

## Limited Review Report on the Unaudited Consolidated Financial Results for the quarter ended June 30, 2018

To The Board of Directors  
CL Educate Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of CL Educate Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates for the quarter ended June 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We believe that the review procedures performed by and the information and explanation provided by the Management as referred to paragraph 7, is sufficient and appropriate to provide a basis for our reporting on the Statement.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 7 of the statements wherein the management has explained reasons for considering old vocational outstanding receivables as recoverable. Our opinion is not modified in respect of this matter.



# HARIBHAKTI & CO. LLP

Chartered Accountants

7. We did not review the financial results of 4 subsidiaries included in the Statement, whose financial results reflects total revenue of Rs. 368.76 lacs and total loss after tax of Rs.15.95 lacs for the quarter ended June 30, 2018, as considered in the Statement. The Statement also includes Group's share of loss after tax of Rs. 8.95 lacs for the quarter ended June 30, 2018, as considered in the Statement, in respect of 2 associates, whose financial results have not been reviewed by us. These financial results are not reviewed by their auditors and have been furnished to us by the Management and our reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such un-reviewed financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group including its associates. Our report is not modified in respect of this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Raj Kumar Agarwal

Partner

Membership No.: 074715



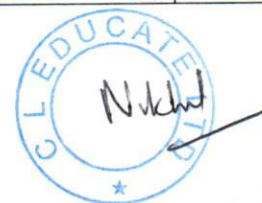
Place: New Delhi

Date: August 7, 2018

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER JUNE 30, 2018

(Rs. in lacs, except per share data)

Particulars	For the quarter ended			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Audited	Unaudited	Audited
<b>Income</b>				
I (a) Revenue From operations	8,713.82	7,948.82	7,298.95	28,888.97
II (b) Other income	368.57	14.30	241.14	1,291.23
III <b>Total income (I+II)</b>	<b>9,082.39</b>	<b>7,963.12</b>	<b>7,540.09</b>	<b>30,180.20</b>
<b>IV Expenses</b>				
(a) Cost of material consumed	279.60	382.42	359.47	1,286.76
(b) Purchases of Stock-in-Trade	4.37	(89.05)	109.14	104.22
(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(65.51)	10.81	(55.48)	13.49
(d) Employee benefits expense	1,607.72	1,517.43	1,416.35	6,109.56
(e) Finance costs	109.90	156.68	171.20	642.98
(f) Depreciation and amortization expense	225.54	216.40	203.60	846.53
(g) Franchisee expenses	1,851.33	1,738.82	1,662.80	6,121.53
(h) Other expenses	4,372.51	4,172.87	3,301.05	14,271.32
<b>Total expenses (IV)</b>	<b>8,385.46</b>	<b>8,106.38</b>	<b>7,168.13</b>	<b>29,396.39</b>
V <b>Profit before exceptional items and tax (III-IV)</b>	<b>696.94</b>	<b>(143.26)</b>	<b>371.96</b>	<b>783.81</b>
VI Exceptional items	-	-	-	-
VII <b>Profit before tax (V-VI)</b>	<b>696.94</b>	<b>(143.26)</b>	<b>371.96</b>	<b>783.81</b>
Share of profit of equity accounted investees	(8.96)	(18.11)	-	6.80
<b>Profit before tax</b>	<b>687.98</b>	<b>(161.37)</b>	<b>371.96</b>	<b>790.61</b>
VIII <b>Tax expense:</b>				
(a) Current tax	251.26	135.25	289.83	475.35
(b) Current tax expense relating to prior years	-	14.67	-	24.90
(c) Deferred tax	(22.59)	(91.40)	(144.29)	(34.00)
IX <b>Profit from continuing operations for the period (VII-VIII)</b>	<b>459.31</b>	<b>(219.89)</b>	<b>226.42</b>	<b>324.36</b>
X Profit from discontinued operations	24.47	63.93	113.26	249.58
XI Tax expenses of discontinued operations	-	-	21.26	-
XII <b>Profit from Discontinued operations (after tax) (X-XI)</b>	<b>24.47</b>	<b>63.93</b>	<b>92.00</b>	<b>249.58</b>
XIII <b>Net Profit for the period (IX+XII)</b>	<b>483.78</b>	<b>(155.96)</b>	<b>318.42</b>	<b>573.94</b>
XIV <b>Profit from continuing operations for the period attributable to</b>				
(a) Owners of the Company	455.76	(224.08)	226.42	319.82
(b) Non-controlling interest	3.55	4.19	-	4.54
XV <b>Profit from discontinued operations for the period attributable to</b>				
(a) Owners of the Company	24.47	63.93	92.00	249.58
(b) Non-controlling interest	-	-	-	-
XVI <b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss	6.66	15.78	7.08	40.37
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.23)	(4.84)	(2.41)	(13.14)
B. (i) Items that will be reclassified to profit or loss	3.12	(17.40)	(17.94)	(12.79)
(ii) Income tax relating to items that will be reclassified to profit or loss	(0.87)	5.87	6.21	4.27
XVII <b>Total Comprehensive Income for the period (Comprising Profit and Other comprehensive Income for the period ) (XIII+XVI)</b>	<b>490.46</b>	<b>(156.55)</b>	<b>311.36</b>	<b>592.65</b>
XVIII Paid-up Equity Share Capital (face value of Rs. 10 each)	1,416.57	1,416.57	1,416.33	1,416.57
XIX <b>Earnings per equity share (for continuing operation), excluding Other Comprehensive Income</b>				
(a) Basic	3.24	(1.55)	1.60	2.29
(b) Diluted	3.24	(1.55)	1.60	2.28
XX <b>Earnings per equity share (for discontinued operation):</b>				
(a) Basic	0.17	0.45	0.65	1.76
(b) Diluted	0.17	0.45	0.65	1.76
XXI <b>Earnings per equity share (Total) including Other Comprehensive Income</b>				
(a) Basic	3.46	(1.10)	2.20	4.18
(b) Diluted	3.46	(1.10)	2.20	4.17



