
CL Educate Limited

Statutory Audit for the year
ended March 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of CL Educate Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CL Educate Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments,



the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;

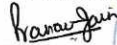


- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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:
- The standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company - Refer Note 31 to the standalone financial statements in respect of contingent liabilities and Note 45 in respect of other pending litigations;
 - The Company did not have any long-term contracts including derivative contracts Hence, the question of any material foreseeable losses does not arise;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Pranav Jain

Partner

Membership No. 098308



Date: July 28, 2016

Place: New Delhi

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 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 standalone financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted unsecured loans to companies and other parties covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company to 2 parties covered in the register maintained under Section 189 of the Act, (total loan amount granted during the year Rs. 10,000 and balance outstanding as at balance sheet date Rs. 61,472,802) are prejudicial to the Company's interest on account of the fact that the Company is not charging any interest on such loans.
- (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated and thus we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
- (c) In respect of the aforesaid loans, as the schedule of repayment of principal has not been stipulated, we are unable to comment whether there is any overdue amount of loans granted to company and other parties listed in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanation given to us in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, except for the details given below:

Nature of non-compliance	Name of Company/party	Amount Involved	Balance as at March 31, 2016
Loan given at rate of interest lower than prescribed	Kestone Asia Hub Pte Ltd.	Nil	8,570,231
	Career Launcher Education Foundation	10,000	52,902,571



HARIBHAKTI & CO. LLP

Chartered Accountants

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of services where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been significant delays in few cases.

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance Tax	2,724,334	April 1, 2015 to June 30, 2015	June 15, 2015	Not yet paid
Income Tax Act, 1961	Advance Tax	8,173,001	July 1, 2015 to September 30, 2015	September 15, 2015	Not yet paid

- (b) According to the information and explanation given to us, the dues outstanding with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	120,711,412	-	July 2003 to September 2008	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	7,372,308	-	October 2008 to March 2009	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	10,664,476	-	April 2009 to September 2009	Central Excise and Service Tax Appellate Tribunal, New Delhi



Name of the statute	Nature of dues	Amount Disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	71,756,945	21,302,000	October 2009 to September 2010	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	16,635,768	-	October 2010 to September 2011	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Service Tax	12,553,238	-	October 2011 to June 2012	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Cenvat credit reversal	4,648,826	-	September 2004 to March 2007	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Cenvat credit reversal	1,569,481	-	October 2007 to March 2008	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Cenvat credit reversal	40,097,178	-	April 2008 to March 2012	Central Excise and Service Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	35,557,912	-	FY 2002-03 to FY 2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	27,330,519	-	FY 2006-07 to 2008-09	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	38,064,894	-	FY 2009-10	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	15,716,776	-	FY 2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Tax deducted at Source	87,668,910	-	FY 2011-12	Income Tax Appellate Tribunal, New Delhi

(viii)

According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. There are no debenture holders.



HARIBHAKTI & CO. LLP


Chartered Accountants


- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The Company has not raised money by way of public issue offer during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the Management, except for:
- inappropriate actions by an employee of the Company that involved unauthorized payment of personal utility bills like electricity, water, telephone etc. and embezzlement of funds of the Company by transferring to personal bank accounts including family members. Total amount misappropriated was ₹ 3,600,788.
 - Embezzlement of cash by center manager in collusion with 3 other employees of the Company aggregating Rs. 1,100,000 at its Connaught Place, New Delhi center.

According to the information and explanation given to us, management has taken appropriate actions in respect of these matters. Refer note 46 of the financial statements.

- (xi) According to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has made preferential allotment of shares during the year under audit and in our opinion and according to the information and explanations given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 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 standalone financial statements for the year ended March 31, 2016]

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

We have audited the internal financial controls over financial reporting of CL Educate Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is 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 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.

Auditors' 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 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

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

- a) Comprehensive procurement policy for purchase of goods and services have not been documented, 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 Company'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 weakness described above on the achievement of the objectives of the control criteria, the Company 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



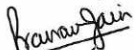
HARIBHAKTI & CO. LLP

Chartered Accountants

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 ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and the material weakness does not affect our opinion on the standalone financial statements of the Company.

