40		406.19	

See accompanying notes to the financial statements

For & on behalf of
For **RAKESH K. SEHGAL & CO.**
Chartered Accountants

(RAKESH K. SEHGAL)
Proprietor
Membership No. 84928



For **CL MEDIA PRIVATE LIMITED**

(GAUTAM PURI)
Director

(NIKHIL MAHAJAN)
Director

PLACE : DELHI

DATED : 30/07/2012

CL Media Private Limited
Cash Flow Statement
For the year ended 31 March 2012

(Amount in Rs)

	Year ended 31-Mar-12	Year ended 31-Mar-11
Cash flows from operating activities		
Net Profit before tax, exceptional items and prior period items	13,972,047	5,540,192
<i>Adjustments for:</i>		
Depreciation and amortization	2,538,746	2,478,467
Finance costs	6,605	14,540
	16,517,398	8,033,199
Movement in assets and liabilities, net		
Adjustments for (increase) / decrease in operating assets:	(75,745,151)	(15,673,520)
Inventories	(6,428,115)	-
Trade receivables	(67,654,399)	(14,663,539)
Short term loan and advances	(110,457)	(40,218)
Long term loan and advances	(576,614)	(968,203)
Other current assets	(975,566)	(1,560)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	79,300,401	5,567,478
Trade Payables	53,016,316	4,517,275
Other current liabilities	26,232,867	899,321
Long term provisions	51,218	150,882
Short term provisions		
Cash used in operations	20,072,648	(2,072,843)
Less: Taxes paid, net of refund	6,028,060	1,478,339
Net cash used in operating activities	14,044,588	(3,551,182)
Cash flows from investing activities		
Capital expenditure on fixed assets	(16,330,198)	(178,100)
Net cash generated from investing activities	(16,330,198)	(178,100)
Cash flows from financing activities		
Deferred tax asset	4,698,279	(1,507,950)
Procurement of long term borrowings		2,158,352
Finance cost	(6,605)	(14,540)
Net cash generated from financing activities	4,691,674	635,862
Net decrease in cash and cash equivalents	2,406,064	(3,093,420)
Cash and cash equivalents (Refer to note 19)		
-Beginning of the year	1,577,406	1,651,805
-End of the year	4,336,124	1,577,406

For & on behalf of

For **RAKESH K. SEHGAL & CO.**

Chartered Accountants

Rkm



(RAKESH K. SEHGAL)

Proprietor

Membership No. 84928

For **CL MEDIA PRIVATE LIMITED**

Gautam Puri
(GAUTAM PURI)
Director

Nikhil Mahajan
(NIKHIL MAHAJAN)
Director

PLACE : DELHI

DATED: 30/07/2012

CL Media Private Limited

Note 1

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.

During the year the company acquired publishing rights from its holding company, CL Educate Limited for publishing of test preparation books. The company set up a printing cum binding plant at Roorki (Uttarakhand). Although the publishing business was commenced from October 2011 but the Roorki plant started the binding operations from 5th March 2012.

Note 2

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 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 and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iii) Inventories

Goods are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost is determined on a first in first out basis. 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.

(iv) Revenue recognition

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



Sale of books and scrap

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and trade discounts. Allowances for sales returns are estimated and provided for in the year of sales.

Advertisement income

Revenue is recognized on accrual basis on raising of bill, if the right to receive payment is established by the balance sheet date.

Content development income

Content development fee is recognized on accrual basis on raising of bill for the period for which services are received.

Royalty income

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

Subscription fee

Revenue is recognized on accrual basis over the period to which it relates.

(v) Fixed Assets

Tangible Assets

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

Intangible Assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization.

(vi) Depreciation / Amortization

Depreciation and amortisation on all fixed assets are provided on written down value method at rates specified in Schedule XIV to the Companies Act, 1956.

License fee are amortised on written down value method.

Intangible assets in the nature of software(s) are amortized on written down value method.



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.

Individual assets costing INR 5,000 or below are depreciated in full by way of a one-time depreciation charge.

(vii) Impairment of assets

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

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

(viii) Foreign exchange transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognized in the statement of profit and loss.

(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.

