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# Consolidated Financial Statements of CL Educate Limited

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Statutory Audit for the year  
ended March 31, 2015

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## Independent Auditor's Report

### To the Members of CL Educate Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CL Educate Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over



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financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matter

- (a) We did not audit the financial statements of 1 subsidiary whose financial statements reflects total assets of ₹ 190,971 as at March 31, 2015, total revenues of ₹ Nil and net cash outflows amounting to ₹ 65,762 for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

## 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, based on the comments in the auditor's report of the Holding Company and subsidiary companies, 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, to the extent applicable, that:
- 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 of the aforesaid consolidated financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;



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- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, none of the directors of the Group companies 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33 to the financial statements in respect of contingent liabilities and Note 52 in respect of other pending litigations;
- (ii) The Group did not have any long term contract including derivative contract hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

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



Raj Kumar Agarwal  
Partner  
Membership No. 074715

Place: New Delhi  
Date: June 23, 2015

## Annexure to Independent Auditors' Report

[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 Educate Limited on the consolidated financial statements for the year ended March 31, 2015]

(i) (a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Group have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Group and the nature of its assets.

(ii) (a) The inventory of the Group, including inventory lying with third parties, has been physically verified by the management of the respective entities during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management of the Group are reasonable and adequate in relation to their size and the nature of its business.

(c) The Group 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) (a) The Company and its subsidiary have granted unsecured interest free loan to one party and unsecured loan to one party covered in the register maintained under Section 189 of the Act. In our opinion and according to the information and explanations given by the management of Group, the rates of interest, wherever charged, are not, *prima facie*, prejudicial to the interest of the respective loan granting entities. However, other terms and conditions related to loans granted to the parties are, *prima facie*, prejudicial to the interest of the respective loan granting entities.

(b) In respect of the aforesaid loans, there is no overdue amount in excess of ₹ 100,000 in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given by the management of the Group, there exists an adequate internal control system commensurate with the size of the Group and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services except for event management services wherein the internal control system needs to be strengthened to be commensurate with the size of the Group and the nature of its business.

During the course of our audit, except for continuing failure to correct major weakness in internal control system of the Group with regard to the sale of services related to event management, we have not observed any continuing failure to correct major weaknesses in internal control system of the Group.

(v) In our opinion and according to the information and explanations given by the management of the Group, the respective entities have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.



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- (vi) We have broadly reviewed the books of account maintained by the Group in respect of business activities where the maintenance of cost records has been specified by the Central Government under sub-section (4) of Section 148 of the Act and the rules framed there under and we are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Group is generally 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.

According to the information and explanations given by the management of Group, undisputed dues in respect of 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, which were outstanding, at the yearend for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance Tax	15,100,122	April 2014 to September 2014	September 15, 2014	Not yet paid

(b) According to the information and explanation given by the management of Group, the dues outstanding with respect to, 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, on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount including penalty (in ₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	120,711,412	July 2003 to September 2008	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	7,372,308	October 2008 to March 2009	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	10,664,476	April 2009 to September 2009	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	71,756,945	October 2009 to September 2010	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	16,635,768	October 2010 to September 2011	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Service Tax	12,553,238	October 2011 to June 2012	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	CENVAT credit reversal	4,648,826	September 2004 to March 2007	Central Excise and Service Tax Appellate Tribunal, New Delhi



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Name of the statute	Nature of the dues	Amount including penalty (in ₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	CENVAT credit reversal	1,569,481	October 2007 to March 2008	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	CENVAT credit reversal	40,097,178	April 2008 to March 2012	Commissioner of Service Tax (Appeals), New Delhi
Income Tax Act, 1961	Tax deducted at Source	35,557,912	FY 2002-03 to FY 2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	27,330,519	FY 2006-07 to 2008-09	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	38,064,894	FY 2009-10	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	15,716,776	FY 2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Tax deducted at Source	87,668,910	FY 2011-12	Income Tax Appellate Tribunal, New Delhi

(c) According to the information and explanations given by the management of Group, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective entities.

(viii) The Company and its subsidiaries except a subsidiary, Career Launcher Infrastructure Private Limited, does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.

In our opinion, in case of Career Launcher Infrastructure Private Limited accumulated losses at the end of the financial year are less than fifty percent of its net worth. Further the Subsidiary has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) According to the information and explanations given by the management of Group, the respective entities have not defaulted in repayment of dues to any bank or financial institutions. The Group has not issued any debentures.

(x) According to the information and explanations given by the management of Group, the terms and conditions of the guarantees given by the respective entities, for loans taken by others from banks or financial institutions during the year are not, *prima facie*, prejudicial to the interest of the respective entities except in case of a subsidiary Career Launcher Education Infrastructure and Services Limited (CLEIS), where in our opinion, the terms and conditions of the guarantee amounting ₹ 15,000,000 given by such subsidiary for loan taken from bank by an entity over which Key Managerial Personnel have significant influence are prejudicial to the interests of CLEIS.

(xi) According to the information and explanations given by the management of Group, the term loans have been applied for the purpose for which the loans were obtained.



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- (xii) During the course of examination of the books and records of the Group carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W



Raj Kumar Agarwal  
Partner  
Membership No. 074715



Date: June 23, 2015

Place: New Delhi



CL Educate Limited  
Consolidated Balance Sheet as at March 31, 2015

Particulars	Notes	March 31, 2015	March 31, 2014
		Amount in ₹	Amount in ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	116,451,550	99,178,100
Reserves and surplus	4	1,961,581,733	1,388,292,681
		<b>2,078,033,283</b>	<b>1,487,470,781</b>
<b>Share application money pending allotment</b>	5	-	13,856,563
<b>Minority interest</b>		<b>13,621,171</b>	<b>285,596,657</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	249,000,209	235,016,513
Deferred tax liabilities (net)	7	18,548,855	23,302,806
Other long-term liabilities	8	2,590,000	1,190,000
Long-term provisions	9	29,067,346	20,392,171
		<b>299,206,410</b>	<b>279,901,490</b>
<b>Current liabilities</b>			
Short-term borrowings	10	309,428,079	340,803,493
Trade payables	11	200,181,872	169,853,087
Other current liabilities	12	478,073,482	405,137,070
Short-term provisions	9	25,030,548	25,677,560
		<b>1,012,713,981</b>	<b>941,471,210</b>
<b>Total</b>		<b>3,403,574,845</b>	<b>3,008,296,701</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
During the year, pursuant to Share Subscription and Amendment Agreement dated August 12, 2014 between the Company, i			
-Tangible assets	13	781,526,763	755,866,264
During the year, pursuant to the Share Subscription Agreement dat	14	126,246,290	110,247,787
-Capital work-in-progress	46	6,312,785	6,312,785
Goodwill on consolidation	45	195,959,853	195,959,853
Non-current investments	15	16,998,932	17,205,810
Deferred tax assets (net)	7	3,279,534	1,600,942
Long-term loans and advances	16	214,146,518	207,233,270
Other non-current assets	17	114,798,505	132,430,427
		<b>1,459,269,180</b>	<b>1,426,857,138</b>

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CL Educate Limited  
Consolidated Balance Sheet as at March 31, 2015

Particulars	Notes	March 31, 2015	March 31, 2014
		Amount in ₹	Amount in ₹
Continued from previous page...			
<b>Current assets</b>			
Inventories	18	88,147,827	105,716,848
Trade receivables	19	865,998,275	647,638,239
Cash and bank balances	20	193,566,063	114,021,313
Short-term loans and advances	16	630,639,917	561,944,656
Other current assets	21	165,953,583	152,118,507
		<u>1,944,305,665</u>	<u>1,581,439,563</u>
		<u>3,403,574,845</u>	<u>3,008,296,701</u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

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

Raj Kumar Agarwal  
Partner  
Membership No.:074715

Place: New-Delhi  
Date: JUNE 23, 2015



For and on behalf of the Board of Directors of  
CL Educate Limited

Gautam Puri  
Managing Director  
DIN: 00033548

Vivek Garg  
Senior Vice-President- Finance

Place: New Delhi  
Date: JUNE 23, 2015



Nikhil Mahajan  
Director and CFO  
DIN: 00033404

Rachna Sharma  
Company Secretary  
ICSI M. No.: A17780

CL Educate Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Notes	March 31, 2015	March 31, 2014
		Amount in ₹	Amount in ₹
<b>Income</b>			
Revenue from operations	22	2,736,216,862	2,186,847,135
Other income	23	95,231,199	89,694,660
<b>Total revenue (I)</b>		<b>2,831,448,061</b>	<b>2,276,541,795</b>
<b>Expenses</b>			
Cost of raw material and components consumed	24A	62,160,690	93,655,209
Cost of services	24B	634,468,667	519,437,428
Purchases of traded goods	25	19,811,383	16,312,474
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	26	23,433,778	(39,909,280)
Employee benefit expenses	27	749,693,992	686,573,553
Finance costs	28	93,568,132	89,710,517
Depreciation and amortisation expense	29	77,394,268	54,697,892
Other expenses	30	878,230,218	659,081,124
<b>Total expenses (II)</b>		<b>2,538,761,128</b>	<b>2,079,558,917</b>
<b>Profit before exceptional items, prior period items, tax and minority interest (I - II)</b>		<b>292,686,933</b>	<b>196,982,878</b>
Exceptional items (net)	47	22,841,122	13,258,993
<b>Profit before extraordinary items, prior period items, tax and minority interest</b>		<b>269,845,811</b>	<b>183,723,885</b>
Prior period expenses (net)	31	-	1,898,506
<b>Profit before tax and minority interest</b>		<b>269,845,811</b>	<b>181,825,379</b>
<b>Income tax expense:</b>			
For current year:			
-Current tax		83,795,196	47,731,437
-Minimum alternate tax ('MAT') credit		(15,167,132)	(24,907,463)
-Deferred tax charge/(benefit)		(8,131,708)	(675,095)
During the year, pursuant to Share Subscription and Amendment Agreement dated August 12, 2014 between the Company, inc			
-Tax adjustment/expenses		(274,487)	2,339,538
<b>Total tax expenses</b>		<b>60,221,869</b>	<b>24,488,417</b>
<b>Profit after tax before minority interest</b>		<b>209,623,942</b>	<b>157,336,962</b>
Share of minority in (loss)/profit for the year		(221,572)	9,339,771
<b>Profit after tax</b>		<b>209,845,514</b>	<b>147,997,191</b>

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**CL Educate Limited**

**Consolidated Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Notes	March 31, 2015	March 31, 2014
		Amount in ₹	Amount in ₹
Continued from previous page			
Earnings per equity share (Nominal value ₹ 10 per share)	32		
- Basic before exceptional expenses		21.73	17.12
- Basic after exceptional expenses		19.60	15.71
- Diluted before exceptional expenses		21.40	16.59
- Diluted after exceptional expenses		19.30	15.22
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

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

Raj Kumar Agarwal  
Partner  
Membership No.:074715



Place: New Delhi  
Date : JUNE 23, 2015

For and on behalf of the Board of directors of  
CL Educate Limited

Gautam Puri  
Managing Director  
DIN: 00033548

Vivek Garg  
Senior Vice-President- Finance

Nikhil Mahajan  
Director and CFO  
DIN: 00033404

Rachna Sharma  
Company Secretary  
ICSI M. No.: A17780



Place: New Delhi  
Date : JUNE 23, 2015

## CL Educate Limited

## Consolidated Cash Flow Statement for the year ended March 31, 2015

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>A Cash flow from operating activities</b>		
Net profit before tax and minority interest and after prior period items	269,845,811	181,825,379
<b>Adjustments for:</b>		
Depreciation and amortisation	77,394,268	54,697,892
Depreciation and amortisation on investment property	206,878	213,750
Interest expense	84,992,428	84,162,444
Loan processing charges	3,294,926	2,564,401
Interest income	(62,844,766)	(55,728,893)
Dividend Paid	2,747	26,218
(Gain) on fixed assets sold	-	(243,992)
Fixed assets written off	1,158,942	679,602
Transfer to employee stock option outstanding	7,016,855	853,950
Advances and deposits written off	2,182,440	2,128,468
Bad debts written off	67,722,932	47,107,803
Rent on investment properties	(1,345,588)	(293,750)
Bad debts recovered	(950,587)	(807,504)
Liability no longer required written back	(24,559,770)	(18,090,322)
Provision for doubtful advances	1,975,329	851,087
Provision no longer required written back	(2,585,347)	(3,078,958)
Provision for obsolescence of inventory	584,094	
<i>Exceptional non cash items:</i>		
Advances written off	-	13,258,993
- Expense on employee stock option (ESOP) scheme	22,841,122	-
Unrealised foreign exchange gain	(228,191)	(1,528,675)
Foreign currency translation reserve	-	9,448,901
<b>Dur Operating profit before working capital changes</b>	<b>446,704,523</b>	<b>318,046,794</b>
<b>Dur Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	(284,201,064)	(154,265,038)
Other non current assets	17,543,475	-
Other current assets	(5,801,084)	(10,086,359)
Long term loans and advances	(1,822,966)	246,638
Short term loans and advances	(35,706,163)	(41,674,416)
Inventories	16,984,927	(38,055,569)
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Other current liabilities	79,222,640	22,859,928
Non current liabilities	1,400,000	88,100
Long term provisions	8,675,175	8,253,627
Short term provisions	600,239	(959,638)
Trade payables	29,994,861	49,009,315
<b>Cash generated from operations</b>	<b>273,594,563</b>	<b>153,463,382</b>
Taxes paid (net of refund including interest on refund)	(74,892,536)	(55,292,593)
<b>Net cash generated from operating activities</b>	<b>198,702,027</b>	<b>98,170,789</b>

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## CL Educate Limited

## Consolidated Cash Flow Statement for the year ended March 31, 2015

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**B Cash flow from investing activities:**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Purchase of fixed assets (including capital advances and fixed assets related payable)	(125,921,157)	(43,605,970)
Proceeds from sale of fixed assets	6,515,107	357,401
Purchase of investment of in subsidiaries	(1,072,777,393)	(47,913,314)
Inter-corporate deposits (net)	121,634	(13,610)
Realisation from fixed deposits (net)	(64,019,179)	75,851,118
Loan given	(126,790,968)	(92,478,057)
Proceeds from realisation of loan given	89,200,978	44,018,026
Rental income	1,345,588	293,750
Interest received	54,899,221	52,236,838
<b>Net cash used in Investing activities</b>	<b>(1,237,426,169)</b>	<b>(11,253,818)</b>

**C Cash Flow from financing activities:**

Proceeds from issue of equity shares of subsidiary company (net of minority adjustments)	75,000	2,126,335
Proceeds from issue of equity shares of holding company	17,273,450	-
Security premium	1,157,745,590	350,000
Share application money received (utilised) (net)	(13,856,563)	13,856,563
Proceeds from long-term borrowings (including current maturities)	50,000,000	35,000,000
Repayment of long-term borrowings	(26,435,113)	(116,958,699)
Proceeds from short-term borrowings (net)	(31,375,414)	59,116,975
Loan processing fee paid	(3,294,926)	(2,564,401)
Dividend paid	(2,747)	(26,218)
Share issue expenses	(11,220,468)	(33,567)
Interest paid (include interest capitalised)	(84,692,079)	(84,797,000)
<b>Net cash flow from financing activities</b>	<b>1,054,216,730</b>	<b>(93,930,012)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,492,588</b>	<b>(7,013,041)</b>
<b>Unrealised foreign exchange gain on cash and cash equivalents</b>	<b>35,730</b>	<b>22,017</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>53,813,069</b>	<b>60,804,093</b>
<b>Adjustment on account of acquisition of subsidiary</b>	<b>69,341,387</b>	<b>53,813,069</b>
<b>Cash and cash equivalents at end of the year</b>	<b>69,341,387</b>	<b>53,813,069</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks:		
- on current accounts	60,861,703	46,902,245
Cheques/ drafts on hand	4,486,231	2,898,968
Cash on hand	3,993,453	4,011,856
	<b>69,341,387</b>	<b>53,813,069</b>

Continued on next page...



**CL Educate Limited**

**Consolidated Cash Flow Statement for the year ended March 31, 2015**

....Continued from previous page

Add:

Fixed deposits shown under cash and bank balances  
Total cash and bank balances at end of the year


March 31, 2015	March 31, 2014
Amount in ₹	Amount in ₹
124,224,676	60,208,244
<b>193,566,063</b>	<b>114,021,313</b>

Notes :

1. The above Consolidated Cash Flow Statement has been prepared under the indirect method set out in AS-3 "Cash Flow Statements" as specified 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 Consolidated Cash Flow Statement.

This is the Consolidated Cash Flow Statement referred to in our report of even date attached.

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

  
Raj Kumar Agarwal  
Partner  
Membership No.:074715



Place: New Delhi  
Date: **JUNE 23, 2015**


For and on behalf of the Board of Directors of  
CL Educate Limited

  
Gautam Puri  
Managing Director  
DIN: 00033548

  
Vivek Garg  
Senior Vice-President- Finance

Place: New Delhi  
Date: **JUNE 23, 2015**

  
Nikhil Mahajan  
Director and CFO  
DIN: 00033404

  
Radhna Sharma  
Company Secretary  
ICSI M. No.: A17780



## 1. Background

CL Educate Limited ('the Company' or 'the Holding Company') was incorporated in India on April 25, 1996 to conduct various educational and consulting programs. 67.47 % (previous year 68.58%) of the shares are being held by the promoters / directors of the Company and their relatives and the balance 32.53 % (previous year 31.42%) of the shares are being held by other individuals and companies.

Further, the Group has also entered into the business of/or related to education infrastructure services, event management, manpower resourcing and publication of books through formation/acquisition of various subsidiaries.

The accompanying Consolidated Financial Statements reflect results of activities undertaken by the Company and its subsidiaries (collectively referred to as 'the Group') during the year April 1, 2014 to March 31, 2015.

## 2. Significant accounting policies

### a. Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements have been prepared to comply with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

### b. Principles of consolidation

The Consolidated Financial Statements include the financial statements of the Company and its subsidiaries.

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS-21) on "Consolidated Financial Statements" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements are prepared on the following basis:

- i. Consolidated Financial Statements include Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and notes to Consolidated Financial Statements, other statements and explanatory material that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as adapted by the Company for its standalone financial statements.
- ii. The Consolidated Financial Statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Company and its share in the post-acquisition increase/ (decrease) in the relevant reserves of the entity to be consolidated. This procedure has been performed using the audited Standalone Financial Statements of CL Educate Limited and its subsidiaries.
- iii. As per Accounting Standard 21 on Consolidated Financial Statements, notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the Consolidated Financial Statements.
- iv. The Consolidated Financial Statements have been drawn to keep all the information as contained in the Audited Financial Statements of the Company for the year ended March 31, 2015 on standalone basis.





