
CL Media Private Limited

Statutory Audit for the year
ended March 31, 2015

Independent Auditors' Report

To the Members of

CL Media Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of CL Media Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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.

Auditors' 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, but not for the



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purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 31st March, 2015, its profit 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, 2015 ("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, 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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. 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.
 - (ii) The Company did not have any long-term contracts including derivative contracts and hence, the question of any material foreseeable losses does not arise;



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(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

Pranav Jain

Pranav Jain
Partner
Membership No. 098308



Date: June 23, 2015
Place: NEW DELHI

Annexure to Independent Auditors' Report

[Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of CL Media Private Limited on the financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified by the management during the year including inventory lying with third parties. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As informed, discrepancies noticed in physical verification during the year have been properly dealt with in the books of account.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted 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 business 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 regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.



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According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, employees' state insurance, sales tax, wealth 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. Undisputed Advance income tax payable is outstanding for more than six months which has not been deposited by the Company during the year.

Nature of the statute	Nature of the dues	Amount	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	Advance tax	8,639,402	April 2014 to September 2014	September 15, 2014	Not paid

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not deposited on account of any dispute
- (c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank.
The company has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions stated in paragraph 3(x) of the Order are not applicable to the Company
- (xi) The Company has not obtained any term loans.
- (xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

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


Pranav Jain
Partner
Membership No.098308



Date: June 23, 2015
Place: New Delhi

CL Media Private Limited
Balance Sheet as at 31 March 2015

Particulars	Note	31 March 2015	31 March 2014
		Amount in ₹	Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	100,000	100,000
Reserves and surplus	4	245,961,534	146,204,859
		246,061,534	146,304,859
Non-current liabilities			
Deferred tax liabilities (net)	5	691,112	822,679
Long-term provisions	6	391,414	245,338
		1,082,526	1,068,017
Current liabilities			
Short-term borrowings	7	38,572,827	32,830,592
Trade payables	8	56,008,155	71,351,255
Other current liabilities	9	19,344,303	14,776,413
Short-term provisions	6	22,499,861	17,934,301
		136,425,146	136,892,561
Total		383,569,206	284,265,437
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	10	1,546,637	1,847,086
-Intangible assets	11	11,662,678	14,326,278
Long-term loans and advances	12	46,570,990	31,735,017
		59,780,305	47,908,381
Current assets			
Inventories	13	18,365,269	26,930,009
Trade receivables	14	280,290,436	208,518,768
Cash and bank balances	15	24,000,966	145,386
Short-term loans and advances	12	1,046,144	762,893
Other Current Assets	15A	86,086	-
Total		323,788,901	236,357,056
		383,569,206	284,265,437
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

Pranav Jain
Pranav Jain
Partner
Membership No.: 098308



Place: New Delhi
Date: June 23, 2015

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

Gautam Puri
Gautam Puri
Director
DIN: 00033548

Place: New Delhi
Date: June 23, 2015



Nikhil Mahajan
Nikhil Mahajan
Director
DIN: 00033404

CL Media Private Limited
Statement of Profit and Loss for the year ended 31 March 2015

Particulars	Note	31 March 2015	31 March 2014
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	16	301,080,522	288,966,226
Other income	17	613,246	3,119,668
Total revenue (I)		301,693,768	292,085,894
Expenses			
Cost of sales and services	18	121,570,779	164,540,152
Decrease/ (increase) in inventories of finished goods and work-in-progress	19	15,013,591	(16,821,177)
Employee benefit expenses	20	34,414,011	29,441,426
Finance cost	21	6,126,888	9,861,674
Depreciation and amortisation expenses	22	2,920,305	3,054,925
Other expenses	23	14,616,682	15,436,283
Total expenses (II)		194,662,256	205,513,283
Profit before prior period items and tax (I-II)		107,031,512	86,572,611
Prior period expenses (net)	24	-	1,517,062
Profit before tax		107,031,512	85,055,549
Less: Tax expense for current year			
- Current tax		22,036,340	17,442,210
- Minimum alternate tax ('MAT') credit		(15,167,131)	(17,442,210)
- Deferred tax (benefit)/ charge	5	(66,518)	1,272,553
Less: Tax expense for earlier years			
-Earlier year tax expenses		340,452	-
		7,143,143	1,272,553
Profit after tax		99,888,369	83,782,996
Earnings per equity share (in ₹):			
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
-Basic and Diluted	30	9,988.84	8,378.30
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