Disclosure as required by AS 15 (Revised 2005), Employees Benefit

Defined Contribution Plan: The Company has recognized the following amounts in the Profit & Loss Account for the year:

Particulars	2011-12	2010-11
Contribution to Employee Provident Fund	4,89,155	2,83,121

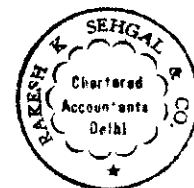
(ii) Defined Benefit Plans: Gratuity

The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Actuarial Assumption:

Change in present value of obligation

		31/03/2011	31/03/2012
a)	Present value of obligation as at the beginning of the period	1,44,256	2,04,407
b)	Acquisition adjustment	--	--
c)	Interest cost	12,262	17,926
d)	Past service cost	--	--
e)	Current service cost	80,285	1,13,086
f)	Curtailment cost/(Credit)	--	--
g)	Settlement cost/(Credit)	--	--
h)	Benefits paid	(79,269)	--
i)	Actuarial (gain)/loss on obligation	46,873	(75,642)
j)	Present value of obligation as at the end of period	2,04,407	2,59,777



Fair value of plan assets

		31/03/2011	31/03/2012
a)	Fair value of plan assets at the beginning of the period	9,17,024	9,14,013
b)	Acquisition adjustment	--	--
c)	Actual return on plan assets	76,258	83,632
d)	Contributions	--	--
e)	Benefits paid	(79,269)	--
f)	Fair value of plan assets at the end of the period	9,14,013	9,97,645
g)	Funded status	7,09,606	7,37,868
h)	Excess of actual over estimated return on plan assets	(6,274)	--

Expense recognized in the statement of profit and loss

		31/03/2011	31/03/2012
a)	Current service cost	80,285	1,13,086
b)	Past service cost	--	--
c)	Interest cost	12,262	17,926
d)	Expected return on plan assets	(82,532)	(83,632)
e)	Curtailment cost / (Credit)	--	--
f)	Settlement cost / (credit)	--	--
g)	Net actuarial (gain)/ loss recognized in the period	53,147	(75,642)
h)	Expenses recognized in the statement of profit & losses	63,162	(28,262)

The amounts to be recognized in balance sheet and related analysis

		31/03/2011	31/03/2012
a)	Present value of obligation as at the end of the period	2,04,407	2,59,777
b)	Fair value of plan assets as at the end of the period	9,14,013	9,97,645
c)	Funded status / Difference	7,09,606	7,37,868
d)	Excess of actual over estimated	(6,274)	--
e)	Unrecognized actuarial (gains)/losses	--	--
f)	Net asset/(liability) recognized in balance sheet	7,09,606	7,37,868



(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 recognized immediately in the statement of profit and loss.

Actuarial Assumption:

Change in present value of obligation

		31/03/2011	31/03/2012
a)	Present value of obligation as at the beginning of the period	1,21,886	1,78,379
b)	Acquisition adjustment	--	--
c)	Interest cost	10,360	15,644
d)	Past service cost	--	--
e)	Current service cost	71,396	92,192
f)	Curtailment cost/(Credit)	--	--
g)	Settlement cost/(Credit)	--	--
h)	Benefits paid	(56,165)	(1,720)
i)	Actuarial (gain)/loss on obligation	30,902	(76,030)
j)	Present value of obligation as at the end of period	1,78,379	2,08,465

Fair value of plan assets

		31/03/2011	31/03/2012
a)	Fair value of plan assets at the beginning of the period	--	--
b)	Acquisition adjustment	--	--
c)	Actual return on plan assets	--	--
d)	Contributions	--	--
e)	Benefits paid	--	--
f)	Fair value of plan assets at the end of the period	--	--
g)	Funded status	(1,78,379)	(2,08,465)
h)	Excess of actual over estimated return on plan assets	--	--



Expense recognized in the statement of profit and loss

		31/03/2011	31/03/2012
a)	Current service cost	71,396	92,192
b)	Past service cost	--	--
c)	Interest cost	10,360	15,644
d)	Expected return on plan assets	--	--
e)	Curtailment cost / (Credit)	--	--
f)	Settlement cost / (credit)	--	--
g)	Net actuarial (gain) / loss recognized in the period	30,902	(76,030)
h)	Expenses recognized in the statement of profit & losses	1,12,658	31,806