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
Balance Sheet as at March 31, 2016

		March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	119,395,880	116,451,550
Reserves and surplus	4	2,442,117,297	2,245,208,297
		<u>2,561,513,177</u>	<u>2,361,659,847</u>
Non-current liabilities			
Long-term borrowings	5	45,856,573	44,957,119
Deferred tax liabilities (net)	6	14,542,392	17,857,743
Long-term provisions	7	22,927,652	19,428,572
		<u>83,326,617</u>	<u>82,243,434</u>
Current liabilities			
Short-term borrowings	8	330,530,375	236,533,220
Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		455,281,474	241,648,709
Other current liabilities	10	320,531,911	299,258,498
Short-term provisions	7	596,336	503,021
		<u>1,106,940,096</u>	<u>777,943,448</u>
Total		<u>3,751,779,890</u>	<u>3,221,846,729</u>
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	11	329,392,731	341,468,910
- Intangible assets	12	103,049,415	117,797,046
Non-current investments	13	1,716,362,934	1,525,856,286
Long-term loans and advances	14	62,199,355	70,393,960
Other non-current assets	15	112,030,033	112,412,249
		<u>2,323,034,468</u>	<u>2,167,928,451</u>
Current assets			
Inventories	16	42,125,606	44,746,228
Trade receivables	17	843,799,297	535,227,973
Cash and bank balances	18	79,910,548	113,334,651
Short-term loans and advances	19	390,970,339	283,009,192
Other current assets	20	71,939,632	77,600,234
Total		<u>1,428,745,422</u>	<u>1,053,918,278</u>
		<u>3,751,779,890</u>	<u>3,221,846,729</u>

Summary of significant accounting policies 2

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.:103523W/0100048

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

Nikhil Mahajan
Nikhil Mahajan
Director & CFO
DIN: 00033404

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

Place: New Delhi
Date : July 28, 2016

Place: New Delhi
Date : July 28, 2016



CL Educate Limited
Statement of Profit and Loss for the year ended March 31, 2016

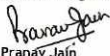
Particulars	Notes	March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	21	1,643,539,548	1,496,266,795
Other income	22	85,974,009	53,322,505
Total Revenue		1,729,513,557	1,549,589,300
Expenses			
Purchases of traded goods	23	153,740,164	145,720,221
Decrease/(increase) in inventory of traded goods	24	2,787,546	(11,683,141)
Cost of services	25	719,136,270	613,937,929
Employee benefits expense	26	248,005,322	247,822,753
Finance costs	27	51,817,104	47,165,885
Depreciation and amortisation expenses	28	62,195,280	50,841,828
Other expenses	29	427,243,121	366,794,907
Total expenses		1,664,924,807	1,460,600,382
Profit before tax		64,588,750	88,988,918
Income tax expense:			
- Current tax		23,737,000	20,933,000
- Deferred tax (benefit)/charge	6	(3,315,351)	2,299,599
Total tax expenses		20,421,649	23,232,599
Profit after tax		44,167,101	65,756,319
Earnings per equity share	30		
Nominal value of ₹ 10 each (Previous year ₹ 10 each)			
- Basic		3.74	6.14
- Diluted		3.72	6.05

Summary of significant accounting policies 2

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

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


Pranav Jain
Partner
Membership No.:098308

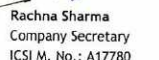


Place: New Delhi
Date : July 28, 2016

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


Gautam Puri
Vice Chairman & MD
DIN: 00033548


Nikhil Mahajan
Director & CFO
DIN: 00033404


Rachna Sharma
Company Secretary
ICSI M. No.: A17780

Place: New Delhi
Date : July 28, 2016



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

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
A Cash flow from operating activities		
Net profit before tax	64,588,750	88,988,918
Adjustments for:		
Depreciation and amortisation on fixed assets	62,195,280	50,841,828
Depreciation and amortisation on investments property	207,445	206,878
Finance costs	48,002,889	43,519,246
Loan processing charges	1,354,536	2,446,639
Interest on delay in payment of taxes	2,459,679	1,200,000
Interest income	(24,825,744)	(19,108,259)
Loss on sale of fixed assets	5,252,963	4,883,393
Rent income on investments property	(1,125,000)	(1,525,588)
Fixed assets written off	-	325,048
Advances written off	629,863	1,238,946
Bad debts written off	69,566,398	60,006,567
Miscellaneous balances written off	291,948	1,271,188
Provision for doubtful advances	750,000	200,000
Provision for doubtful debts	935,332	1,178,286
Provision for obsolescence of inventory	-	584,094
Liability no longer required written back	(16,070,574)	(14,513,247)
Transfer to stock options outstanding	(6,026,151)	7,016,855
Unrealised foreign exchange gain	(286,798)	(563,270)
Operating profit before working capital changes	207,900,816	228,197,522
Adjustments for (increase)/decrease in operating assets		
Trade receivables	(378,762,562)	(236,569,788)
Other current assets	800,000	(800,000)
Long term loans and advances	(714,001)	(1,481,052)
Short term loans and advances	(110,288,705)	(32,163,929)
Inventories	2,620,622	(11,683,141)
Adjustments for increase/(decrease) in operating liabilities		
Other current liabilities	17,475,469	62,364,373
Long term provisions	3,499,080	5,849,813
Short term provisions	93,315	43,956
Trade payables	229,662,036	82,069,965
Cash (used in)/generated from operations	(27,713,930)	95,827,719
Taxes paid (net of refund)	(15,557,497)	(6,575,845)
Net cash generated from operating activities	(43,271,427)	89,251,874