Pranav Jain
Pranav Jain
Partner

Membership No.: 098308



Place: New Delhi

Date: June 23, 2015

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

Gautam Puri

Gautam Puri
Director
DIN: 00033548

Nikhil Mahajan

Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi

Date: June 23, 2015



CL Media Private Limited
Cash Flow Statement for the year 31 March 2015

	<u>31 March 2015</u>	<u>31 March 2014</u>
	<u>Amount in ₹</u>	<u>Amount in ₹</u>
A Cash flow from operating activities		
Net profit before tax and after prior period items	107,031,512	85,055,549
Adjustments for:		
Depreciation and amortisation	2,920,305	3,054,925
Bad debts written off	5,881,562	6,396,476
Finance cost (excluding interest on delayed payment of income tax)	3,019,356	7,739,978
Interest on delayed payment of income tax	3,107,532	2,121,696
Liabilities no longer required written back	(327,933)	(284,042)
Interest income	(95,651)	-
Operating profit before working capital changes	<u>121,536,683</u>	<u>104,084,582</u>
Adjustments for (increase) / decrease in operating assets:		
Inventories	8,564,740	(14,967,466)
Trade receivables	(77,653,230)	(81,350,616)
Short-term loans and advances	(283,251)	17,551
Long-term loans and advances	334,159	14,086
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(15,343,101)	22,732,878
Other current liabilities	3,730,721	(1,141,776)
Short-term provisions	6,827	(73,636)
Long-term provisions	146,076	5,745
Cash generated from operations	<u>41,039,624</u>	<u>29,321,348</u>
Taxes and interest thereon paid	(20,925,593)	(12,725,996)
Net cash generated from operating activities	<u>20,114,032</u>	<u>16,595,352</u>
B Cash flow from investing activities:		
Capital expenditure on fixed assets	(156,000)	(454,788)
Interest income received	9,565	-
Investments in deposits not considered as cash and cash equivalents	(20,000,000)	-
Net cash (used in) investing activities (B)	<u>(20,146,435)</u>	<u>(454,788)</u>

Continued on next page



CL Media Private Limited
Cash Flow Statement for the year ended 31 March 2015

Continued from previous page

C Cash Flow from financing activities:

	31 March 2015 Amount in ₹	31 March 2014 Amount in ₹
Net decrease/(increase) in short term borrowings from banks	(24,739,592)	155,527
Proceeds from short-term borrowings from related party	41,981,827	7,000,000
Repayment of short-term borrowings to related party	(11,500,000)	(18,909,000)
Interest and other borrowings costs paid	(1,854,252)	(4,299,569)
Net cash generated from/(used in) financing activities (C)	3,887,983	(16,053,042)
Net increase in cash and cash equivalents (A+B+C)	3,855,580	87,522
Cash and cash equivalents (Refer to note 15)		
-at beginning of the year -	145,386	57,864
-at end of the year	4,000,966	145,386
Cash and cash equivalents comprise		
Balances with banks:		
- on current accounts	4,000,966	145,378
Cash on hand	-	8
	4,000,966	145,386
Add:		
Fixed deposits shown under other Cash and bank balances		
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date (pledged with banks against issue of letter of credit)	20,000,000	
Total cash and bank balances at end of the year (Refer note 15)	24,000,966	145,386

Notes :

1. 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.
2. Notes to the Financials Statements are integral part of the Cash Flow Statement.

As per our report of even date.


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


Pranav Jain
Partner
Membership No.: 098308



Place: New Delhi
Date : June 23, 2015

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


Gautam Puri
Director
DIN: 00033548


Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date : June 23, 2015



1. Background

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

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended 31 March 2015.

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 as 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 managements' 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) Revenue recognition

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

Revenue from sale of books

Revenue is 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.

Advertisement income

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

Content development income

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



CL Media Private Limited
Notes to the financial statements for the year ended 31 March 2015

Royalty income

Revenue from Royalty is recognised on an accrual basis in accordance with terms of the relevant agreement.

Subscription fee

Income from subscription services is recognised on accrual basis.

Interest

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

Unearned revenue

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

(iv) Fixed Assets

Tangible Assets

Tangible fixed assets are stated at cost 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.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Statement of Profit and Loss.



CL Media Private Limited
Notes to the financial statements for the year ended 31 March 2015

(v) 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.

Schedule II to the Companies Act 2013 has become applicable to the Company with effect from April 1, 2014. Accordingly, the Company has determined the useful life of its assets as per Schedule II. Revised useful lives and earlier useful lives are as under:

Asset	Revised useful life	Existing useful life
Plant and machinery	15	15
Furniture and Fixtures	10	10
Office Equipment	5	10
Computer Equipment	3	5-7

In accordance with the transitional provisions of Schedule II, in respect of tangible assets where the remaining useful life is 'Nil', their carrying amount aggregating ₹ 196,744 and deferred tax there on has been adjusted after retaining the residual value as on 1 April 2014 as determined by the management has been adjusted against the opening balance of retained earnings as on that date.

As a consequence, had the Company not adopted Schedule II to the Companies Act, 2013, depreciation for the period would have been higher by ₹ 12,542, profit for the period would have been lower by ₹ 12,542 and the written down value of tangible assets as at 31 March 2015 would have been ₹ 1,730,840 as against reported written down value of ₹ 1,546,637. Impact of change in estimates of useful lives on subsequent periods is not realistically ascertainable.

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
Software	5
License fees	10

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.