The amounts to be recognized in balance sheet and related analysis

		31/03/2011	31/03/2012
a)	Present value of obligation as at the end of the period	1,78,379	2,08,465
b)	Fair value of plan assets as at the end of the period	--	--
c)	Funded status / Difference	(1,78,379)	(2,08,465)
d)	Excess of actual over estimated	--	--
e)	Unrecognized actuarial (gains) / losses	--	--
f)	Net asset / (liability) recognized in balance sheet	(1,78,379)	(2,08,465)

(x) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand deposits with banks.

(xi) Taxation

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

Current Tax

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



Deferred Tax

Deferred tax is recognized on timing differences being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated based on the tax rates and laws enacted or substantially enacted on balance sheet date.

Deferred tax assets are reviewed at each balance sheet date and written down/written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Deferred Tax Liability has been computed in accordance with Accounting Standard 22 issued by the ICAI as follows: –

Particulars	2011-12	2010-11
Deferred Tax Assets		
On account of:		
Unabsorbed Losses		46,98,279
Total deferred tax assets		46,98,279
Deferred Tax Liabilities		
On account of:		
Difference in depreciation	380,993	
Prov for Leave Encashment	(17,660)	
Prov for gratuity	(10,678)	
Total deferred tax liabilities	3,52,655	

Minimum alternate tax

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit recoverable. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit receivable to the extent there is no longer convincing evidence to the effect that Company will pay normal Income 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.

The calculation of Earning per Share (EPS) has been made in accordance with Accounting Standard (AS) 20 issued by the ICAI. A statement on calculation of Basic and Diluted EPS is: –

Particulars		Units	As at 31 March 2012	As at 31 March 2011
Profit/(Loss) after Tax (After extraordinary items)	A	Rs.	79,43,987	40,61,853
Weighted average no. of equity shares	B	Nos.	10,000	10,000
Add: Diluted potential equity shares		Nos.	0	0
Number of equity shares for Dilutive EPS	C	Nos.	10,000	10,000
Basic Earning Per Share (A/B)		Rs.	794.40	406.19
Diluted Earning Per Share (A/C)		Rs.	794.40	406.19

(xiii) Auditor's Remuneration (Excluding Service tax)

Particulars	31 March 2012	31 March 2011
Statutory Audit	2,50,000	60,000
Tax Audit	1,10,000	40,000

(xiv) Provisions, Contingent Liabilities and Contingent Assets:

Provision

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



Contingent liabilities and contingent assets

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 are neither recorded nor disclosed in the financial statements.

(xv) Extraordinary items

Extraordinary items arising from events or transactions that are clearly distinct from the ordinary activities of the company and, therefore, are not expected to recur frequently or regularly are disclosed in the Statement of Profit and Losses a part of net profit or loss for the period.

(xvi) Exceptional items

Items of income and expense from ordinary activities which are of such size, nature or incidence that, their disclosure is relevant to explain the performance of the enterprise for the period, are disclosed separately in the statement of profit and loss.

(xvii) Material events

Material Events occurring after the Balance Sheet date are taken into cognizance.

(xviii) Related Party Transaction

The related parties of the Company as required to be disclosed in accordance with AS 18 is as follows: –

i) Holding Company : CL Educate Limited

Included in the financial statements are the following amounts relating to transactions with the related parties: –

1. Revenue

CL Educate Limited

On account of maintenance of content	:	48,00,000
On account of CAT Online Module	:	5,83,362
On account of Sale of Books	:	2,06,19,594

2. Reimbursement of Expenses

– To CL Educate Limited		
On Account of Advertisement Revenue Share	:	99,34,095
On License Fee on copyrights	:	1,50,00,000
On account of Royalty on sale of books	:	59,47,115
Other Expenditure	:	1,10,324



3. Unsecured Loan	
– From CL Educate Limited	4,77,60,000
4. Total Balance Outstanding as at the year end	
– From CL Educate Limited	33,77,96,548

(xix) Segmental Reporting

During the year, the company has been established a new unit in Roorki for printing and binding the books for purpose of sale to its holding co. (Career Launcher Educate Ltd) and others. A segmental reporting is done on the basis of expenses incurred in both units. There are the two different segments viz. 'Content and Media related thereto and others' and 'publishing of books' and therefore disclosures as required under AS-17 of ICAI on segmental reporting have been disclosed.