## CL Educate Limited

CIN No:- L74899DL1996PLC078481

Registered Office: A-41, Espire Building, Lower Ground Floor, Mohan Cooperative Industrial Area,  
Main Mathura Road, Delhi 110044UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018  
CONSOLIDATED SEGMENT REVENUE, RESULT, ASSETS AND LIABILITIES

Particulars	(Rs. In lacs)			
	For the quarter ended			Year ended
	Unaudited June 30, 2018	Audited March 31, 2018	Unaudited June 30, 2017	Audited March 31, 2018
<b>Segment Revenue</b>				
Consumer Test Prep	5,356.75	4,151.83	4,389.22	15,826.82
Consumer Publishing	1,034.42	1,683.51	559.71	4,382.47
Enterprise Corporate	2,896.35	2,648.32	2,415.67	10,196.43
Enterprise Institutional	296.93	583.47	145.94	1,767.13
Others	5.33	(173.82)	60.00	13.09
Inter-segment	(875.96)	(944.49)	(271.59)	(3,296.97)
<b>Total</b>	<b>8,713.82</b>	<b>7,948.82</b>	<b>7,298.95</b>	<b>28,888.97</b>
<b>Segment Result - Continuing</b>				
Consumer Test Prep	889.29	941.27	809.45	1,862.15
Consumer Publishing	226.24	354.14	4.43	686.68
Enterprise Corporate	64.90	(5.61)	80.12	331.41
Enterprise Institutional	14.77	30.08	(4.04)	229.94
Others	(155.07)	(666.28)	(111.38)	(1,112.95)
Inter-segment	(22.69)	82.77	164.99	301.61
<b>Total Continuing</b>	<b>1,017.44</b>	<b>736.37</b>	<b>943.57</b>	<b>2,298.84</b>
Less: Unallocated expenses	579.17	737.25	590.68	2163.28
<b>Operating profit</b>	<b>438.27</b>	<b>(0.88)</b>	<b>352.89</b>	<b>135.56</b>
Add: Other Income	359.61	(3.81)	190.27	1,298.03
Less: Finance cost	109.90	156.68	171.20	642.98
<b>Profit before tax</b>	<b>687.98</b>	<b>(161.37)</b>	<b>371.96</b>	<b>790.61</b>
Income taxes	228.67	58.52	145.54	466.25
<b>Net profit from continuing operations</b>	<b>459.31</b>	<b>(219.89)</b>	<b>226.42</b>	<b>324.36</b>
Profit/(Loss) from Discontinued operations (Net of taxes)	24.47	63.93	92.00	249.58
<b>Net profit including Discontinued operations</b>	<b>483.78</b>	<b>(155.96)</b>	<b>318.42</b>	<b>573.94</b>
Other Comprehensive Income	6.68	(0.59)	(7.06)	18.71
<b>Total Comprehensive Income</b>	<b>490.46</b>	<b>(156.55)</b>	<b>311.36</b>	<b>592.65</b>
<b>Segment Assets</b>				
Consumer Test Prep	10,329.54	9,382.20	9,160.92	9,382.20
Consumer Publishing	9,476.15	8,914.33	5,870.58	8,914.33
Enterprise Corporate	8,471.78	7,513.46	6,558.12	7,513.46
Enterprise Institutional	2,901.28	2,831.77	1,183.10	2,831.77
Others	11,104.70	12,270.55	15,709.78	12,270.55
Unallocated	11,894.08	10,909.34	34,019.34	10,909.34
Inter-segment	(7,799.51)	(7,386.13)	(22,617.95)	(7,386.13)
Assets held for sale	2,923.29	2,923.24	-	2,923.24
<b>Total</b>	<b>49,301.31</b>	<b>47,358.76</b>	<b>49,883.89</b>	<b>47,358.76</b>