(vi) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater



CL Media Private Limited
Notes to the financial statements for the year ended 31 March 2015

of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(vii) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset as determined by the management or the useful life envisaged in Schedule II to the Act, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

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

(viii) Inventories

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

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

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

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

(ix) Employee Benefits

(a) Short term employee benefits:

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



(b) Long term employee benefits:

(i) Defined contribution plans: Provident Fund

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

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

(ii) Defined contribution plans: Employee state insurance

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

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

(iii) Defined Benefit Plans: Gratuity

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

(iv) Other long-term benefits: Leave encashment

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

(x) Taxation

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

Current Tax

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



Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be 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.

(xi) Provisions, contingent liabilities and contingent assets

Provision

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

Contingent liabilities

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

Contingent assets

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

(xii) Borrowing Cost

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



CL Media Private Limited
Notes to the financial statements for the year ended 31 March 2015

(xiii) Cash and cash equivalents

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

(xiv) Earnings per share

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

(xv) Material Events

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

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CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

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 2015		31 March 2014	
	Number	Amount in ₹	Number	Amount in ₹
Authorised Shares				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	10,000	100,000	10,000	100,000
Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000

b. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	31 March 2015		31 March 2014	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

c. Terms/rights attached to equity share

Voting

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

Dividends

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

Liquidation

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

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

Particulars	Nature of Relationship	31 March 2015		31 March 2014	
		Number	% of Holding	Number	% of Holding
CL Educate Limited	Holding Company	10,000	100.00%	10,000	100.00%

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

Name of shareholder	31 March 2015		31 March 2014	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
Nikhil Mahajan (as nominee of CL Educate Limited)	5,000	50%	5,000	50%
Satya Narayanan R (as nominee of CL Educate Limited)	5,000	50%	5,000	50%

f. No class of shares have been issued as bonus shares and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.



CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

4. Reserves and Surplus

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Surplus in the Statement of Profit and Loss		
Opening balance	146,204,859	62,421,863
(+) Net profit for the year	99,888,369	83,782,996
(-) Depreciation adjustment pursuant to Schedule II of the Companies Act, 2013 (Refer footnote)	(196,744)	-
(+) Deferred tax on depreciation adjustment pursuant to Schedule II of the Companies Act, 2013	65,049	-
Total reserves and surplus	245,961,534	146,204,859

Footnote

Pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life is "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 196,744 and deferred tax there on has been adjusted against the opening reserves.

5. Deferred tax liabilities/ assets

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax liability of ₹ 66,518 (net of adjustment of schedule II of ₹ 65,049) has been recognised as benefit in the Statement of Profit and Loss. The tax effect of significant timing differences as at 31 March 2015 that reverse in one or more subsequent years gave rise to the following net deferred tax liabilities as at 31 March 2015.

Deferred tax assets and liabilities are attributable to the following: □

	31 March 2015	(Benefit)/ Charge for the year	31 March 2014
	Amount in ₹	Amount in ₹	Amount in ₹
Deferred tax assets			
Provision for gratuity	25,304	73,861	99,165
Provision for bonus	170,192	(14,546)	155,646
Provision for leave encashment	109,199	(55,277)	53,922
Total deferred tax assets	304,695	4,038	308,733
Deferred tax liabilities			
On account of depreciation/amortisation	995,807	(135,605)	1,131,412
Total deferred tax liabilities	995,807	(135,605)	1,131,412
Net deferred tax liabilities	(691,112)	(131,567)	(822,679)

Footnote:

Deferred tax benefit for the year (131,567)

Add: Transfer from retained earnings on account of Schedule II adjustments 65,049

Net deferred tax benefit for the year (66,518)

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

6. Provisions

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Provision for employee benefits				
Gratuity (Refer note 29)	65,916	-	10,617	-
Leave encashment (Refer note 29)	325,498	245,338	4,778	8,568
	391,414	245,338	15,395	8,568
Other provision				
Provision for tax [net of advance tax and tax deducted at source of ₹ 19,115,544 (previous year ₹ 851,987)]	-	-	22,484,466	17,925,733
Total	391,414	245,338	22,499,861	17,934,301



CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

7. Short-term borrowings

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Secured		
Loan from bank (Refer footnote a)	-	24,739,592
Unsecured		
Loans repayable on demand from related parties (Refer footnote b and note 32)	38,572,827	8,091,000
	38,572,827	32,830,592

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

Primary security

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

Collateral Security

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

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

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

Guarantees

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

Interest rate

The facility carried an interest rate of 14.25% per annum (floating i.e. bank's base rate + 4.25%) payable on monthly basis.

Footnote b: Unsecured loan from related parties represents loans taken from holding company and fellow subsidiary.

1. Loan taken from fellow subsidiary in the previous year carries an interest rate of 16% per annum payable on maturity. The repayment of entire loan amount along with all interest due thereon shall be repaid by 31 March 2016 or on demand whichever is earlier.
2. Loan taken from holding company during the current year carries an interest rate of 14.5% per annum payable. Loan is repayable on demand.

8. Trade payables

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Trade payable (Refer footnote a, note 28 and 32)	56,008,155	71,351,255
	56,008,155	71,351,255

Footnote a: Includes acceptance of ₹ 3,779,436 on account of letter of credit facilities utilised by various parties during the year.