Continued to next



CL Educate Limited

Cash Flow Statement for the year ended March 31, 2016

March 31, 2016	March 31, 2015
Amount in ₹	Amount in ₹

Continued from previous page...

B Cash flow from investing activities:

Purchase of investment of in subsidiaries (net of payable for investments)	(164,206,360)	(1,072,777,393)
Purchase of fixed assets (net)	(43,841,836)	(70,303,621)
Disposal of fixed assets	4,320,000	1,600,002
(Proceeds)/investments in deposits not considered as cash and cash equivalents (net)	47,167,667	(20,877,589)
Loans given to subsidiaries (including conversion of interest and receivables)	(60,892,847)	(92,012,702)
Interest income received	25,587,633	18,571,584
Rent income on investments property	1,125,000	1,525,588
Proceeds from realisation of loan given to subsidiaries (including adjustments)	61,581,297	43,043,288
Net cash (used in) investing activities	(129,159,445)	(1,191,230,844)

C Cash flow from financing activities:

Proceeds from issue of equity shares	2,944,330	17,273,450
Securities premium received on equity shares (including adjustments)	162,866,763	1,145,914,510
Share application money received pending allotment		(13,856,563)
Proceeds from long-term borrowings	32,294,462	94,000,000
Repayment of long-term borrowings	(54,577,892)	(63,793,627)
Net increase in working capital borrowings	93,997,155	(4,126,959)
Loan processing fee paid	(1,354,536)	(2,446,639)
Interest paid	(50,393,400)	(43,156,440)
Net cash generated from financing activities	185,776,882	1,129,807,733

Net increase in cash and cash equivalents

13,346,010 **27,828,764**

Unrealised foreign exchange gain on cash and cash equivalents

15,338 **35,732**

Cash and cash equivalents at beginning of the year

62,797,116 **34,932,620**

Cash and cash equivalents at end of the year

76,158,464 **62,797,116**

Cash and cash equivalents comprise

Fixed deposits shown under cash and bank balances:

- on current accounts	68,482,619	54,355,176
- Cheques/ drafts on hand	4,095,211	4,486,231
- Cash on hand	3,580,634	3,955,709
	76,158,464	62,797,116

Continued to next page...



1. Background

CL Educate Limited ('the Company') was incorporated in India on April 25, 1996 to conduct various educational and consulting programmes. 64.88% (previous year 67.47%) of the shares are being held by the promoters/directors of the Company and their relatives and the balance 35.12% (previous year 32.53%) of the shares are being held by other individuals and companies.

2. Summary of significant accounting policies

(i) Basis for preparation of Financial Statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of services, the operating cycle of the Company cannot be ascertained as it may range from 1 month to 3 years due to wide range of various test preparation coaching programmes being offered by the Company. In absence of any ascertainable operating cycle, the same has been taken as 12 months for the purpose of current and non-current classification of assets and liabilities except in case of trade receivables, unearned revenue, trade payables related to franchisee fees and prepaid franchisee fees which in view of the management are directly linked to revenue from coaching and hence have been treated as current for the purpose of disclosure in financial statements.

(ii) Use of estimates

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

(iii) Revenue recognition

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

Educational and training business of the Company 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 and taxes, 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 Company and is recorded net of discounts and taxes, if any.



Other operating income

- 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 as and when the right to receive payment is established.

Other Income

- Revenue from advertising income is recognised on percentage completion basis as per the terms of agreement.
- Revenue from infrastructure fees is recognised on the basis of time period over the period of contract.