The company has been granted the marketing rights on education magazines and education content by its holding company under a revenue sharing agreement. During the year the company has derived income from booking of advertisements in the magazines, the subscription and sponsorship activity. The company also received fixed amount of income from its holding company as maintenance of the education content.

Segment information
Particulars

	For the year ended 31 st March, 2012			Total
	Business segments Content and Media related thereto and others	Publishing of Books	Eliminations	
Revenue	29,906,612	74,225,512	-	104,132,124
Inter-segment revenue	-	-	-	-
Total	29,906,612	74,225,512	-	104,132,124
Expenses				
Direct	37,675,824	50,607,902	-	88,283,725
Allocated	4,029,369	2,014,684	-	6,044,053
Unallocable expenses (net)	-	-	-	-
Total	41,705,192	52,622,586	-	94,327,778
Operating income	(11,798,580)	21,602,926	-	98,04,346
Other income (net)	94,374	3,096,201	-	3,190,575
Profit before taxes	(11,704,206)	24,699,127	-	12,994,921



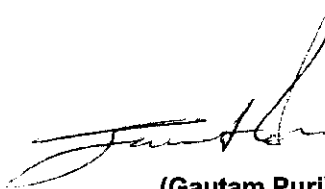
Segment assets and liabilities, which are directly employed in the operating activities of the segments or are reasonably attributable thereto, in accordance with AS 17 of ICAI are as follows:

Particulars	For the year ended 31 March, 2012		Total
	Business Segments		
	Advertising	Publishing	
Segment Assets	39,240,927	84,441,486	123,682,413
Segment Liabilities	52,797,928	116,340,286	169,138,214

For CL Media Private Limited

Place: Delhi

Dated: 30/07/2012


(Gautam Puri)
Director


(Nikhil Mahajan)
Director



CL MEDIA PRIVATE LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

(All Amounts in Rupees)

	As at 31 March, 2012		As at 31 March, 2011	
3. Share capital				
SHARE CAPITAL				
The Company has only one class of share capital having a par value of Rs 10 per share, referred to herein as equity share.				
Particulars	31/Mar/12		31/Mar/11	
	Numbers	Amount in Rs.	Numbers	Amount in Rs.
Authorized				
Equity shares of Rs.10/- each (previous year Rs.10/-)	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
Issued, Subscribed and Paid up				
Equity shares of Rs.10/- each (previous year Rs.10/-)	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000

Notes:

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

	31/Mar/12		31/Mar/11	
Particulars	Numbers	Amount in Rs.	Numbers	Amount in Rs.
At the beginning of the year	10,000	100,000	10,000	100,000
Share Issued during the year (Footnote a)	-	-	-	-
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.

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, 2012 10,000 equity shares (100% of equity shares were held by the fully holding company CL Educate Limited. (As at March 31, 2011: 10,000)



d) Shareholders holding more than 5% shares in the Company

Name of share holders	31/Mar/12		31/Mar/11	
	Numbers- %Holding	Amount in Rs.	Numbers- %Holding	Amount in Rs.
i. CL Educate Limited	10000-100%	100,000	10000-100%	100,000

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.

4. Reserves and surplus

4.1 Surplus in the statement of profit and Loss

(Amount in ₹)

	31/Mar/12	31/Mar/11
Opening balance	(10,139,680)	(14,201,532)
Add:-Profit after tax for the year from statement of profit and loss	7,943,987	4,061,853
Less: Appropriations		
Closing balance		
Total reserves and surplus (A+B)	(2,195,693)	(10,139,679)

5. Long- term borrowings (Footnote a)

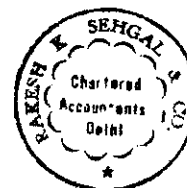
	As at 31 March, 2012	As at 31 March, 2011
Unsecured		
Loans and advances from related parties (Also refer Note 38)	47,760,000	40,675,000
With current maturities (shown under other current liability)		
	47,760,000	40,675,000

