
CL Educate Limited

Consolidated financial
statements for the year
ended March 31, 2016

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, 2016, 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. 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 and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, 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, 2016, 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 two (2) subsidiaries whose financial statements reflects total assets of ₹ 5,863,290 as at March 31, 2016, total revenues of ₹ 13,040,737 and net cash flows amounting to ₹ 2,614,567 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 these subsidiaries 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 subsidiaries is based solely on the reports of the other auditors.

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 matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

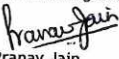
As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. 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 and the reports of the other auditors;
- 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;



- e. 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;
- f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies incorporated in India, none of the directors of the Group companies in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- j. 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 31 to the consolidated financial statements in respect of contingent liability and note 47 in respect of other pending litigation;
- (ii) The Group did not have any long-term contracts including derivative contracts Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

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


Pranav Jain
Partner

Membership No. 098308



Date: July 28, 2016
Place: New Delhi

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated financial statements for the year ended March 31, 2016]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Group which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

- I. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified on the adequacy (and therefore operating effectiveness) of the Group's Internal Financial Controls Over Financial Reporting as at March 31, 2016:
 - a) In case of the Company and one of the subsidiary Kestone Integrated Marketing Services Private Limited, comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid companies procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.
 - b) In case of one of the subsidiary, Kestone Integrated Marketing Services Private Limited, it has not maintained adequate documentation for 'incomplete event management services' at any given point of time. This could potentially result in incorrect recording of provisional revenue and corresponding provisional expenses in respect of such incomplete services as at the reporting date.
 - c) In case of one of the subsidiary, Career Launcher Education Infrastructure and Services Limited, comprehensive policy for periodical review and reconciliation of students and fee income recorded in the books of account has not been documented. This could potentially result in incorrect recording of revenue.
 - d) In case of one of the subsidiary, G.K. Publications Private Limited, it has not maintained adequate records related to employees' master data and there is no policy to review and update master data at reasonable intervals. This could



potentially result in incorrect salary processing and/ or incorrect provision for employee benefits.

- ii. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Group's internal financial controls over financial reporting as at March 31, 2016:
- a) In case of one of the subsidiary, CL Media Private Limited, the procurement policy implemented for purchase of goods and services was not operating effectively, which could potentially result in the Company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.

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

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Group, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Group.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two (2) subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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



Pranav Jain
Partner
Membership No.098308



Place: New Delhi
Date: July 28, 2016

CL Educate Limited
Consolidated Balance Sheet as at March 31, 2016

Particulars	Notes	March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	119,395,880	116,451,550
Reserves and surplus	4	2,286,409,717	1,961,581,733
		<u>2,405,805,597</u>	<u>2,078,033,283</u>
Minority interest		-	13,621,171
Non-current liabilities			
Long-term borrowings	5	254,876,723	249,000,209
Deferred tax liabilities (net)	6	14,547,172	18,548,855
Other long-term liabilities	7	3,023,500	2,590,000
Long-term provisions	8	34,902,915	29,067,346
		<u>307,350,310</u>	<u>299,206,410</u>
Current liabilities			
Short-term borrowings	9	376,204,632	309,428,079
Trade payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		246,843,384	200,181,872
Other current liabilities	11	516,466,746	478,073,482
Short-term provisions	8	22,464,709	25,030,548
		<u>1,161,979,471</u>	<u>1,012,713,981</u>
Total		<u><u>3,875,135,378</u></u>	<u><u>3,403,574,845</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	12	764,134,068	781,526,763
-Intangible assets	13	105,337,112	126,246,290
-Capital work-in-progress	44	6,312,785	6,312,785
Goodwill on consolidation	43	331,093,118	195,959,853
Non-current investments	14	16,791,487	16,998,932
Deferred tax assets (net)	6	8,276,153	3,279,534
Long-term loans and advances	15	219,704,564	214,146,518
Other non-current assets	16	112,030,033	114,868,774
		<u>1,563,679,320</u>	<u>1,459,339,449</u>

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CL Educate Limited
Consolidated Balance Sheet as at March 31, 2016

Particulars	Notes	March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Continued from previous page...			
Current assets			
Inventories	17	65,341,698	88,147,827
Trade receivables	18	1,189,164,318	865,998,275
Cash and cash equivalents	19	158,685,837	193,495,794
Short-term loans and advances	15	739,407,931	630,714,792
Other current assets	20	158,856,274	165,878,708
		<u>2,311,456,058</u>	<u>1,944,235,396</u>
		<u>3,875,135,378</u>	<u>3,403,574,845</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 / W100048


Pranav Jain
Partner
Membership No.: 098308



Place: New Delhi
Date : July 28, 2016

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


Gautam Puri
Vice Chairman & MD
DIN: 00033548


Rachna Sharma
Company Secretary
ICSI M. No.: A17780
Place: New Delhi
Date : July 28, 2016


Nikhil Mahajan
Director and CFO
DIN: 00033404



CL Educate Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	21	2,826,413,136	2,735,285,754
Other income	22	121,076,153	96,162,307
Total revenue (I)		2,947,489,289	2,831,448,061
Expenses			
Cost of raw material and components consumed	23A	64,959,689	62,160,690
Cost of services	23B	1,179,870,446	1,055,984,000
Purchases of traded goods	24	34,371,451	19,811,383
Decrease in inventories of finished goods, work-in-progress and traded goods	25	18,437,394	23,433,778
Employee benefit expenses	26	626,229,475	749,693,992
Finance costs	27	101,565,602	93,568,132
Depreciation and amortisation expense	28	90,006,200	77,394,268
Other expenses	29	542,326,178	456,714,885
Total expenses (II)		2,657,766,435	2,538,761,128
Profit before exceptional items, tax and minority interest (I - II)		289,722,854	292,686,933
Exceptional items (net)	45	-	22,841,122
Profit before tax and minority interest		289,722,854	269,845,811
Income tax expense:			
For current year:			
-Current tax		97,236,849	83,795,196
-Minimum alternate tax (MAT) credit		(15,491,034)	(15,167,132)
-Deferred tax charge/(benefit)		(8,998,302)	(8,131,708)
For earlier years:			
-Tax adjustment/expenses		2,361,424	(274,487)
Total tax expenses		75,108,937	60,221,869
Profit after tax before minority interest		214,613,917	209,623,942
Share of minority in profit/(loss) for the year		-	(221,572)
Profit after tax		214,613,917	209,845,514

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CL Educate Limited

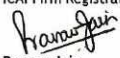
Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Continued from previous page			
Earnings per equity share (Nominal value ₹ 10 per share)	30		
- Basic before exceptional expenses		18.18	21.73
- Basic after exceptional expenses		18.08	19.60
- Diluted before exceptional expenses		18.18	21.40
- Diluted after exceptional expenses		18.08	19.30
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

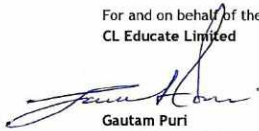
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

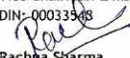

Pranav Jain
Partner
Membership No.:098308



Place: New Delhi
Date : July 28, 2016

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


Gautam Puri
Vice Chairman & MD
DIN: 00033948


Rachna Sharma
Company Secretary
ICSI M. No.: A17780
Place: New Delhi
Date : July 28, 2016


Nikhil Mahajan
Director and CFO
DIN: 00033404



	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
A Cash flow from operating activities		
Net profit before tax and minority interest and after prior period items	289,722,854	269,845,811
Adjustments for:		
Depreciation and amortisation	90,006,200	77,394,268
Depreciation and amortisation on investment property	207,445	206,878
Interest expense	92,422,696	84,992,428
Loan processing charges	4,322,085	3,294,926
Interest income	(71,543,940)	(62,844,766)
Dividend Paid	-	2,747
Fixed assets written off	-	1,158,942
Loss on sale of fixed assets (net)	5,274,525	4,852,105
Transfer to employee stock option outstanding	(10,124,864)	7,016,855
Advances and deposits written off	70,306,583	2,182,440
Bad debts written off	3,506,800	67,722,932
Rent on investment properties	(1,125,000)	(1,525,588)
Bad debts recovered	(2,528,428)	(950,587)
Liability no longer required written back	(17,725,254)	(24,559,770)
Provision for doubtful advances	1,685,332	1,975,329
Provision no longer required written back	(21,860)	(2,585,347)
Provision for slow moving inventory	1,931,225	-
Provision for obsolescence of inventory	-	584,094
<i>Exceptional non cash items:</i>		
- Expense on employee stock option (ESOP) scheme	-	22,841,122
Unrealised foreign exchange gain	141,924	(228,191)
Operating profit before working capital changes	<u>456,458,323</u>	<u>451,376,628</u>
Adjustments for (increase)/decrease in operating assets		
Trade receivables	(323,802,553)	(284,201,064)
Other non current assets	2,456,525	17,543,475
Other current assets	11,451,818	(5,801,084)
Long term loans and advances	(6,742,244)	(1,822,966)
Short term loans and advances	(120,904,995)	(35,706,163)
Inventories	20,874,904	16,984,927
Adjustments for increase/(decrease) in operating liabilities		
Other current liabilities	43,196,752	79,222,640
Non current liabilities	433,500	1,400,000
Long term provisions	5,835,569	8,675,175
Short term provisions	(824,911)	600,239
Trade payables	46,113,147	29,994,861
Cash generated from operations	<u>134,545,835</u>	<u>278,266,668</u>
Taxes paid (net of refund including interest on refund)	(85,651,369)	(74,892,536)
Net cash generated from operating activities	<u>48,894,466</u>	<u>203,374,132</u>

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CL Educate Limited

Consolidated Cash Flow Statement for the year ended March 31, 2016

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B Cash flow from investing activities:

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Purchase of fixed assets (including capital advances and fixed assets related payable)	(76,716,641)	(125,921,157)
Proceeds from sale of fixed assets	4,665,525	1,663,002
Purchase of investment in subsidiaries	(164,206,360)	(1,072,777,393)
Inter-corporate deposits (net)	-	121,634
Realisation from fixed deposits (net)	57,798,751	(64,019,179)
Loan given	(123,779,535)	(126,790,968)
Proceeds from realisation of loan given	64,079,150	89,200,978
Rental income	1,125,000	1,525,588
Interest received	67,114,556	54,899,221
Net cash used in Investing activities	(169,919,554)	(1,242,098,274)

C Cash Flow from financing activities:

Proceeds from issue of equity shares of subsidiary company (net of minority adjustments)	(568,175)	75,000
Proceeds from issue of equity shares of holding company	2,944,330	17,273,450
Security premium	163,032,580	1,157,745,590
Share application money received (utilised) (net)	-	(13,856,563)
Proceeds from long-term borrowings (including current maturities)	77,314,924	50,000,000
Repayment of long-term borrowings	(69,530,576)	(26,435,113)
Proceeds from short-term borrowings (net)	66,776,553	(31,375,414)
Loan processing fee paid	(4,322,085)	(3,294,926)
Dividend paid	-	(2,747)
Share issue expenses	(165,817)	(11,220,468)
Interest paid (include interest capitalised)	(91,865,406)	(84,692,079)
Net cash flow from financing activities	143,616,328	1,054,216,730
Net increase in cash and cash equivalents	22,591,240	15,492,588
Unrealised foreign exchange gain on cash and cash equivalents	15,338	35,730
Cash and cash equivalents at beginning of the year	69,341,387	53,813,069
Adjustment on account of acquisition of subsidiary	-	-
Cash and cash equivalents at end of the year	91,947,965	69,341,387
Cash and cash equivalents comprise		
Balances with banks:		
- on current accounts	84,271,547	60,861,703
Cheques/ drafts on hand	4,095,211	4,486,231
Cash on hand	3,581,207	3,993,453
	91,947,965	69,341,387

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CL Educate Limited
 Consolidated Cash Flow Statement for the year ended March 31, 2016

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	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Add:		
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	65,377,897	76,209,377
- on unpaid dividend account	26,355	17,075
Current restricted cash (Margin money deposit and under lien deposits)	1,333,620	47,927,955
Total cash and bank balances at end of the year	158,685,837	193,495,794

Notes :

1. The above 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 financial statements are integral part of the Consolidated Cash Flow Statement.
3. Pursuant to the requirements of Section 135 of the Act, the Group has incurred Rs. Nil on CSR activities during the year.