**CL Educate Limited**  
**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

**c. Basis for Consolidation**

The Consolidated Financial Statements include the financial statements of CL Educate limited and its subsidiaries (collectively known as "the Group").

Subsidiaries	Effective shareholding	
	March 31, 2015	March 31, 2014
Kestone Integrated Marketing Services Private Limited (Kestone) (India)	100.00%	100.00%
Kestone Asia Hub Pte Ltd (Singapore)	99.99%	99.99%
G. K. Publications Private Limited (GKP) (India) (Refer footnote i)	100.00%	100.00%
CL Media Private Limited (CLM) (India)	100.00%	100.00%
C L Higher Education Services Private Limited (CLHES) (India)	65.76%	65.76%
Career Launcher Education Infrastructure and Services Limited (India) (CLEIS) (Refer footnote iii)	97.94%	57.55%
Career Launcher Infrastructure Private Limited (CLIP) (India) (Refer footnote iii)	97.94%	57.55%

- (i) This subsidiary was acquired by the Company with effect from October 1, 2011. During the year 2013-14, on March 29, 2014, the Company acquired remaining 24% share.
- (ii) During the year, the Company purchased additional shares of this subsidiary from other shareholders, resultantly, the share of Company further increased from 57.55% to 97.94%.
- (iii) This Company is a wholly owned subsidiary company of "CLEIS" and accordingly shareholding has increased in CLIP, due to increase in shareholding in CLEIS.

Entities acquired/ sold during the year have been consolidated from/upto the respective date of their acquisition/ disposal and there are no subsidiaries, joint ventures and associates which have not been consolidated in the financial statements.

**d. Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the reported date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the managements' best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimate is recognised prospectively in current and future periods.

**e. Revenue recognition**

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

Educational and training business of the Group includes revenue from services and sales of text books.

*- Revenue from services*

Revenue in respect of educational and training fees received from students is recognised on time basis over the period of the course. Fee is recorded at invoice value, net of discounts, if any.

Revenue in respect of vocational training is recognised over the period of the training period, after taking into account the uncertainty involved in conditions to be fulfilled under the terms of the contract.



*- Revenue from sale of text books*

Sale of text books for full course is recognised at the time of receipt of first payment on account of test preparation services provided by the Group.

*Advertisement income*

Revenue is recognised on accrual basis, if the right to receive payment is established by the Balance Sheet date.

*Infrastructure fees and soft skill fees*

Revenue in respect of infrastructure fee and soft skills fee are charged from different institutions on revenue sharing basis and are recognised on accrual basis over the year of rendering services.

*Event management service income*

Revenue in respect of event management service is recognised on proportionate completion method by relating the revenue with work accomplished and certainty of consideration available.

*Manpower resourcing service income*

Revenue in respect of managed manpower services is recognised on an accrual basis, in accordance with the terms of the respective contract.

*Sale of books (other than as explained in education and training businesses)*

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. Allowances for sales returns are estimated and provided for in the year of sales.

*Other operating revenues*

Revenue from consultancy services and seminar and alliance income is recognised as and when services are actually rendered.

Revenue in respect of training fee, school fee and subscription fee is recognised on accrual basis in the year to which it pertains.

Passthrough revenue arises on account of facility provided to customers, in which debtors of the customers are realised through the Group. Revenue is generally a portion of such realisation and recognition of such revenue is made on receipt of request of such realisation from customers.

*License fee*

Revenue in respect of one-time license fee received from the franchisees is recognised on execution of the contract.

Revenue from licensing of content given for a long term period and dependent on percentage of revenue earned by the licensee is recognised when the right to receive payment is established.

License fee on account of grant of brand on non exclusive basis is one-time fee charged from different schools and is recognised in the year in which contract is executed.



*Royalty income*

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

*Content development income*

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

*Subscription fee*

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

*Unbilled revenue*

Unbilled revenue, included in other current assets, represents amounts recognised based on services performed in advance of billing in accordance with service terms.

*Unearned revenue*

Amounts billed and received or recoverable prior to the reporting date for services to be performed after the reporting date are recorded as unearned revenue in other current liabilities.

*Other Income*

*Interest income*

Revenue from interest on time deposits, inter-corporate loans and other loans are recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

*Dividend income*

Dividends income is recognised when the right to receive the same is established.

**f. Grant**

Government grants available to the Group are recognised when both the following conditions are satisfied:

- (a) where there is reasonable assurance that the group will comply with the conditions attached to them; and
- (b) where such benefits have been earned by the Group and it is reasonably certain that the ultimate collection will be made.

Grants related to specific fixed assets are shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the Consolidated Statement of Profit and Loss over the useful life of a depreciable asset by way of a reduced depreciation charge. Where the grant equals the whole, or virtually the whole, of the cost of the asset, the asset is shown in the Balance Sheet at a nominal value. Grants for various government projects carried out by the Company are disclosed in other operating income as grant income.



**g. 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 Group 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 amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

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.

**h. Depreciation and amortisation**

Depreciation has been calculated on Straight Line Method at the useful lives specified in schedule II to the Act. Amortisation has been calculated on straight line method at the useful lives, based on management estimates and in accordance with AS-26.

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 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:

Particulars	Revised useful life (years)	Existing useful life (years)
<b>Tangible Assets:</b>		
Building	60	60
Leasehold land	90 (period of lease)	90 (period of lease)
Plant and machinery	10-15	10-15
Furniture and fixtures	8-10	5 -16
Office equipment	5	5 -21
Vehicle	8-10	10



Computer equipment	3-6	5
Leasehold improvements and building improvements	Lesser of 3 years and period of lease	1-3
<b>Intangible assets: (Life ascertained in accordance with AS- 26)</b>		
Trademark	5	5
Software	1-10	1 - 10
CAT online module	4	4
Intellectual property rights	Amortised over a period of 10 years using straight line method based on the management's assessment of useful life.	Amortised over a period of 10 years using straight line method based on the management's assessment of useful life.
Goodwill <sup>^</sup>	5 years from the date of acquisition of business.	5 years from the date of acquisition of business.
Non-compete fee	5	5
Website	5	5
License fees	Over the period of license	Over the period of license

<sup>^</sup>Goodwill reflects the excess of cost of acquisition over the book value of net assets acquired on the date of the acquisition. Goodwill is tested for impairment on an annual basis.

In accordance with the transitional provisions of Schedule II, in respect of assets where the remaining useful life is 'Nil', their carrying amount aggregating ₹ 10,291,918 and deferred tax thereon after retaining the residual value as on April 1, 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 year would have been lower by ₹ 8,430,279, profit for the year would have been higher by ₹ 8,430,279 and the written down value of assets as at March 31, 2015 would have been ₹ 929,537,441 as against reported written down value of ₹ 907,773,053. Impact of change in estimates of useful lives on subsequent periods is not realistically ascertainable.

#### i. Impairment of assets

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

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

#### j. Borrowing costs

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



**k. Leases**

*Where the Group is lessee*

Finance leases, which effectively transfer to the group 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 Consolidated 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 or the useful life envisaged in Schedule II to the Act, whichever is lower. However, if there is no reasonable certainty that the Group 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 of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

*Where the Group is lessor*

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Consolidated Statement of Profit and Loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. related to lease are recognised immediately in the Consolidated Statement of Profit and Loss.

**l. Investment property**

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Group, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management, or that prescribed under the Schedule II to the Act.



On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

**m. Investments other than investments property**

**Accounting treatment**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments on individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

**Classification in the financial statements as per requirements of Schedule III**

Investments that are realisable within the period of twelve months from the Balance Sheet date are classified as current investments. All other investments are classified as non-current investments.

**n. Inventories**

- i. Raw materials are valued at lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. 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 is used.
- ii. Work in progress, manufactured finished goods and traded 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 of work in progress and manufactured finished goods is determined on the first in first out basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first in first out basis.
- iii. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

**o. Employee Benefits**

- i) 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 Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.



ii) Long term employee benefits:

(a) Defined contribution plan: Provident Fund

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

Defined contribution plan: 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 Group's contributions to the scheme are expensed off in the Consolidated Statement of Profit and Loss. The Group has no further obligations under these plans beyond its monthly contributions.

(b) Defined Benefit Plan: Gratuity

The Company and certain subsidiaries provide for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan are 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 Consolidated Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets.

The Company and its subsidiaries contribute to a trust set up by them, which further contribute to a policy taken from the Life Insurance Corporation of India except in case of G.K. Publications Private Limited.

(c) Other long-term benefits: Leave encashment

Benefits under the company's and certain subsidiaries' 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 gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

iii) Employee stock option scheme

The Employee Stock Option Scheme ('the Scheme') provides for the grant of equity shares of the Group to its employees. The Scheme provides that employees are granted an option to acquire equity shares of the Group that vests in a graded manner. The options may be exercised within a specified period. The Group follows the fair value method to account for its stock-based employee compensation plans. Compensation cost is measured using Independent valuation by a firm of Chartered Accountants using Black-Scholes model





and in accordance with the guidance note issued by the Institute of Chartered Accountants of India. Compensation cost, if any, is amortised over the vesting period.

**p. Foreign currency transactions**

The reporting currency of the Group is the Indian Rupee. However, the local currencies of non-integral overseas subsidiaries are different from the reporting currency of the Group.

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction. Profit and Loss items at representative offices located outside India are translated at the respective monthly average rates. Monetary Balance Sheet items at representative offices at the Balance Sheet date are translated using the year-end rates. Non-monetary Balance Sheet items are recorded at the rates prevailing on the date of the transaction.

Statement of Profit and Loss items at branch offices located outside India are translated at daily average rates. Monetary Balance Sheet items at branch offices at the Balance Sheet date are translated using the year-end rates. Non monetary Balance Sheet items are recorded at the rates prevailing on the date of the transaction.

**q. Integral and non-integral foreign operations**

The Consolidated Financial Statements of the foreign integral subsidiaries and representative offices (collectively referred to as the 'Foreign Integral Operations') are translated into Indian Rupees as follows:-

- Non-monetary Balance Sheet items, other than inventories, are translated using the exchange rate at the date of transaction i.e., the date when they were acquired.
- Monetary Balance Sheet items and inventory are translated using year-end rates.
- Profit and Loss items, except opening and closing inventories and depreciation, are translated at the respective monthly average rates. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the accounting period. Depreciation is translated at the rates used for the translation of the values of the assets on which depreciation is calculated.
- Contingent liabilities are translated at the closing rate.
- The net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognised as income or expense for the year.

The financial statements of the foreign non integral subsidiaries and joint venture (collectively referred to as the 'foreign non integral operations') are translated into Indian Rupees as follows:-

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.
- Profit and Loss items are translated at the respective monthly average rates.
- Contingent liabilities are translated at the closing rate.
- The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

A reclassification from foreign integral operations to foreign non-integral operations or vice versa is made consequent to change in the way operations of entities are financed and operates. The translated amounts for non-monetary items of reclassified entities on the date of such reclassification are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences which



have been deferred in foreign currency translation reserve are not recognised as income or expenses until the disposal of that entity.

**r. Income taxes**

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law), deferred tax charge or credit and MAT credit entitlement.

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 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.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the entity has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax ('MAT') payable under the provisions of the Income Tax Act 1961 is recognised as an asset in the year in which credit becomes eligible and is set off to the extent allowed in the year in which the Company or respective subsidiary becomes liable to pay income taxes at the enacted tax rates. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company or respective subsidiary will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised 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 Consolidated Statement of Profit and Loss 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.

**s. Provisions, contingent liabilities and contingent assets**

*Provisions*

The Group 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.



**t. 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.

**u. Exceptional items**

Items of income or 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 Consolidated Statement of Profit and Loss.

**v. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

**w. Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

**x. Share issue expenses**

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Act, to the extent balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of securities premium account, if any, are charged to Statement of Profit and Loss.

**y. Material events**

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



## 3. Share capital

a) The Company has one class of shares i.e. Equity Shares [previous year three classes of shares i.e. Equity shares (Class-I), Compulsorily convertible 0.01% non cumulative preference shares (CCPS)(Class -II) and Optionally convertible 0.01% non cumulative preference shares (OCPS)(Class- III)], having a par value of ₹ 10 per share.

Particulars	March 31, 2015		March 31, 2014	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Authorised</b>				
Equity shares of ₹ 10 each (previous year ₹ 10) with equal voting rights	16,000,000	160,000,000	13,000,000	130,000,000
Preference shares of ₹ 10 each (previous year ₹ 10)	-	-	2,000,000	20,000,000
	<u>16,000,000</u>	<u>160,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each (previous year ₹10) with equal voting rights (Class -I)	11,645,155	116,451,550	9,417,810	94,178,100
Compulsorily convertible 0.01% non cumulative preference shares (CCPS) of ₹10 each (previous year ₹ 10) (Class -II)	-	-	411,045	4,110,450
Optionally convertible 0.01% non cumulative preference shares(OCPS) of ₹10 each (Previous year ₹10)(Class-III)	-	-	88,955	889,550
	<u>11,645,155</u>	<u>116,451,550</u>	<u>9,917,810</u>	<u>99,178,100</u>

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

## 1) Class-I shares-Equity shares

Particulars	March 31, 2015		March 31, 2014	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of reporting year	9,417,810	94,178,100	9,417,810	94,178,100
Add: Share issued during the year by way of:				
-Allotment of share for a consideration in cash (Refer footnote i)	1,064,426	10,644,260	-	-
-Allotment of share for a consideration other than in cash (Refer footnote ii, iii and iv)	1,162,919	11,629,190	-	-
<b>Outstanding at the end of the year</b>	<u>11,645,155</u>	<u>116,451,550</u>	<u>9,417,810</u>	<u>94,178,100</u>

## Footnote i.

During the year, pursuant to Share Subscription and Amendment Agreement dated August 12, 2014 between the Company, individual promoters and a shareholder GPE (India) Limited, Mauritius the Company has issued 467,293 equity shares of Rs. 10 each at a price of Rs. 590 per share to GPE (India) Limited, Mauritius in two tranches of 230,000 equity shares and 237,293 equity shares on September 05, 2014 and September 16, 2014 respectively.

During the year, pursuant to the Share Subscription Agreement dated September 05, 2014 between the Company, individual promoters and a shareholder Housing Development Finance Corporation Limited (HDFC Limited) the Company has issued 594,233 equity shares of Rs. 10 each at a price of Rs. 590 per share to HDFC Limited on September 05, 2014.

## Footnote ii.

The Board of Directors of the Company at its meeting held on August 11, 2014 proposed a scheme wherein eligible domestic shareholders of a subsidiary company, Career Launcher Education and Infrastructure Services ("CLEIS Investor") holding equity shares of CLEIS were given a "share swap option" to swap shares of CLEIS with shares of CL Educate Limited at an agreed share swap ratio. This share swap option was proposed with an objective to consolidate Company's shareholding in CLEIS.



**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

Pursuant to such share swap option, the Board of Directors of the Company at its meeting held on September 05, 2014 approved to allot 1 equity share of the Company of Rs. 10 each, for 2.10 equity shares of CLEIS held by the eligible CLEIS investors subject to adjustment and rounding up. Such swap ratio has been determined in accordance with the Relative Valuation Report obtained by the Company from a Category-1 Merchant Banker.

Pursuant to the resolutions passed by the Board of Directors at its meetings held on August 11 and September 05, 2014 and pursuant to the shareholders' approval to the scheme at the Annual General Meeting of the Company held on September 05, 2014, the Company issued 904,139 equity shares of Rs. 10 each at an effective price of Rs. 590 to CLEIS investors in lieu of 1,898,684 shares of CLEIS. Consequent to share swap, the Company now holds 97.99% shares in CLEIS as against 57.55% shares prior to the share swap.

**Footnote iii**

The Company has acquired third and last tranche of shares in GKP by payment of cash consideration and balance consideration amounting ₹ 13,856,863 is settled by issue of 23,486 equity shares at the price of ₹ 590 per share.

**2) Class-II shares-CCPS**

Particulars	March 31, 2015		March 31, 2014	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the reporting year	411,045	4,110,450	411,045	4,110,450
Less: conversion into equity shares (refer footnote iv)	411,045	4,110,450	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>411,045</b>	<b>4,110,450</b>

**3) Class-III shares-OCPS**

Particulars	March 31, 2015		March 31, 2014	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the reporting year	88,955	889,550	88,955	889,550
Less: conversion into equity shares (refer footnote iv)	88,955	889,550	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>88,955</b>	<b>889,550</b>

**Footnote iv**

During the financial year 2012-13, the Company had issued 411,045, 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each at a price of Rs. 200 per share termed as Class II and 88,955, 0.01% Non-Cumulative Optionally Convertible Preference Shares (OCPS) of Rs. 10 each issued at a price of Rs. 200 per share termed as Class III to GPE (India) Limited and Gaja Trustee Company Private Limited respectively.

Each holder of CCPS had to get his shares converted in to equity shares as per the terms of conversion stipulated in the addendum number 3 to the Share Subscription and Shareholders Agreement dated November 02, 2012 within 5 years from the closing date i.e. November 09, 2012. (The price of conversion is detailed below. Refer footnote D)

Each holder of OCPS had either to get his shares converted in to equity shares or redeemed in cash as per the terms of conversion stipulated in the addendum number 3 to the Share Subscription and Shareholders Agreement dated November 02, 2012 at any time. (The price of conversion is detailed below. Refer footnote D).

The Board of Directors at its meeting dated July 22, 2014 approved of the conversion of such CCPS and OCPS into equity shares of Rs. 10 each at a price of Rs. 425 per share. The details of the equity shares issued are as given below:

Name of the Shareholder	Nature of Preference Shares held	No. of Preference Shares held	No. of Equity Share to be Issued
GPE (India) Limited	OCPS	411,045	193,433
Gaja Trustee Company Private Limited	CCPS	88,955	41,861



*c) Terms/rights attached to equity shares*

For the year ended March 31, 2015

**A. Voting**

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

**B. 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 period and previous year.

**C. 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.

For the year ended March 31, 2014

**A. Voting**

1) *Class-I shares-Equity shares*: Each holder of these class of shares is entitled to one vote per share held.

2) *Class-II shares-CCPS*: These class of shares do not carry any voting rights.

3) *Class-III shares-OCPS*: These class of shares do not carry any voting rights.

**B. Dividends**

1) *Class-I shares-Equity shares*: 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.

2) *Class-II shares-CCPS*: The Company declares and pays dividends in Indian rupees. CCPS had preferential right of dividend over equity shares in event of declaration of dividend. These shares carry dividend rate of 0.01%. The dividend is payable only when the Company declares dividend during a particular financial year.