Footnote a: Details of terms of repayment for long-term borrowings in respect of the unsecured long-term borrowings:

	Terms of repayment		Terms of repayment	
Loans and advances from related parties:				
CL Educate Ltd (holding Company)	47,760,000	Unsecured, repayable by March 7, 2013	40,675,000	Unsecured, repayable by March 7, 2013

6 Deferred tax liabilities (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net increase in deferred tax asset of Rs.0000 for the current year has been recognised as benefit in the statement of profit and loss. The tax effect of significant timing differences as at March 31, 2012 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at March 31, 2012.



Deferred tax assets and liabilities are attributable to the following:

	(Amount in Rs.)	
	31/Mar/12	31/Mar/11
Deferred tax assets		
On account of:		
Unabsorbed Losses		4,698,279
Total deferred tax assets		4,698,279
Deferred tax liabilities		
On account of:		
Difference in depreciation	380,993	
Provision for Leave Encashment	(17,660)	
Provision for gratuity	(10,678)	
Total deferred tax liabilities	352,655	
Deferred tax assets, net		4,698,279

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.

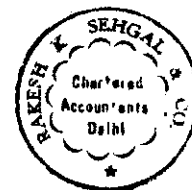
7. Provisions

Provision for employee benefits	Long-term		Short-term	
	31/Mar/12	31/Mar/11	31/Mar/12	31/Mar/11
-Gratuity	259,777	223,500		
-Leave Encashment	208,465	193,524		
	468,242	417,024		

CURRENT LIABILITIES

	As at 31 March, 2012	As at 31 March, 2011
8. Trade payables		
TRADE PAYABLES	58,488,122	
9. Other current liabilities		
	As at 31 March, 2012	As at 31 March, 2011
Current maturities of long-term debt (Footnote a)	47,760,000	
Other payables		
Trade Advances received	352,614	250,015
Creditors for expenses	15,693,517	
Stale cheques	51,197	
Duties and taxes being TDS, Service tax and PF payable	874,419	
Expenses payable	2,646,256	
Provision for Tax	977,126	
Deferred Advertising Revenue	1,066,031	
	21,661,160	7,735,084
	69,421,160	7,985,099

Footnote a: Current maturities of long-term debt (Refer 'footnote a' in Note 5 - Long-term borrowings for details of terms of repayment) include current maturity of loan taken from CL Educate, the holding company.



NON CURRENT ASSETS

10. Tangible assets

PARTICULARS	GROSS BLOCK				DEPRECIATION			Net Block	
	As at	Additions during the period	Deletions	As at 31.03.2012	Upto	For the period	Upto 31.03.2012	As at	As at
	01.04.2011			01.04.2011	01.04.2011	31.03.2012	01.04.2011		
Tangible Assets									
Computer & Other Peripherals	1,572,240	145,204	-	1,717,444	664,537	265,952	930,489	786,955	907,703
Furniture & Fixture	32,900	-	-	32,900	10,695	1,655	12,350	20,550	22,205
LHI	6,960	-	-	6,960	6,960	-	6,960	-	-
Office Equipment	195,200	-	-	195,200	24,664	9,157	33,821	161,378	170,535
Plant & Machinery	-	1,074,670	-	1,074,670	-	8,391	8,391	1,066,279	-
Total	1,807,299	1,219,874	-	3,027,173	706,856	285,155	992,011	2,035,162	1,100,443
Previous Year									

11. Intangible assets

PARTICULARS	GROSS BLOCK				Amortisation for the year (Footnote a)			Net Block	
	As at	Additions during the period	Deletions	As at 31.03.2012	Upto	For the period	Upto 31.03.2012	As at	As at
	01.04.2011			01.04.2011	01.04.2011	31.03.2012	01.04.2011		
License Fees	11,636,000	15,000,000	-	26,636,000	5,814,812	1,167,710	6,982,522	19,653,478	5,821,188
Softwares	217,280	110,324	-	327,604	217,280	10,881	228,161	99,443	-
CAT Online Module	4,300,000	-	-	4,300,000	1,394,850	1,075,000	2,469,850	1,830,150	2,905,150
Total	16,153,280	15,110,324	-	31,263,604	7,426,942	2,253,591	9,680,533	21,583,071	8,726,338
Total	17,960,580	16,330,198	-	34,290,778	8,133,799	2,538,746	10,672,545	23,618,233	9,826,781
Previous Year	17,782,480	178,100	-	17,960,580	5,655,332	2,478,467	8,133,799	9,826,781	12,127,148