9. Other current liabilities

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Interest accrued but not due on unsecured short-term borrowings (Refer note 32)	5,396,980	4,231,876
Others		
- Payables for expenses (Refer note 28)	6,343,997	4,062,767
- Employee related payables	3,118,510	2,960,363
- Advance from Customers	1,610,993	-
- Unearned revenue	1,838,000	1,571,155
- Other liabilities (Duties and taxes payable to government authorities)	1,035,823	1,950,252
	19,344,303	14,776,413



CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

Description	Gross block			Accumulated depreciation			(Amount in ₹) Net block As at 31 March 2015		
	As at 1 April 2014	Additions during the year	Disposal/ Adjustment	As at 31 March 2015	As at 1 April 2014	For the year		Adjustment pursuant to Schedule II*	
Plant and machineries	1,533,873	153,000	-	1,686,873	191,413	96,773	-	288,186	1,398,687
Furniture and fixtures	39,760	-	-	39,760	24,440	3,041	-	27,481	12,279
Office equipments	195,199	-	-	195,199	72,371	7,564	99,141	179,076	16,123
Computers and other peripherals	1,730,807	-	-	1,730,807	1,364,329	149,327	97,603	1,611,259	119,548
Total	3,499,639	153,000	-	3,652,639	1,652,553	256,705	196,744	2,106,002	1,546,637

Description	Gross block			Accumulated depreciation			Net block As at 31 March 2014		
	As at 1 April 2013	Additions during the year	Disposal/ Adjustment	As at 31 March 2014	As at 1 April 2013	For the year		Disposal/ Adjustment	
Plant and machineries	1,176,590	357,283	-	1,533,873	88,089	103,324	-	191,413	1,342,460
Furniture and fixtures	39,760	-	-	39,760	21,825	2,615	-	24,440	15,320
Office equipments	195,199	-	-	195,199	53,096	19,275	-	72,371	122,828
Computers and other peripherals	1,633,302	97,505	-	1,730,807	1,098,218	266,111	-	1,364,329	366,478
Total	3,044,851	454,788	-	3,499,639	1,261,228	391,325	-	1,652,553	1,847,086

Footnote

a. Assets were subject to first pari passu charge to secure the Company's borrowings referred in notes as secured term loan from bank in the previous year. (See note 7).

Pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life is "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 196,744 and deferred tax there on has been adjusted against the opening reserves.



11. Intangible assets (Refer footnote a)

Description	Gross block			Accumulated amortisation			Net block As at 31 March 2015
	As at 1 April 2014	Additions during the year	Disposal/ Adjustment	As at 1 April 2014	For the year	Disposal/ Adjustment	
Computer software	327,604	-	-	327,604	-	-	327,604
License fees	26,636,000	-	-	12,309,722	2,663,600	-	11,662,678
Total	26,963,604	-	-	12,637,326	2,663,600	-	11,662,678

Description	Gross block			Accumulated amortisation			Net block As at 31 March 2014
	As at 1 April 2013	Additions during the year	Disposal/ Adjustment	As at 1 April 2013	For the year	Disposal/ Adjustment	
Computer software	327,604	-	-	327,604	-	-	327,604
License fees	26,636,000	-	-	9,646,122	2,663,600	-	14,326,278
Total	26,963,604	-	-	9,973,726	2,663,600	-	14,326,278

Footnote

a. Assets were subject to first pari passu charge to secure the Company's borrowings referred in notes as secured term loan from bank in the previous year. (See note 7).



CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

12. Loans and advances

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Unsecured, considered good unless stated otherwise				
Capital advances	3,000	-	-	-
Security deposits	95,000	95,000	-	-
MAT credit entitlement	45,168,468	30,001,336	-	-
Advance income-tax [(net of provision for tax of ₹ 13,144,126) (P.Y. ₹ 13,144,126)]	1,304,522	1,304,522	-	-
Advance to suppliers	-	-	817,396	126,724
Service tax credit receivable	-	-	-	21,719
Prepaid expenses	-	-	71,505	85,057
Loans and advances to employees	-	-	157,243	318,212
Gratuity fund (net) (Refer note 29)	-	334,159	-	211,181
	46,570,990	31,735,017	1,046,144	762,893

13. Inventories (Refer footnote a)

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Valued at lower of cost and net realisable value		
Raw materials (Refer footnote b)	9,686,141	3,237,290
Work-in-progress (Refer footnote c)	2,696,299	16,327,484
Finished goods	5,982,829	7,365,235
	18,365,269	26,930,009

Footnote a: All inventories categories represent text books

Footnote b: Includes raw materials lying with third parties ₹ 9,686,141 (Previous year ₹ 3,237,290)

Footnote c: Includes work-in-progress lying with third parties ₹ 2,696,299 (Previous year ₹ 16,327,484)

14. Trade receivables

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment (Refer footnote a)	5,042,555	9,467,034
Others (Refer footnote a)	275,247,881	199,051,734
	280,290,436	208,518,768