3) *Class-III shares-OCPS*: The Company declares and pays dividends in Indian rupees. OCPS had preferential right of dividend over equity shares in event of declaration of dividend. These shares carry dividend rate of 0.01%. The dividend is payable only when the Company declares dividend during a particular financial year.

**C. Liquidation**

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

2) *Class-II shares-CCPS*: In the event of liquidation of the Company, the holders of CCPS shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any and before payment to equity shareholders. Such distribution amounts will be in proportion to the number of CCPS held by the shareholders upto the extent of agreed conversion amount of such shares.

3) *Class-III shares-OCPS*: In the event of liquidation of the Company, the holders of OCPS shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any and before payment to equity shareholders. Such distribution amounts will be in proportion to the number of OCPS held by the shareholders upto the extent of agreed redemption/conversion amount of such shares.



**D. Other terms and conditions**

**1) Class-II shares-CCPS:**

On December 14, 2012, the Company had issued 411,045 class- II, 0.01% CCPS of ₹ 10 each.

Each share holder of CCPS had to get its share converted into equity share as per price of conversion mentioned below within 5 years from closing date i.e. November 9, 2012.

**Conversion price 1:**

If the Company raises additional funds of a minimum of ₹100,000,000 through the issue of new shares within a period of 90 days i.e. February 7, 2013 from the closing date i.e. November 9, 2012, the CCPS shall be converted into equity shares at a price per share equal to the price per share of the new shares so issued in a manner to yield an IRR of 15% per annum, calculated on daily basis for the period from the closing date till the date on which new shares are so issued.

**Conversion price 2:**

If the Company does not raise additional funds within 90 days from the closing date or if the Company raises additional funds of less than ₹100,000,000 through the issue of new shares within a period of 90 business days from the closing date, the CCPS shall be converted into equity shares at a price per share based on aggregate equity valuation of such fund raised of less than ₹100,000,000 or 12.5 multiplied by the EBITDA as per audited consolidated financial statements of the Company and its subsidiaries for the twelve month period ended March 31, 2013, whichever is lower.

If the consolidated audited EBITDA of the Company for the year ended March 31, 2013 is less than ₹ 360,000,000 or if audited consolidated financial statements are not made available to shareholder by December 30, 2013, shareholder shall have right, exercisable at its sole discretion at any time by written notice to the Company and the founders and the Company, to require the Company to convert all of their shareholding as Class-II shares-CCPS into such number of equity shares that ensures shareholder an internal rate of return of 15% on the investment amount calculated from the closing date upto the date of such conversion.

Founders and the Company, jointly and severally undertake and agree to shareholder, to procure third parties to acquire and purchase of all of the Class-II shares-CCPS held by shareholder at conversion price arrived in accordance with the shareholder agreement. In event such purchase by third party doesn't happen in 60 days of conversion, founders and the Company are jointly and severally liable to purchase the same at above mentioned conversion price.

**Conversion price 3:**

If for any reason whatsoever under applicable laws the Company is unable to undertake the conversion, shareholder shall have the right to seek the conversion of these shares at a price per equity share of ₹ 425.

If the Company subsequently raises additional fund through issue of new shares at a price per share lower than above conversion price, the following conditions shall apply:

i. If shareholder has already exercised its options under above then the founders shall procure the Company to, and the Company shall take all reasonable steps to issue such number of additional equity shares to the shareholder as if the Class-II shares-CCPS had converted at a price per share equal to the price per share of such new shares. Such additional equity shares shall, subject to applicable laws be issued at no further cost to shareholder.

ii. If shareholder has not exercised its options under Conversion Price 1 and Conversion Price 2, then at shareholder's options, CCPS may be converted into equity shares of the Company at a price per share equal to the price of such new share.

**2) Class-III shares-OCPS:**

On December 14, 2012, the Company had issued 88,955 class-II, 0.01% OCPS of ₹10 each.

Each share holder of OCPS had to get his share converted into equity share or redeemed in cash as per price of conversion mentioned below at any time.

**Conversion price 1:**

If the Company raises additional funds of a minimum of ₹100,000,000 through the issue of new shares within a period of 90 days i.e. February 7, 2013 from the closing date i.e. November 9, 2012, the OCPS shall be converted into equity shares at a price per share equal to the price per share of the new shares so issued in a manner to yield an IRR of 15% per annum, calculated on daily basis for the period from the closing date till the date on which the New Shares are so issued.



**Conversion price 2:**

If the Company does not raise additional funds within 90 days from the closing date or if the Company raises additional funds of less than ₹100,000,000 through the issue of new shares within a period of 90 business days from the closing date, the OCPS shall be converted into equity shares at a price per share based on aggregate equity valuation of such fund raised of less than ₹100,000,000 or 12.5 multiplied by the EBITDA as per audited consolidated financial statements of the Company and its subsidiaries for the twelve month period ended March 31, 2013, whichever is lower.

If the consolidated audited EBITDA of the Company for the year ended March 31, 2013 is less than ₹ 360,000,000 or if audited consolidated financial statements are not made available to shareholder by December 30, 2013, shareholder shall have right, exercisable at its sole discretion at any time by written notice to the Company and the founders and the Company, to require the Company, to redeem all of their shareholding as Class-III shares-OCPS at a price that ensures shareholder an internal rate of return of 15% on the investment amount calculated from the closing date upto the date of such redemption.

Founders and the Company, jointly and severally undertake and agree to shareholder, to procure third parties to acquire and purchase of all of the Class-III shares-OCPS held by shareholder at conversion price arrived in accordance with shareholder agreement. In event such purchase by third party doesn't happen in 60 days of conversion, founders and the Company are jointly and severally liable to purchase the same at above mentioned conversion price.

**Conversion price 3:**

If for any reason whatsoever under applicable laws the Company is unable to undertake the conversion/redemption, shareholder shall have the right to seek the conversion of these shares at a price per equity share of ₹ 425.

If the Company subsequently raises additional fund through issue of new shares at a price per share lower than above conversion price, the the following conditions shall apply:

i. If shareholder has already exercised its options under above then the founders shall procure the Company to, and the Company shall take all reasonable steps to issue such number of additional equity shares to shareholder as if the Class-III shares-OCPS had converted at a price per share equal to the price per share of such new shares. Such additional equity shares shall, subject to applicable laws be issued at no further cost to shareholder.

ii. If shareholder has not exercised its options under Conversion Price 1 and Conversion Price 2, then at shareholder's options, The Class-III shares-OCPS may be converted into equity shares of the Company at a price per share equal to the price of such new share.

**d) Shares held by the holding company/ultimate holding company and/or their associates/ subsidiaries and shareholders holding more than 5% shares in the Company.**

**1) Class-I shares-Equity shares**

Name of share holders	March 31, 2015		March 31, 2014	
	Numbers	% held	Numbers	% held
Mr. Gautum Puri	2,562,579	22.01%	2,549,186	27.07%
Mr. Satya Narayanan R	2,562,579	22.01%	2,549,186	27.07%
Bilakes Consulting Private Limited	1,245,193	10.69%	786,859	8.36%
GPE (India) Limited	1,426,473	12.25%	765,747	8.13%
HDFC Limited	594,233	5.10%	-	-
	<b>8,391,057</b>	<b>72.06%</b>	<b>6,650,978</b>	<b>70.63%</b>

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

**2) Class-II shares-CCPS**

Name of share holders	March 31, 2015		March 31, 2014	
	Numbers	% held	Numbers	% held
GPE (India) Limited	-	-	411,045	100.00%
	-	-	<b>411,045</b>	<b>100.00%</b>

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





## 3) Class-III shares-OCPS

Name of share holders	March 31, 2015		March 31, 2014	
	Numbers	% held	Numbers	% held
Gaja Trustee Company Private Limited	-	-	88,955	100.00%
	-	-	88,955	100.00%

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

e) No class of shares have been issued as bonus shares and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date except for one class of share for which aggregate value has been mentioned below :

## 1) Class-I shares-Equity shares

	March 31, 2015	March 31, 2014
	Numbers	Numbers
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	1,826,951	670,032
	1,826,951	670,032

In addition, the Company has issued total equity shares in current period 7,675 of ₹ 10 each fully paid up (as on March 31, 2014 4,775 of ₹ 10 each fully paid up) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

f) No class of shares have been bought back by the Company during the period of five years immediately preceding the reporting date.

## Shares reserved for issue under options

## g) Employees stock option schemes (ESOP) (refer note 42)

The Group has two stock option plans. Employee stock options are convertible into equity shares in accordance with the respective employees' stock option plans.

## CL Educate Limited

Pursuant to the resolution passed by the Board of Directors at its meeting on March 6, 2008 and the Special Resolution passed by the members in the Extraordinary General Meeting held on March 31, 2008, the Company introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 5 years from the date of respective grants. As at March 31, 2015 and March 31, 2014 the Company had 29,743 and 56,143 number of shares reserved for issue under the scheme respectively.

Pursuant to the resolution passed by the Board of Directors at its meeting held on January 28, 2014 and special resolution passed by the members in the Extraordinary General Meeting held on May 29, 2014, the Company renewed "Career Launcher Employee Stock Options Plan 2008" for a further period of one year i.e. from April 01, 2014 upto March 31, 2015 by Board and from May 30, 2014 upto May 29, 2015 by shareholders respectively. Subsequently, the Company has approved and adopted the amended "Career Launcher Employee Stock Options Plan 2008" in its Annual General Meeting held on September 5, 2014 and the same is valid for a period of 3 years.

Further, pursuant to the resolution passed by the Board of Directors at its meeting held on August 11, 2014 and resolution passed by the members in the Annual General Meeting held on September 05, 2014, the Company renewed "Career Launcher Employee Stock Options Plan 2008" for a further period till May 29, 2015.



**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

**Career Launcher Education Infrastructure and Services Limited**

Pursuant to the resolution passed by the Board of Directors at its meeting on September 30, 2008, the subsidiary company introduced "CLEIS Employee Stock Options Plan 2008" which provides for the issue of 100,000 stock options to employees of the subsidiary company and its group companies/entities. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants. As at March 31, 2015 and March 31, 2014 the subsidiary company had 71,000 and 71,000 number of shares reserved for issue under the scheme respectively. (Also refer to note 42).

Pursuant to the Special Resolution passed by the members in the Annual General Meeting held on September 30, 2013, and the resolution passed by the Board of Directors of the subsidiary company at its meeting on January 28, 2014, the subsidiary company renewed "CLEIS Employee Stock Options Plan 2008" for a further period of one year i.e. November 20, 2014 and March 31, 2015 respectively.

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## 4. Reserves and Surplus

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>4.1. Securities premium</b>		
Opening balance	913,417,025	802,960,734
(+) Securities premium received/(adjusted)		
-on issue of equity shares in cash	617,076,080	350,000
-on issue of equity shares consideration other than cash	540,669,510	-
(-) Adjustment for reclassification of capital reserve into goodwill/change in minority interest	(220,175,950)	110,139,858
(-) Share issue expenses	(11,220,468)	(33,567)
(+) Transfer from Class-II shares-CCPS conversion reserve	4,831,186	-
(+) Transfer from Class-III shares-OCPS redemption/conversion reserve	1,045,526	-
<b>Closing balance (A)</b>	<b>1,845,642,909</b>	<b>913,417,025</b>
<b>4.2. Class-II shares-CCPS conversion reserve (B)</b>		
Opening balance	4,831,186	4,831,186
(-) Transferred to securities premium during the year	(4,831,186)	-
<b>Closing balance (B)</b>	<b>-</b>	<b>4,831,186</b>
<b>4.3. Class-III shares-OCPS redemption/conversion reserve (C)</b>		
Opening balance	1,045,526	1,045,526
(-) Transferred to securities premium during the year	(1,045,526)	-
<b>Closing balance (C)</b>	<b>-</b>	<b>1,045,526</b>
<b>4.4. Capital reserves (Others) (D)</b>	<b>19,939</b>	<b>19,939</b>
<b>4.5. General reserves (E)</b>	<b>5,784,256</b>	<b>5,784,256</b>
<b>4.6. Foreign currency translation reserve</b>		
Opening balance	-	(3,272,445)
(+) Additional recognised in the current year	-	9,470,918
(-) Transferred to P&L during current year	-	(6,198,473)
<b>Closing balance (F)</b>	<b>-</b>	<b>-</b>
<b>4.7. Employee stock option outstanding</b>		
Gross employee stock compensation for options granted in earlier years	9,327,206	8,473,256
(+) Gross compensation for options for the year	7,016,855	853,950
(+) Gross compensation for options granted to employees of subsidiary (Refer footnote ii of note 47)	22,841,122	-
<b>Closing balance (G)</b>	<b>39,185,183</b>	<b>9,327,206</b>
<b>4.8. Surplus in the Consolidated Statement of Profit and Loss</b>		
Opening balance	453,867,543	385,579,272
(+) Net profit for the year	209,845,514	147,997,191
(+) Transferred from Foreign currency translation reserve	-	6,198,473
(-) Adjustment on account of change in minority interest	(580,772,529)	(85,907,393)
(+) Adjusted Depreciation on account of schedule II (refer footnote a)	(10,291,918)	-
(+) Schedule II adjustment of deferred tax (refer footnote a)	(1,699,164)	-
<b>Closing balance (H)</b>	<b>70,949,446</b>	<b>453,867,543</b>
<b>Total reserves and surplus (A+B+C+D+E+F+G+H)</b>	<b>1,961,581,733</b>	<b>1,388,292,681</b>

## Footnote a:

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 ₹ 10,291,918 and deferred tax thereon has been adjusted against the opening reserves.



## 5. Share application money pending allotment

There is no share application money pending allotment as at March 31, 2015.

For the year ended March 31, 2014

Share application money in the previous year represents shares to be issued to former promoters of G.K. Publications Private Limited for acquiring the third and last tranche of shares in G.K. Publications Private Limited by payment of consideration as stipulated in the investment agreement entered on November 12, 2011 with the former promoters of G.K. Publications Private Limited, including consideration by way of issue of equity shares of the Company of value ₹ 13,856,863, which had been recorded as 'share application money pending allotment' by the Company.

During the period, on July 22, 2014, 23,486 equity shares of ₹ 10 each have been issued to the former promoters of GK Publications Private Limited against the said share application money at a premium of ₹ 580 per share.

The terms/rights of such equity shares were same as those of existing class-I shares-equity shares [Refer note 3(b)].

## 6. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Term loans (secured)</b>				
-From banks				
a) Vehicle loans (Refer footnote i)	1,250,290	1,765,482	1,692,994	1,068,711
b) Other term loans (Refer footnote ii)	44,439,184	17,400,482	51,738,842	47,718,368
-From others				
a) Term loan (Refer footnote iii)	203,310,735	212,849,649	9,538,914	2,150,351
<b>Unsecured loans</b>				
-From banks				
a) Term loans (Refer footnote iv)	-	1,274,958	1,128,541	1,366,387
b) From others (Refer footnote v)	-	1,725,942	-	2,214,283
	249,000,209	235,016,513	64,099,291	54,518,100
<b>The above amount includes</b>				
Amount disclosed under the head "Other current liabilities" (Refer note 12)	-	-	(64,099,291)	(54,518,100)
<b>Net amount</b>	<b>249,000,209</b>	<b>235,016,513</b>	<b>-</b>	<b>-</b>

## Footnotes

i. Vehicle loans from banks are secured against hypothecation of concerned vehicles.

The repayment terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2015

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	429,473	33,030	11.99%	May 7, 2016
Loan 2	402,871	24,618	12.27%	July 9, 2016
Loan 3	645,649	32,700	11.53%	January 5, 2017
Loan 4	287,488	22,140	12.24%	June 14, 2016
Loan 5	1,177,803	49,218	10.59%	June 10, 2017
	<b>2,943,284</b>			



**For amount outstanding as at March 31, 2014**

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	752,948	33,030	11.99%	May 7, 2016
Loan 2	633,268	24,618	12.27%	July 9, 2016
Loan 3	944,579	32,700	11.53%	January 5, 2017
Loan 4	503,398	22,140	12.24%	June 14, 2016
	<b>2,834,193</b>			

**ii. Secured term loans from Bank**

The Company had entered into a finance facility agreement with revised limit amounting ₹ 484,200,000 (previous year ₹ 366,900,000) with Kotak Mahindra Bank, under which various term loans and overdrafts have been availed at different times during the current and previous year.

The term loans so availed comprises five loans ₹ 83,558,732, ₹ 12,000,000, ₹ 35,000,000, ₹ 50,000,000 and ₹ 44,000,000. Year end balances of these loans are ₹ Nil, ₹ 3,126,045, ₹ 14,274,445, ₹ 34,777,536 ₹ 44,000,000 (previous year ₹ 26,726,611, ₹ 7,273,186 ₹ 31,119,053, ₹ Nil and ₹ Nil) respectively.

**Interest rate:**

These loans carry interest at Bank's base rate + 4.25% per annum ranging from 14% to 14.25% (previous year 14.% to 14.25%).

**Repayment schedule:**

The loan of ₹ 83,558,732 was repayable in 28 equal monthly installments of ₹ 3,515,379 (inclusive of interest) for which November 15, 2014 was the last installment date.

The loan of ₹ 12,000,000 is repayable in 36 equal monthly installments of ₹ 410,132 (inclusive of interest) for which November 10, 2015 is the last installment date.

The loan of ₹ 35,000,000 is repayable in 24 equal monthly installments of ₹ 1,684,587 (inclusive of interest) for which December 25, 2015 is the last installment date.

The loan of ₹ 50,000,000 is repayable in 24 equal monthly installments of ₹ 2,406,554 (inclusive of interest) for which July 25, 2016 is the last installment date.

The loan of ₹ 44,000,000 is repayable in 48 equal monthly installments of ₹ 1,207,890 (inclusive of interest) for which March 01, 2019 is the last installment date.

**Primary security**

This loan is secured by way of first and exclusive charge on all present and future current and moveable assets including moveable fixed assets of the Company.

Lien over fixed deposits of ₹ 45,000,000.

**Collateral security**

The loan is further secured by equitable mortgage on following properties of the 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 ₹ 110,000,000

The loan is further secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Company.

These loans are part of overall limit sanctioned by the bank to the Company, which comprise term loans above, overdraft facility upto ₹ 355,000,000 (Previous year ₹ 265,000,000) (disclosed in short term borrowings in the financial statements), cash management facility of ₹ 2,500,000 (Previous Year ₹ 2,500,000) and OD against credit card receivables of ₹ 15,000,000 (unavailed). Securities mentioned above are securities provided by the Company for such overall limit.



iii. Secured term loans-from others

Secured term loan from others represents loan taken by Career Launcher Infrastructure Private Limited, a wholly owned subsidiary of Career Launcher Education Infrastructure and Services Limited, the subsidiary of CL Educated Limited.