<b>Segment Liabilities</b>				
Consumer Test Prep	5,630.44	4,433.09	5,004.96	4,433.09
Consumer Publishing	4,934.20	4,588.99	988.58	4,588.99
Enterprise Corporate	4,929.40	4,035.15	3,320.53	4,035.15
Enterprise Institutional	1,657.27	1,550.22	455.60	1,550.22
Others	5,536.11	5,586.63	5,878.16	5,586.63
Unallocated	5,233.17	5,350.15	5,111.39	5,350.15
Inter-segment	(11,121.40)	(10,537.05)	(5,123.51)	(10,537.05)
Liability associated with assets held for sale	-	-	-	-
<b>Total</b>	<b>16,799.19</b>	<b>15,007.18</b>	<b>15,635.71</b>	<b>15,007.18</b>



**CL Educate Limited**  
**CIN No:- L74899DL1996PLC078481**  
**Registered Office: A-41, Espire Building, Lower Ground Floor, Mohan Cooperative Industrial Area,**  
**Main Mathura Road, Delhi 110044**

**Notes to the Unaudited Consolidated Financial Results ("financial results") for the  
quarter ended June 30, 2018**

1. The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board at their meeting held on August 7, 2018.
2. The financial results for the quarter ended June 30, 2018 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, to the extent applicable.
3. During the year ended March 31, 2017, pursuant to Initial Public Offering ("IPO"), 2,180,119 equity shares of Rs. 10 each were allotted to public at a premium of Rs. 492 per share along with offer for sale of 2,579,881 equity shares by the selling shareholders. The shares were listed at BSE and NSE on March 31, 2017. Details of the utilisation of net IPO proceeds till June 30, 2018 is as under:

Objects	Amount as per prospectus (Rs. in lacs)	Utilised till June 30, 2018 (Rs. in lacs)
Repayment of loan taken by Career Launcher Infrastructure Private Limited (a step down subsidiary) from HDFC Bank Limited	1,860.40	1,860.40
Meeting the working capital requirements of CL Educate and its subsidiaries namely Kestone Integrated Marketing Services Private Limited and GK Publications Private Limited	5,250.00	4,643.13
Funding acquisitions and other strategic initiatives	2,000.00	1,835.11
General corporate purposes	*1,010.25	1,010.25
<b>Total</b>	<b>10,120.65</b>	<b>9,348.89</b>

\* Post finalization of IPO expenses

During the quarter ended June 30, 2017, the Company had acquired the balance 5,880 equity shares of Accendere Knowledge Management Services Private Limited (AKMS) constituting 49% of the total paid up capital of AKMS for Rs. 1,323.00 lacs, making AKMS a wholly owned subsidiary of the Company. During the quarter ended December 31, 2017, the Company had paid balance outstanding in this respect of Rs. 661.50 lacs, out of the proceeds from IPO.