Footnote a: Includes amount due from related parties. (Refer note 32)

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CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015
15. Cash and bank balances

	<u>31 March 2015</u>	<u>31 March 2014</u>
	<u>Amount in ₹</u>	<u>Amount in ₹</u>
Cash and cash equivalents		
Cash on hand	-	8
Balances with banks		
- on current accounts	4,000,966	145,378
Sub total (A)	<u>4,000,966</u>	<u>145,386</u>
Other bank balances		
Deposits with maturity less than 12 months from Balance Sheet date*	20,000,000	-
Sub total (B)	<u>20,000,000</u>	<u>-</u>
Total (A+B)	<u>24,000,966</u>	<u>145,386</u>

* This deposit is pledged against Letter of Credit facility taken from Kotak Mahindra Bank of ₹ 7,743,318 (sanction limit ₹ 20,000,000). The tenure of the said Letter of Credit is less than 12 months from the Balance Sheet date. (also refer footnote a of note 8).

15A. Other current assets

Interest accrued but not due

	<u>31 March 2015</u>	<u>31 March 2014</u>
	<u>Amount in ₹</u>	<u>Amount in ₹</u>
Interest accrued but not due	86,086	-
	<u>86,086</u>	<u>-</u>

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CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

16. Revenue from operations

	<u>31 March 2015</u>	<u>31 March 2014</u>
	Amount in ₹	Amount in ₹
Revenue from operations		
Sale of books and study material (Refer footnote i and ii)	241,067,692	256,675,037
Income from advertisement services (Refer footnote ii)	38,674,615	27,474,574
	<u>279,742,307</u>	<u>284,149,611</u>
Other operating revenue		
Royalty income	-	7,495
Content development and maintenance fees (Refer footnote ii)	20,962,335	4,800,000
Sales of scrap	368,660	-
Subscription income	7,220	9,120
	<u>21,338,215</u>	<u>4,816,615</u>
Total	<u>301,080,522</u>	<u>288,966,226</u>

Footnote:

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

Footnote ii: Includes revenue from related parties. (Refer note 32)

17. Other Income

	<u>31 March 2015</u>	<u>31 March 2014</u>
	Amount in ₹	Amount in ₹
Interest income on fixed deposits	95,651	-
Liabilities no longer required written back	327,933	284,042
Provision for doubtful debts written back	-	2,642,074
Miscellaneous income	189,662	193,552
	<u>613,246</u>	<u>3,119,668</u>

18. Cost of sales and services

18.1 Cost of materials consumed

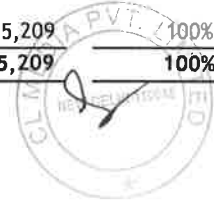
	<u>31 March 2015</u>	<u>31 March 2014</u>
	Amount in ₹	Amount in ₹
Inventory at the beginning of the year	3,237,290	5,091,001
Add: Purchases during the year (Refer footnote a)	68,609,541	91,801,498
	71,846,831	96,892,499
Less: Inventory at the end of the year	9,686,141	3,237,290
Total (A) (Refer footnote b)	<u>62,160,690</u>	<u>93,655,209</u>

Footnote a: Details of purchases are as follows:

	<u>31 March 2015</u>	<u>31 March 2014</u>
	Amount in ₹	Amount in ₹
Paper	67,560,596	87,581,553
Lamination material	724,815	315,567
Electronic storage disks and other material	324,130	3,904,378
	<u>68,609,541</u>	<u>91,801,498</u>

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

Particulars	<u>31 March 2015</u>		<u>31 March 2014</u>	
	Value (₹)	Percentage	Value (₹)	Percentage
Raw materials and other goods				
Indigenous	62,160,690	100%	93,655,209	100%
Total	<u>62,160,690</u>	<u>100%</u>	<u>93,655,209</u>	<u>100%</u>



CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

18.2 Other cost of goods sold

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Printing cost	30,437,892	49,194,409
Binding and cover pasting charges	3,119,732	3,215,824
Content development cost	2,027,720	721,431
Packing material consumed	641,920	1,083,705
Content editing and typing charges	211,350	1,005,980
Royalty charges	395,069	-
Labour cost	523,123	993,056
Total (B)	37,356,806	56,214,405

18.3 Cost of services rendered

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Advertisement support services (Refer note 32)	12,322,444	10,989,830
Content development cost	7,414,115	1,283,858
Material printing cost	2,316,724	2,396,850
Total (C)	22,053,283	14,670,538
TOTAL (A+B+C)	121,570,779	164,540,152

19. Decrease/ (increase) in inventories of finished goods and work-in progress

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Inventories at the beginning of the year		
-Finished goods produced	7,365,235	204,552
-Work-in-progress	16,327,484	6,666,990
	23,692,719	6,871,542
Less: Inventories at the end of the year		
-Finished goods produced	5,982,829	7,365,235
-Work-in-progress	2,696,299	16,327,484
	8,679,128	23,692,719
Net decrease/(increase)	15,013,591	(16,821,177)