The secured loans are secured by way of:

a) First Equitable Mortgage of Land and Building of projects

1. Indus World School (IWS), off. Bypass Road, Near County Walk Township, Jhalaria, Indore.

2. IWS - PlanetCity, Vill. Mujgahan, Old Dhamtari Road, Raipur.

3. IWS - Village Yeolawadi, Taluka Haveli, District Pune and construction thereon, present and future.

b) First charge on all receivables, present and future, arising from the above mentioned projects, from Indus world school, located at 9, Sanyogitaganj, Near Mission Hospital, Chhawani, Indore and all other schools that are being run by Nalanda Foundation.

c) First charge on all bank accounts of CLIP, including without limitation to the project account/trust and retention account/escrow accounts, debt service reserve account and any other accounts wherever mentioned.

d) First charge on all receivables of CLIP via an escrow mechanism.

e) First charge on all bank accounts of Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company, including without limitation to Project account/Trust and retention account/Escrow account Debt service reserve account and any other accounts wherever mentioned.

f) First charge on all receivables of CLEIS, the holding company, via an escrow mechanism.

g) First charge on bank accounts of Nalanda Foundation related to all schools under Nalanda Foundation.

h) First charge on all receivables of Nalanda Foundation, via an escrow mechanism.

i) Pledge of 51% shares of CLIP held by CLEIS, the holding company.

j) Corporate guarantee from CL Educate Limited (CL), the ultimate holding company, and CLEIS, the holding company.

k) Personal guarantees of Mr. Satya Narayanan R., Mr. Gautam Puri, Mr. Sujit Bhattacharyya, Mr. Sreenivasan R., Mr. Shiv Kumar Ramachandran and Mr. Nikhil Mahajan.

l) Undertaking from CLEIS, the holding company to the effect that: 1.) they will continue to hold at least 51% of equity share capital of CLIP throughout the tenor of the loan 2.) to provide funds by way of additional equity/unsecured loans to CLIP for project completion and meeting cost overruns of the project if any including interest and principal repayments.

m) Undertaking from CL, the ultimate holding company, to the effect that: 1.) they will continue to hold at least 51% of equity share capital of CLEIS, the holding company, throughout the tenor of the loan 2.) to provide funds by way of additional equity/unsecured loans to CLIP for project completion and meeting cost overruns of the project if any including interest and principal repayments.

n) Undertaking from Nalanda Foundation that payment to CLIP towards payment of loans will be made prior to any other payments after day to day expenses are met.

o) Any other security of equivalent or higher amount that may be acceptable to the lender, HDFC Limited. There is no other security demanded by the lenders as at March 31, 2015 & March 31, 2014.

Rate of interest

Rate of interest shall be variable and linked to HDFC's Corporate Prime Lending Rate (CPLR) and shall be lower than the same by 325 basis points. The applicable interest rate will be reviewed/reset on monthly basis i.e. on first day of every calendar month.



**Terms of repayment**

The loan shall be repaid by way of 32 unequal quarterly instalments with the first instalment falling due on February 28, 2015.

Aggregate amount of loans guaranteed by directors of the Company ₹ 599,625,885 (previous year ₹ 605,873,177) [Includes amount of ₹ 61,277,756 (previous year ₹ 52,083,002) disclosed under other current liabilities as current maturities of long term borrowing (Refer note 12)] and short term borrowings amounting ₹ 290,598,210 (previous year ₹ 321,814,102) (Refer note 10).

**iv. Unsecured loan from Bank**

The term loans so availed of ₹ 4,000,000. Year end balances of these loans are ₹ 1,128,541 (previous year ₹ 2,641,345).

**Interest rate:**

These loans carry interest at Bank's base rate + 7.75% per annum i.e. 17.50% (previous year 17.50%).

**Repayment schedule:**

The loan is repayable in 36 equal monthly installments of ₹ 143,608 (inclusive of interest) for which January 5, 2016 is the last installment date.

**v. Unsecured loan from others**

The term loans so availed comprises loans ₹ 4,000,000 and ₹ 3,500,000. Year end balances of these loans are ₹ Nil and ₹ Nil (previous year ₹ 2,154,329 and ₹ 1,785,896 ) respectively.

**Interest rate:**

The loans of ₹ 4,000,000 and ₹ 3,500,000 carry interest at fixed rate of 19.64% and 19.53% respectively (previous year 19.64% and 19.53% respectively).

**Repayment schedule:**

The loan of ₹ 4,000,000 was repayable in 36 equal monthly installments of ₹ 188,247 in 1st year, 132,628 in 2nd year and 106,598 in 3rd year (inclusive of interest) for which January 7, 2016 is the last installment date. However, the same has been pre paid during the year.

The loan of ₹ 3,500,000 was repayable in 36 equal monthly installments of ₹ 170,432 in 1st year, 118,561 in 2nd year and 81,511 in 3rd year (inclusive of interest) for which January 5, 2016 is the last installment date. However, the same has been pre paid during the year.

**7. Deferred tax (liabilities)/ assets**

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' decrease in Deferred Tax Liability of ₹ 6,095,118 for the current year has been recognised as benefit in the Consolidated Statement of Profit and Loss. The tax effect of significant timing differences as at March 31, 2015 that reverse in one or more subsequent years gave rise to the following net Deferred Tax Liability as at March 31, 2015.

	March 31, 2015 Amount in ₹	(Charge)/benefit Amount in ₹	March 31, 2014 Amount in ₹
<b>Deferred tax assets</b>			
<b>On account of</b>			
Unabsorbed Losses	39,750,355	10,034,106	29,716,249
Provision for gratuity	5,257,500	781,442	4,476,058
Provision for bonus	1,172,520	(488,806)	1,661,326
Provision for leave encashment	3,675,880	1,279,355	2,396,525
Provision for investment impairment	21,742	406	21,336
Provision for loans and advances	13,974,092	160,374	13,813,718
Provision for incentive	3,771,030	3,771,030	-
Provision for obsolete inventory	193,119	193,119	-
Provision for doubtful debts & Advance	716,975	383,109	333,866
Provision for sales incentive	100,587	(112,682)	213,269
Provision for sales return	552,723	135,573	417,150
Unrealised foreign exchange loss	110,786	110,786	-
<b>Total deferred tax assets</b>	<b>69,297,309</b>	<b>16,247,812</b>	<b>53,049,497</b>
<b>Deferred tax liabilities</b>			
On account of depreciation	84,904,055	10,152,694	74,751,361
<b>Total deferred tax liabilities</b>	<b>84,904,055</b>	<b>10,152,694</b>	<b>74,751,361</b>
<b>Net deferred tax (liabilities)</b>	<b>(15,606,746)</b>	<b>6,095,118</b>	<b>(21,701,864)</b>



Deferred Tax Liabilities	(15,606,746)
Add: Transfer to retained earnings on account of Schedule II adjustments (Refer note 4)	337,425
<b>Net deferred tax liabilities</b>	<b>(15,269,321)</b>

Deferred tax benefit for the year	6,095,118
Add: Transfer from retained earnings on account of Schedule II adjustments	2,036,590
<b>Net deferred tax benefit for the year</b>	<b>8,131,708</b>

## Presentation in the financial statements as per tax jurisdictions:

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Total deferred tax assets of net deferred tax assets jurisdiction entities	3,279,534	1,600,942
Total deferred tax liabilities of net deferred tax liabilities jurisdiction entities	(18,548,855)	(23,302,806)
<b>Net deferred tax liability shown in the Balance Sheet</b>	<b>(15,269,321)</b>	<b>(21,701,864)</b>

Net deferred tax assets and net deferred tax liabilities as shown in different entities have not been setted off considering the provisions of AS-22.

## 8. Other long-term liabilities

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Security deposit received	2,590,000	1,190,000
	<b>2,590,000</b>	<b>1,190,000</b>

## 9. Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Provision for taxes				
-for Income tax [net of advance tax and tax deducted at source of ₹ 19,115,544 (previous year ₹ 3,763,015)]	-	-	22,484,466	23,731,717
<b>Total</b>	<b>A</b>		<b>22,484,466</b>	<b>23,731,717</b>
Provision for sales return (Refer footnote i)	B		1,788,747	1,350,000
Provision for employees benefit				
Gratuity (Refer note 44)	18,101,534	11,931,276	400,514	252,171
Leave encashment (Refer note 44)	10,965,812	8,460,895	356,821	343,672
<b>Total</b>	<b>C</b>		<b>757,335</b>	<b>595,843</b>
<b>Total (A+B+C)</b>			<b>25,030,548</b>	<b>25,677,560</b>

## Footnote:

H

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Opening balance	1,350,000	998,559
(+) Additions during the year	1,788,747	1,350,000
(-) Utilised/reversed during the year	(1,350,000)	(998,559)
<b>Closing balance</b>	<b>1,788,747</b>	<b>1,350,000</b>

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## 10. Short-term borrowings

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>Secured, from bank, repayable on demand</b>		
-Cash credit (Refer footnote i)	309,428,079	340,778,493
Unsecured loans repayable on demand from related parties (Refer note 40)	-	25,000
<b>Net amount</b>	<b>309,428,079</b>	<b>340,803,493</b>

**Footnotes:**

i. Details of these loans are as follows:

**For the year ended March 31, 2015**

Cash credit represents two loans from Kotak Mahindra Bank taken by CL Educate Limited and G.K. Publications Private Limited and two loans from IndusInd Bank taken by Kestone Integrated Marketing Services Private Limited and G.K. Publications Private Limited which are repayable on demand.

**Cash credit from Kotak Mahindra Bank- loan 1**

1. It carries interest rate of bank's base rate plus 4.50 % ranging from 14% to 14.25% calculated on monthly basis on the actual amount utilised.
2. Security details: Refer footnote ii of note 6.

**Cash credit from Kotak Mahindra Bank- loan 2**

1. This loan represents the limit availed out of the total fund limit of ₹ 15,000,000 (Previous year ₹ 15,000,000). The loan is secured by the following:

**Security details:**

## Primary security

First and exclusive charge on all present and future current and movable assets including movable fixed assets of the G.K. Publication Private Limited.

**Collateral Security:**

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

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

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

**Cash credit from IndusInd Bank- loan 1**

1. It carried interest rate of base rate plus 3%-4.25% ranging from 14% to 15%.
2. Security details:

## Primary Security

First and exclusive charge on entire current assets of Kestone Integrated Marketing Services Private Limited both present and future.

## Collateral Security

First and exclusive charge on movable fixed assets of Kestone both present and future.

3. Personnel guaranteed by directors of the Kestone Integrated Marketing Services Private Limited amounting ₹ 40,053,705.
4. Corporate guarantee of CL Educate Limited (Holding Company).
5. Lien on fixed deposits amounting to ₹ 15,000,000 (Previous year ₹ 15,000,000).

**Cash credit from IndusInd Bank- loan 2**

1. Unsecured loan from bank represents over draft facility from IndusInd Bank in the current year. The above amount represents the limit availed out of the total fund limit of ₹ 19,000,000 (previous year ₹ 19,000,000 ).
2. The facility carries an interest rate of Bank's fixed deposit rate + 1.75% per annum payable on monthly basis.
3. The above loan is repayable by February 20, 2016 or maturity date of underlying fixed deposits, whichever is earlier.



**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

**For the year ended March 31, 2014**

Cash credit represents three loans from Kotak Mahindra Bank taken by CL Educate Limited, CL Media Private Limited and G.K. Publications Private Limited and two loans from IndusInd Bank taken by Kestone Integrated Marketing Services Private Limited and G.K. Publications Private Limited which are repayable on demand.

**Cash credit from Kotak Mahindra Bank- loan 1**

1. It carries interest rate of base rate plus 4.50 % ranging from 14% to 14.25%.
2. Security details: Refer footnote ii of note 6.

**Cash credit from Kotak Mahindra Bank- loan 2**

1. It carries interest rate of base rate plus 3.75 %.
2. Security details: Refer footnote ii of note 6.

**Cash credit from Kotak Mahindra Bank- loan 3**

1. This loan represents the limit availed out of the total fund limit of ₹ 15,000,000 (Previous year ₹ NIL). The loan is secured by the following:

**Security details:**

**Primary security**

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

**Collateral Security:**

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

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

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

**Cash credit from IndusInd Bank- loan 1**

1. It carried interest rate of base rate plus 3%-4.25% ranging from 14% to 15%.
2. Security details:

**Primary Security**

First and exclusive charge on entire current assets of Kestone Integrated Marketing Services Private Limited both present and future.

**Collateral Security**

First and exclusive charge on movable fixed assets of the Company both present and future.

3. Personal guarantee of Mr. Nikhil Mahajan and Mr. Gautam Puri, Directors of Kestone Integrated Marketing Services Private Limited.

4. Corporate guarantee of CL Educate Limited (Holding Company).

5. Lien on fixed deposits amounting to ₹ 15,000,000 (Previous year ₹ 13,000,000).

**Cash credit from IndusInd Bank- loan 2**

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

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

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



## 13. Fixed assets- Tangible assets\*\*

Particulars	Gross block (at cost)				Accumulated depreciation				Net block	
	As at April 1, 2014	Additions during the year	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Depreciation for the year	Disposals	Adjustment as per Schedule II	As at March 31, 2015	As at March 31, 2015
Land - freehold	105,323,520	-	-	105,323,520	-	-	-	-	-	105,323,520
Land - Leasehold (Refer footnote i)	20,043,350	-	-	20,043,350	2,158,973	222,481	-	-	2,381,454	17,661,896
Buildings (Refer footnote ii)	585,607,047	-	-	585,607,047	34,144,187	9,249,981	-	-	43,394,168	542,212,879
Building improvements	9,072,717	-	-	9,072,717	8,132,667	433,863	-	349,318	8,915,848	156,869
Plant and machineries	12,329,595	1,964,563	-	14,294,158	5,955,259	991,127	-	-	6,946,386	7,347,772
Leasehold Improvement	25,044,158	5,832,046	1,250,171	29,626,033	17,554,724	5,137,895	1,250,171	-	21,442,448	8,183,585
Furniture and fixtures	27,200,340	16,208,177	2,109,884	41,298,633	14,491,179	3,318,889	2,070,989	60,561	15,799,640	25,498,993
Office equipments	37,587,692	12,307,071	4,986,291	44,908,472	14,665,774	6,602,595	4,609,795	7,635,198	24,293,772	20,614,700
Computers	59,595,813	56,683,420	20,904,499	95,374,734	40,057,641	22,521,962	13,648,319	1,986,367	50,917,651	44,457,083
Vehicles	20,634,788	1,737,089	240,730	22,131,147	9,412,352	2,627,107	238,252	260,474	12,061,681	10,069,466
<b>Total</b>	<b>902,439,020</b>	<b>94,732,366</b>	<b>29,491,575</b>	<b>967,679,811</b>	<b>146,572,756</b>	<b>51,105,900</b>	<b>21,817,526</b>	<b>10,291,918</b>	<b>186,153,048</b>	<b>781,526,763</b>

\*Certain tangible assets, are subject to charge to secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts in the current and previous year. (Refer note 6)

#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 ₹ 10,291,918 and deferred tax thereon has been adjusted against the opening reserves.

## Footnote:

- Building includes 5 shares of ₹ 50 each being the cost of shares in Tardeo Air conditioned Market Building Cooperative Society Limited, Mumbai.
- Land measuring 20,007 square metres has been acquired by the Company under a lease agreement with Greater Noida Industrial Development Authority for a lease period of 90 years commencing from July 20, 2004. The premium paid on the land and other expenses incidental to the acquisition are amortised over the period of the lease.
- Pursuant to the board resolution dated October 31, 2012, the holding company had classified freehold land of ₹ 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. Further, fixed assets aggregating ₹ 800,000 are also classified as held for sale in current year. \* During the FY 2012-13, CLIP, a subsidiary company has entered into agreements with various parties to sale lands located at Faridabad and Amrisar. The same have been shown as "Assets held for sale" under the head "Other Current Assets. (Refer note 21)



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CL Educate Limited  
Notes to Consolidated Financial Statements for the year ended March 31, 2015  
Previous year

Particulars	Gross block (at cost)					Accumulated depreciation			Net block	
	As at April 1, 2013	Additions during the year	Disposals/ Adjustments	As at March 31, 2014	As at April 1, 2013	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2014	
Land - freehold	105,323,520	-	-	105,323,520	-	222,481	-	-	105,323,520	
Land - Leasehold (Refer footnote i)	20,043,350	-	-	20,043,350	1,936,492	-	-	2,158,973	17,884,377	
Buildings (Refer footnote ii)	585,607,047	-	-	585,607,047	24,486,049	9,658,138	-	34,144,187	551,462,860	
Building Improvements	9,072,717	-	-	9,072,717	6,041,468	2,091,199	-	8,132,667	940,050	
Plant and machineries	12,092,994	614,980	378,379	12,329,595	5,313,919	879,137	237,797	5,955,259	6,374,336	
Leasehold Improvement	23,818,132	5,246,149	4,020,123	25,044,158	16,499,744	5,072,467	4,017,487	17,554,724	7,489,434	
Furniture and fixtures	24,939,651	2,616,804	356,115	27,200,340	12,798,326	2,002,653	309,800	14,491,179	12,709,161	
Office equipments	35,797,150	2,862,586	1,072,044	37,587,692	11,734,682	3,608,209	677,117	14,665,774	22,921,918	
Computers	57,423,147	3,682,572	1,509,906	59,595,813	32,298,824	9,079,222	1,320,405	40,057,641	19,538,172	
Vehicles	20,634,788	-	-	20,634,788	7,371,745	2,040,607	-	9,412,352	11,222,436	
<b>Total</b>	<b>894,752,496</b>	<b>15,023,091</b>	<b>7,336,567</b>	<b>902,439,020</b>	<b>118,481,249</b>	<b>34,654,113</b>	<b>6,562,606</b>	<b>146,572,756</b>	<b>755,866,264</b>	

Certain tangible assets, are subject to charge to secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts in the current and previous year. (See note 6).