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 / W100048

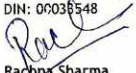

 Pranav Jain
 Partner
 Membership No.:098308



Place: New Delhi
 Date : July 28, 2016

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


 Gautam Puri
 Vice Chairman & MD
 DIN: 09038548


 Rachna Sharma
 Company Secretary
 ICSI M. No.: A17780
 Place: New Delhi
 Date : July 28, 2016


 Nikhil Mahajan
 Director and CFO
 DIN: 00033404



1. Background

CL Educate Limited ("the Company" or "the Holding Company") was incorporated in India on April 25, 1996 under the Companies Act, 1956 to conduct various educational and consulting programs. 64.88 % (previous year 65.05%) of the shares are being held by the promoters / directors of the Company and their relatives and the balance 35.12 % (previous year 34.95%) of the shares are being held by other individuals and companies.

The Group has 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 period April 1, 2015 to March 31, 2016.

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, 2016 on standalone basis.



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, 2016	March 31, 2015
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)	100.00%	100.00%
CL Media Private Limited (CLM) (India)	100.00%	100.00%
C L Higher Education Services Private Limited (CLHES) (India) (Refer footnote i)	-	65.76%
Career Launcher Education Infrastructure and Services Limited (India) (CLEIS) (Refer footnote ii)	100.00%	97.94%
Career Launcher Infrastructure Private Limited (CLIP) (India) (Refer footnote iii)	100.00%	97.94%
Accendere Knowledge Management Services Private Limited (AKMS) (India) (Refer footnote iv)	51.00%	-

- (i) During the year, CLHES has wind up its operations and accordingly investment has been written off in the books of Holding Company (CL Educate Limited).
- (ii) During the year, the Company purchased additional shares of this subsidiary from other shareholders, resultantly, the share of Company further increased from 97.94% to 100.00%.
- (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.
- (iv) During the year, the Company has acquired 51% shares of AKMS held by its promoters.

Entities acquired/ sold during the period 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 period 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 Accounting Standard-26 "Intangible Assets".

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.



The useful lives of the assets are as under:

Particulars	Useful life (years)
Tangible Assets:	
Building	60
Leasehold land	90 (period of lease)
Plant and machinery	10-15
Furniture and fixtures	8-10
Office equipment	5
Vehicle	8-10
Computer equipment	3-6
Leasehold improvements and building improvements	Lesser of 3 years and period of lease
Intangible assets:	
Trademark	5
Software	1-10
CAT online module	4
Intellectual property rights	Amortised over a period of 10 years using straight line method based on the management's assessment of useful life.
Goodwill [^]	5 years from the date of acquisition of business.
Non-compete fee	5
Website	5
License fees	Over the period of license

[^]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.

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. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on individual item basis.
- iv. 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.

(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 as at the balance sheet date. 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. Taxation

Tax expense for the period comprising current tax, deferred tax charge or benefit and MAT credit entitlement is included in determining the net profit for the period.

Current tax

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

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

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

Minimum alternate tax (MAT) under the Income Tax Act, 1961, payable for the period is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the period in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the "Income-tax Act, 1961", the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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 period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. 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 Group 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 Group. 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 Group 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.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised				
Equity shares of ₹ 10 each (previous year ₹ 10) with equal voting rights	16,000,000	160,000,000	16,000,000	160,000,000
	<u>16,000,000</u>	<u>160,000,000</u>	<u>16,000,000</u>	<u>160,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each (previous year ₹10) with equal voting rights (Class -I)	11,939,588	119,395,880	11,645,155	116,451,550
	<u>11,939,588</u>	<u>119,395,880</u>	<u>11,645,155</u>	<u>116,451,550</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, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of year	11,645,155	116,451,550	9,417,810	94,178,100
Add: Share issued during the period by way of:				
-Allotment of share for a consideration in cash (Refer footnote i)	-	-	1,061,526	10,615,260
- Employee stock option plan	28,829	288,290	2,900	29,000
-Allotment of share for a consideration other than in cash (Refer footnote ii, iii and iv)	265,604	2,656,040	1,162,919	11,629,190
Outstanding at the end of the period	<u>11,939,588</u>	<u>119,395,880</u>	<u>11,645,155</u>	<u>116,451,550</u>

Footnote i.

During the previous year, pursuant to a Share Subscription and Amendment Agreement dated August 12, 2014 between the Company, individual promoters and a shareholder GPE (India) Limited, Mauritius, the Company had issued 467,293 equity shares of ₹ 10 each at a price of ₹ 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 previous 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 had issued 594,233 equity shares of ₹ 10 each at a price of ₹ 590 per share to HDFC Limited on September 05, 2014.

Footnote ii.

For the year ended March 31, 2016

The Company on September 7, 2015 entered into an agreement with the promoters of Accendere Knowledge Management Services Private Limited (hereinafter referred as "AKMS") to acquire 51% of share capital of AKMS held by them for a consideration of ₹ 134,639,700. The Company has issued 185,830 equity shares of ₹ 10 each at a price of ₹ 590 per share and balance consideration amounting ₹ 25,000,000 to be paid in cash in three tranches as per the share purchase agreement dated September 7, 2015.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

The Board of Directors of the Company at its meeting held on August 3, 2015 approved further investment in equity shares of Career Launcher Education and Infrastructure Services ("CLEIS"), by making an offer to purchase 199,553 equity shares of CLEIS held by Bilakes Consulting Private Limited (hereinafter referred as "Bilakes") at a consideration of ₹ 56,066,660. The Company has issued 79,774 equity shares of ₹ 10 each at a price of ₹ 590 per share to Bilakes and balance consideration amounting ₹ 9,000,000 is to be paid in cash. Consequent to such investment, the Company now holds 100% share in CLEIS.

For the year ended March 31, 2015

During the previous year, the Board of Directors of the Company at its meeting held on August 11, 2014 had proposed a scheme wherein eligible domestic shareholders of CLEIS, a subsidiary company 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.

Pursuant to such share option swap, the Board of Directors of the Company at its meeting held on September 05, 2014 had approved to allot 1 equity share of the Company of ₹ 10 each for 2.10 equity shares of CLEIS held by the eligible CLEIS investors subject to adjustment and rounding up. Such swap ratio had 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 had issued 904,139 equity shares of ₹ 10 each at an effective price of ₹ 590 to CLEIS investors in lieu of 1,898,684 shares of CLEIS. Consequent to share swap, the Company's holding in CLEIS increased to 97.99% shares in CLEIS as against 57.55% shares prior to the share swap.

Footnote iii.

For the year ended March 31, 2015

The Company had 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, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	-	-	411,045	4,110,450
Add: Share issued during the year	-	-	-	-
Less: conversion into equity shares (refer footnote iv)	-	-	411,045	4,110,450
Outstanding at the end of the year	-	-	-	-

3) Class-III shares-OCPS

Particulars	March 31, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	-	-	88,955	889,550
Add: Share issued during the year	-	-	-	-
Less: conversion into equity shares (refer footnote iv)	-	-	88,955	889,550
Outstanding at the end of the year	-	-	-	-



Footnote iv

For the year ended March 31, 2015

During the financial year 2012-13, the Company had issued 411,045, 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each at a price of ₹ 200 per share termed as Class II and 88,955, 0.01% Non-Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10 each issued at a price of ₹ 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 into 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.

Each holder of OCPS had either to get his shares converted into 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 Board of Directors at its meeting dated July 22, 2014 approved of the conversion of such CCPS and OCPS into equity shares of ₹ 10 each at a price of ₹ 425 per share. The details of the equity shares issued are as given below:

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

c) *Terms/rights attached to equity shares*Voting

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

Dividends

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

Liquidation

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

d) The Company does not have any holding Company.

e) Shares held by the shareholders holding more than 5% shares in the Company.

1) *Class-I shares-Equity shares*

Name of share holders	March 31, 2016		March 31, 2015	
	Numbers	% held	Numbers	% held
Mr. Gautum Puri	2,562,579	21.46%	2,562,579	22.01%
Mr. Satya Narayanan R	2,562,579	21.46%	2,562,579	22.01%
GPE (India) Limited	1,426,473	11.95%	1,426,473	12.25%
Bilakes Consulting Private Limited	1,253,090	10.50%	1,245,193	10.69%
HDFC Limited	594,233	4.98%	594,233	5.10%
	8,398,954	70.35%	8,391,057	72.06%

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



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

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

1) Class-I shares-Equity shares

	March 31, 2016	March 31, 2015
	Numbers	Numbers
	In aggregate	In aggregate
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	2,092,555	1,826,951
	<u>2,092,555</u>	<u>1,826,951</u>

In addition, the Company has issued 36,504 equity shares of ₹ 10 each fully paid up (as on March 31, 2015 7,675 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.

g) 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

h) Employees stock option schemes (ESOP) (refer note 40)

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 EGM 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 3 years from the date of respective grants. As at March 31, 2016 and March 31, 2015 the Company had 48,518 and 34,768 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.



4. Reserves and Surplus

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
4.1. Securities premium		
Opening balance	1,845,642,909	913,417,025
(+) Securities premium received/(adjusted)		
-on issue of equity shares in cash	-	617,076,080
-on issue of equity shares for consideration other than cash	154,050,720	540,669,510
-on issue of ESOP	8,981,860	-
(-) Adjustment for reclassification of capital reserve into goodwill/change in minority interest	-	(220,175,950)
(-) Share issue/ swap expenses	(165,817)	(11,220,468)
(+) Transfer from Class-II shares-CCPS conversion reserve	-	4,831,186
(+) Transfer from Class-III shares-OCPS redemption/conversion reserve	-	1,045,526
Closing balance (A)	2,008,509,672	1,845,642,909
4.2. Class-II shares-CCPS conversion reserve		
Opening balance	-	4,831,186
(-) Transferred to securities premium during the year	-	(4,831,186)
Closing balance (B)	-	-
4.3. Class-III shares-OCPS redemption/conversion reserve		
Opening balance	-	1,045,526
(-) Transferred to securities premium during the year	-	(1,045,526)
Closing balance (C)	-	-
4.4. Capital reserves (Others) (D)	19,939	19,939
4.5. General reserves		
Opening balance	5,784,256	5,784,256
Add: Transferred from ESOP reserves	685,322	-
Closing balance (E)	6,469,578	5,784,256
4.6. Employee stock option outstanding		
Gross employee stock compensation for options granted in earlier years	39,185,183	9,327,206
(+) Gross compensation for options for the year	(6,026,151)	7,016,855
(+) Gross compensation for options granted to employees of subsidiary (Refer footnote i of note 45)	(4,098,713)	22,841,122
(-) Less: Transferred to general reserve	(685,322)	-
Closing balance (F)	28,374,997	39,185,183
4.7. Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	70,949,446	453,867,543
(+) Net profit for the year	214,613,917	209,845,514
(-) Adjustment on account of change in minority interest	(42,527,832)	(580,772,529)
(-) Adjustment for depreciation on account of schedule II (refer footnote a)	-	(10,291,918)
(-) Schedule II adjustment of deferred tax (refer footnote a)	-	(1,699,164)
Closing balance (G)	243,035,531	70,949,446
Total reserves and surplus (A+B+C+D+E+F+G)	2,286,409,717	1,961,581,733

Footnote a:

During the previous year, pursuant to the transitional provisions of Schedule II of the Act in respect of fixed assets where the remaining useful life was "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 10,291,918 and deferred tax thereon had been adjusted against the opening reserves.



5. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Term loans (secured)				
-From banks				
a) Vehicle loans (Refer footnote i)	2,853,554	561,649	2,133,835	1,203,832
b) Other term loans (Refer footnote ii)	24,536,846	44,439,184	19,612,033	51,738,842
-From financial institutions				
a) Term loan (Refer footnote iii)	181,857,989	203,310,735	21,452,746	9,538,914
b) Vehicle loans (Refer footnote iv)	962,280	688,641	899,829	489,162
Unsecured loans				
a) Term Loan from bank (Refer footnote v)	-	-	-	1,128,541
b) Term Loan from financial institutions (Refer footnote vi)	19,745,797	-	8,717,169	-
c) Working Capital Loan from bank (Refer footnote vii)	2,841,886	-	1,504,128	-
d) Working Capital Loan from Financial Institutions (Refer footnote viii)	21,073,371	-	11,687,385	-
e) From others (Refer footnote ix)	1,005,000	-	-	-
	254,876,723	249,000,209	66,007,125	64,099,291
The above amount includes				
Amount disclosed under the head "Other current liabilities" (Refer note 11)	-	-	(66,007,125)	(64,099,291)
Net amount	254,876,723	249,000,209	-	-

Footnotes

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

The terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2016

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	65,009	33,030	11.99%	May 7, 2016
Loan 2	43,614	22,140	12.24%	May 7, 2016
Loan 3	142,564	24,618	12.27%	September 7, 2016
Loan 4	310,360	32,700	11.53%	January 5, 2017
Loan 5	735,308	26,146	13.50%	January 5, 2019
Loan 6	795,676	27,821	14.00%	February 5, 2019
Loan 7	365,581	12,782	14.00%	February 5, 2019
Loan 8	1,081,554	37,816	14.00%	February 5, 2019
Loan 9	1,447,723	78,203	13.50%	February 5, 2019
	4,987,389			



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	287,488	22,140	12.24%	May 7, 2016
Loan 3	402,871	24,618	12.27%	September 7, 2016
Loan 4	645,649	32,700	11.53%	January 5, 2017
	1,765,481			

ii. Secured term loans from Bank-other term loans

The Company had entered into a finance facility agreement with limit amounting ₹ 510,000,000 (previous year ₹ 465,000,000) 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 comprise four loans ₹ 12,000,000, ₹ 35,000,000, ₹ 50,000,000 and ₹ 44,000,000. Year end balances of these loans are ₹ Nil, ₹ Nil, ₹ 9,140,254 ₹ 35,008,625 (previous year ₹ 3,126,045, ₹ 14,274,445, ₹ 34,777,536 ₹ 44,000,000) respectively.

Interest rate:

These loans carry interest at bank's base rate + 3.75% (previous year bank's base rate + 4.25%) per annum ranging from 13.25% to 14.25% (previous year 14.00% to 14.25%).

Repayment schedule:

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

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

The loan of ₹ 50,000,000 was 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

These loans together with short term borrowings are secured by way of first and exclusive charge on all present and future current and moveable assets including moveable fixed assets of the Company.

Collateral security

Lien over fixed deposits of ₹ 110,000,000

The loans are 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.

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



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

These loans are part of overall limit sanctioned by the bank to the Company, which comprise term loans as detailed above, overdraft facility upto ₹ 440,000,000 (Previous year ₹ 340,000,000) (disclosed in short term borrowings in the financial statements), cash management facility of ₹ 2,500,000 (Previous Year ₹ 2,500,000) and overdraft against credit card receivables of ₹ 15,000,000 (availed). 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 Educate 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 Dhantari Road, Raipur.
3. IWS - Village Yeolawadi, Taluka Haveti, 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 of CLIP, 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 of CLIP, 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 of CLIP.

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

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 of CLIP 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 of CLIP, 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, 2016 & March 31, 2015.

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 ₹ 633,295,177 (previous year ₹ 599,605,885) [Includes amount of ₹ 49,781,948 (previous year ₹ 61,277,756) disclosed under other current liabilities as current maturities of long term borrowing (Refer note 11)] and short term borrowings amounting ₹ 357,372,597 (previous year ₹ 290,578,210) (Refer note 9).

iv. Vehicle loans from financial institutions are secured against hypothecation of concerned vehicles.

The terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2016

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	671,816	49,218	10.59%	June 10, 2017
Loan 2	1,190,293	45,050	17.74%	January 1, 2019
	<u>1,862,109</u>			

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	1,177,803	49,218	10.59%	June 10, 2017
	<u>1,177,803</u>			

v. Unsecured term loans- from banks

It further includes the term loans of ₹ 4,000,000 availed by Kestone Integrated Marketing Services Private Limited. Year end balance of the loan is Nil (previous year ₹ 1,128,541).

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



CL Educate Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2016****vi. Term Loan from financial institutions**

This unsecured loan represents term loan taken from Shri Ram City Union Finance Limited.

Interest rate:

These loans carry interest at 16.00% per annum.

Repayment schedule:

The loan of ₹ 30,000,000 is repayable in 36 equal monthly installments of ₹ 1,054,711 (inclusive of interest) for which January 5, 2019 is the last installment date.

Collateral security:

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

Registered mortgage of agricultural land in Amritsar capitalised in the books of subsidiary named Career Launcher Infrastructure Private Limited.

125,000 shares of the Company held by Bilakes Consulting Private Limited.

vii. Unsecured working capital loans- from banks

During the period, Career Launcher Education Infrastructure and Services Limited has taken working loan from banks, details of the loans are as follows:-

Name of Bank	Loan taken(₹)	Rate of Interest	Tenure	Date of first EMI	EMI (₹)
IndusInd Bank	2,500,000	18.50%	36 Months	4-Oct-15	91,009
Deutsche Bank	2,500,000	19.00%	36 Months	5-Oct-15	91,640

Guarantees :-

The loan from Indusind Bank is secured by guarantee of CL Educate Limited.

viii. Unsecured working loans- from financial institutions

During the period, Career Launcher Education Infrastructure and Services Limited has taken working loan from financial institution, details of the loans are as follows:-

Name of Bank	Loan taken(₹)	Rate of Interest	Tenure	Date of first EMI	EMI (₹)
Magma Fincorp Limited	9,000,000	19.00%	36 Months	7-Oct-15	329,904
Tata Capital Financial Services	5,000,000	18.65%	36 Months	9-Oct-15	183,280
Capital First Limited	7,500,000	18.75%	36 Months	5-Nov-15	273,974
Dewan Housing Finance	3,500,000	13.50%	36 Months	14-Oct-15	118,790

Guarantees :-

The loan from Magma Fincorp Limited is secured by guarantee of CL Educate Limited.

ix. Unsecured working loans- from others

Loan from others represents interest free loan taken from directors of subsidiary and others. The said loans are payable on or after 24 months from the reporting date.



6. Deferred tax (liabilities)/ assets

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' net decrease in Deferred Tax Liability of ₹ 8,998,302 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, 2016 that reverse in one or more subsequent years gave rise to the following net Deferred Tax Liability as at March 31, 2016.

	March 31, 2016	(Charge)/benefit	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹
Deferred tax assets			
On account of			
Unabsorbed losses	40,526,611	776,256	39,750,355
Provision for gratuity	6,670,500	1,413,000	5,257,500
Provision for bonus	1,980,721	808,201	1,172,520
Provision for leave encashment	5,053,699	1,377,819	3,675,880
Provision for investment impairment	-	(21,742)	21,742
Provision for loans and advances	14,131,141	157,049	13,974,092
Provision for incentive	5,970,883	2,199,853	3,771,030
Provision for slow moving inventory	596,749	596,749	-
Provision for obsolete inventory	137,928	(55,191)	193,119
Provision for doubtful debts & advance	444,080	(272,895)	716,975
Provision for sales incentive	369,944	269,357	100,587
Provision for sales return	293,311	(259,412)	552,723
Unrealised foreign exchange loss	-	(110,786)	110,786
Total deferred tax assets	76,175,567	6,878,258	69,297,309
Deferred tax liabilities			
On account of depreciation	82,446,586	2,120,044	84,566,630
Total deferred tax liabilities	82,446,586	2,120,044	84,566,630
Net deferred tax (liabilities)	(6,271,019)	8,998,302	(15,269,321)

Presentation in the financial statements as per tax jurisdictions:

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Total deferred tax assets of net deferred tax assets jurisdiction entities	8,276,153	3,279,534
Total deferred tax liabilities of net deferred tax liabilities jurisdiction entities	(14,547,172)	(18,548,855)
Net deferred tax liability shown in the balance sheet	(6,271,019)	(15,269,321)

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

7. Other long-term liabilities

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Security deposit received	3,023,500	2,590,000
	3,023,500	2,590,000



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

8. Provisions

		Long-term		Short-term	
		March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Provision for taxes					
-for Income tax [net of advance tax and tax deducted at source of ₹ 18,092,382 (previous year ₹ 19,115,544)]		-	-	20,743,538	22,484,466
Total	A	-	-	20,743,538	22,484,466
Provision for sales return (Refer footnote i)	B	-	-	949,228	1,788,747
Provision for employees benefit					
Gratuity (Refer note 42)		19,904,705	18,101,534	323,381	400,514
Leave encashment (Refer note 42)		14,998,210	10,965,812	448,562	356,821
Total	C	34,902,915	29,067,346	771,943	757,335
Total (A+B+C)		34,902,915	29,067,346	22,464,709	25,030,548

Footnote

i. Provision for sales return has been created for estimated loss of margin on expected sales returns in future period against products sold during the twelve months period. The provision has been recorded based on management's estimate as per past trend and actual sales return till the date of approval of financial statements. Following is the movement in provision made:

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

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CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

9. Short-term borrowings

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Secured, from bank, repayable on demand		
-Cash credit (Refer footnote i)	376,204,632	309,428,079
Net amount	376,204,632	309,428,079

Footnotes:

i. Details of these loans are as follows:

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 3.75 % ranging from 14.25% to 13.75% calculated on monthly basis on the actual amount utilised.
2. Security details: Refer footnote ii of note 5.