20. Employee benefit expenses

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits	32,178,174	28,131,392
Leave encashment Expense (Refer note 29)	190,861	121,667
Gratuity Expense (Refer note 29)	722,960	21,129
Contribution to provident and other funds (Refer note 29)	1,207,766	840,968
Staff welfare expenses	114,250	326,270
	34,414,011	29,441,426



CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

21. Finance cost

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Interest expense on		
- short term borrowings from related parties	1,742,922	3,841,403
- other interest cost	-	601,844
- short term borrowings from banks	1,051,714	3,159,710
- Delay in payment of income tax	3,107,532	2,121,696
- Delay in payment of other statutory dues	-	66,796
Other borrowing costs*	224,720	70,225
	6,126,888	9,861,674

* Processing fee of 1% plus service tax thereon in respect of Letter of Credit facility sanctioned by Kotak bank.

22. Depreciation and amortisation expenses

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer note 10)	256,705	391,325
Amortisation of intangible assets (Refer note 11)	2,663,600	2,663,600
	2,920,305	3,054,925

23. Other expenses

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Freight and cartage outward	1,621,487	1,488,690
Retainership fee	822,209	702,711
Legal and professional charges (Refer note 27)	1,549,565	2,104,701
Equipment rentals and other hire Charges	10,077	53,561
Travelling and conveyance expenses	992,379	801,813
Marketing research expenses	-	1,100,000
Repairs and maintenance:		
Machinery	34,918	244,555
Others	451,532	537,736
Office administration expenses	1,085,519	473,452
Lease rent charges (Refer note 33)	1,337,500	420,000
Business promotion expenses	8,900	232,030
Communication expenses	14,740	280,784
Insurance expenses	87,317	119,839
Bad debts written off	5,881,562	6,396,476
Miscellaneous expenses	718,977	479,935
	14,616,682	15,436,283

24. Prior period expenses (net)

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Prior period income		
-Miscellaneous income	-	16,854
Total (A)	-	16,854
Prior period expenses		
Miscellaneous expenses	-	1,533,916
Total (B)	-	1,533,916
Prior period expenses (net) (B-A)	-	1,517,062



CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

25. Contingent liabilities

There are no contingent liabilities as at 31 March 2015 (Previous year ` Nil).

26. Commitments

There are no capital or other material commitments as at 31 March 2015 (Previous year ` Nil).

27. Payment to Auditor (excluding service tax)(included in legal and professional charges):

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Statutory audit	600,000	600,000
	<u>600,000</u>	<u>600,000</u>

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

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in		
- Trade payables	56,008,155	71,351,255
- Payables for expenses	6,343,997	4,062,767
Principal amount due to micro and small enterprises		
Interest due on above		
	<u>62,352,152</u>	<u>75,414,022</u>

The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond day each accounting year

The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year.

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.

29. Employee 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 year the Company has recognised the following amounts in the Statement of Profit and Loss:

	31 March 2015	31 March 2014
	Amount in ₹	Amount in ₹
Contribution to provident fund (Refer note 20)	1,157,482	756,369
Contribution to Employee State Insurance Scheme (Refer note 20)	50,284	84,599
Total	<u>1,207,766</u>	<u>840,968</u>

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 year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized positions of various defined benefits are as under:



CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

I. Actuarial assumptions

	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Discount rate (per annum)	8.00%	9.07%	8.00%	9.07%
Expected rate of increase in compensation levels	8.00%	8% for the next three years. Thereafter 5% is to be taken.	8.00%	8% for the next three years. Thereafter 5% is to be taken.
Expected rate of return on plan assets	NA	NA	8.00%	6.75%
Expected average remaining working lives of employees (years)	26.90	27.40	26.90	27.40
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

Note:

The discount rate has been assumed at 8.00% p.a. (Previous year 9.07%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Change in present value of obligation

	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Present value of obligation as at the beginning of the year	253,906	321,797	429,384	455,271
Current service cost	267,986	93,505	452,002	160,989
Interest cost	23,029	25,744	38,945	36,422
Benefit paid	(114,491)	(189,558)	(38,077)	(113,077)
Actuarial loss/(gain) on obligation	(100,154)	2,418	324,155	(110,221)
Present value of obligation as at the end of the year	330,276	253,906	1,206,409	429,384

III. Fair value of plan assets

	Gratuity fund	
	31 March 2015	31 March 2014
Fair value of plan assets at the beginning of the year	974,724	1,021,740
Plan assets recognised during the year	-	-
Expected return on plan assets	77,978	68,967
Contributions	86,538	-
Benefits paid	(38,077)	(113,077)
Actuarial gain/(loss) on plan assets	14,164	(2,906)
Adjustment on account of difference in opening balance	19,573	-
Administrative Expenses	(5,024)	-
Fair value of plan assets at the end of the year	1,129,876	974,724