Footnote:

- Land measuring 20,007 square metres has been acquired by the Company under a lease agreement with Greater Noida Industrial Development Authority for a lease period of 90 years commencing from July 20, 2004. The premium paid on the land and other expenses incidental to the acquisition are amortised over the period of the lease.
- Building includes 5 shares of ₹ 50 each (Previous year 5 shares of ₹ 50 each) being the cost of shares in Tardeo Air conditioned Market Building Cooperative Society Limited, Mumbai.
- Pursuant to the board resolution dated October 31, 2012, the holding company had classified freehold land of ₹ 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. During the FY 2012-13, CLIP, a subsidiary company has entered into agreements with various parties to sale lands located at Faridabad and Amrisar. The same have been shown as "Assets held for sale" under the head "Other Current Assets. (refer note 21)

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**11. Trade payables**

Trade payable (refer footnote i and note 43)

March 31, 2015	March 31, 2014
Amount in ₹	Amount in ₹
200,181,872	169,853,087
<b>200,181,872</b>	<b>169,853,087</b>

**Footnote i**

Includes amount due to related party.

**12. Other current liabilities**

Current maturities of long term borrowing (Refer note 6)

Interest accrued but not due on borrowings

Income received in advance (Unearned revenue)

Payables for expenses (Refer note 43)

-To related party (Refer note 40)

-To others

Employees related payables

Payable for fixed assets (Refer note 43)

Advance from customers

Advance received against sale of fixed assets

Security from customers

Statutory dues payable

March 31, 2015	March 31, 2014
Amount in ₹	Amount in ₹
64,099,291	54,518,100
686,390	386,041
197,548,609	169,120,223
5,000	356,547
69,454,232	62,690,130
86,327,539	79,029,693
17,185,736	6,289,084
6,821,892	2,051,205
14,547,181	5,350,000
	200,000
21,397,612	25,146,047
<b>478,073,482</b>	<b>405,137,070</b>

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## 14. Fixed assets- Intangible assets\*

Particulars	Gross block (at cost)			Accumulated amortisation			Net block	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Amortisation	Disposals	As at March 31, 2015
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	67,557,786	13,661,648	-	81,219,434
Computer softwares	15,201,192	976,693	-	16,177,885	11,902,684	1,090,056	-	12,992,740
License fees	14,436,000	14,999,258	-	29,435,258	10,280,492	5,735,715	-	16,016,207
Content development	1,722,707	20,500,000	-	22,222,707	35,172	3,103,022	-	3,138,194
CAT Online Module	1,830,150	5,810,920	-	7,641,070	1,830,150	1,691,927	-	3,522,077
Web Site	3,584,770	-	-	3,584,770	3,568,743	6,000	-	3,574,743
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	-	2,750,000
Non-competete fees	5,000,000	-	-	5,000,000	2,500,000	1,000,000	-	3,500,000
<b>Total</b>	<b>210,672,814</b>	<b>42,286,871</b>	<b>-</b>	<b>252,959,685</b>	<b>100,425,027</b>	<b>26,288,368</b>	<b>-</b>	<b>126,713,395</b>
								<b>84,928,561</b>
								<b>3,185,145</b>
								<b>13,419,051</b>
								<b>19,084,513</b>
								<b>4,118,993</b>
								<b>10,027</b>
								<b>1,500,000</b>
								<b>126,246,290</b>

\*Certain intangible assets, are subject to charge to secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts in the current and previous year (Refer note 6 and 10)

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CL Educate Limited  
Notes to Consolidated Financial Statements for the year ended March 31, 2015

Previous year

Particulars	Gross block (at cost)			Accumulated amortisation			Net block		
	As at April 1, 2013	Additions during the year	Disposals/ Adjustments	As at March 31, 2014	As at April 1, 2013	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2014
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	51,920,781	15,637,005	-	67,557,786	98,590,209
Computer softwares	13,345,440	1,934,052	78,300	15,201,192	10,693,172	1,268,762	59,250	11,902,684	3,298,508
License fees	12,236,000	2,200,000	-	14,436,000	8,183,652	2,096,840	-	10,280,492	4,155,508
Content development	-	1,722,707	-	1,722,707	-	35,172	-	35,172	1,687,535
CAT Online Module	1,830,150	-	-	1,830,150	1,830,150	-	-	1,830,150	-
Web Site	3,584,770	-	-	3,584,770	3,562,743	6,000	-	3,568,743	16,027
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	-	2,750,000	-
Non-compete fees	5,000,000	-	-	5,000,000	1,500,000	1,000,000	-	2,500,000	2,500,000
<b>Total</b>	<b>204,894,355</b>	<b>5,856,759</b>	<b>78,300</b>	<b>210,672,814</b>	<b>80,440,498</b>	<b>20,043,779</b>	<b>59,250</b>	<b>100,425,027</b>	<b>110,247,787</b>

\*Certain intangible assets, are subject to charge to secured borrowings of group Companies referred in notes as secured term loan from others and secured term loans from banks and bank overdrafts in the current and previous year. (See note 6).



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## 15. Non-current investments

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>Investment property</b>		
(Non-trade, valued at cost less accumulated depreciation)		
Cost of building	13,113,500	13,113,500
Less: Accumulated depreciation	1,614,568	1,407,690
	<u>11,498,932</u>	<u>11,705,810</u>
<b>Equity shares in companies</b>		
(Non-trade, un-quoted, at cost)		
909 (Previous year 909) fully paid up equity shares of ₹ 10 each of Threesixtyone Degree Minds Consulting Private Limited	5,000,000	5,000,000
50,000 (Previous year 50,000) shares of ₹10 each fully paid up in Investment in Energy Plantation Project Private Limited	500,000	500,000
	<u>5,500,000</u>	<u>5,500,000</u>
	<u>16,998,932</u>	<u>17,205,810</u>

The aggregate book value of unquoted non current investment are as follows:

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Aggregate book value of unquoted non current investment	5,500,000	5,500,000

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

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## 16. Loans and advances

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Unsecured, considered good, unless otherwise stated</b>				
Capital advances (A)	13,402,140	13,603,568	-	-
Advance to suppliers (B)	-	-	9,875,131	4,314,156
Loans and advances to related parties (Refer note 40) (C)	-	-	456,916,377	419,326,387
Security deposits				
-Considered good	16,086,950	12,294,444	25,861,456	23,924,820
-Considered doubtful	636,266	436,266	-	-
	16,723,216	12,730,710	25,861,456	23,924,820
Less: Provision for doubtful balances	(636,266)	(436,266)	-	-
<b>Sub total (D)</b>	<b>16,086,950</b>	<b>12,294,444</b>	<b>25,861,456</b>	<b>23,924,820</b>
Balances recoverable from government authorities				
-Considered good (E)	21,302,000	21,302,000	2,379,422	435,153
Advance income-tax [(net of provision for tax of ₹ 262,540,460) (Previous year ₹ 196,651,948)] (F)	110,464,864	117,776,886	-	-
MAT credit entitlement (G)	52,376,468	39,772,736	-	-
Intercorporate deposits (H)	-	-	-	121,634
Prepaid expenses (I)	-	-	97,335,549	108,972,658
Loans and advances to employees (J)	76,000	2,071,834	7,306,522	1,889,560
Loan and advances to franchisees (K)	-	-	70,000	70,000
Others				
-Gratuity Assets (Including balances of Trust)	438,096	411,802	13,651	220,147
- Receivable from others (good)	-	-	30,881,809	2,670,141
- Receivable from others (doubtful)	-	-	40,224,409	40,224,409
	438,096	411,802	71,119,869	43,114,697
Less: Provision for doubtful balances	-	-	(40,224,409)	(40,224,409)
<b>Sub total (L)</b>	<b>438,096</b>	<b>411,802</b>	<b>30,895,460</b>	<b>2,890,288</b>
<b>Total (A+B+C+D+E+F+G+H+I+J+K+L)</b>	<b>214,146,518</b>	<b>207,233,270</b>	<b>630,639,917</b>	<b>561,944,656</b>

## 17. Other non-current assets

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>Unsecured, considered good, unless otherwise stated</b>		
Interest accrued on non current fixed deposits	-	88,447
Non-current bank balances (Deposits with maturity for more than 12 months from reporting date) (Refer note 20)	112,341,980	132,341,980
Other receivables	2,456,525	-
	<b>114,798,505</b>	<b>132,430,427</b>



## 18. Inventories (Refer footnote a)

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>Valued at lower of costs and net realisable value</b>		
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	76,349,481	86,152,074
Less: Provision for obsolescence of inventory	(584,094)	-
	<b>88,147,827</b>	<b>105,716,848</b>

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)

## 19. Trade receivables

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good (refer footnote i and ii)	332,395,032	104,701,745
- Considered doubtful	1,178,286	1,368,051
	333,573,318	106,069,796
Less: Provision for doubtful trade receivables	(1,178,286)	(1,368,051)
	332,395,032	104,701,745
Others (refer footnote ii)	533,603,243	542,936,494
	<b>865,998,275</b>	<b>647,638,239</b>

## Footnote:

i. The above includes ₹ 13,172,289 (Previous year ₹ 12,602,599) recoverable from Monica Oli (Authorised to run Comprehensive Education and IT Training Institute). (Refer note 48)

ii. Includes receivables from related party (refer note 40)

## 20. Cash and bank balances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Cash and cash equivalents</b>				
Balances with banks:				
- on current accounts	-	-	60,861,703	46,902,245
Cheques/ drafts on hand	-	-	4,486,231	2,898,968
Cash on hand	-	-	3,993,453	4,011,856
<b>Other bank balances</b>				
- Unpaid dividend account	-	-	17,075	19,822
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	-	-	76,209,377	56,477,730
- Margin money deposits (Refer footnote i)	112,341,980	132,341,980	47,998,224	3,710,692
	112,341,980	132,341,980	193,566,063	114,021,313
Amount disclosed under other non-current assets (Refer note 17)	(112,341,980)	(132,341,980)	-	-
	-	-	<b>193,566,063</b>	<b>114,021,313</b>



## Footnotes i

Current deposits include:

- Deposits of ₹ 1,837,750 (Previous year ₹ 1,694,629) for issue of guarantees in favor of Northern Eastern Council Secretariat, Shilong,
- Deposits of ₹ 750,600 (Previous year ₹ 1,447,000) in favour of for the purpose of paper purchase,
- Deposits of ₹ 339,605 (Previous year ₹ 504,063) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits of ₹ 70,269 (Previous year ₹ 65,000) pledged with bank in favour of Hon'ble Consumer Court against an appeal
- Deposits of ₹ 45,000,000 (Previous year ₹ Nil) pledged with banks for overdraft facility (refer footnote ii of note 6)
- Deposits amounting ₹ 35,000,000 (Previous year ₹ 35,000,000) are under lien, out of which deposits amounting ₹ 15,000,000 (Previous year ₹ 15,000,000) are under lien towards cash credit facility from IndusInd Bank and deposits amounting ₹ 20,000,000 (Previous year ₹ 20,000,000) are under lien towards overdraft facility from Indusind Bank to GK Publication Private Limited.
- Deposits of ₹ 15,000,000 (Previous year ₹ 15,000,000) pledged against Cash Credit facility from Kotak mahindra Bank (refer footnote i of note 6 in regard to loan 2)
- Deposit of ₹ 20,000,000 (Previous year Nil) pledged against Letter of Credit facility taken from Kotak Mahindra Bank having sanction limit ₹ 20,000,000.

"Non current deposits include:

- Deposits of ₹ 99,518 (Previous year ₹ 99,518) for issue of guarantees in favor of value added tax authorities,
- Deposits of ₹ 2,003,429 (Previous year ₹ 2,003,429) for issue of guarantees in favor of Development Support Agency of Gujarat- TDD Project,
- Deposits of ₹ 239,033 (Previous year ₹ 239,033) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits aggregating to ₹ 130,000,000 (Previous year ₹ 130,000,000) pledged with banks for overall loan facility (Refer footnote ii of note 6).

## 21. Other current assets

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Unbilled revenue	48,931,908	44,097,855
Interest accrued but not due on fixed deposits	2,094,465	1,469,345
Interest accrued on fixed deposits	1,331,369	1,352,195
Interest accrued but not due on loans and advances		
- From related parties (Refer note 40)	18,141,501	10,711,803
Receivables on account of transfer of fixed assets	132,628	
Fixed assets held for sale	95,246,837	94,446,837
Others	74,875	40,472
	<b>165,953,583</b>	<b>152,118,507</b>

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## 22. Revenue from operations

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>Revenue from operations</b>		
Sale of products (Refer footnote i)	418,945,259	367,456,803
Sale of services (Refer footnote ii)	2,110,065,853	1,671,071,128
<b>Other operating revenue</b>		
Start up fees from franchisees	27,458,743	17,313,898
Licence fees (Refer footnote iii)	3,250,000	8,500,000
Advertising Income	37,949,288	27,474,574
Infrastructure fees (Refer footnote iii)	19,705,801	18,329,270
Sale of scrap	1,299,768	758,362
Campus placement fees	7,218,054	3,666,000
Bus fees	2,127,750	879,897
Income from day care center	-	6,502,049
Grant income	105,380,219	64,878,538
Other miscellaneous operating Income	2,816,127	16,615
	<b>2,736,216,862</b>	<b>2,186,847,135</b>

## Footnotes i

## Detail of products sold

## Particulars

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
-Sale of study materials	251,834,823	186,524,306
-Sale of text books	167,110,436	180,932,497
	<b>418,945,259</b>	<b>367,456,803</b>

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

## Footnotes ii

## Detail of services provided

## Particulars

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
-Education and training programmes income	896,628,843	812,617,942
-Vocational training services income	207,746,113	97,994,122
-Manpower services income	450,038,443	429,954,344
-Event management services income	510,959,450	303,653,611
-Passthrough services income	-	217,171
-Soft skills fees (Refer footnote iii)	25,572,852	21,187,390
-School tuition fees	19,120,152	5,446,548
	<b>2,110,065,853</b>	<b>1,671,071,128</b>

iii. Includes sales to related party (Refer Note 40).



**23. Other Income**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Interest income on		
-Fixed deposits	20,056,691	20,951,015
-Income tax	332,210	152,506
-Loans and advances (Refer footnote i)	42,455,865	34,625,372
Liability no longer required written back	24,559,770	18,090,322
Rent income on investment property [net of depreciation on investment property of ₹ 206,878 (previous year ₹ 213,750)]	1,138,710	80,000
Provision written back	2,585,347	3,078,958
Profit on sale of fixed assets (net)	-	243,992
Amount forfeited against sale of land	-	5,505,000
Notice period recovery	2,367,135	1,978,958
Foreign exchange fluctuation gain (net)	99,692	2,383,757
Bad debts recovered	950,587	807,504
Miscellaneous income	685,192	1,797,276
	<b>95,231,199</b>	<b>89,694,660</b>

Footnote i: Includes income from related party (Refer note 40).

**24A. Cost of raw material and components consumed**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Inventory at the beginning of the year	3,237,290	5,091,001
Add: Purchases during the year	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
Cost of raw material and components consumed	<b>62,160,690</b>	<b>93,655,209</b>

**Details of raw material and components consumed**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Paper	61,111,745	89,435,264
Lamination material	724,815	315,567
Binding and packaging material	324,130	3,904,378
	<b>62,160,690</b>	<b>93,655,209</b>

**Details of closing stock of raw materials and components**

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Paper	9,686,141	3,237,290
	<b>9,686,141</b>	<b>3,237,290</b>



24B. Cost of Services

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Printing cost	30,437,892	49,194,409
Binding and cover pasting charges	3,119,732	3,215,824
Packing material consumed	641,920	1,083,705
Content development cost	9,653,185	3,011,269
Material printing cost	2,316,724	2,396,850
Other test prep related consumables	1,962,651	2,271,894
Labour cost	523,123	993,056
Placement support expenses	15,468,500	11,408,500
Faculty expenses	85,629,297	84,083,443
Franchisee expenses	397,810,512	327,596,622
Hostel expenses	39,121,224	11,896,229
Mobilization expenses	11,688,592	13,708,555
Equipment hire expenses	35,700,246	7,739,854
Royalty charges	395,069	
Project monitoring charges		837,218
	<b>634,468,667</b>	<b>519,437,428</b>

25. Purchase of traded goods

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Text books	19,811,383	16,312,474
	<b>19,811,383</b>	<b>16,312,474</b>

26. Decrease/(increase) in inventories of finished goods, work-in progress and traded goods

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>Inventories at the beginning of the year (A)</b>		
-Finished goods produced	86,152,074	47,284,000
-Work-in-progress	16,327,484	6,666,990
-Finished goods purchased		8,619,288
	<b>102,479,558</b>	<b>62,570,278</b>
<b>Less: Inventories at the end of the year (B)</b>		
-Finished goods produced	76,349,481	86,152,074
-Work-in-progress	2,696,299	16,327,484
	<b>79,045,780</b>	<b>102,479,558</b>
<b>Net decrease/(increase) (A-B)</b>	<b>23,433,778</b>	<b>(39,909,280)</b>

Details of Inventory of finished goods produced

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Text books	76,349,481	86,152,074
	<b>76,349,481</b>	<b>86,152,074</b>



## Details of work in progress

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Text books	2,696,299	16,327,484
	<b>2,696,299</b>	<b>16,327,484</b>

## 27. Employee benefit expenses

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits	681,401,304	637,021,016
Contribution to provident and other funds (net of EDLI charges recovered from employees) (Refer note 44)	33,946,591	29,387,562
Gratuity expense (Refer note 44 and footnote i)	7,660,004	2,517,047
Leave encashment expense (Refer note 44 and footnote ii)	5,110,585	3,411,944
Expense on employee stock option (ESOP) scheme (Refer note 42)	7,016,855	853,950
Staff welfare expenses	14,558,653	13,382,034
	<b>749,693,992</b>	<b>686,573,553</b>

## Footnote i

In case of subsidiary company namely Kestone, as per the actuarial valuation, the gratuity expense for the year ended March 31, 2015 includes expense pertaining to employees engaged on projects. However, since the gratuity pertaining to such employees is recoverable by the subsidiary company, hence gratuity amounting ₹ 2,456,525 has been shown under the head "Other current assets" as "Other recoverables" instead of recognising expense for the year. Further, another subsidiary namely CLIP has recorded gratuity expense of ₹ 57,281 which is not based on actuarial valuation.

## Footnote ii

In case of subsidiary namely CLIP has recorded an expense of leave encashment of ₹ 19,741 which is not based on actuarial valuation.