Interest

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

Dividend

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

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.

iv. *Grant*

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

- where there is reasonable assurance that the Company will comply with the conditions attached to them; and
- where such benefits have been earned by the Company 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 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.



(v) 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 year during which such expenses are incurred.

Fixed assets retired from active use and held for disposal are stated at lower of book value and net realisable value as estimated by the Company and are shown separately in the financial statements under other current assets. Loss determined, if any, is recognised immediately in the Statement of Profit and Loss, whereas profit and sale of such assets is recognised only upon completion of sale thereof.

Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

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

(vi) Depreciation and amortisation

Depreciation has been calculated on Straight Line Method at the useful lives, which are equal to useful lives specified as per 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 Asset".

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:	
Leasehold land	90 (period of lease)
Building	60
Furniture and fixtures	8-10
Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6
Leasehold improvements	Lesser of 3 years and period of lease



Intangible assets:	
Trademark	5
Software	5
Content development	5
License fees	3
Intellectual property rights	10
Goodwill	5
CAT Online Module	1

(vii) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is 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.

(viii) Borrowing cost

Borrowing costs directly attributable to acquisition or construction or production of assets which takes 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 year in which they are incurred.

(ix) Leases:

Where the Company is lessee

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

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

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

Where the Company is the lessor

Leases in which the Company 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 Company 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 Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Leases in which the Company 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 Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(x) 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 Company, 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, which are equal to useful lives specified as per Schedule II to the Act.

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

(xi) 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 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 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 investment. All other investments are classified as non-current investments.



(xii) Inventories

Inventories comprising traded goods are valued at the lower of cost and net realisable value. Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Cost is determined on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on individual item basis.

(xiii) Employee Benefits

Short term employee benefits:

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

Long term employee benefits:

i. Defined contribution plan: Provident fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

ii. Defined Benefit Plan: Gratuity

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

iii. Other long-term benefits: Leave encashment

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

iv. Employee stock option scheme

The Employee Stock Option Scheme ('the Scheme') provides for the grant of equity shares of the Company to its employees. The Scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company 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.

(xiv) Foreign exchange transactions

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 recognized in the 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 recognized in the Statement of Profit and Loss. Non monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Translation of integral and non integral foreign operations

The Company classifies its foreign operations as either "integral foreign operations" or "non integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operations have been those of the Company itself. The assets and liabilities (except share capital which is taken at historical cost) both monetary and non monetary, of the non integral foreign operation are translated at the closing rate. Income and expense items of the non integral foreign operation are translated at average rates at the date of transaction. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognized as income or as expense.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classifications are applied from the date of the change in the classification.

(xv) Taxation

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

Current tax

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

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. 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 year 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.

(xvi) Provisions, contingent liabilities and contingent assets

Provision

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

Contingent liabilities

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

Contingent assets

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

(xvii) 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.

(xviii) 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 Statement of Profit and Loss.

(xix) Earnings per share

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

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



(xx) Segment Reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

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

(xxi) 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.

(xxii) Material Events

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

...Space intentionally left blank...



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
	16,000,000	160,000,000	16,000,000	160,000,000
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
	11,939,588	119,395,880	11,645,155	116,451,550

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

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 year 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 year	11,939,588	119,395,880	11,645,155	116,451,550

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. (Refer footnote i of note 13)

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 swap option, 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. (Refer footnote i of note 13)

2) Class-II shares-CCPS

Particulars

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

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 in to equity shares as per the terms of conversion stipulated in the addendum number 3 to the Share Subscription and Shareholders Agreement dated November 02, 2012 within 5 years from the closing date i.e. November 09, 2012.



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 had 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 Shares held	No. of Equity Share
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.

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

Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash

	March 31, 2016	March 31, 2015
	Numbers In aggregate	Numbers In aggregate
	2,092,555	1,826,951
	2,092,555	1,826,951

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 34)

The Company has one stock option plan. Employee stock options are convertible into equity shares in accordance with the employees' stock option plan.

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.