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

	(Amount in ₹)			
	Earned Leave (unfunded)		Gratuity (funded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Current service Cost	267,986	93,505	452,002	160,989
Interest cost	23,029	25,744	38,945	36,422
Past service Cost	-	-	-	-
Expected return on plan assets	-	-	(77,978)	(68,967)
Net actuarial loss/(gain) to be recognised	(100,154)	2,418	309,991	(107,315)
Expense recognised in Statement of Profit and Loss	190,861	121,667	722,960	21,129

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

	(Amount in ₹)			
	Earned Leave (Unfunded)		Gratuity (Funded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Present value of obligation as at the end of the year	330,276	253,906	1,206,409	429,384
Fair Value of plan assets as at the end of the year	-	-	1,129,876	974,724
Funded Status	(330,276)	(253,906)	(76,533)	545,340
Net (liability)/Asset recognised in Balance Sheet	(330,276)	(253,906)	(76,533)	545,340
Amount classified as:				
Short term provision (Refer Note 6)	4,778	8,568	10,617	-
Long term provision (Refer Note 6)	325,498	245,338	65,916	-
Short term loans and advances (Refer note 12)	-	-	-	211,181
Long term loans and advances (Refer note 12)	-	-	-	334,159

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

(a) Gratuity (Funded)

	(Amount in ₹)				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
PBO	1,206,409	429,384	455,271	259,777	204,407
Plan assets	1,129,876	974,724	1,021,740	997,645	914,013
Net (liability)/assets	(76,533)	545,340	566,469	737,868	709,606
Experience gain/(loss) on PBO	197,802	57,514	(24,258)	39,649	(59,429)
Experience (loss)/gain on plan assets	26,348	(27,428)	(3,008)	1,371	(7,650)

The plan assets of the Company are managed by a trust formed by the Company which contributes to a fund managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31 March 2015 and 31 March 2014 has not been provided by Life Insurance Corporation of India.

(b) Earned leave (Unfunded)

	(Amount in ₹)				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
PBO	330,276	253,906	321,797	208,465	178,379
Plan assets	-	-	-	-	-
Net (liability)/assets	(330,276)	(253,906)	(321,797)	(208,465)	(178,379)
Experience gain/(loss) on PBO	220,910	(30,027)	47,062	60,708	(40,943)

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

	(Amount in ₹)
Gratuity	655,841
Earned leave	115,458

30. Earnings per share

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

	Reference	Units	31 March 2015	31 March 2014
Profit attributable to equity shareholders	A	₹	99,888,369	83,782,996
Weighted average no. of equity shares	B	Nos.	10,000	10,000
Basic and Dilutive earnings per share	(A/B)	₹	9,988.84	8,378.30

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



CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

31. Segment reporting

Primary segment

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

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

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

Financial information about the primary segments is given below:

For the year ended 31 March 2015

Particulars	Publishing of books	Media related services	Others	Total
Revenue				
External revenue	241,436,352	38,674,615	20,969,555	301,080,522
Total revenue	241,436,352	38,674,615	20,969,555	301,080,522
Results				
Segment results	99,386,618	5,072,305	20,969,555	125,428,478
Unallocated expenses				12,883,324
Operating profit				112,545,154
Finance costs				6,126,888
Other Income including finance income				613,246
Other income (unallocable)				-
Prior period income (net)				-
Profit before tax				107,031,512
Income taxes				7,143,143
Net profit				99,888,369
As at 31 March 2015				
Segment assets	267,410,881	44,581,903	-	311,992,784
Unallocable assets				71,576,422
Total assets				383,569,206
Segment liabilities	36,322,338	30,810,697	-	67,133,035
Unallocable liabilities				70,374,637
Total liabilities				137,507,672
Other Information				
Capital expenditure (including capital advances paid) (allocable)	156,000	-	-	156,000
Capital expenditure (unallocable)	-	-	-	-
Depreciation and amortisation (allocable)	1,596,773	1,163,600	-	2,760,373
Depreciation and amortisation (unallocable)	-	-	159,932	159,932
Other significant non-cash expenses (allocable)	-	5,881,562	-	5,881,562

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CL Media Private Limited
Notes to Financial Statements for the year ended 31 March 2015

For the year ended 31 March 2014

Particulars	Publishing of books	Media related services	Others	Total
Revenue				
External revenue	261,475,037	27,474,574	16,615	288,966,226
Total revenue	261,475,037	27,474,574	16,615	288,966,226
Results				
Segment results	118,358,741	(13,807,391)	16,615	104,567,965
Unallocated expenses				11,253,348
Operating profit				93,314,617
Finance costs				9,861,674
Other income including finance income				3,119,668
Prior period expenses(net)				-1,517,062
Profit before tax				85,055,549
Income taxes				1,272,553
Net profit				83,782,996
As at 31 March 2014				
Segment assets	224,193,581	27,291,121	-	251,484,702
Unallocable assets				32,780,735
Total assets				284,265,437
Segment liabilities	61,287,000	15,076,224	-	76,363,224
Unallocable liabilities				61,597,354
Total liabilities				137,960,578
<u>Other information</u>				
Capital expenditure (including capital advances paid) (allocable)	357,283	-	-	357,283
Capital expenditure (unallocable)				97,505
Depreciation and amortisation (allocable)	1,603,324	1,163,600	-	2,766,924
Depreciation and amortisation (unallocable)				288,001
Other significant non-cash expenses-(allocable)		6,396,476	-	6,396,476