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:

2. 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 R., Mr. Gautam Puri and Mr. Nikhil Mahajan.

The facility carries an interest rate of 14.25% (bank's base rate i.e.10% + 4.25%) per annum payable on monthly basis.

This loan is repayable on demand

Cash credit from IndusInd Bank- loan 1

1. It carried interest rate as follows:

- a. 13.60% p.a (Base rate of 10.60% + Margin of 3%) from October 19, 2015
- b. 13.85% p.a (Base rate of 10.85% + Margin of 3%) from June 15, 2015 to October 18, 2015
- c. 14.00% p.a (Base rate of 11.00% + Margin of 3%) from November 8, 2013 to June 14, 2015

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

- a. First and exclusive charge on movable fixed assets of Kestone both present and future.
- b. Corporate guarantee of CL Educate Limited (Holding Company) amounting ₹ 95,000,000 (March 31, 2015 ₹ 75,000,000).
- c. Lien on fixed deposits amounting to ₹ 19,000,000 (Previous year ₹ 15,000,000).



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Cash credit from IndusInd Bank- loan 2

1. This loan represents over draft facility from IndusInd Bank. The above amount represents the limit availed out of the total fund limit of ₹ 19,000,000 (previous year ₹ 19,000,000).
2. Kestone Integrated Marketing Services Private Limited has pledged its fixed deposits amounting ₹ 20,000,000 (previous year ₹ 20,000,000) as security for the above over draft facility from IndusInd Bank Limited.
2. The facility carries an interest rate of 10.75% (Bank fixed deposits rate i.e., 9.25% + 1.50%) per annum payable on monthly basis.
3. The above loan is repayable by February 20, 2017 or maturity date of underlying fixed deposits, whichever is earlier.

10. Trade payables

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Trade payable (refer footnote i and note 41)		
- Related party	892,027	892,027
- Others	245,951,357	199,289,845
	<u>246,843,384</u>	<u>200,181,872</u>

Footnote i

Includes amount due to related party (Refer note 38).

11. Other current liabilities

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Current maturities of long term borrowing (Refer note 5)	66,007,125	64,099,291
Interest accrued but not due on borrowings	1,243,680	686,390
Unearned revenue	198,787,648	197,548,609
Payables for expenses (Refer note 41)		
-To related party (Refer note 38)	5,750	5,000
-To others	91,804,636	69,454,232
Employees related payables	81,442,664	86,327,539
Payable for fixed assets (Refer note 41)	6,476,072	17,185,736
Payables for purchase of investments		
-To related party (Refer note 38)	1,507,733	-
-To others	25,000,000	-
Advance from customers	24,014,276	16,019,073
Advance received against sale of fixed assets	-	5,350,000
Statutory dues payable	20,177,162	21,397,612
	<u>516,466,746</u>	<u>478,073,482</u>



12 Fixed assets- Tangible assets*

Current year

Particulars	Gross block (at cost)				Accumulated depreciation		Amount in ₹	
	As at April 1, 2015	Additions during the year	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Disposals	As at March 31, 2016	Net block As at March 31, 2016
	Land - Freehold	105,323,520	-	-	105,323,520	-	-	-
Land - Leasehold (Refer footnote i)	20,043,350	-	-	20,043,350	2,381,454	-	2,592,125	17,451,225
Buildings (Refer footnote j)	585,607,047	-	-	585,607,047	43,394,168	9,262,498	52,656,666	532,950,381
Building Improvements	9,072,717	-	-	9,072,717	8,915,848	13,800	8,929,648	143,069
Plant and machineries	14,294,158	53,087	-	14,347,245	6,946,386	778,650	7,725,036	6,622,209
Leasehold Improvement	29,626,033	2,959,405	-	32,585,438	21,442,448	4,487,223	25,929,671	6,655,767
Furniture and fixtures	41,298,633	5,604,929	-	46,903,562	15,799,640	4,018,442	19,818,082	27,085,480
Office equipments	44,908,472	7,472,209	81,795	52,298,886	24,293,772	6,216,480	30,496,751	21,802,135
Computers	95,374,734	34,029,909	27,219,093	102,185,526	50,917,651	32,124,586	65,490,528	36,695,022
Vehicles	22,131,147	2,300,000	411,917	24,019,230	12,061,681	2,759,834	14,613,970	9,405,260
Total	967,679,811	52,419,539	27,712,805	992,386,545	186,153,048	59,872,184	228,252,477	764,134,068

*Certain tangible assets, are subject to charge against secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts. (Refer note 5 and 9)

Footnote:

i. Building includes 5 shares of ₹ 50 each being the cost of shares in Tardoo Air conditioned Market Building Cooperative Society Limited, Mumbai.
ii. 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.

iii. Pursuant to the board resolution dated October 31, 2012, the 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 Amritsar. The same have been shown as "Assets held for sale" under the head "Other Current Assets". (Refer note 20).

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CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Previous year-#

Particulars	Gross block (at cost)			Accumulated depreciation		Net block	
	As at April 1, 2014	Additions during the year	Disposals/ Adjustments March 31, 2015	As at April 1, 2014	Depreciation for the year	Disposals/ Adjustments per Schedule II	As at March 31, 2015
Land - freehold	105,323,520	-	105,323,520	-	-	-	105,323,520
Land - Leasehold (Refer footnote ii)	20,043,350	-	20,043,350	2,158,973	222,481	-	17,661,896
Buildings (Refer footnote i)	585,607,047	-	585,607,047	34,144,187	9,249,981	-	542,212,879
Building Improvements	9,072,717	-	9,072,717	8,132,667	433,863	-	8,915,848
Plant and machineries	12,329,595	1,964,563	14,294,158	5,955,259	991,127	-	6,946,386
Leasehold Improvements	25,044,158	5,832,046	29,626,033	17,554,724	1,137,895	-	21,442,448
Furniture and fixtures	27,200,340	16,208,177	41,298,633	14,491,179	3,318,869	2,070,989	15,799,640
Office equipments	37,587,692	12,307,071	44,908,472	14,665,774	6,602,595	7,635,198	24,293,772
Computers	59,595,813	56,683,420	20,804,499	40,057,641	22,521,962	1,986,367	50,917,651
Vehicles	20,634,788	1,737,089	22,131,147	9,412,352	2,627,107	238,252	12,061,681
Total	902,439,020	94,732,366	967,679,811	146,572,756	51,105,900	10,291,918	781,526,763

*Certain tangible assets, are subject to charge against secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts (Refer note 5 and 9)

#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 reserves as on April 1, 2014.

Footnote:

- Building includes 5 shares of ₹ 50 each being the cost of shares in Tardoo 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 during the year. During the FY 2012-13, CLIP, a subsidiary company has entered into agreements with various parties to sale lands located at Faridabad and Amritsar. The same have been shown as "Assets held for sale" under the head "Other Current Assets". (Refer note 20).



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CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2016

13 Fixed assets- Intangible assets*

Current year

Particulars	Gross Block (at cost)			Accumulated amortisation			Net block	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Disposals	As at March 31, 2016	As at March 31, 2016
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	81,219,434	-	94,883,282	71,264,713
Computer softwares	16,177,885	2,669,763	-	18,847,648	12,992,740	-	14,242,264	4,605,384
License fees	29,435,258	-	-	29,435,258	16,016,207	-	20,706,577	8,728,681
Content development	22,222,707	5,503,075	-	27,725,782	3,138,194	-	7,879,199	19,846,583
CAT Online Module	7,641,070	1,052,000	-	8,693,070	3,522,077	-	8,305,336	387,734
Web Site	3,584,770	-	-	3,584,770	3,574,743	-	3,580,753	4,017
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	2,750,000	-
Non-competitive fees	5,000,000	-	-	5,000,000	3,500,000	-	4,500,000	500,000
Total	252,959,685	9,224,838	-	262,184,523	126,713,395	-	156,847,411	105,337,112

*Certain intangible assets, are subject to charge against secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts. (Refer note 5 and 9)

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CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2016
Previous year*

Particulars	Gross block (at cost)			Accumulated amortisation		Net block As at March 31, 2015	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014		Disposals
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	67,557,786	-	81,219,434
Computer softwares	15,201,192	976,693	-	16,177,885	11,902,684	-	12,992,740
License fees	14,436,000	14,999,258	-	29,435,258	10,280,492	-	16,016,207
Content development	1,722,707	20,500,000	-	22,222,707	35,172	-	3,138,194
CAT Online Module	1,830,150	5,810,920	-	7,641,070	1,830,150	-	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-complete fees	5,000,000	-	-	5,000,000	2,500,000	-	3,500,000
Total	210,672,814	42,286,871	-	252,959,685	100,425,027	-	126,713,395

*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. (Refer note 5 and 9).



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CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

14. Non-current investments

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Investment property		
(Non-trade, valued at cost less accumulated depreciation)		
Cost of building	13,113,500	13,113,500
Less: Accumulated depreciation	1,822,013	1,614,568
	<u>11,291,487</u>	<u>11,498,932</u>
Equity shares in companies		
(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>16,791,487</u>	<u>16,998,932</u>

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

	March 31, 2016	March 31, 2015
	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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15. Loans and advances

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Unsecured, considered good, unless otherwise stated				
Capital advances (A)	12,414,740	13,402,140	-	-
Advance to suppliers (B)	-	-	7,777,894	9,875,131
Loans and advances to related parties (Refer note 38) (C)	-	-	516,616,762	456,916,377
Security deposits				
-Considered good	23,282,290	16,086,950	21,219,163	25,936,331
-Considered doubtful	-	-	1,386,266	636,266
Less: Provision for doubtful balances	-	-	(1,386,266)	(636,266)
Sub Total (D)	23,282,290	16,086,950	21,219,163	25,936,331
Balances recoverable from government authorities				
-Considered good (E)	21,302,000	21,302,000	149,746	2,379,422
Advance income-tax [(net of provision for tax of ₹ 340,123,991) (Previous year ₹ 262,540,460)] (F)	101,985,029	110,464,864	-	-
MAT credit entitlement (G)	60,659,505	52,376,468	-	-
Prepaid expenses (H)	-	-	113,394,979	97,335,549
Loans and advances to employees (I)	61,000	76,000	10,566,255	5,526,305
Loans and advances to franchisees (J)	-	-	-	70,000
Others				
-Gratuity Assets (Including balances of Trust)	-	413,237	12,427	2,183
- Other dues from related party (good)	-	-	10,630,023	697,640
- Receivable from others (good)	-	24,859	59,040,682	31,975,854
- Receivable from others (doubtful)	-	-	39,949,409	40,224,409
	-	438,096	109,632,541	72,900,086
Less: Provision for doubtful balances	-	-	(39,949,409)	(40,224,409)
Sub Total (K)	-	438,096	69,683,132	32,675,677
Total (A+B+C+D+E+F+G+H+I+J+K)	219,704,564	214,146,518	739,407,931	630,714,792

During the year, the Company has given unsecured loan to their group companies/parties for meeting their working capital requirement. Details of the same are as below:

Company/Party name	Amount given	Rate of interest	March 31, 2016	March 31, 2015
Career Launcher Education Foundation	10,000	Nil	132,673,251	132,663,251
Nalanda Foundation	121,507,063	14.50% to 15.05%	365,564,664	308,136,751
CLEF - AP	2,262,472	14.00%	18,378,847	16,116,375
Total	123,779,535		516,616,762	456,916,377

16. Other non-current assets

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Unsecured, considered good, unless otherwise stated		
Non-current bank balances (Deposits with maturity for more than 12 months from reporting date) (Refer note 19)	112,030,033	112,412,249
Other receivables	-	2,456,525
	112,030,033	114,868,774



17. Inventories (Refer footnote a)

	March 31, 2016	March 31, 2015
(Valued at lower of costs and net realisable value)	Amount in ₹	Amount in ₹
Raw materials (Refer footnote b)	7,081,705	9,686,141
Work-in-progress (Refer footnote c)	2,722,881	2,696,299
Finished goods produced	57,885,505	76,349,481
Less: Provision for slow moving/obsolete inventory	2,348,393	584,094
	65,341,698	88,147,827

Footnote a: All inventories categories represent text books.