## 28. Finance costs

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Interest on vehicle loans	231,374	329,502
Interest on short term borrowings	73,413,648	68,624,203
Interest on other term loans	11,347,406	15,098,566
Loan processing charges	3,294,926	2,674,574
Interest on delayed payment of statutory dues	5,280,778	2,983,672
	<b>93,568,132</b>	<b>89,710,517</b>

## 29. Depreciation and amortisation expenses

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer note 13)	51,105,900	34,654,113
Amortisation of intangible assets (Refer note 14)	26,288,368	20,043,779
	<b>77,394,268</b>	<b>54,697,892</b>

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## 30. Other expenses

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Banquet and event material expenses	58,069,688	117,158,641
Advertisement, publicity and sales promotion expenses	115,001,009	82,734,046
Travelling, conveyance and vehicle maintenance expenses	82,380,289	72,698,874
Rent expense (Refer note 36)	84,782,511	70,629,729
Communication expenses	36,133,793	27,215,698
Equipment hire charges	15,160,379	15,807,786
Office expenses	148,347,123	36,768,290
Legal and professional (Refer note 35)	96,522,849	60,777,942
Retainership fees and temporary manpower resources expenses	31,811,911	21,974,598
Printing and stationery expenses	25,955,149	11,544,056
Power and fuel	14,360,916	13,702,958
Material development and printing expenses	7,994,572	3,627,030
Commission to non executive directors	498,258	122,642
Repairs to building	12,029,727	9,600,719
Repairs, to other	9,156,805	5,633,925
Freight outward and forwarding	11,347,442	9,685,043
Bank charges (other than loan processing charges)	4,815,088	3,281,940
Rates, taxes and fees	3,918,609	1,223,913
Insurance	6,063,097	2,374,826
Content development expenses	181,818	38,000
Rebates and discounts	1,785,633	1,892,427
Recruitment, training and development expenses	2,818,059	2,868,761
Newspaper, books and periodicals and subscriptions expenses	889,245	755,820
Fixed assets written off	1,158,942	679,602
Loss on sale of fixed assets (net)	4,852,105	-
Consumption of packing materials	2,428,365	1,978,204
Business service fee	1,725,919	1,516,247
Provision for sales return	1,788,747	1,350,000
Charity and donations	10,055	119,810
Miscellaneous balances written-off	1,271,188	-
Commission/brokerage charges	-	220,000
Sponsorship Fee	15,233,691	24,300,179
Bad debts written off	67,722,932	47,107,803
Provision for doubtful debts and advances	1,975,329	851,087
Advances written off	2,182,440	2,128,468
Provision for obsolescence of inventory	584,094	-
Miscellaneous expenses	7,272,441	6,712,060
	<b>878,230,218</b>	<b>659,081,124</b>

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CL Educate Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2015

31. Prior period expense (net)

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>Prior period income</b>		
-Legal and professional	-	(660,642)
-Salary, wages, bonus and other benefits	-	(344,212)
-Miscellaneous income	-	(146,649)
	-	<b>(1,151,503)</b>
<b>Prior period expenses</b>		
-Legal and professional expenses	-	320,150
-Franchisees Payments	-	-
-Communication	-	32,376
-Electricity Charges	-	14,157
-Mobilization expenses	-	844,000
-Miscellaneous expenses	-	1,839,326
	-	<b>3,050,009</b>
<b>Prior period expense (net)</b>	-	<b>1,898,506</b>

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**32. Basic and diluted earnings per equity share**

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

	Reference	Units	March 31, 2015	March 31, 2014
Profit after tax	A	₹	209,845,514	147,997,191
Add: Exceptional expenses			22,841,122	13,258,993
Profit after tax but before exceptional expenses	B		232,686,636	161,256,184
Weighted average numbers of equity shares	C	Numbers	10,708,949	9,417,810
Add: Dilutive potential equity shares (Refer footnote i, ii and iii)	D	Numbers	161,790	304,946
Number of equity shares for dilutive EPS	E=C+D	Numbers	10,870,739	9,722,756
Basic earnings per share before exceptional expenses	B/C	₹	21.73	17.12
Diluted earnings per share before exceptional expenses	B/E	₹	21.40	16.59
Basic earnings per share after exceptional expenses	A/C	₹	19.60	15.71
Diluted earnings per share after exceptional expenses	A/E	₹	19.30	15.22

**Footnotes**

i. Following are the potential equity shares considered to be dilutive in nature, hence these have been adjusted to arrive at the dilutive earnings per share:

**Weighted average number of shares**

Shares to be issued to Rakesh Mittal and Poonam Mittal (Refer footnote a)	
Employee stock option outstanding (Refer footnote b)	
Class-II shares-CCPS (Refer footnote c)	
Class-III shares-OCPS (Refer footnote c)	

March 31, 2015	March 31, 2014
In numbers	In numbers
	23,486
88,301	46,166
60,415	193,433
13,074	41,861
<b>161,790</b>	<b>304,946</b>

**For the year ended March 31, 2015**

a. During the year, the Company has issued equity shares of CL Educate Limited to the promoters of G. K. Publication Private Limited for purchase of third and last tranche of equity share of G. K. Publication Private Limited (Refer note 5). Therefore, such shares are no more dilutive in nature and are added to the number of equity shares outstanding in the computation of basic earnings per share.

b. The Company has ESOP outstanding as on Balance Sheet date, shares which are outstanding and will be issued at, for a lesser consideration than its fair value. Such equity shares generate lesser proceeds and have no effect on the net profit attributable to equity shares outstanding. Therefore, value of such differential (fair value per share less exercising price per share) in respect of ESOP outstanding are considered dilutive and equalised number of ESOP outstanding derived by dividing such differential value with fair value per share is added to the number of equity shares outstanding in the computation of diluted earnings per share.

c. During the year, the Company has issued equity shares of CL Educate Limited to GPE (India) Limited and Gaja Trustee Company Private Limited for Class- III shares-OCPS as per terms mentioned in footnote D of note 3. Therefore, such shares have been treated as dilutive till the date of conversion.



For the year ended March 31, 2014

a. The Company has committed to issue equity shares of CL Educate Limited to the promoters of G. K. Publication Private Limited for purchase of third and last tranche of equity share of G. K. Publication Private Limited (Refer footnote i of note 15). As the numbers of shares and share price for such issue is determined as of the reporting date, the impact of the same as potential equity share for calculation of diluted earnings per share has been taken.

b. The Company has ESOP outstanding as on Balance Sheet date, shares which are outstanding and will be issued at, for a lesser consideration than its fair value. Such equity shares generate lesser proceeds and have no effect on the net profit attributable to equity shares outstanding. Therefore, value of such differential (fair value per share less exercising price per share) in respect of ESOP outstanding are considered dilutive and equalised number of ESOP outstanding derived by dividing such differential value with fair value per share is added to the number of equity shares outstanding in the computation of diluted earnings per share.

c. The Company has committed to issue equity shares of CL Educate Limited to GPE (India) Limited on conversion of Class- II shares-CCPS and Gaja Trustee Company Private Limited for Class- III shares-OCPS as per terms mentioned in footnote D of note 3. The conversion price 1 and 2 as mentioned in footnote D of note 3 of the financial statements has elapsed. Shareholders have right to seek the conversion of these shares at a price per equity shares of ₹ 425 each as stipulated in conversion price 3. Hence, number of shares is determined as of the reporting date, therefore, such shares are considered as dilutive and are added to the number of equity shares outstanding in the computation of diluted earnings per share.

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33. Contingent liabilities (to the extent not provided for)

Particulars

March 31, 2015	March 31, 2014
Amount in ₹	Amount in ₹
319,293,266	319,921,426
15,000,000	15,000,000
<b>334,293,266</b>	<b>334,921,426</b>

Claims against the Company not acknowledged as debt [Refer footnote (i)]  
Corporate guarantees [Refer footnote (ii)]

Footnote i: Details of claims against the Company not acknowledged as debt

Particulars	Year Pertaining	March 31, 2015	March 31, 2014
		Amount in ₹	Amount in ₹
Service Tax (a)	July 2003 to September 2008	142,013,412	142,013,412
Service Tax (a)	October 2008 to March 2009	7,372,308	7,372,308
Service Tax (a)	April 2009 to September 2009	10,664,476	10,664,476
Service Tax (a)	October 2009 to September 2010	71,756,945	71,756,945
Service Tax (b)	October 2010 to September 2011	16,635,768	16,635,768
Service Tax (b)	October 2011 to June 2012	12,553,238	12,553,238
Cenvat credit reversal (c)	September 2004 to March 2007	4,648,826	4,648,826
Cenvat credit reversal (c)	October 2007 to March 2008	1,569,481	1,569,481
Cenvat credit reversal (d)	April 2008 to March 2012	40,097,178	40,097,178
Income tax demand (e)	Assessment year 2011-12	-	628,160
Other cases (f)	Various years	11,981,634	11,981,634
<b>Total</b>		<b>319,293,266</b>	<b>319,921,426</b>

Amount above includes:

a. Demand for service tax aggregating ₹ 160,784,835 (previous year ₹ 160,784,835) for the period July 1, 2003 to September 30, 2010 is disputed by the Company. Penalty of ₹ 71,022,306 (previous year ₹ 71,022,306) has also been imposed under Section 78 of the Finance Act, 1994. The Company has preferred an appeal with CESTAT against these orders of the Commissioner of Service tax. The Company has paid ₹ 21,302,000 (previous year ₹ 21,302,000) against the said demand under protest.

b. Demand for service tax aggregating ₹ 29,189,006 (previous year ₹ 29,189,006) for the period October 2010 to June 2012 is disputed by the Company against which the Company has filed an appeal before Commissioner (Appeals) of Service tax.

c. Demand for service tax aggregating ₹ 3,118,307 (previous year ₹ 3,118,307) for the period 2004-05 to 2007-08 due to incorrect availment of service tax cenvat credit is disputed by the Company. Penalty, aggregating ₹ 3,100,000 (previous year ₹ 3,100,000) has also been levied under Section 15 read with Rule 15 of Cenvat Credit Rules, 2004. During the year, the Company has received an order passed by Commissioner (Appeals) of Service tax. The Company has preferred an appeal with CESTAT against the order of the Commissioner (Appeals) of Service tax.

d. The Company had received a demand for service tax in earlier years aggregating ₹ 40,097,178 (previous year ₹ 40,097,178) for the period 2008-09 to 2011-12 due to incorrect availment of service tax cenvat credit. The Company has disputed the demand and has filed a reply with Commissioner (Appeals) of Service tax and preferred an appeal before CESTAT against the order of Commissioner (Appeals) of Service tax.

e. The Assistant Commissioner of Income Tax has made some disallowances and raised a demand of ₹ 628,160 (including interest) for Assessment year 2011-12. The Company has filed an appeal against the demand notice with Commissioner of Income Tax (Appeals). Subsequently, the Commissioner of income tax vide order u/s 250(6) of the Income tax Act, 1961 dated January 07, 2015 made a final disallowance of ₹ 95,000. In the current period, the Company has recognised tax liability on account of the same in the books of accounts.

f. Other cases

The Company had been allotted a land located at Faridabad (Haryana) in an auction by Hon'ble High Court of Jharkhand. When the Company applied for transfer of ownership in the records of Haryana Urban Development Authority (HUDA), the transfer permission was granted with levy of extension fee of ₹ 6,700,000 (previous year ₹ 6,700,000) on account of various dues not paid by the erstwhile owner. The Company has disputed the demand and has preferred an appeal with the Administrator, HUDA.

Rashtriya advertising & Prabhatam Advertising Pvt Ltd, a service provider has filed a claim against the Company for recovery of an amount of ₹ 1,456,079 (previous year ₹ 1,456,079) with interest as balance of amounts due. The Company has disputed the demand and the case is under trial in the court of law.



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Triangle Education, a franchisee of the Company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The Company has filed a statement of claim before the sole Arbitrator amounting ₹ 19,000,000 (previous year ₹ 19,000,000) against triangle education. Triangle Education also filed a counter claim against the Company amounting ₹ 3,205,961 (previous year ₹ 3,205,961).

A student, has filled a case against the Company for refund of fees amounting ₹ 619,594 (previous year ₹ 619,954) on the ground that he paid fees to Brilliant Tutorials considering the fact that the Company has a tie-up with Brilliant Tutorial which was subsequently called off by the Company.

Based on the interpretations of the provisions of the relevant statutes involved, the Company is of the view that the demands referred above are likely to be deleted or substantially reduced and penalty waived off by appellate authorities at higher levels and accordingly no further provision is required.

**Footnote ii: Corporate guarantees**

Bank Name	Name of the guaranter	Name of the borrower	March 31, 2015	March 31, 2014
			Amount in ₹	Amount in ₹
HDFC Bank Limited	CLEIS	Nalanda Foundation	15,000,000	15,000,000
<b>Total</b>			<b>15,000,000</b>	<b>15,000,000</b>

**34. Commitments**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for	52,469,757	52,560,429
Commitment for license fees from Threesixtyone Degree Minds Consulting Private Limited		250,000
<b>Total capital commitments (A)</b>	<b>52,469,757</b>	<b>52,810,429</b>
<b>Other material Commitments</b>		
<b>Total other material commitments (B)</b>		
<b>Total commitments (A+B)</b>	<b>52,469,757</b>	<b>52,810,429</b>

**35. Payment to auditors (excluding service tax)**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Statutory audit	5,225,000	5,225,000
Other engagement prescribed by statute to be done by Statutory auditors		
Other services [including fee for Initial Public Offerings ('IPO')]*	9,975,000	678,414
Reimbursement of expenses	298,933	46,668
<b>Total</b>	<b>15,498,933</b>	<b>5,950,082</b>

\* Pending completion of IPO the same are recorded under loans and advances.

**36. Leases**

**As lessee**

The Group is a lessee under various operating leases including one car under cancellable operating lease. The lease terms range from 1 to 5 years and accordingly are short term leases. Rental expense for operating lease for the year ended March 31, 2015 and March 31, 2014 was ₹ 84,782,511 and ₹ 70,629,729 respectively. Expected future minimum commitments for non-cancellable leases are as follows:

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Not later than one year	16,786,096	10,039,596
Later than one year but not later than 5 years	14,821,533	11,982,581
Later than 5 years		
<b>Total</b>	<b>31,607,629</b>	<b>22,022,177</b>



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As lessor

The Group has given a portion of its premises on cancellable operating lease to various franchisees.

Lease receipts are recognized in the Statement of Profit and Loss during the year amounting ₹ 1,525,588 (Previous year ₹ 293,750). There are no non cancellable leases and hence disclosure relating to minimum lease receipts has not been provided.

37. Expenditure in foreign currency

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Banquet and event materials	203,386	2,802,979
Bank charges	83,160	46,009
Equipment hire charges	10,581,055	48,550
Temporary manpower resources	-	137,563
Travelling & conveyance Expenses	1,193,576	561,947
Rent	1,431,749	407,375
Salary and wages	1,562,316	2,196,836
Giveways	1,340,181	1,761,411
Faculty expense	10,604,173	-
Professional charges	1,273,747	-
Miscellaneous	6,922,042	4,201,688
<b>Total</b>	<b>35,195,385</b>	<b>12,164,358</b>

38. Earnings in foreign currency

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Test preparation training services	10,255,213	-
Sale of study material	5,823,798	-
Manpower services	2,870,434	852,732
Event management	1,186,738	14,724,097
Pass through services	-	2,281
<b>Total</b>	<b>20,136,183</b>	<b>15,579,110</b>

39. Un-hedged foreign currency exposure

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise as follows:

Receivables in foreign currency

Particulars	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Original Currency (FC)	Original Currency (FC)
<b>Receivables in foreign currency</b>				
- Trade receivable	26,942,640	14,471,830	AED 1,465,765 QAR 100,000 USD 4507	AED 773,930 QAR 100,000 USD 3,851
- Payable for expenses	691,080	-	AED 40,604	-
- Short term loans and advances	40,576,906	40,340,721	USD 768,589 AED 36,853	USD 768,589 AED 23,815
- Cash and bank balances	1,483,235	138,309	AED 87,147	AED 8,494
<b>Payables in foreign currency</b>				
- Trade Payable	8,392,763	44,924	USD 134,420 SGD 300	USD 748

\*Abbreviations: AED: United Arab Emirates Dirham, QAR: Qatari Rial, SGD: Singapore Dollar and USD: United States Dollar.



40. Related party disclosure

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

(a) List of related parties with whom transactions have taken place:

Nature of relationship	Name of related party
Enterprises in which key management personnel and their relatives are able to exercise significant influence	i. Career Launcher Education Foundation, India ii. CLEF - AP, India iii. Nalanda Foundation, India iv. Bilakes Consulting Private Limited, India v. Career Launcher Employee Welfare Society vi. Career Launcher Employee Group Gratuity Trust vii. CL Media Employee Gratuity Trust viii. Career Launcher Infrastructure Private Limited Employee Group Gratuity Trust ix. Career Launcher Education Infrastructure & Services Limited Employee Group Gratuity Trust
Key management personnel	i. Mr. Satya Narayanan R, Director ii. Mr. Gautam Puri, Director iii. Mr. Nikhil Mahajan, Director iv. Mr. Sujit Bhattacharyya, Director of subsidiary v. Mr. Shiva Kumar, Director of subsidiary

(b) Transactions during the year:

Particulars

1. Revenue from operations

a. Soft skill fees

- Nalanda Foundation

b. License fees

- Nalanda Foundation

c. Infrastructure Fees

- Nalanda Foundation

2. Other income

a. Interest on loans and advances

- Career launcher education foundation

- CLEF AP Trust

- Nalanda Foundation

b. Liability written back

- Career launcher education foundation

c. Interest income on gratuity fund

- CL Media Employee Gratuity Trust

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
1. Revenue from operations		
a. Soft skill fees		
- Nalanda Foundation	24,210,934	19,825,439
	<b>24,210,934</b>	<b>19,825,439</b>
b. License fees		
- Nalanda Foundation	2,750,000	8,000,000
	<b>2,750,000</b>	<b>8,000,000</b>
c. Infrastructure Fees		
- Nalanda Foundation	19,705,801	18,329,259
	<b>19,705,801</b>	<b>18,329,259</b>
2. Other income		
a. Interest on loans and advances		
- Career launcher education foundation	651,200	556,752
- CLEF AP Trust	1,979,204	1,757,730
- Nalanda Foundation	39,825,461	32,281,013
	<b>42,455,865</b>	<b>34,595,495</b>
b. Liability written back		
- Career launcher education foundation	25,062	-
c. Interest income on gratuity fund		
- CL Media Employee Gratuity Trust	92,142	66,061
	<b>92,142</b>	<b>66,061</b>