Secondary segment

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

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32. Related Party Disclosure

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

(a) List of related parties

(i) Related parties where control exists:

Relationship	Name of related party
Holding Company	CL Educate Limited

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

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

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

Particulars	31 March 2015	31 March 2014
1. Revenue from operations		
a. Sale of books and study material (Gross of returns)		
- CL Educate Limited	113,975,616	94,636,327
- G.K Publications Private Limited	191,888,081	209,210,358
b. Sale return		
- G.K Publications Private Limited	77,255,681	50,026,318
c. Content development and maintenance fee		
- CL Educate Limited	20,962,335	4,800,000
d. Advertisement Income		
- Kestone Integrated Marketing Services Private Limited	725,328	
2. Purchases		
- G.K. Publications Private Limited	33,500	
3. Cost of services rendered		
Advertising support & Infra services		
- CL Educate Limited	12,322,444	10,989,830
4. Other expenses		
Marketing research expenses		
- Career Launcher Education Foundation		1,100,000
Lease Rent		
- CL Educate Limited	900,000	
5. Interest on loan		
- Kestone Integrated Marketing Services Private Limited	1,294,560	3,841,403
- CL Educate Limited	448,362	
6. Reimbursement of expense incurred on behalf of Company		
- G.K. Publications Private Limited	158,013	359,101
- CL Educate Limited	80,000	



CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

	31 March 2015	31 March 2014
7. Reimbursement of expense incurred by Company on behalf of related parties		
- G.K. Publications Private Limited	345,383	-
8. Amount paid on our behalf by others		
- CL Educate Limited	-	519,623
9. Loan taken from related party		
- Kestone Integrated Marketing Services Private Limited	-	7,000,000
- CL Educate Limited	41,578,301	-
10. Transfer of other current asset to related party		
- CL Educate Limited	-	406,142
11. Interest income on gratuity fund		
- CL Media Employee Gratuity Trust	92,142	66,061
12. Amount received by others on our behalf		
- CL Educate Limited	-	7,680
13. Loan repaid		
- Kestone Integrated Marketing Services Private Limited	-	18,909,000
- CL Educate Limited	11,500,000	-
14. Amount paid by us on behalf of others		
- CL Educate Limited	63,500	-
15. Conversion of interest expense into loan		
- CL Educate Limited	403,526	-
(c) Balance outstanding with or from related parties as:		
Amounts Receivable		
Trade receivable		
- CL Educate Limited	89,928,622	72,025,422
- G.K. Publications Private Limited	162,594,980	116,293,710
- Kestone Integrated Marketing Services Private Limited	1,624,525	825,846
Loans and advances (Gratuity fund)		
- CL Media Employee Gratuity Trust	1,129,876	974,724
Amounts Payable		
Trade payable		
- Career Launcher Education Foundation	892,027	892,027
- G.K. Publication Private Limited	33,500	-
- CL Educate Limited	18,618,360	10,543,314
Short term borrowings		
- Kestone Integrated Marketing Services Private Limited	8,091,000	8,091,000
- CL Educate Limited	30,481,827	-
Other current liabilities (Interest accrued but not due)		
- Kestone Integrated Marketing Services Private Limited	5,396,980	4,231,876
Other payables		
- CL Educate Limited	80,000	-
Guarantees given by related party for short term borrowings		
- CL Educate Limited, Mr. Satya Narayanan R, Mr. Gautam Puri and Mr. Nikhil Mahajan jointly and severally.	-	25,000,000

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CL Media Private Limited

Notes to Financial Statements for the year ended 31 March 2015

33. Leases

The Company is a lessee under operating lease of two premises. The lease terms of premises range from 1 to 2 years and accordingly are short term leases. Rental expense for operating leases for the year ended 31 March 2015 is ₹ 1,337,500 and 31 March 2014 was ₹ 420,000 . The Company has not executed any non-cancellable operating leases.

34. Transfer pricing

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

The management is of the opinion that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and are at arms' length.


35. Section 135 of the Companies Act, 2013, which came into effect on 01 April 2014, requires the Company to constitute a Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy and spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013.

Accordingly, the board of directors approved CSR Policy of the Company at its meeting held on 16 February 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ` 1,079,116 lacs on prescribed CSR activities. However, as the policy was approved towards the end of the financial year, the Company could not implement the same and thus neither any CSR activity was undertaken nor any amount was spent towards CSR during the year and the company expects to spend the same in next financial year. Further, in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.

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

As per our report of even date.

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


Pranav Jain
Partner
Membership No.: 098308

Place: New Delhi
Date: June 23, 2015



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


Gautam Puri
Director
DIN: 00033548


Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date: June 23, 2015