Footnote b: Includes raw materials lying with third parties ₹ 7,081,705 (Previous year ₹ 9,686,481)

Footnote c: Includes work-in-progress lying with third parties ₹ 2,722,881 (Previous year ₹ 2,696,299)

18. Trade receivables

	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise	Amount in ₹	Amount in ₹
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good (refer footnote i and ii)	586,793,444	332,395,032
- Considered doubtful	935,332	1,178,286
	587,728,776	333,573,318
Less: Provision for doubtful trade receivables	935,332	1,178,286
	586,793,444	332,395,032
Others (refer footnote ii)	602,370,874	533,603,243
	1,189,164,318	865,998,275

Footnote:

i. Refer note 46 amounting Rs. 13,930,740 (Previous year Rs. 13,172,289) considered good.

ii. Includes receivables from related party (refer note 38)

19. Cash and bank balances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Cash and cash equivalents				
Balances with banks:				
- on current accounts	-	-	84,271,547	60,861,703
Cheques/ drafts on hand	-	-	4,095,211	4,486,231
Cash on hand	-	-	3,581,207	3,993,453
Subtotal (A)	-	-	91,947,965	69,341,387
Other bank balances				
- on unpaid dividend account	-	-	26,355	17,075
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	-	-	65,377,897	76,209,377
- Margin money deposits (Refer footnote i)	112,030,033	112,412,249	1,333,620	47,927,955
Subtotal (B)	112,030,033	112,412,249	66,737,872	124,154,407
Amount disclosed under other non-current assets (Refer note 16)	(112,030,033)	(112,412,249)		-
Subtotal (A+B)	-	-	158,685,837	193,495,794



CL Educate Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2016****Footnotes i****Current deposits include:**

- Deposits of ₹ 1,333,620 (Previous year ₹ 1,837,750) for issue of guarantees in favor of Northern Eastern Council Secretariat, Shilong,
- Deposits of ₹ Nil (Previous year ₹ 750,600) in favour of for the purpose of paper purchase,
- Deposits of ₹ Nil (Previous year ₹ 339,605) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits of ₹ Nil (Previous year ₹ 45,000,000) pledged with banks for overdraft facility (refer footnote ii of note 6).

• Fixed deposits amounting ₹ 39,000,000 (March 31, 2015 ₹ 35,000,000) are under lien, out of which fixed deposits amounting ₹ 19,000,000 (March 31, 2015 ₹ 15,000,000) are under lien towards cash credit facility from Indusind Bank and fixed deposits amounting ₹ 20,000,000 (March 31, 2015 ₹ 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 5 in regard to loan 2)

Non current deposits include:

- Deposits of ₹ 75,000 (Previous year ₹ 99,518) for issue of guarantees in favor of value added tax authorities,
- Deposits of ₹ 1,684,764 (Previous year ₹ 2,003,429) for issue of guarantees in favor of Development Support Agency of Gujarat-TDD Project,
- Deposits of ₹ 200,000 (Previous year ₹ 239,033) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits aggregating to ₹ 110,000,000 (Previous year ₹ 110,000,000) pledged with banks for overall loan facility (Refer footnote ii of note 6).
- Deposits of ₹ 70,269 (Previous year ₹ 70,269) submitted in bank against consumer court case appeal

20. Other current assets

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	<u>Amount in ₹</u>	<u>Amount in ₹</u>
Unbilled revenue	38,412,718	48,931,908
Interest accrued but not due on fixed deposits	1,332,576	2,094,465
Interest accrued and due on fixed deposits	1,050,823	1,331,369
Interest accrued but not due on loans and advances		
- From related parties (Refer note 38)	23,613,320	18,141,501
Receivables on account of transfer of fixed assets	-	132,628
Fixed assets held for sale (Refer footnote (iii) of note 12)	94,446,837	95,246,837
	<u>158,856,274</u>	<u>165,878,708</u>



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

21. Revenue from operations

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Revenue from operations		
Sale of products (Refer footnote i)	425,231,482	418,945,259
Sale of services (Refer footnote ii)	2,233,305,874	2,117,283,907
Other operating revenue		
Start up fees from franchisees	18,365,484	27,458,743
Licence fees (Refer footnote iii)	15,138,889	3,250,000
Advertising Income	52,720,698	37,949,288
Infrastructure fees (Refer footnote iii)	22,029,670	19,705,801
Sale of scrap	591,874	368,660
Bus fees	2,094,551	2,127,750
Income from day Care center	2,770,583	2,808,907
Grant income	54,147,330	105,380,219
Other miscellaneous operating Income	16,701	7,220
	2,826,413,136	2,735,285,754

Footnote i

Detail of products sold

Particulars

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
-Sale of text books	425,231,482	418,945,259
	425,231,482	418,945,259

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

Footnote ii

Detail of services provided

Particulars

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
-Education and training programmes income	932,010,145	857,931,241
-Online education services	184,621,862	45,915,656
-Vocational training services income	306,809,367	207,746,113
-Manpower services income	268,611,094	450,038,443
-Event management services income	495,741,494	510,959,450
-Soft skills fees (Refer footnote iii)	28,389,966	25,572,852
-School tuition fees	17,121,946	19,120,152
	2,233,305,874	2,117,283,907

iii. Includes sales to related party (Refer Note 38).



22. Other Income

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Interest income on		
-Fixed deposits	18,765,738	20,056,691
-Income tax	2,478,325	332,210
-Loans and advances (Refer footnote i)	50,299,877	42,455,865
Liability no longer required written back	17,725,254	24,559,770
Rent income on investment property [net of depreciation on investment property of ₹ 207,445 (previous year ₹ 206,878)]	917,555	1,318,710
Provision written back	21,860	2,585,347
Sale of scrap	745,010	931,108
Insurance Claim Received	804,720	-
Amount forfeited against sale of land	5,350,000	-
Income on employee stock option (ESOP) scheme	10,124,864	-
Notice period recovery	998,631	2,367,135
Net gain on foreign currency transactions and translations	195,070	99,692
Bad debts recovered	2,528,428	950,587
Miscellaneous income	10,120,821	505,192
	121,076,153	96,162,307

Footnote i: Includes income from related party (Refer note 38).

23A. Cost of raw material and components consumed

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Inventory at the beginning of the period	9,686,141	3,237,290
Add: Purchases during the period	62,355,253	68,609,541
	72,041,394	71,846,831
Less: Inventory at the end of the period	7,081,705	9,686,141
Cost of raw material and components consumed	64,959,689	62,160,690

Details of raw material and components consumed

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Paper	63,866,730	61,111,745
Lamination material	570,845	724,815
Binding and packaging material	522,114	324,130
	64,959,689	62,160,690

Details of closing stock of raw materials and components

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Paper	7,081,705	9,686,141
	7,081,705	9,686,141

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23B. Cost of Services

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Printing cost	47,819,646	50,986,385
Binding and cover pasting charges	1,643,644	3,119,732
Packing material consumed	785,339	641,920
Content development cost	854,732	17,647,757
Material printing cost	4,106,462	2,316,724
Other test prep related consumables	821,564	1,962,651
Labour cost	256,581	523,123
Placement support expenses	11,441,615	15,468,500
Faculty expenses	103,307,852	85,629,297
Franchisee expenses	429,015,491	397,810,512
Hostel expenses	57,996,361	39,121,224
Mobilization expenses	7,083,097	11,688,592
Equipment hire expenses	70,443,373	50,847,048
Royalty charges	450,664	395,069
Giveways	142,412,928	114,128,680
Event consultancy	92,863,766	77,546,906
Banquet and hotel charges	70,822,323	57,386,638
Travelling and conveyance	39,675,995	42,709,204
Temporary manpower resources	31,958,975	25,667,516
Business promotion	8,107,670	23,097,228
Sponsorship fee	29,507,235	15,233,691
Communication	20,527,963	13,926,888
Subscription	223,591	1,321,835
Photography charges	2,302,768	1,202,672
Recruitment expenses	8,458	1,046,593
Insurance	1,008,377	1,715,229
Rent	3,536,450	1,532,480
Miscellaneous expense	887,526	1,309,906
	1,179,870,446	1,055,984,000

24. Purchase of traded goods

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Text books	34,371,451	19,811,383
	34,371,451	19,811,383

25. Decrease in inventories of finished goods, work-in progress and traded goods

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Inventories at the beginning of the year (A)		
-Finished goods produced	76,349,481	86,152,074
-Work-in-progress	2,696,299	16,327,484
	79,045,780	102,479,558
Less: Inventories at the end of the year (B)		
-Finished goods produced	57,885,505	76,349,481
-Work-in-progress	2,722,881	2,696,299
	60,608,386	79,045,780
Net decrease (A-B)	18,437,394	23,433,778



Details of Inventory of finished goods produced

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Text books	57,885,505	76,349,481
	57,885,505	76,349,481

Details of work in progress

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Text books	2,722,881	2,696,299
	2,722,881	2,696,299

26. Employee benefit expenses

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits	572,654,763	681,401,304
Contribution to provident and other funds (net of EDLI charges recovered from employees) (Refer note 42)	25,649,112	33,946,591
Gratuity expense (Refer note 42 and footnote i)	5,989,717	7,660,004
Leave encashment expense (Refer note 42 and footnote ii)	5,448,864	5,110,585
Expense on employee stock option (ESOP) scheme (Refer note 40)	-	7,016,855
Staff welfare expenses	16,487,019	14,558,653
	626,229,475	749,693,992

Footnote i

During the year ended March 31, 2015, gratuity liability for project employees 2,456,525 was recorded with a corresponding recoverable under other non current assets. The same has been expensed off during the year.

Footnote ii

Subsidiary namely CLIP has recorded an expense of leave encashment of Nil (Previous Year ₹ 19,741) and of gratuity of Rs. Nil (previous year Rs. 57,281) which is not based on actuarial valuation.