	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
<b>3. Expenses</b>		
<b>a. Other Expenses</b>		
<b>Career Launcher Education Foundation</b>		
-Advertisement, publicity and sales promotion expenses	-	3,300,000
	-	<b>3,300,000</b>
<b>b. Managerial remuneration</b>		
Mr. Gāutam Puri	8,840,000	5,609,352
Mr. Satya Narayana R	8,840,000	5,609,352
Mr. Nikhil Mahajan	8,668,000	5,459,352
Mr. Shiv Kumar	4,949,400	4,947,960
Mr. Sujeet Bhattacharyya	4,949,400	4,947,960
	<b>36,246,800</b>	<b>26,573,976</b>
<b>4. Reimbursement of expenses to KMPs</b>		
- Sujeet Bhattacharya	131,128	339,962
	<b>131,128</b>	<b>339,962</b>
<b>5. Reimbursement of expense from related parties</b>		
-Nalanda foundation	883,206	-
	<b>883,206</b>	-
<b>6. Reimbursement of expenses to</b>		
- Nalanda Foundation	87,888	62,800
	<b>87,888</b>	<b>62,800</b>
<b>7. Amount paid on behalf of related parties</b>		
-Career Launcher Education Foundation	-	7,979
	-	<b>7,979</b>
<b>8. Payment received on behalf of</b>		
- Nalanda Foundation	-	356,547
	-	<b>356,547</b>
<b>9. Loan taken</b>		
-Career Launcher Education Foundation	-	25,000
	-	<b>25,000</b>
<b>10. Repayment of Loan taken</b>		
-Career Launcher employee welfare society	-	890,000
	-	<b>890,000</b>
<b>11. Loans given to related party</b>		
-Career Launcher Education Foundation	5,555,000	3,768,059
-Nalanda foundation	50,705,000	37,825,000
	<b>56,260,000</b>	<b>41,593,059</b>
<b>12. Conversion of account receivable into unsecured loan</b>		
- Nalanda Foundation	39,405,655	26,033,064
	<b>39,405,655</b>	<b>26,033,064</b>
<b>13. Adjustment of other payable to trade receivable</b>		
- Nalanda Foundation		701,889





CL Educate Limited  
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	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
<b>14. Conversion of other receivable to trade receivable</b>		
- Nalanda Foundation	122,732	-
<b>15. Conversion of other receivable to unsecured loan</b>		
- Nalanda Foundation	146,812	-
<b>16. Conversion of payable for fixed assets into trade receivable</b>	8,011,540	-
- Nalanda Foundation		
<b>17. Adjustment of other payable with loans and advances</b>		
- Nalanda Foundation	50,000	-
<b>18. Conversion of interest into unsecured loan</b>		
- Nalanda Foundation	30,978,501	23,269,977
- Career Launcher Education Foundation	-	1,581,957
	<b>30,978,501</b>	<b>24,851,934</b>
<b>19. Repayment of loan given</b>		
- Nalanda Foundation	89,150,980	28,530,000
	<b>89,150,980</b>	<b>28,530,000</b>
<b>20. Amount received on behalf of</b>		
- Nalanda Foundation	327,981	-
<b>21. Amount received by</b>		
- Nalanda Foundation	3,780,058	-
<b>22. Transfer of assets from related party</b>		
- Nalanda Foundation	8,011,540	-
<b>23. Liability transferred to (on account of gratuity and leave encashment)</b>		
- Nalanda Foundation	86,822	-
<b>24. Liability taken over (on account of gratuity and leave encashment)</b>		
- Nalanda Foundation	-	122,732
<b>25. Exceptional expenses (Refer note 47)</b>		
Balances written-off/provided for of related parties balances:		
Career Launcher Education Foundation	-	15,488,025
- Loans and advances written off	-	15,488,025
		<b>15,488,025</b>
<b>(c) Balance outstanding with or from related parties as at the year end:</b>		
<b>1. Short-term loans and advances</b>		
- Career Launcher Education Foundation	132,663,251	132,108,251
- Nalanda Foundation	308,136,751	273,080,966
- CLEF - AP	16,116,375	14,137,169
	<b>456,916,377</b>	<b>419,326,386</b>
<b>2. Long Term loans and advances</b>		
- CL Media Employee Gratuity Trust	1,154,735	974,724
- Career Launcher Employee Group Gratuity Trust	24,859	24,859
	<b>1,179,594</b>	<b>999,583</b>



CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2015

**3. Other current assets**

**a. Interest accrued on loans and advances**

- Nalanda Foundation
- Career Launcher Education Foundation

**b. Other dues from Related parties**

- Nalanda Foundation

**4. Trade Receivable**

- Career Launcher Education Foundation
- Nalanda Foundation

**5. Trade payable**

- Career Launcher Education Foundation

**6. Other current liabilities**

**a. Payable for expenses**

- Nalanda Foundation

**b. Salary payable to KMPs**

- Mr. Gautam Puri
- Mr. Satya Narayanan R
- Mr. Nikhil Mahajan
- Mr. Shiva Kumar
- Mr. Sujeet Bhattacharya

**c. Expenses Payable to KMPs**

- Sujeet Bhattacharya

**7. Short term borrowings**

- Career Launcher Employee Welfare Society

**8. Guarantees given on behalf of**

- Nalanda Foundation

**9. Guarantees given by**

- Bilakes Consulting Private Limited  
(Guarantee against loans given to Career Launcher Education Foundation)

	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
	16,800,563	9,956,945
	1,340,938	754,858
	<b>18,141,501</b>	<b>10,711,803</b>
	697,641	122,732
	<b>697,641</b>	<b>122,732</b>
	7,527,875	7,527,875
	21,478,121	22,304,336
	<b>29,005,996</b>	<b>29,832,211</b>
	892,027	-
	<b>892,027</b>	-
	-	356,547
	-	<b>356,547</b>
	2,766,569	513,792
	2,766,569	513,792
	2,756,491	511,512
	2,015,286	1,510,606
	2,993,821	1,956,731
	<b>13,298,736</b>	<b>5,006,433</b>
	131,128	339,962
	<b>131,128</b>	<b>339,962</b>
	-	25,000
	-	<b>25,000</b>
	15,000,000	15,000,000
	<b>15,000,000</b>	<b>15,000,000</b>
	121,459,000	121,459,000
	<b>121,459,000</b>	<b>121,459,000</b>

41. Section 135 of the Companies Act, 2013, which came into effect on April 1, 2014, requires certain companies of the group to constitute a Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy and spend at least 2% of average net profits of respective entities 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 Policies of the respective Companies at their meetings held on February 16, 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, such Companies were required to spend ₹ 1,303,354 on prescribed CSR activities. However, as the policy was approved towards the end of the financial year, Companies could not implement the same and thus neither any CSR activity was undertaken nor any amount was spent towards CSR during the year and those companies 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.



#### 42. Employees share based payment plan

Pursuant to shareholder resolution dated March 6, 2008, the Company introduced "Employee Stock Option Plan 2008 (CL ESOP -2008)" which provides for the issue of 250,000 stock options to directors and employees of the Company and its subsidiaries companies. The plan entitles directors and employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of equity shares. As per the plan holders of vesting options are entitle to purchase one equity share for each option. Till date 272,468 (previous year 248,968) stock options have been granted under this scheme.

The terms and conditions related to grant of the share options are as follows:

*\*Although a total of 250,000 options were available to be granted, these include grants that had been forfeited/lapsed, and pooled back, and granted again. At no point of time did the total number of options granted under the plan exceed 250,000.*

The terms and conditions related to grant of the share options are as follows:

Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)
Directors of the Company	154,857	3 years' service from the grant date	1.64
Emplayees	117,611	3 years' service from the grant date	4.19

Share based payment expenses	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
CL ESOP -2008 (Refer footnote)	7,016,855	853,950

#### Footnote:

Includes reversal of liability amounting ₹ 1,279,308 in current year and expenses amounting ₹ 100,033 in the previous year on account of stock options of CLEIS, a subsidiary of the Company, to employees of the Company.

The information concerning stock options granted, exercised, forfeited and outstanding at the year end is as follows:

#### ESOP to directors of the Company

Particulars	March 31, 2015		March 31, 2014	
	Number of Stock Options	Weighted average exercise Price (₹)	Number of Stock Options	Weighted average exercise Price (₹)
<b>Employees Stock Option Plan 2008</b>				
Outstanding at the beginning of the year	9,600	300.00	9,600	300.00
Granted during the year	-	-	-	-
Exercised during the year	2,400	300.00	-	-
Forfeited during the year	-	-	-	-
Expired during the year	2,400	300.00	-	-
Outstanding at the end of year	4,800	300.00	9,600	300.00
Exercisable at year end	4,800	300.00	9,600	300.00
Vested during the year	-	-	-	-
Weighted average grant date fair value per option for option granted during the year at less than fair value	-	-	-	-

#### ESOP to person other than directors of the Company

Particulars	March 31, 2015		March 31, 2014	
	Number of Stock Options	Weighted average exercise Price ₹	Number of Stock Options	Weighted average exercise Price ₹
<b>Employees Stock Option Plan 2008</b>				
Outstanding at the beginning of the year	179,482	322.37	181,357	318.45
Granted during the year	23,500	430.00	5,000	262.00
Exercised during the year	500	175.00	-	-
Forfeited during the year	-	-	4,250	175.00
Expired during the year	2,125	175.00	2,625	175.00
Outstanding at the end of year	200,357	336.92	179,482	322.37
Exercisable at year end	167,107	330.46	15,750	214.13
Vested during the year	11,125	207.58	8,500	217.64
Weighted average grant date fair value per option for option granted during the year at less than fair value	23,500	430.00	5,000	415.00



CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2015

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2015	March 31, 2014
Dividend yield (%)	-	-
Expected volatility	76.65%	19.04%
Risk-free interest rate	8.00%	8.70%
Weighted average share price (in ₹)	488.00	334.00
Exercise price (in ₹)	175-300	175-300

\*Expected volatility has been determined using historical fluctuation in share issue prices of the Company.

Apart from CL Educate Limited, one of its subsidiary namely Career Launcher Education Infrastructures and services Limited has also issued ESOPs.

Pursuant to shareholder resolution dated September 30, 2008, the Company introduced "CLEIS Employee Stock Options Plan 2008" which provides for the issue of 100,000 stock options to employees of the Company and its group companies/entities. The plan entitles employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of equity shares. As per the plan holders of vesting options are entitle to purchase one equity share for each option. Till date 29,000 (previous year 25,000) stock options have been granted under this scheme.

The terms and conditions related to grant of the share options are as follows:

Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)
Employees	25,000	3 years' service from the grant date	1.65

Expenses pertaining to employee stock option plan have been booked in CL Educate Limited, holding company, as stock options have been granted to employees of CL Educate Limited.

The information concerning stock options granted, exercised, forfeited and outstanding at the yearend is as follows:

Particulars	March 31, 2015		March 31, 2014	
	Number of Stock Options	Weighted average exercise ₹	Number of Stock Options	Weighted average exercise ₹
<b>Employees Stock Option Plan 2008</b>				
Outstanding at the beginning of the year	20,000	97.50	15,000	80.00
Granted during the year	-	-	10,000	115.00
Exercised during the year	7,500	91.67	5,000	80.00
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of year	12,500	101.00	20,000	97.50
Exercisable at year end	-	-	10,000	80.00
Vested during the year	-	-	5,000	80.00
Option to employees of the holding company	12,500	101.00	20,000	97.50
Weighted average grant date fair value per option for option granted during the year at less than fair value	-	-	10,000	224.00

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2015	March 31, 2014
Dividend yield (%)	-	-
Expected volatility	48.54%	64.29%
Risk-free interest rate	7.88%	8.67%
Weighted average share price (in ₹)	222.89	223.46
Exercise price (in ₹)	80-115	80-115



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

43. In terms of the clause 22 of chapter V Micro, Small and Medium Enterprises Development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier as at March 31, 2015 are as follows:

	March 31, 2015 Amount in ₹	March 31, 2014 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	200,181,872	169,853,087
Other current liabilities		
- Payable for Expenses	69,459,232	63,046,677
- Payable for Fixed Assets	17,185,736	6,289,084
Principal amount due to micro and small enterprises		
Interest due on above		
	<b>286,826,840</b>	<b>239,188,848</b>

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

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

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

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

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

A Defined contribution Plan

During the year, the Group has recognized the following amounts in Statement of Profit and Loss:

Particulars

Employers contribution to provident fund  
Employers contribution to employee state insurance  
Employers contribution to EDLI  
Total

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
Employers contribution to provident fund	23,675,475	19,031,200
Employers contribution to employee state insurance	9,986,632	10,022,455
Employers contribution to EDLI	284,484	333,907
Total	<b>33,946,591</b>	<b>29,387,562</b>

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**B. Defined employee benefits and other long term benefit schemes:****I. Actuarial assumptions**

Particulars	Earned Leave (unfunded)		Employees Gratuity Fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Discount rate (per annum)	7.80%-8%	9.07%-9.14%	7.80%-8%	9.07%-9.14%
Expected rate of increase in compensation levels	4.88%-8%	5%-8%	4.88%-8%	5%-8%
Expected rate of return on plan assets	NA	NA	8-9%	6.75%-8.75%
Expected average remaining working lives of employees (years)	10.5-33.51	10.5-31.60	25.08-32.68	10.5-31.60
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 (%)	
Up to 30 Years	1.28- 3.00	3.00- 4.57	1.70 -3.81	1.73-4.57
From 31 to 44 years	2.00- 2.09	0.72- 2.00	0.75-2.00	0.06-2.00
Above 44 years	0.00- 1.00	0.01- 1.00	0.01-1.00	0.01-1.00

**Note:**

The discount rate has been assumed at 7.80-8.00% (previous year 9.07%-9.14%) which is determined by reference to market yield at the Balance Sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**II. Present value of obligation**

Particulars	Earned Leave (unfunded)		Employees Gratuity Fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of obligation at the beginning of the year	8,749,408	7,316,555	14,628,837	13,713,690
Acquisition adjustment	(33,168)	93,669	(53,654)	29,063
Current service cost	2,524,320	1,750,869	6,044,305	3,957,588
Interest cost	793,790	585,324	1,327,522	1,097,096
Benefit paid	(2,484,451)	(2,017,601)	(2,957,493)	(1,889,689)
Actuarial (gain)/loss on obligation	1,772,734	1,075,751	2,949,610	(2,236,080)
Present value of obligation at the end of the year	<u>11,322,633</u>	<u>8,804,567</u>	<u>21,939,127</u>	<u>14,671,668</u>

**Note:**

Opening Balance for Present Value of Obligation for Earned Leave and Employees Gratuity does not include Rs. XX and Rs. XX respectively which pertain to a subsidiary CLIP for which no actuarial valuation was carried out during the year and hence no actuarial data is available

**III. Fair value of plan assets**

Particulars	Employees Gratuity Fund	
	March 31, 2015	March 31, 2014
Fair value of plan assets at the beginning of the year	2,990,730	4,536,534
Adjustment on account of wrong non-deduction by life insurance corporation (LIC) in earlier year	-	-
Expected return on plan assets	250,542	346,852
Contributions	2,180,487	88,063
Benefits paid	(1,595,457)	(1,830,843)
Actuarial gain/(loss) on plan assets	11,648	(45,295)
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	<u>3,852,499</u>	<u>3,095,311</u>

**Note:**

Opening Balance for Fair Value of plan assets in respect of Employees Gratuity does not include Rs. XX which pertain to a subsidiary CLIP for which no actuarial valuation was carried out during the year and hence no actuarial data is available

**IV. Expenses Recognised in the Statement of Profit and Loss for the year**

Particulars	Earned Leave (unfunded)		Employees Gratuity Fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Current service cost	2,524,320	1,750,869	6,044,305	3,957,588
Interest cost	793,790	585,324	1,327,522	1,097,096
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(250,542)	(346,852)
Net actuarial (gain)/ loss to be recognized	1,772,734	1,075,751	2,937,962	(2,190,785)
Expense recognised in statement of Profit and Loss	<u>5,090,844</u>	<u>3,411,944</u>	<u>10,059,247</u>	<u>2,517,047</u>



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

Particulars	Earned Leave (unfunded)		Employees Gratuity Fund	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of obligation as at the end of the year	11,322,633	8,804,567	21,939,127	14,671,668
Above amount comprises of:				
Short term present value of obligation	356,821	343,672	844,672	302,409
Long term provision	10,965,812	8,460,895	21,094,455	14,369,259
<b>Total (A)</b>	<b>11,322,633</b>	<b>8,804,567</b>	<b>21,939,127</b>	<b>14,671,668</b>
Fair Value of plan assets as at the end of the year	-	-	3,852,499	3,095,311
Above amount comprises of:				
Short term fair value of plan assets	-	-	446,340	270,385
Long term fair value of plan assets	-	-	3,406,159	2,824,926
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>3,852,499</b>	<b>3,095,311</b>
Net (Asset)/ liability recognized in Balance Sheet as at year end	11,322,633	8,804,567	18,502,047	12,183,447
Amount classified as:				
Short term provision	356,821	352,942	1,032,737	252,171
Long term provision	10,965,812	8,451,625	17,469,310	11,931,276
Net asset recognized in Balance Sheet as at year end	-	-	415,419	607,090
Amount classified as:				
Short term loans and advances	-	-	2,182	220,147
Long term loans and advances	-	-	413,237	386,943

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

(a) Employees Gratuity Fund

Particulars	March 31, 2015	March 31, 2014	March 31, 2013
	Amount in ₹	Amount in ₹	Amount in ₹
PBO	21,939,127	14,671,668	13,713,690
Plan assets	3,852,499	3,095,311	4,536,534
Net assets/(liability)	(18,086,628)	(11,576,357)	(9,177,156)
Experience gain/(loss) on PBO	(266,646)	1,562,687	912,031
Experience gain/(loss) on plan assets	37,683	(113,343)	(22,809)
		March 31, 2012	March 31, 2011
		Amount in ₹	Amount in ₹
PBO		9,566,128	8,151,870
Plan assets		4,902,114	4,461,681
Net assets/(liability)		(4,664,014)	(3,690,189)
Experience gain/(loss) on PBO		1,294,277	(1,028,815)
Experience gain/(loss) on plan assets		44,982	(32,936)

(b) Earned Leave (unfunded)

Particulars	March 31, 2015	March 31, 2014	March 31, 2013
	Amount in ₹	Amount in ₹	Amount in ₹
PBO	11,322,633	8,804,567	7,316,555
Plan assets	-	-	-
Net assets/(liability)	(11,322,633)	(8,804,567)	(7,316,555)
Experience gain/(loss) on PBO	500,349	(22,781)	(459,295)
Experience gain/(loss) on plan assets	-	-	-
		March 31, 2012	March 31, 2011
		Amount in ₹	Amount in ₹
PBO		6,040,968	5,525,796
Plan assets		-	-
Net assets/(liability)		(6,040,968)	(5,525,796)
Experience gain/(loss) on PBO		(215,990)	(89,083)
Experience gain/(loss) on plan assets		-	-



**CL Educate Limited****Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

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

Particulars	Amount in ₹
Employees Gratuity Fund	10,471,727
Earned leave	2,373,953

**45. Goodwill on consolidation**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Kestone Integrated Management Services Private Limited	37,438,602	37,438,602
G.K. Publications Private Limited	140,292,256	140,292,256
Career Launcher Education Infrastructure Services Private Limited	6,848,234	6,848,234
Kestone Asia Hub Pte Ltd	11,380,761	11,380,761
	<b>195,959,853</b>	<b>195,959,853</b>

**46. Capital work in progress:**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Opening balance	6,312,785	6,406,020
Less: Capitalisation during the year	-	93,235
Balance at year end	<b>6,312,785</b>	<b>6,312,785</b>

**47. Exceptional items (net)**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Balances written off of related party balances		
i. Career Launcher Education Foundation (Refer footnote i)		
- Loans and advances written off	-	15,488,025
ii. (Gain) on sale of investment in subsidiary	-	(2,229,032)
iii. Career Launcher Education Infrastructure Services Private Limited		
- Expense on employee stock option (ESOP) scheme (Refer footnote ii)	22,841,122	
	<b>22,841,122</b>	<b>13,258,993</b>

**Footnote:**

(i) In the previous year, the Group has written off balances due in the nature of short terms loans and advances ('referred as balances') recoverable from Career Launcher Education Foundation, enterprise in which key management personnel and their relatives are able to exercise significant influence, as the loans and advances were considered unrecoverable on account of inability of Career Launcher Education Foundation to repay such amounts.