---Space intentionally left blank---



4. Reserves and Surplus

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
4.1. Securities premium account		
Opening balance		
(+) Securities premium received	1,845,492,905	693,701,683
-on issue of shares in cash	-	615,685,080
-on issue of equity shares consideration other than cash	154,050,320	540,669,510
-on issue of ESOP	8,981,860	778,500
(+) Transfer from Class-II shares-CCPS conversion reserve	-	4,831,186
(+) Transfer from Class-III shares-OCPS redemption/conversion reserve	-	1,045,526
(-) Share swap issue expenses	(165,417)	(11,218,580)
Closing balance	<u>2,008,359,668</u>	<u>1,845,492,905</u>
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	-	-
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	-	-
4.4. Capital reserves		
Opening balance	19,939	19,939
Closing balance	<u>19,939</u>	<u>19,939</u>
4.5. General reserves		
Opening balance	5,784,256	5,784,256
Add: Transferred from ESOP reserves	685,322	-
Closing balance	<u>6,469,578</u>	<u>5,784,256</u>
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 20)	(4,098,713)	22,841,122
(-) Less: Transferred to general reserve	(685,322)	-
Closing balance	<u>28,374,997</u>	<u>39,185,183</u>
4.7. Surplus in the Statement of Profit and Loss		
Opening balance	354,726,014	298,420,325
(+) Net profit for the year	44,167,101	65,756,319
(-) Adjustment for Schedule II depreciation (refer footnote i)	-	(7,102,533)
(-) Schedule II adjustment of deferred tax	-	(2,348,097)
Closing balance	<u>398,893,115</u>	<u>354,726,014</u>
Total reserves and surplus	<u>2,442,117,297</u>	<u>2,245,208,297</u>

i. 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 ₹ 7,102,533 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)	1,573,930	517,935	1,186,814	960,058
b) Other term loans (Refer footnote ii)	24,536,846	44,439,184	19,612,033	51,738,842
Term loans (unsecured)				
-From Others	19,745,797	-	8,717,169	-
a) Term loan (Refer footnote iii)				
The above amount includes				
Amount disclosed under the head "Other current liabilities" (Refer note 10)	-	-	(29,516,016)	(52,698,900)
Net amount	45,856,573	44,957,119	-	-

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	Rate of Interest	Equal monthly installment (EMI)	Date of Last EMI
	Amount in ₹		Amount in ₹	
Loan 1	65,009	11.99%	33,030	May 7, 2016
Loan 2	142,564	12.27%	24,618	September 7, 2016
Loan 3	310,360	11.53%	32,700	January 5, 2017
Loan 4	795,676	14.00%	27,821	February 5, 2019
Loan 5	365,581	14.00%	12,782	February 5, 2019
Loan 6	1,081,554	14.00%	37,816	February 5, 2019
	2,760,744			

For amount outstanding as at March 31, 2015

Loan	Outstanding Amount	Rate of Interest	Equal monthly installment (EMI)	Date of Last EMI
	Amount in ₹		Amount in ₹	
Loan 1	429,473	11.99%	33,030	May 7, 2016
Loan 2	402,871	12.27%	24,618	September 7, 2016
Loan 3	645,649	11.53%	32,700	January 5, 2017
	1,477,993			

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.



CL Educate Limited

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

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

These loans are part of overall limit sanctioned by the bank to the Company, which comprise term loans 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. Term Loan- from others

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.



Aggregate amount of loans guaranteed by directors of the Company ₹ 403,142,220 (previous year ₹ 332,711,246) [Includes amount of ₹ 28,329,202 (previous year ₹ 51,738,842) disclosed under other current liabilities as current maturities of long term borrowing (Refer note 10)] and short term borrowings amounting ₹ 330,530,375 (previous year ₹ 236,553,220) (Refer note 8).

6. Deferred tax liabilities

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the reversal in net Deferred Tax Liability of ₹ 3,315,350 for the current year has been recognised as benefit in the Statement of Profit and Loss. The tax effect of significant timing differences as at March 31, 2016 that reverse in one or more subsequent years gave rise to the following net Deferred Tax Liabilities as at March 31, 2016.

	March 31, 2016	Charge/(benefit)	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹
Deferred tax assets			
Provision for diminution in value of investment	-	21,742	21,742
Provision for gratuity	3,619,805	(440,207)	3,179,598
Provision for leave encashment	4,157,931	(747,546)	3,410,385
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 doubtful debts	309,249	80,328	389,577
Provision for obsolescence of inventory	137,929	55,190	193,119
	28,326,937	(3,387,395)	24,939,543
Deferred tax liabilities			
On account of depreciation	42,869,330	72,044	42,797,286
Total deferred tax liabilities	42,869,330	72,044	42,797,286
Net deferred tax liabilities	14,542,392	(3,315,351)	17,857,743

7. Provisions (Refer Note 33)

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Provision for employees benefits				
Provision for gratuity	10,753,645	9,259,253	193,420	162,679
Provision for leave encashment	12,174,007	10,169,319	402,916	340,342
	22,927,652	19,428,572	596,336	503,021

...Space intentionally left blank...