27. Finance costs

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Interest on vehicle loans	150,884	231,374
Interest on short term borrowings	81,866,127	73,413,648
Interest on other term loans	10,405,685	11,347,406
Loan processing charges	4,322,085	3,294,926
Interest on delayed payment of statutory dues	4,820,821	5,280,778
	101,565,602	93,568,132

28. Depreciation and amortisation expenses

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer note 12)	59,872,184	51,105,900
Amortisation of intangible assets (Refer note 13)	30,134,016	26,288,368
	90,006,200	77,394,268



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

29. Other expenses

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Banquet and event material expenses	1,675,461	683,050
Advertisement, publicity and sales promotion expenses	103,290,024	90,581,946
Travelling, conveyance and vehicle maintenance expenses	41,654,885	39,671,085
Rent expense (Refer note 34)	113,840,275	83,250,031
Communication expenses	23,509,262	22,206,905
Equipment hire charges	113,998	13,577
Office expenses	43,352,069	34,218,443
Legal and professional (Refer note 33)	29,346,988	18,975,943
Retainership fees and temporary manpower resources expenses	8,065,922	6,144,395
Printing and stationery expenses	5,081,842	4,203,984
Power and fuel	16,718,668	14,360,916
Commission to non executive directors	372,500	498,258
Directors' Fee	-	-
Repairs to building	16,058,248	12,029,727
Repairs to machinery	92,038	-
Repairs to other	11,241,449	9,156,805
Freight outward and forwarding	13,524,604	11,347,442
Bank charges (other than loan processing charges)	4,624,425	4,815,088
Rates, taxes and fees	3,418,977	3,918,609
Insurance	3,700,207	4,347,868
Content development expenses	24,500	181,818
Rebates and discounts	5,566,771	1,785,633
Recruitment, training and development expenses	1,719,743	1,771,466
Newspaper, books and periodicals and subscriptions expenses	2,010,173	889,245
Fixed assets written off	-	1,158,942
Loss on sale of fixed assets (net)	5,274,525	4,852,105
Consumption of packing materials	1,969,890	2,428,365
Business service fee	1,659,799	1,725,919
Provision for sales return	949,228	1,788,747
Charity and donations	-	10,055
Miscellaneous balances written-off	291,948	1,271,188
Bad debts written off	3,506,800	67,722,932
Provision for doubtful debts and advances	1,685,332	1,975,329
Advances written off	70,306,583	2,182,440
Provision for slow moving inventory	1,931,225	-
Provision for obsolescence of inventory	-	584,094
Miscellaneous expenses	5,747,819	5,962,535
	542,326,178	456,714,885

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30. 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, 2016	March 31, 2015
Profit after tax	A	₹	214,613,917	209,845,514
Add: Exceptional expenses			-	22,841,122
Profit after tax but before exceptional expenses	B	₹	214,613,917	232,686,636
Weighted average numbers of equity shares	C	Numbers	11,802,697	10,708,949
Add: Dilutive potential equity shares (Refer footnote i)	D	Numbers	70,372	161,790
Number of equity shares for dilutive EPS	E=C+D	Numbers	11,873,069	10,870,739
Basic earnings per share before exceptional expenses	B/C	₹	18.18	21.73
Diluted earnings per share before exceptional expenses	B/E	₹	18.08	21.40
Basic earnings per share after exceptional expenses	A/C	₹	18.18	19.60
Diluted earnings per share after exceptional expenses	A/E	₹	18.08	19.30

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:

	March 31, 2016	March 31, 2015
Weighted average number of shares	In numbers	In numbers
Employee stock option outstanding (Refer footnote a)	70,372	88,301
Class-II shares-CCPS (Refer footnote b)	-	60,415
Class-III shares-OCPS (Refer footnote b)	-	13,074
	70,372	161,790

a. The Company has Employee Stock Option Plan outstanding as on balance sheet date and shares which are outstanding and will be issued at a price lower 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 exercise 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.

b. During the previous year, the Company had 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 Share Subscription and Amendment Agreement dated August 12, 2014. Therefore, such shares have been treated as dilutive till the date of conversion.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

31 Contingent liabilities (to the extent not provided for)

Particulars

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Claims against the Company not acknowledged as debt [Refer footnote (i)]	311,137,187	319,293,266
Corporate guarantees [Refer footnote (ii)]	15,000,000	15,000,000
	326,137,187	334,293,266

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

Particulars	Year Pertaining	March 31, 2016	March 31, 2015
		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
Other cases (f)	Various years	3,825,555	11,981,634
	Total	311,137,187	319,293,266

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 and 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. 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 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. Subsequent to the reporting date, no dues certificate has been issued by the HUDA, Faridabad to erstwhile owner and the land has been transferred in the name of the Company. Since the matter is settled and accordingly there is no liability on part of the Company.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

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 with interest as balance of amounts due. The Company has disputed the demand and the case is under trial in the court of law. During the period, the parties have amicably settled all disputes against each other towards full and final settlement. The plaintiff has withdrawn the suit and parties are left with no claim against each other in respect of the present matter in dispute. Since the matter is settled in mediation, Plaintiff is entitled to get refund of court fee under section 16 of Court Fee Act.

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 filed 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	Name of the guaranter	Name of the borrower	March 31, 2016	March 31, 2015
			Amount in ₹	Amount in ₹
Bank Name				
HDFC Bank Limited	CLEIS	Nalanda Foundation	15,000,000	15,000,000
Total			15,000,000	15,000,000

32 Commitments

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	53,014,139	52,469,757
Total capital commitments	53,014,139	52,469,757

33 Payment to auditors (excluding service tax)

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Statutory audit	5,900,000	5,225,000
Other matters [including fee for Initial Public Offerings (IPO)]*	9,200,000	9,975,000
Reimbursement of expenses	105,000	298,933
Total	15,205,000	15,498,933

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



34 Leases

As lessee

The Group is a lessee under various operating leases. The lease terms of these premises range from 1 to 5 years. Rental expense for operating lease for the year ended March 31, 2016 and March 31, 2015 was ₹ 117,376,725 and ₹ 84,782,511 respectively. Expected future minimum commitments for non-cancellable leases are as follows:

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Not later than one year	11,881,086	16,786,096
Later than one year but not later than 5 years	37,429	14,821,533
Total	11,918,515	31,607,629

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 period amounting ₹ 1,125,000 (Previous year ₹ 1,525,588). There are no non cancellable leases and hence disclosure relating to minimum lease receipts has not been provided.

35 Expenditure in foreign currency

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Banquet and event material expenses	3,751,640	203,386
Bank charges (other than loan processing charges)	122,318	105,434
Equipment hire charges	3,355,159	10,581,055
Travelling & conveyance Expenses	1,655,757	1,193,576
Rent	4,047,809	1,431,749
Salary, wages, bonus and other benefits	2,597,486	1,562,316
Giveways	4,907,782	1,340,181
Faculty expense	952,119	10,604,173
Legal and professional	8,349,628	1,338,295
Office Expenses	27,747	142,106
Director's Fee	414,313	-
Telephone Expenses	26,327	-
Miscellaneous	31,992,674	6,922,042
Total	62,200,759	35,424,313

36 Earnings in foreign currency

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Education and training programmes income	19,436,164	10,255,213
Sale of study material	20,319,944	5,823,798
Manpower management services	4,843,867	2,870,434
Marketing and sales services	2,729,110	1,186,738
Total	47,329,085	20,136,183



37 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, 2016 Amount in ₹	March 31, 2015 Amount in ₹	March 31, 2016 Original Currency (FC)	March 31, 2015 Original Currency (FC)
Receivables in foreign currency				
- Trade receivable	40,718,669	26,942,640	AED 2,185,256 USD 20,930	AED 1,465,765 QAR 100,000 USD 4,507
- Short term loans and advances	53,501,538	40,576,906	SGD 769,001 AED 609,778	USD 768,589 AED 36,853
- Cash and bank balances	2,902,424	1,586,070	AED 69,719 SGD 33,519	AED 87,147 SGD 2,260
- Security Deposit	80,865	74,875	SGD 1,645	SGD 1,646
Payables in foreign currency				
- Trade Payable	11,923,559	8,392,763	USD 142,555 AED 187,740	USD 134,420 SGD 300
- Payable for expenses	4,934,773	1,154,892	AED 138,330 SGD 28,801	AED 40,604 SGD 10,194

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

38 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



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ending March 31, 2016

(b) Transactions during the period:
Particulars

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
1. Revenue from operations		
a. Soft skill fees		
- Nalanda Foundation	28,389,966	24,210,934
	<u>28,389,966</u>	<u>24,210,934</u>
b. License fees		
- Nalanda Foundation	2,750,000	2,750,000
	<u>2,750,000</u>	<u>2,750,000</u>
c. Infrastructure Fees		
- Nalanda Foundation	22,029,670	19,705,801
	<u>22,029,670</u>	<u>19,705,801</u>
2. Other income		
a. Interest on loans and advances		
- Career launcher education foundation	651,200	651,200
- CLEF AP Trust	2,262,475	1,979,204
- Nalanda Foundation	47,386,202	39,825,461
	<u>50,299,877</u>	<u>42,455,865</u>
b. Liability written back		
- Career launcher education foundation	-	25,062
c. Interest income on gratuity fund		
- CL Media Employee Gratuity Trust	94,345	92,142
	<u>94,345</u>	<u>92,142</u>
3. Managerial remuneration		
Mr. Gautam Puri	6,814,356	8,840,000
Mr. Satya Narayana R	6,814,356	8,840,000
Mr. Nikhil Mahajan	6,786,120	8,668,000
	<u>20,414,832</u>	<u>26,348,000</u>
4. Reimbursement of expense from related parties		
-Nalanda foundation	-	736,394
	<u>-</u>	<u>736,394</u>
5. Reimbursement of expenses to		
- Nalanda Foundation	-	234,700
	<u>-</u>	<u>234,700</u>
6. Transfer of security deposit from		
Nalanda Foundation	20,000	-
	<u>20,000</u>	<u>-</u>
7. Loans given to related party		
-Career Launcher Education Foundation	10,000	555,000
-Nalanda foundation	37,514,252	55,705,000
	<u>37,524,252</u>	<u>56,260,000</u>
8. Advance given for services		
- Bilakes Consulting Private Limited	9,550,000	-



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ending March 31, 2016
Particulars

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
9. Conversion of account receivable into unsecured loan		
- Nalanda Foundation	46,230,963	39,405,655
	<u>46,230,963</u>	<u>39,405,655</u>
10. Conversion of other receivable to unsecured loan		
- Nalanda Foundation	-	146,812
11. Conversion of interest into unsecured loan		
- Nalanda Foundation	37,761,845	28,999,297
-CLEF- AP	2,262,475	1,979,204
	<u>40,024,320</u>	<u>30,978,501</u>
12. Repayment of loan given		
-Nalanda Foundation	64,079,150	89,150,980
	<u>64,079,150</u>	<u>89,150,980</u>
13. Adjustment of other payable with loans and advances		
- Nalanda Foundation	-	50,000
14. Adjustment of other payable to trade receivable		
- Nalanda Foundation	-	701,889
15. Conversion of other receivable to trade receivable		
- Nalanda Foundation	-	122,732
16. Conversion of payable for fixed assets into trade receivable		
- Nalanda Foundation	-	8,011,540
17. Amount received on behalf of		
- Nalanda Foundation	-	327,981
18. Amount received by		
- Nalanda Foundation	-	3,780,058
19. Transfer of assets from related party		
- Nalanda Foundation	-	8,011,540
20. Liability transferred to (on account of gratuity and leave encashment)		
- Nalanda Foundation	-	86,822
21. Transfer of other current liability from		
Nalanda Foundation	13,500	-
22. Share issued during the year		
- Bilakes consulting Pvt Ltd	47,066,660	-
23. Transfer of Advance		
- Bilakes consulting Pvt Ltd	1,600,000	-
24. Liability transferred from		
- Nalanda Foundation	382,382	-
25. Purchase of additional shares in subsidiary company from		
- Bilakes Consulting Private Limited	56,074,393	270,417,060