Footnote a: Details of terms of repayment for long-term borrowings in respect of the unsecured long-term borrowings:



NON CURRENT ASSETS

12. Long-term loans and advances

	<u>As at 31 March, 2012</u>	<u>As at 31 March, 2011</u>
Unsecured, considered good		
Security deposit	95,000	
	<u>2,816,221</u>	
	<u>2,911,221</u>	2,334,607

CURRENT ASSETS

13. Inventories
(Amount in Rs.)

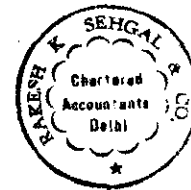
	<u>31/Mar/12</u>	<u>31/Mar/11</u>
At lower of cost and net realisable value		
(a) Raw materials	1,144,054	
Goods-in-transit	-	
(b) Work-in-progress	5,284,061	
Goods-in-transit	-	
(c) Finished goods (other than those acquired for trading)		
Goods-in-transit	-	
	<u>6,428,115</u>	<u>-</u>

14. Trade receivables

	<u>31/Mar/12</u>	<u>31/Mar/11</u>
(Amount in Rs.)		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for paym	75,738,660	8,552,467
Less: Provision for Doubtful debt	<u>(4,948,843)</u>	<u>(1,953,184)</u>
	70,789,817	6,599,283
Others	<u>17,270,329</u>	<u>13,806,464</u>
	<u>88,060,146</u>	<u>20,405,747</u>

15. Cash and bank balances

	<u>31/Mar/12</u>	<u>31/Mar/11</u>
(Amount in Rs.)		
Cash and cash equivalents		
Balances with banks		
-in current accounts	4,335,421	1,576,151
Cheques, drafts on hand		
Cash on hand	<u>703</u>	<u>1,255</u>
	<u>4,336,124</u>	<u>1,577,406</u>



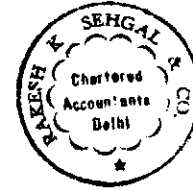
16. Short term loans and advances
(Amount in Rs)

	<u>31/Mar/12</u>	<u>31/Mar/11</u>
Unsecured, considered good, unless stated otherwise		
Loans and advances to related parties (Also refer note 38)		
Advance to vendors	-	17,147
Security Deposit		
Other Loans and advances		
- Employee advances	190,300	128,250
- Prepaid expenses	113,221	47,667
	<u>303,521</u>	<u>193,064</u>

17. Other current assets

(Amount in Rs.)

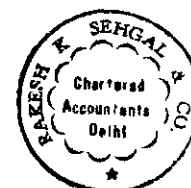
	<u>31/Mar/12</u>	<u>31/Mar/11</u>
MAT Credit Recoverable (to be utilised against tax payable in succeeding years in accordance with provisions of I Tax Act, 1961)	977,126	
Preliminary expenses	-	1,560
	<u>977,126</u>	<u>1,560</u>



CL MEDIA PRIVATE LIMITED

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
NOTE - 18				
REVENUE FROM OPERATIONS				
Sale of products				
Sale of Books	74,225,512		-	
Sale of services				
Advertising Fee	24,451,797		29,485,189	
Subscription Fee	71,453		93,148	
Other operating revenue				
Content Development Fees	4,800,000		7,450,000	
		<u>103,548,762</u>	<u>-</u>	<u>37,028,337</u>
		<u>103,548,762</u>		<u>37,028,337</u>
NOTE - 19				
OTHER INCOME				
Royalty	583,362			
License fee	<u>3,190,575</u>		<u>1,220,237</u>	<u>1,220,237</u>
		<u>3,773,937</u>		<u>1,220,237</u>
NOTE - 20				
COST OF MATERIAL COMSUMED				
Opening stock	-		-	
Add: Purchases	41,964,452		-	
Less: Closing stock	6,428,115		-	
Cost of material consumed		35,536,337		
PURCHASE OF RAW MATERIAL AND STOCK IN TRADE				
Paper	20,965,080			
Lamination Material	180,613			
Binding material	-			
Books	<u>20,818,759</u>			
	41,964,452			
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE				
Inventories at the end of the year:				
Finished goods	-			
Work-in-progress	1,144,054			
Stock-in-trade	5,284,061			
	6,428,115			
Inventories at the beginning of the year:				
Finished goods	-			
Work-in-progress	-			
Stock-in-trade	-			
	(6,428,115)			
Net (increase) / decrease				