8. Short-term borrowings

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Secured, from bank, repayable on demand		
-Cash credit (Refer footnote i)	330,530,375	236,533,220
	<u>330,530,375</u>	<u>236,533,220</u>

Footnotes (i)

Overdraft from Kotak Mahindra Bank

Cash credit represents overdrafts from Kotak Mahindra Bank which are repayable on demand.

1. It carries interest rate of bank's base rate plus 3.75 % ranging from 14.25% to 13.75% (previous year 14.00% to 14.25%) calculated on monthly basis on the actual amount utilised.

2. Security details: Refer footnote ii and iii of note 5.

9. Trade payables

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Trade payables		
- Related parties (Refer note 43)	331,470,841	158,510,138
- Others	123,810,633	83,138,571
	<u>455,281,474</u>	<u>241,648,709</u>

Footnote:

For dues to Micro, Small and Medium Enterprises refer note 42

10. Other current liabilities

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Current maturities of long term borrowing (Refer note 5)		
Term Loans- secured		
- From Banks- Vehicle loan (Refer footnote i of note 5)	1,186,814	960,058
- From Banks- Term loan (Refer footnote ii and iii of note 5)	19,612,033	51,738,842
- From Others- Term loan (Refer footnote iii of note 5)	8,717,169	-
Interest accrued but not due on borrowings	730,143	660,975
Unearned revenue on education and training services	127,895,472	153,901,160
Advance from customers	16,898,000	9,197,181
Payable for purchase of fixed assets		
- Related party (Refer note 42 and 43)	1,181,531	1,010,991
- Others (Refer note 42)	5,550,206	5,347,252
Payables for purchase of investments		
- Related party (Refer note 42 and 43)	1,507,733	-
- Others (Refer note 42)	25,000,000	-
Employee related payables	42,705,171	20,190,929
Statutory dues payable	10,240,410	11,135,979
Payables for expenses		
- Related party (Refer note 42 and 43)	607,103	392,556
- Others (Refer note 42)	58,700,126	44,722,575
	<u>320,531,911</u>	<u>299,258,498</u>

---Space intentionally left blank---



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

11. Tangible assets*
Current year

Particulars	Gross block (at cost)			Accumulated depreciation Disposals/ Adjustments for the year	Amount in ₹	
	As at April 1, 2015	Disposals/ Adjustments	As at March 31, 2016		As at March 31, 2016	As at March 31, 2016
Leased assets						
Land (Refer footnote ii)	20,043,350	-	20,043,350	210,671	2,592,125	17,451,225
Owned assets						
Building (Refer footnote i)	303,750,926	-	303,750,926	4,812,210	30,100,688	273,650,238
Plant & machinery	9,558,757	-	9,558,757	473,437	6,469,953	3,088,804
Leasehold improvement	23,656,108	2,583,887	26,239,995	3,650,802	20,705,461	5,534,534
Furniture and fixtures	5,381,978	452,139	5,834,117	2,687,321	3,122,126	2,711,991
Vehicles	12,616,453	-	12,616,453	1,355,103	8,712,649	3,903,804
Office equipment	17,729,546	1,582,098	19,311,644	1,289,433	14,796,331	4,515,313
Computers	48,750,371	27,622,157	49,302,528	22,517,036	30,765,706	18,536,822
Total	441,487,489	27,070,000	446,657,770	34,743,497	117,265,039	329,392,731

*Tangible assets are subject to first, *pari passu* charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current year and previous year. (See note 5).

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 Company had classified freehold land amounting ₹ 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. (Refer note 20).