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ending March 31, 2016

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Balance outstanding with or from related parties as at the period end:		
<u>1. Short-term loans and advances</u>		
- Career Launcher Education Foundation	132,673,251	132,663,251
- Nalanda Foundation	365,564,664	308,136,751
- CLEF - AP	18,378,847	16,116,375
	516,616,762	456,916,377
<u>2. Long Term loans and advances</u>		
-Bilakes consulting Pvt Ltd	1,600,000	-
	1,600,000	-
<u>3. Other current assets</u>		
<u>a. Interest accrued on loans and advances</u>		
- Nalanda Foundation	21,686,302	16,800,563
- Career Launcher Education Foundation	1,927,018	1,340,938
	23,613,320	18,141,501
<u>b. Other dues from Related parties</u>		
- Bilakes Consulting Private Limited	9,550,000	-
- Nalanda Foundation	1,080,023	697,641
	10,630,023	697,641
<u>4. Trade Receivable</u>		
- Career Launcher Education Foundation	7,527,875	7,527,875
- Nalanda Foundation	27,678,146	21,478,121
	35,206,021	29,005,996
<u>5. Trade payable</u>		
- Career Launcher Education Foundation	892,027	892,027
	892,027	892,027
<u>6. Other current liabilities</u>		
<u>a. Payable for expenses</u>		
- Career Launcher Education Infrastructure and Services Limited Employee Group Gratuity Trust	5,750	5,000
	5,750	5,000
<u>b. Salary payable to KMPs</u>		
- Mr. Gautam Puri	3,099,116	2,766,569
- Mr. Satya Narayanan R	3,209,481	2,766,569
- Mr. Nikhil Mahajan	3,245,109	2,756,491
	9,553,706	8,289,629
<u>c. Payable for purchase of Investments</u>		
- Bilakes Consulting Pvt Ltd	1,507,733	-
	1,507,733	-
<u>7. Guarantees given on behalf of</u>		
- Nalanda Foundation	15,000,000	15,000,000
	15,000,000	15,000,000
<u>8. Guarantees given by</u>		
- Bilakes Consulting Private Limited (Guarantee against loans given to Career Launcher Education)	45,758,320	45,758,320
	45,758,320	45,758,320



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

- 39 Section 135 of the Companies Act, 2013, which came into effect on April 1, 2014, requires some entities of the Group to constitute Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy and spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013.

Accordingly, the board of directors of these companies approved CSR Policy of the Company at its meeting held on February 16, 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Group was required to spend ₹ 5,710,047 (March 31, 2015 ₹ 1,303,354) on prescribed CSR activities. The Group is yet to undertake CSR activities and 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.

40 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. The vesting period for the share options is 3 years from the grant date. 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 272,468) stock options have been granted under this scheme.

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	4,800	3 years' service from the grant date	0.58	
Employees	160,178	3 years' service from the grant date	1.99	
Share based payment expenses			March 31, 2016	March 31, 2015
CL ESOP -2008 (Refer footnote)			Amount in ₹	Amount in ₹
			(6,026,151)	7,016,855

Footnote:

Includes expenses of amounting ₹ Nil in current year and reversal of liability amounting ₹ 1,279,308 in 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 period end is as follows:



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ending March 31, 2016

ESOP to directors of the Company

Particulars	March 31, 2016		March 31, 2015	
	Number of Stock Options	Weighted average exercise Price (₹)	Number of Stock Options	Weighted average exercise Price (₹)
<u>Employees Stock Option Plan 2008</u>				
Outstanding at the beginning of the period	7,200	300.00	9,600	300.00
Granted during the period	-	-	-	-
Exercised during the period	2,400	300.00	2,400	300
Forfeited during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of period	4,800	300.00	7,200	300.00
Exercisable at period end	4,800	300.00	7,200	300.00
Vested during the period	-	-	-	-
Weighted average grant date fair value per option for option granted during the period at less than fair value	-	-	-	-

ESOP to person other than directors of the Company

Particulars	March 31, 2016		March 31, 2015	
	Number of Stock Options	Weighted average exercise Price ₹	Number of Stock Options	Weighted average exercise Price ₹
<u>Employees Stock Option Plan 2008</u>				
Outstanding at the beginning of the period	200,357	336.92	179,482	322.37
Granted during the period	-	-	23,500	430.00
Exercised during the period	26,429	323.51	500	175.00
Forfeited during the period	-	-	-	-
Expired during the period	13,750	332.91	2,125	175.00
Outstanding at the end of period	160,178	339.48	200,357	336.92
Exercisable at period end	147,428	331.65	167,107	330.46
Vested during the period	18,750	259.87	11,125	207.58
Weighted average grant date fair value per option for option granted during the period at less than fair value	-	-	23,500	430.00

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

Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	-	-
Expected volatility*	0.00%	76.65%
Risk-free interest rate	8.00%	8.00%
Weighted average share price (in ₹)	495.00	488.00
Exercise price (in ₹)	210-430	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.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

Pursuant to shareholder resolution dated September 30, 2008, the Company had 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 entitled employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options had been settled by physical delivery of equity shares. As per the plan, holders of vesting options were entitled to purchase one equity share for each option. Till date, 29,000 (previous year 29,000) stock options have been granted under this scheme.

* Pursuant to the resolution passed by the Board of Directors at its meeting held on June 23, 2015 the Company terminated "CLEIS Employee Stock Options Plan 2008" and accordingly the options which are lying unvested/ unexercised under the said Plan shall stand cancelled and extinguished.

Pursuant to the Special Resolution passed by the members in the annual general meeting of CLEIS held on September 30, 2013, and the resolution passed by the Board of Directors of CLEIS at its meeting on January 28, 2014 CLEIS had renewed "CLEIS Employee Stock Options Plan 2008" for a further period upto November 20, 2014 and March 31, 2015 respectively.

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	-

Expenses pertaining to employee stock option plan had 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/extinguished and outstanding at the period end is as follows:

Particulars	March 31, 2016		March 31, 2015	
	Number of Stock Options	Weighted average exercise ₹	Number of Stock Options	Weighted average exercise ₹
Employees Stock Option Plan 2008				
Outstanding at the beginning of the period	12,500	101.00	20,000	97.50
Granted during the period	-	-	-	-
Exercised during the period	5,000	80.00	7,500	91.67
Forfeited/Extinhuished during the period*	7,500	115.00	-	-
Expired during the period	-	-	-	-
Outstanding at the end of period	-	-	12,500	101.00
Exercisable at period end	-	-	-	-
Vested during the period	-	-	-	-
Option to employees of the holding company	-	-	12,500	101.00
Weighted average grant date fair value per option for option granted during the period at less than fair value	-	-	-	-

*The Career Launcher Education Infrastructure and Services Limited (CLEIS) Employee Stock Options Plan (2008) terminated and the options which are lying unvested/unexercised under the plan shall stand cancelled and extinguished.

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

Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	-	-
Expected volatility	-	48.54%
Risk-free interest rate	-	7.88%
Weighted average share price (in ₹)	-	222.89
Exercise price (in ₹)	-	80-115

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



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

- 41 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, 2016 are as follows:

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period included in		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-

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

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 period) 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 period.

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

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

A. Defined contribution Plan

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

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Employers contribution to provident fund	20,995,820	23,675,475
Employers contribution to EDLI	424,339	284,484
Total	21,420,159	23,959,959

B. Defined employee benefits and other long term benefit schemes:

I. Actuarial assumptions

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount rate (per annum)	8.00%-8.13%	7.80%-8.00%	8.00%-8.13%	7.80%-8.00%
Expected rate of increase in compensation levels	8.00%-8.25%	4.88%-8.00%	8.00%-8.25%	4.88%-8.00%
Expected rate of return on plan assets	NA	NA	8.35%	8.00%-9.00%
Expected average remaining working lives of employees (years)	22.13-26.42	23.57-26.90	24.53-26.99	25.08-30.44
Retirement age (Years)	58	58	58	58
Mortality table	IALM (2006-08)		IALM (2006-08)	
Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
Up to 30 Years	1.28-3.00	1.28- 3.00	2.08-3.00	1.70 -3.81
From 31 to 44 years	2.00- 2.09	2.00- 2.09	1.77-2.00	0.75-2.00
Above 44 years	0.00-1.00	0.00- 1.00	0.00-1.00	0.01-1.00



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

Note:

The discount rate has been assumed at 8.00%- 8.13% (previous year 7.80%-8.00%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Present value of obligation

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Present value of obligation at the beginning of the year	11,322,633	8,749,408	21,939,127	14,628,837
Acquisition adjustment	440,550	(33,168)	639,000	(53,654)
Current service cost	4,420,129	2,524,320	6,035,398	6,044,305
Interest cost	905,601	793,790	1,737,755	1,327,522
Benefit paid	(1,765,275)	(2,484,451)	(3,405,652)	(2,957,493)
Actuarial (gain)/loss on obligation	123,134	1,772,734	(3,938,182)	2,949,610
Present value of obligation at the end of the year	15,446,772	11,322,633	23,007,446	21,939,127

III. Fair value of plan assets

Particulars	Employees Gratuity Fund	
	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Fair value of plan assets at the beginning of the year	3,852,499	2,990,730
Expected return on plan assets	323,018	250,542
Administrative expenses	(98,779)	(5,024)
Contributions	2,905,659	2,180,487
Received from LIC against payment made through provision	(1,013,431)	-
Benefits paid	(3,168,367)	(1,595,457)
Actuarial gain/(loss) on plan assets	(21,239)	11,648
Adjustment on account of difference in opening balance	-	19,573
Fair value of plan assets at the end of the year	2,779,360	3,852,499

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

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Current service cost	4,420,129	2,524,320	6,035,398	6,044,305
Interest cost	905,601	793,790	1,737,755	1,327,522
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(323,018)	(250,542)
Net actuarial (gain)/ loss to be recognized	123,134	1,772,734	(3,916,943)	2,937,962
Expense recognised in the Consolidated statement of Profit and Loss	5,448,864	5,090,844	3,533,192	10,059,247



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

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

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Present value of obligation as at the end of the year	15,446,772	11,322,633	23,007,446	21,939,127
Above amount comprises of:				
Short term provision	448,562	356,821	323,381	844,672
Long term provision	14,998,210	10,965,812	22,684,065	21,094,455
Total (A)	15,446,772	11,322,633	23,007,446	21,939,127
Fair Value of plan assets as at the end of the year	-	-	2,779,360	3,852,499
Above amount comprises of:				
Short term fair value of plan assets	-	-	-	446,340
Long term fair value of plan assets	-	-	2,779,360	3,406,159
Total (B)	-	-	2,779,360	3,852,499
Net (Asset)/ liability recognized in the Consolidated Balance Sheet as at year end	15,446,772	11,322,633	20,228,086	18,502,048
Amount classified as:				
Short term provision	448,562	356,821	323,381	400,514
Long term provision	14,998,210	10,965,812	19,904,705	18,101,534
Net asset recognized in the Consolidated Balance Sheet as at year end	-	-	-	415,420
Amount classified as:				
Short term loans and advances	-	-	-	2,183
Long term loans and advances	-	-	-	413,237