NOTE - 21**OPERATING AND OTHER COSTS**

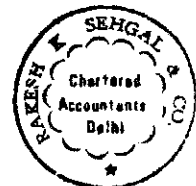
Operating Expenses a/c		
Purchases a/c		
Binding & Packaging Expenses	960,308	-
Cartage Inward	250,750	-
Printing Charges	6,346,973	-
	<u>7,558,031</u>	<u>-</u>

NOTE - 22**EMPLOYEE BENEFITS EXPENSES**

Salaries, Wages & Bonus		18,875,751		11,159,204
Contribution to Provident Fund and Other funds				
- Contribution to Provident Fund	489,155		283,121	
- Contribution to Gratuity	-		86,332	
- Contribution to Leave Encashment	-	489,155	129,737	499,190
Staff Welfare Expenses		139,217		123,771
		<u>19,504,123</u>		<u>11,782,165</u>

NOTE - 23**ADMINISTRATIVE & OTHER EXPENSES**

Administrative Exp	118,480		7,274.00
Advertising Space	9,934,095		10,464,324.00
Bad Debts Written Off	-		338,446.00
Bank Charges	3,888		2,446
Business Promotion	42,226		-
Commission/Brokerage Charges	23,000		-
Communication Expenses	263,804		501,555.00
Content Development	2,315,223		880,764.00
Duties & Taxes	30,473		-
Electricity Expenses	48,658		-
Fee & Subscription	142,632		-
Hiring Charges	116,061		24,423.00
Insurance Expenses	34,627		-
Internet Charges	26,127		-
Legal & Secretarial Exp.	14,816		36,838.00
Local Expenditure	391,151		115,085.00
Market Research	3,450		159,024.00
News Paper Books & Periodicals	9,034		-
Preliminary Exp. Written Off	1,560		1,560.00
Printing & Stationary	175,478		439,393.00
Professional Charges	164,800		59,600.00
Provision for Doubtful Debts	2,995,659		1,953,184.00
Recruitment Expenses	180,848		-
Rent	175,000		-
Repairs & Maintenance	136,089		123,829.00
Retainership Fee	3,623,840		1,375,390.00
Royalty	5,947,115		-
Security Charges	66,292		-
Traveling & Conveyance Expenses	1,727,346		628,325.00
Auditor's Remuneration	360,000		160,000.00
Statutory Audit	-		-
Interim Audit	-		-
Tax Audit	-		-
Miscellaneous Expenses	112,164		131,446.00
		<u>29,183,936</u>	<u>17,402,906.00</u>



NOTE - 24
FINANCE COST

Interest Expense		
- On borrowings	-	-
- On delay in payment of statutory liabilities	6,605	12,094
- Others (Bank overdraft)	-	-
	<u>6,605</u>	<u>12,094</u>

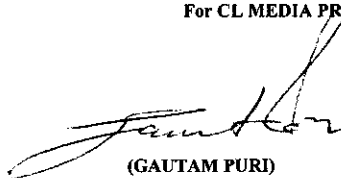
NOTE - 25
EXTRAORDINARY ITEM (INCOME)

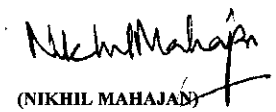
MAT credit (Recoverable account created after crediting Profit & Loss account)	977,126	-
	<u>977,126</u>	<u>-</u>

For CL MEDIA PRIVATE LIMITED

PLACE : DELHI

DATED : 30/07/2012


(GAUTAM PURI)
Director


(NIKHIL MAHAJAN)
Director