During the quarter ended September 30, 2017, the Company had purchased Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 400.00 lacs in the education technology Company namely, Three Sixty One Degree Minds Consulting Private Limited (361 DM) , out of the proceeds from IPO. The Company already held 4.43% of the paid up capital of 361 DM. Pursuant to compulsory representation on the Board of Directors of 361 DM by a Director nominated by the Company, 361 DM has been considered as an Associate of the Company and its results have been consolidated using Equity Method for the quarter ended June 30, 2018.

During the quarter ended December 31, 2017 the company had acquired 5,070 equity shares of Ice Gate Educational Institute Private Limited (ICEGATE) constituting 50.7% of the total paid up capital; for Rs. 623.61 lacs. The said amount was paid by the Company out of the proceeds from IPO.

During the the quarter ended December 31,2017 the Company had paid Rs. 150.00 lacs to Indiacan Education Private Limited in respect of the Eten business acquired by the Company out of the proceeds from IPO.

4. In accordance with the Ind AS-108 "Operating Segments" and based on "management evaluation", the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in preparing financial statements are consistently applied to record revenue & expenditure in individual segments. The reportable segments represent (i) Consumer business comprising of Consumer Test Prep & Consumer Publishing (ii) Enterprise business comprising of Enterprise Corporate & Enterprise Institutional and (iii) Others which comprises primarily the discontinued K-12 and scaled down vocational training businesses.
5. The basic and diluted earnings per share have been calculated in accordance with the Ind AS-33 "Earnings Per Share".
6. (a) In March 2017, the Group had entered into a Business Transfer Agreement with I-Take Care Private Limited for sale of its K-12 infrastructure services business carried on by its step down subsidiary Career Launcher Infrastructure Private Limited on slump sale basis. The proposed sale of business is consistent with group's long term strategy to discontinue the K-12 business. The operations of K-12 business, has now been disclosed under discontinued operations.  
  
(b) Pursuant to the Business Transfer Agreement dated March 18, 2017 and its amendment dated July 18, 2017 with B&S Strategy Service Private Limited (B&S), effective July 01, 2017, the business of running and operating pre-schools and providing school management services carried on by the Company's subsidiary Career Launcher Education Infrastructure & Services Limited was sold on slump sale basis for a total consideration of Rs. 4650.00 lacs of which Rs. 200.00 lacs was paid in cash, Rs. 4050.00 lacs by way of share swap and balance Rs. 400.00 lacs was to be received as cash by March 31, 2018 which is receivable as of date.
7. The company has in the past undertaken various Central and State Government / Agencies, projects in the education / skill development sector. Most of these projects are complete, however the dues from the concerned department / agency has not been realized mainly on



account of delays and long process. The details of such vocational trade receivables which are outstanding for a considerable period of time are given below. In the opinion of the management it has made the necessary provision/ taken write off, wherever required and net balances, are fully recoverable. The details are as under.

Nature of balance	Total amount outstanding as on June 30, 2018 (Rs. in lacs)	Amount outstanding for more than 3 years (Out of total outstanding) (Rs. in lacs)	Expected Credit Loss (ECL)/ Provision in books of accounts on the balance outstanding (Rs. in lacs)
Vocational Trade receivables	4,226.44	1,019.32	831.34

8. The Board at its meeting held on August 7, 2018 has approved an interim dividend of Re. 1 per equity share.
9. Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to the current period's classification.

Place: New Delhi  
Date: August 7, 2018

By the order of the Board

  
Nikhil Mahajan

Executive Director and Group CEO, Enterprise Business