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, 2016	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Amount in ₹
PBO	23,007,446	21,939,127	14,671,668
Plan assets	2,779,360	3,852,499	3,095,311
Net assets/(liability)	(20,228,086)	(18,086,628)	(11,576,357)
Experience gain/(loss) on PBO	7,218,090	(266,646)	1,562,687
Experience gain/(loss) on plan assets	(21,239)	37,683	(113,343)
		March 31, 2013	March 31, 2012
		Amount in ₹	Amount in ₹
PBO		13,713,690	9,566,128
Plan assets		4,536,534	4,902,114
Net assets/(liability)		(9,177,156)	(4,664,014)
Experience gain/(loss) on PBO		912,031	1,294,277
Experience gain/(loss) on plan assets		(22,809)	44,982



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

(b) Earned Leave (unfunded)

Particulars

	March 31, 2016	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹	Amount in ₹
PBO	15,446,772	11,322,633	8,804,567
Plan assets	-	-	-
Net assets/(liability)	(15,446,772)	(11,322,633)	(8,804,567)
Experience gain/(loss) on PBO	(51,505)	500,349	(22,781)
Experience gain/(loss) on plan assets	-	-	-
	March 31, 2013	March 31, 2012	
	Amount in ₹	Amount in ₹	
PBO	7,316,555	6,040,968	
Plan assets	-	-	
Net assets/(liability)	(7,316,555)	(6,040,968)	
Experience gain/(loss) on PBO	(459,295)	(215,990)	
Experience gain/(loss) on plan assets	-	-	

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, 2016 has not been provided by Life Insurance Corporation of India.

Employer's best estimate for contribution during next year'

Particulars

	Amount in ₹
Employees Gratuity Fund	10,586,491
Earned leave	2,970,840

43 Goodwill on consolidation

Particulars

	March 31, 2016	March 31, 2015
	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
Accendere Knowledge Management Services Private Limited	135,133,265	-
	331,093,118	195,959,853

44 Capital work in progress

Particulars

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Opening balance	6,312,785	6,312,785
Balance at year end	6,312,785	6,312,785



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ending March 31, 2016

45 Exceptional expenses
Particulars

March 31, 2016	March 31, 2015
Amount in ₹	Amount in ₹
-	22,841,122
-	22,841,122

- Expense on employee stock option (ESOP) scheme (Refer footnote i)

Footnote:

(i) Pursuant to the Career Launcher Employee Stock Options Plan 2008, in the financial year 2008-09 CL Educate Limited, the holding company, 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 the holding company 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. Shares shall be allotted in accordance with the ESOP Plan and having regard to conditions prevailing at the time of exercise.

Accordingly, during the year ending on March 31, 2015 the Company had 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.

46 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 Monica 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 financial year 2012-13, 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 financial year 2013-14, 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 Monica 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 financial year 2014-15, 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.

During the current year, the Company has filed execution petition to Dethi High Court for execution of award passed by Hon'ble Arbitrator and matter is listed for further proceedings.

47 The Company has filed legal cases against its debtors for recovery of outstanding receivables amounting ₹ 38,899,653 (previous year ₹ 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 ₹ 51,460,794 (previous year ₹ 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.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ending March 31, 2016

48 Statement of Net Assets and Profit of 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	106.47%	2,561,513,178	20.58%	44,167,101
Indian Subsidiary				
Kestone Integrated Marketing Services Private	9.51%	228,732,956	31.17%	66,889,344
CL Media Private Limited	11.05%	265,808,976	39.21%	84,140,368
G.K. Publications Private Limited	0.20%	4,735,661	(4.92%)	(10,564,992)
Accendere Knowledge Management Services Private Limited	(0.13%)	(3,128,234)	(1.24%)	(2,654,024)
Career Launcher Education Infrastructure and Services Limited	(27.10%)	(651,856,940)	15.21%	32,636,120
	100.00%	2,405,805,597	100.00%	214,613,917

49(a) During the year the management became aware of inappropriate actions by the finance manager of the Company involving unauthorized payment of personal utility bills like electricity, water, telephone etc. Consequently, the management appointed a consultant to investigate the matter and since the finance manager was one of the joint signatories for payment from banks, the scope of investigation was extended to include review of transactions and bank payments for last 4 years.

During the investigation it was found that finance manager had been paying his personal utility bills from the Company's bank account for the last 3 years by including his personal bills during the batch processing of payments of Company's genuine utility bills.

During the investigation, it was also found that large amounts of cash were transferred to various bank accounts which were in the name of the finance manager and his family members. The matter was discussed with the finance manager and he failed to provide any proper justification. From a detailed scrutiny of the bank statements and RTGS/NEFT details it was found that a total of Rs. 4,700,000 was transferred in various bank accounts operated by the finance manager and/ or his family members. The modus operandi was to affect these payments during Batch processing of payments through RTGS/NEFT and adjusting these against the following:

- Unclaimed credits lying in the Company's vendor accounts;
- Putting fake invoices in the vendors, customers, employees, franchisees accounts;
- Showing as funds transfer to other Bank accounts and later reversed and put it in other ledgers;

The total amount misappropriated by the finance manager either through fraudulent transfer to personal bank accounts or through payment of his personal bills aggregate to Rs. 4,764,402. The company has recovered Rs. 4,700,000 from the finance manager and his services have been terminated with immediate effect.

49(b) During the year, while following up for outstanding fees payable by the students at one of the centre operated by the Company, the Company became aware that the center manager in collusion with 3 other employees had been misappropriating funds by either issuing temporary receipts to the students, entering lesser or no amount in the ERP against the fees collected from students. Upon a detailed investigation, it was found that such employees had misappropriated funds aggregating Rs. 1,487,651. All such employees were issued show cause notices and were terminated after due processes. The Company has been able to recover Rs. 900,000 from such employees.

The management of the Company has initiated the process of further strengthening the controls and put such checks in place as necessary to prevent such instances of fraud in the future.

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CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2016

50. 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, Manpower management services, Marketing and sales 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.

Manpower management 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.

Marketing and sales 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 : includes specific projects undertaken (including government projects).

Others : Others segment includes revenue from integrated solutions to educational institutions.

For the year ended March 31, 2016

Particulars	Education & training programme (including sale of study material)						Eliminations	Amount in ₹ Total
	Vocational Training	K - 12	Sale of educational books	Manpower management services	Marketing and sales services	Others		
Revenue								
External revenue	1,287,672,639	87,545,605	159,876,819	268,611,094	609,072,884	52,737,398		2,826,413,136
Intersegment revenue			219,602,844	235,260	13,602,236	78,551,611	(311,991,951)	
Total revenue	1,287,672,639	87,545,605	379,479,663	268,846,354	622,675,120	131,289,009	311,991,951	2,826,413,136
Allocable Expenses								
Allocable Expenses	1,109,917,612	43,586,492	282,702,571	246,332,017	472,053,189	63,198,325	333,534,501	
Results								
Segment results	177,755,027	(46,830,011)	96,777,092	22,514,337	150,861,931	68,090,684	(21,542,550)	534,370,723
Unallocated expenses								
Operating profit:								264,158,420
Finance costs								270,212,303
Other Income Including finance income								101,565,602
Profit before tax	25,780,838		7,170,018					121,076,153
Income taxes								289,722,854
Net profit								75,108,937
								214,613,917
As at March 31, 2016								
Segment assets (excluding goodwill on consolidation)	628,843,364	658,636,163	969,536,647	638,499,072	45,088,354	203,111,918	616,425,731	2,652,664,324
Segment assets								883,101,783
Unallocable assets								3,535,766,107
Total assets								



As at March 31, 2016

Segment assets (excluding goodwill on consolidation)

Segment assets

Unallocable assets

Total assets

CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Particulars	For the year ended March 31, 2015						Amount in ₹		
	Education & training programme (including sale of study material)	Vocational Training	K - 12	Sale of educational books	Manpower management services	Marketing and sales services	Others	Eliminations	Total
Revenue									
External revenue	1,183,140,463	313,126,332	72,585,462	167,479,098	450,038,443	510,959,450	37,956,506		2,735,285,754
Immunisation revenue				240,541,236	1,109,562	9,800,000	45,607,402		(297,061,200)
Total revenue without Elimination	1,183,140,463	313,126,332	72,585,462	408,020,334	451,148,005	520,762,450	83,563,908		2,735,285,754
Allocable Expenses									
Allocable Expenses (without eliminations)	1,025,764,395	246,325,707	54,556,892	305,173,694	426,385,057	402,581,837	39,566,151		2,202,971,683
Results									
Segment results	157,375,868	66,800,625	18,028,570	102,846,540	24,762,948	118,180,613	43,997,757		532,314,071
Unallocated expenses									(321,050)
Operating profit									242,221,313
Finance costs									290,092,758
Other income including finance income									93,568,132
Exceptional expenses	17,830,949								96,162,307
Profit before tax									22,841,132
Income taxes									269,845,811
Net profit									(60,221,869)
As at March 31, 2015									209,633,942
Segment assets (excluding goodwill on consolidation)									
Segment assets	549,813,505	485,889,376	925,999,402	506,554,733	170,416,390	88,672,861	142,047,279	406,436,690	2,402,956,856
Unallocable assets									801,378,602
Total assets									3,204,335,458
Segment liabilities (excluding minority interest)									
Segment liabilities	338,722,066	149,612,424	264,897,546	257,068,817	57,039,408	128,592,621	37,424,066	338,144,849	892,712,099
Unallocable liabilities									400,659,437
Total liabilities									1,293,371,536



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Other: Information					
Capital expenditure - allocable	39,112,545	35,350,000	18,319,146	519,971	2,400,000
Capital expenditure - unallocable					29,337,984
Depreciation and amortisation - allocable	28,778,419	11,207,843	16,896,040	2,996,752	7,127,440
Depreciation and amortisation - unallocable					101,802
Other significant non-cash expenses (net) - allocable	51,242,290	18,001,527	22,841,122	3,913,709	5,881,562
Other significant non-cash expenses (net) - unallocable					22,841,122
					79,059,088
					3,352,944

120,239,646
16,779,591
62,964,387
14,429,881

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, 2016

Particulars	
Segment revenue	2,788,058,094
Segment assets	38,335,042
Segment liabilities	27,499,006
Capital expenditures	1,430,277,729
	61,644,377
Total	2,826,413,136

For the period ended March 31, 2015

Particulars	
Segment revenue	2,719,206,743
Segment assets	16,079,011
Segment liabilities	473,674
Capital expenditures	3,203,861,784
	1,287,686,874
	24,504,880
	1,454,782,609
	61,644,377
Total	2,735,285,754

51. The Group has reclassified/resgrouped previous year figures where necessary to conform to the current period's classification.

As per our report of even date

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



Pranav Jain
Pranav Jain
Partner
Membership No.: 098308

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

Gautam Puri
Gautam Puri
Vice Chairman & MD
DIN: 00033548

Rachna Shrivastava
Rachna Shrivastava
Company Secretary
ICSI M. No.: A17780

Nikhil Mahajan
Nikhil Mahajan
Director and CFO
DIN: 0003404



Place: New Delhi
Date : July 28, 2016