(ii) Pursuant to the Career Launcher Employee Stock Options Plan 2008, in the financial year 2008-09 CL Educate Limited, had granted 142,857 options of CL Educate Limited to Mr. Shantanu Prakash, director in CLEIS. These options were to be settled in equity in four tranches commencing from financial year 2013-14.

Mr. Shantanu Prakash in earlier years had communicated his unwillingness to exercise the options to the Board of CL Educate Limited. However, at the board meeting of CL Educate Limited held on September 22, 2014, Mr. Shantanu Prakash expressed his willingness to exercise the options granted to him and requested the Board to extend the exercise period.

Accordingly, during the year ending on March 31, 2015 CLEIS has made a provision of ₹ 22,841,122 against the said options using the fair value method to account for the said stock-based employee compensation costs. Compensation cost is measured using independent valuation by a firm of Chartered Accountants using Black Scholes model in accordance with the guidance note issued by the Institute of Chartered Accountants of India.





48. In the financial year 2009-10, the Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the Company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute were AED 1,019,842 (₹ 15,088,052) and AED 261,318 (₹ 3,866,069) respectively. The details of the amount recoverable are as follows:

1. An amount of AED 625,775 on account of short deposit of fee collected by Monica Oli in the name of the Company from the students;
2. An amount of AED 1,392,200 on account of fee collected by Monika Oli against the installment due as on January 31, 2013 and not deposited in the bank account of the Company.
3. An amount of AED 18,120 on account of settlement of wage account and cancellation of visa of Mr. Yogeshwar Singh Batyal by the Company;
4. An amount of AED 4,300 on account of payment of outstanding dues of bill in respect of communication expenses of Mr. Akhilesh Jha, an employee and erstwhile center manager of Dubai office of the Company.

In the previous year, the Company had adjusted/squared off traded receivables of AED 261,318 (₹ 3,866,069) against the amounts payable to AED 261,318 (₹ 3,866,069) on account of its share in the books of account.

In the previous year, the Company had initiated legal actions against Monica Oli to recover the said amounts. The Company had sent legal notice dated November 6, 2013 to Monica Oli asking her to pay the following amounts to the Company.

- 1) An amount of AED 2,040,395 as mentioned above;
- 2) An amount of AED 50,000 on account of losses suffered by the Company due to non-communication by Monika Oli regarding termination of agreement;
- 3) An amount of AED 1,000,000 on account of damages for starting a same/similar business in violation of terms of the agreement and unauthorizedly using data/information, manuals etc. pertaining to the Company;

The Company had preferred arbitration in the matter and the Hon'ble Arbitrator had issued notices to parties for appearance.

During the year, on March 16, 2015 the Hon'ble Arbitrator has passed an award amounting AED 2,063,267 (equivalent to ₹ 35,137,437) in favour of the Company.

#### 49. Transfer Pricing

The Group is in the process of conducting a Transfer Pricing Study for the financial year 2014-15 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, and there will not be any impact on the financial statements as a consequence of the legislation.

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**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

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Earned leave	2,373,953

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**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

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

Particulars	Amount in ₹
Employees Gratuity Fund	10,471,727
Earned leave	2,373,953

**45. Goodwill on consolidation**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Kestone Integrated Management Services Private Limited	37,438,602	37,438,602
G.K. Publications Private Limited	140,292,256	140,292,256
Career Launcher Education Infrastructure Services Private Limited	6,848,234	6,848,234
Kestone Asia Hub Pte Ltd	11,380,761	11,380,761
	<b>195,959,853</b>	<b>195,959,853</b>

**46. Capital work in progress:**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Opening balance	6,312,785	6,406,020
Less: Capitalisation during the year	-	93,235
Balance at year end	<b>6,312,785</b>	<b>6,312,785</b>

**47. Exceptional items (net)**

Particulars	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Balances written off of related party balances		
i. Career Launcher Education Foundation (Refer footnote i)		
- Loans and advances written off	-	15,488,025
ii. (Gain) on sale of investment in subsidiary	-	(2,229,032)
iii. Career Launcher Education Infrastructure Services Private Limited		
- Expense on employee stock option (ESOP) scheme (Refer footnote ii)	22,841,122	-
	<b>22,841,122</b>	<b>13,258,993</b>

**Footnote:**

(i) In the previous year, the Group has written off balances due in the nature of short terms loans and advances ('referred as balances') recoverable from Career Launcher Education Foundation, enterprise in which key management personnel and their relatives are able to exercise significant influence, as the loans and advances were considered unrecoverable on account of inability of Career Launcher Education Foundation to repay such amounts.

(ii) Pursuant to the Career Launcher Employee Stock Options Plan 2008, in the financial year 2008-09 CL Educate Limited, had granted 142,857 options of CL Educate Limited to Mr. Shantanu Prakash, director in CLEIS. These options were to be settled in equity in four tranches commencing from financial year 2013-14.

Mr. Shantanu Prakash in earlier years had communicated his unwillingness to exercise the options to the Board of CL Educate Limited. However, at the board meeting of CL Educate Limited held on September 22, 2014, Mr. Shantanu Prakash expressed his willingness to exercise the options granted to him and requested the Board to extend the exercise period.

Accordingly, during the year ending on March 31, 2015 CLEIS has made a provision of ₹ 22,841,122 against the said options using the fair value method to account for the said stock-based employee compensation costs. Compensation cost is measured using independent valuation by a firm of Chartered Accountants using Black Scholes model in accordance with the guidance note issued by the Institute of Chartered Accountants of India.



48. In the financial year 2009-10, the Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the Company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute were AED 1,019,842 (₹ 15,088,052) and AED 261,318 (₹ 3,866,069) respectively. The details of the amount recoverable are as follows:

1. An amount of AED 625,775 on account of short deposit of fee collected by Monica Oli in the name of the Company from the students;
2. An amount of AED 1,392,200 on account of fee collected by Monika Oli against the installment due as on January 31, 2013 and not deposited in the bank account of the Company.
3. An amount of AED 18,120 on account of settlement of wage account and cancellation of visa of Mr. Yogeshwar Singh Batyal by the Company;
4. An amount of AED 4,300 on account of payment of outstanding dues of bill in respect of communication expenses of Mr. Akhilesh Jha, an employee and erstwhile center manager of Dubai office of the Company.

In the previous year, the Company had adjusted/squared off traded receivables of AED 261,318 (₹ 3,866,069) against the amounts payable to AED 261,318 (₹ 3,866,069) on account of its share in the books of account.

In the previous year, the Company had initiated legal actions against Monica Oli to recover the said amounts. The Company had sent legal notice dated November 6, 2013 to Monica Oli asking her to pay the following amounts to the Company.

- 1) An amount of AED 2,040,395 as mentioned above;
- 2) An amount of AED 50,000 on account of losses suffered by the Company due to non-communication by Monika Oli regarding termination of agreement;
- 3) An amount of AED 1,000,000 on account of damages for starting a same/similar business in violation of terms of the agreement and unauthorizedly using data/information, manuals etc. pertaining to the Company;

The Company had preferred arbitration in the matter and the Hon'ble Arbitrator had issued notices to parties for appearance.

During the year, on March 16, 2015 the Hon'ble Arbitrator has passed an award amounting AED 2,063,267 (equivalent to ₹ 35,137,437) in favour of the Company.

#### 49. Transfer Pricing

The Group is in the process of conducting a Transfer Pricing Study for the financial year 2014-15 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, and there will not be any impact on the financial statements as a consequence of the legislation.

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CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

50. Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest

Name of the Entity	Net Assets i.e. Total assets minus total liabilities		Share in Profit or Loss	
	As a %age of consolidated net assets	Amounts in ₹	As a %age of consolidated profit or loss	Amounts in ₹
CL Educate Limited	112.91%	2,361,659,847	31.34%	65,756,319
<b>Indian Subsidiary</b>				
Kestone Integrated Marketing Services Private Limited	7.74%	161,843,612	31.95%	67,050,741
CL Media Private Limited	8.69%	181,668,611	42.53%	89,244,275
G.K. Publications Private Limited	0.73%	15,300,655	(0.90%)	(1,897,382)
CL Higher Education Services Private Limited	0.00%	-	0.11%	223,977
Career Launcher Education Infrastructure and Services Limited	(30.71%)	(642,439,442)	(5.12%)	(10,753,988)
<b>Minority Interest</b>				
Career Launcher Education Infrastructure and Services Limited	0.65%	13,621,171	(0.11)	(221,572)
	100.00%	2,091,654,454	100.00%	209,845,514

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CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2015

51. Segment Reporting

Primary Segment

The group has identified six reportable business segments as primary segments: Education & training programme (including sale of study material), Sale of educational books, Managed manpower services, Event management services, K - 12 and vocational trainings. 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 system.

**Education & training programme (including sale of study material):** This mainly includes coaching for higher education entrance exams.

**Sale of educational books:** This mainly includes publishing and sale of educational books to related and third parties.

**Managed manpower services:** The group provides extended skilled manpower services to clients across locations, markets and roles, ranging from managing enterprise customers, to channel relationships, to retail. On the basis of client requirements, group not only provide manpower but also equip, support and manage these skilled teams to meet the business objectives.

**Event management services:** The group helps its clients to conduct very large conferences combined with exhibitions and trade shows attended by thousands of persons, too much targeted seminars for focussed, exclusive audiences, to unique experiential activities.

**K - 12:** The group provided soft skills, infrastructure facilities and other support services to schools involved in Kinder garden to senior secondary studies.

**Vocational training:** Vocational training includes specific projects undertaken (including government projects).



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CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

For the year ended March 31, 2015

Particulars	Amount in ₹							Total	
	Education & training programme (including sale of study material)	Vocational Training	K - 12	Sale of educational books	Managed Manpower services	Event management services	Others		Eliminations
<b>Revenue</b>									
External revenue	1,175,922,410	313,126,332	72,585,462	168,307,383	450,038,443	510,959,450	45,277,382	-	2,736,216,862
Intersegment revenue				240,541,238	1,109,562	9,803,000	60,209,846	(311,663,646)	-
<b>Total revenue</b>	1,175,922,410	313,126,332	72,585,462	408,848,621	451,148,005	520,762,450	105,487,228	311,663,646	2,736,216,862
<b>Allocable Expenses (without eliminations)</b>									
Allocable Expenses (without eliminations)	1,025,764,595	246,325,707	54,556,892	305,173,694	426,385,055	402,705,256	39,566,151	297,416,435	2,203,060,915
<b>Results</b>									
Segment results	150,157,814	66,800,625	18,028,570	103,674,927	24,762,950	118,057,194	65,921,077	14,247,210	533,155,947
<b>Unallocated expenses</b>									
Unallocated expenses									242,132,081
<b>Operating profit</b>									
Operating profit									291,023,866
<b>Finance costs</b>									
Finance costs									(93,568,132)
<b>Other income including finance income</b>									
Other income including finance income	17,473,598	1,264,965					76,492,636		95,231,199
<b>Prior period expenses (net)</b>									
Prior period expenses (net)									(22,841,122)
<b>Exceptional expenses</b>									
Exceptional expenses									269,845,811
<b>Profit before tax</b>									
Profit before tax									(60,221,869)
<b>Income taxes</b>									
Income taxes									209,623,942
<b>Net profit</b>									
Net profit									(22,841,122)
<b>As at March 31, 2015</b>									
As at March 31, 2015									269,845,811
<b>Segment assets (excluding goodwill on consolidation)</b>									
Segment assets	549,813,505	485,889,376	925,999,404	506,554,733	110,416,390	88,481,890	142,047,279	1,821,774,982	987,427,595
<b>Unallocable assets</b>									
Unallocable assets									2,220,187,397
<b>Total assets</b>									
Total assets									3,207,614,992
<b>Segment liabilities (excluding minority interest)</b>									
Segment liabilities	336,222,066	149,612,424	264,897,546	257,068,817	57,039,408	120,172,623	37,424,066	434,108,182	788,328,768
<b>Unallocable liabilities</b>									
Unallocable liabilities									523,591,623
<b>Total liabilities</b>									
Total liabilities									1,311,920,391
<b>Other information</b>									
Other information									
Capital expenditure - allocable	39,112,545	35,350,000	18,319,146	519,971			29,337,984	2,400,000	120,239,646
Capital expenditure - unallocable									16,779,591
Depreciation and amortisation - allocable	28,778,419	11,207,843	16,896,040	2,996,752			7,127,440	4,143,109	62,863,385
Depreciation and amortisation - unallocable									14,530,883
Other significant non-cash expenses (net) - allocable	51,242,290	18,001,527	22,841,122	3,933,709					96,018,648
Other significant non-cash expenses (net) - unallocable									1,393,628





CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2015

For the year ended March 31, 2014

Particulars	Amount in ₹							Total	
	Education & training programme (including sale of study material)	Vocational Training	K - 12	Sale of educational books	Managed Manpower services	Event management services	Others		Eliminations
<b>Revenue</b>									
External revenue	1,016,456,146	162,872,660	60,845,143	2,854,670	429,954,344	303,653,611	210,210,561		2,186,847,135
Intersegment revenue				258,620,367	651,693	6,279,599	34,982,240	(300,533,899)	
Total revenue	1,016,456,146	162,872,660	60,845,143	261,475,037	430,606,037	309,933,210	245,192,801	(300,533,899)	2,186,847,135
<b>Allocable Expenses</b>									
Allocable Expenses (without eliminations)	734,509,614	137,582,365	56,568,210	143,116,296	380,312,402	249,836,365	52,037,060		1,753,962,312
	840,211,180	155,109,766	58,128,210	143,116,296	380,312,402	249,836,365	210,545,593	(283,297,500)	1,753,962,312
<b>Results</b>									
Segment results	176,244,966	7,762,894	2,716,933	118,358,741	50,293,635	60,096,845	34,647,209	(17,236,399)	432,884,823
<b>Unallocated expenses</b>									235,886,088
Operating profit									196,998,735
<b>Finance costs</b>									(89,710,517)
Other income including finance income									89,694,660
Prior period expenses (net)									(1,898,506)
Exceptional expenses									(13,258,993)
Profit before tax									181,825,379
Income taxes									(24,488,417)
Net profit									157,336,962
<b>As at March 31, 2014</b>									
<b>Segment assets (excluding goodwill on consolidation)</b>									
Segment assets	421,294,545	180,973,555	459,202,373	224,193,581	94,246,534	88,028,333	258,231,732	(250,629,604)	1,475,541,049
Unallocable assets									1,336,795,799
Total assets									2,812,336,848
<b>Segment liabilities (excluding minority interest)</b>									
Segment liabilities	214,638,743	81,537,524	27,112,404	61,287,000	48,466,626	50,246,165	145,803,537	(221,827,904)	407,264,095
Unallocable liabilities									814,108,605
Total liabilities									1,221,372,700
<b>Other information</b>									
Capital expenditure-allocable	5,243,558	526,160	5,630,881	357,283			1,848,773		13,606,655
Capital expenditure-unallocable									7,273,195
Depreciation and amortisation- allocable	7,253,788	723,067	12,791,864	1,603,324			4,578,464		26,950,507
Depreciation and amortisation-unallocable									27,747,385
Other significant non-cash expenses (net)-allocable	46,073,747		899,411				9,638,903		57,479,460
Other significant non-cash expenses (net)-unallocable									3,108,410



CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Secondary Segment

The group has identified geographical segment as secondary segment.

Financial information about the geographic segment is given below:

For the year ended March 31, 2015

Particulars	Within India	Overseas	Total
Segment revenue	2,720,137,850	16,079,012	2,736,216,862
Segment assets	3,206,950,345	664,647	3,207,614,992
Segment liabilities	1,297,815,730	14,104,661	1,311,920,391
Capital expenditures	136,681,587	337,651	137,019,237

For the year ended March 31, 2014

Particulars	Within India	Overseas	Total
Segment revenue	2,186,847,135	-	2,186,847,135
Segment assets	2,789,872,753	22,464,095	2,812,336,848
Segment liabilities	1,221,104,018	268,682	1,221,372,700
Capital expenditures	20,717,907	161,943	20,879,850

52. The Company has filed legal cases against its debtors for recovery of outstanding receivables amounting ₹ 38,141,202. The Company is of the view that all such balances are fully recoverable and no provision is required. Further, the Company has also filed cases against certain parties for recovery of damages amounting ₹ 52,038,864 arising from fraudulent use of company's brand name, violation of terms and conditions of employment etc. The Company is hopeful of favorable outcome of such cases. However, the amount likely to be realized on settlement of such cases is currently not ascertainable realistically. The Company does not expect any adverse impact on the financial position as a consequence of these legal cases. The Company has recorded all expenses pertaining to legal & professional charges in respect of all such cases.

53. The Company has reclassified/regrouped previous year figures where necessary to conform to the current year's classification.

As per our report of even date.

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

Raj Kumar Agarwal  
Partner  
Membership No.: 074715



Place: New Delhi  
Date: **JUNE 22, 2015**

For and on behalf of the Board of Directors of  
CL Educate Limited

Gautam Puri  
Managing Director  
DIN: 00033548

Vivek Garg  
Senior Vice-President - Finance



Nikhil Mahajan  
Director and CFO  
DIN: 00033404

Rachna Sharma  
Company Secretary  
ICSI M. No.: A17780

Place: New Delhi  
Date: **JUNE 23, 2015**