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

11. Tangible assets*#
Previous year

Particulars	Gross block (at cost)				Accumulated depreciation			Amount in ₹	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	Depreciation for the year	Adjustment as per Schedule II	Disposals/ Adjustments	As at March 31, 2015	As at March 31, 2015
Leased assets									
Land (Refer footnote ii)	20,043,350	-	-	20,043,350	222,481	-	-	2,381,454	17,661,896
Owned assets									
Building (Refer footnote i)	303,750,926	-	-	303,750,926	4,799,061	-	-	25,288,478	278,462,448
Plant & machinery	7,993,775	1,564,182	-	9,558,757	722,573	-	-	5,996,516	3,562,241
Leasehold improvement	19,549,865	5,356,414	1,250,171	23,656,108	3,846,302	-	1,250,171	17,054,659	6,601,449
Furniture and fixtures	5,362,197	1,789,083	1,749,302	5,381,978	1,020,421	54,368	1,710,407	2,687,321	2,694,657
Vehicles	12,616,453	-	-	12,616,453	1,351,400	260,474	-	7,357,546	5,258,907
Office equipment	20,600,902	1,615,342	4,486,698	17,729,546	2,906,582	5,994,114	4,200,545	13,506,898	4,222,648
Computers	28,123,250	36,559,587	15,932,466	48,750,371	13,394,499	793,577	9,449,071	25,745,707	23,004,664
Total	418,040,718	46,865,408	23,418,637	441,487,489	28,263,319	7,102,533	16,610,194	100,018,579	341,468,910

*Tangible assets are subject to first *pari passu* charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current and previous year. (See note 5).

#Pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life was 'Nil' as on April 1, 2014, their carrying amount aggregating ₹ 7,102,533 and deferred tax thereon has been adjusted against the opening reserves.

Footnote:

- Building includes 5 shares of ₹ 50 each being the cost of shares in Tardes 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 Company had classified freehold land amounting ₹ 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. (Refer note 20). Further, fixed assets aggregating ₹ 800,000 have been classified as held for sale in current year.



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

12. Intangible assets*
Current year

Particulars	Gross block (at cost)			Accumulated amortisation			Amount in ₹	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Disposals/ Adjustments	As at March 31, 2016	As at March 31, 2016
Owned assets								
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	81,219,434	13,663,848	94,883,282	71,264,713
Softwares	12,147,964	2,649,343	-	14,797,307	10,132,138	741,941	10,874,079	3,923,228
Content development	39,622,705	9,002,809	-	48,625,514	13,780,919	7,370,855	21,151,774	27,473,740
License fees	2,800,000	-	-	2,800,000	1,908,120	891,880	2,800,000	-
CAT online module	7,641,070	1,052,000	-	8,693,070	3,522,077	4,783,259	8,305,336	387,734
Total	228,359,734	12,704,152	-	241,063,886	110,562,668	27,451,793	138,014,471	103,049,415

*Intangible assets are subject to first part passu charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current year and previous year. (See note 5).

Continued to next page.....



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

12. Intangible assets*
Previous year

Particulars	Gross block (at cost)			Accumulated amortisation		Amount in ₹	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Disposals/ Adjustments	As at March 31, 2015
Owned assets							
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	67,557,786	13,661,648	81,219,434
Software	11,230,212	917,752	-	12,147,964	9,586,575	545,563	10,132,138
Content development	16,722,705	22,900,000	-	39,622,705	8,034,788	5,746,131	13,780,919
License fees	2,800,000	-	-	2,800,000	974,880	933,240	1,908,120
CAT online module	1,830,150	5,810,920	-	7,641,070	1,830,150	1,691,927	3,522,077
Total	198,731,062	29,628,672	-	228,359,734	87,984,179	22,578,509	110,562,688
							84,928,561
							2,015,826
							25,841,786
							891,880
							4,118,993
							117,797,046

*Intangible assets are subject to first pari passu charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current and previous year. (See note 5).



13. 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
Closing balance (A)	11,291,487	11,498,932
Equity shares in subsidiary companies		
(Trade, un-quoted, at cost)		
9,447,606 (Previous year 9,248,053) fully paid up equity shares of ₹ 10 each of Career Launcher Education Infrastructure and Services Limited	1,352,842,769	1,296,768,376
10,000 (Previous year 10,000) fully paid up equity shares of ₹ 10 each of CL Media Private Limited	100,000	100,000
1,000,000 (Previous year 1,000,000) fully paid up equity shares of ₹ 10 each of Kestone Integrated Marketing services Private Limited.	69,100,000	69,100,000
Nil (Previous year 6,576) fully paid up equity shares of ₹ 10 each of CL Higher Education Services Private Limited	-	65,760
190,000 (Previous year 190,000) fully paid up equity shares of ₹ 10 each of G.K. Publications Private Limited	143,388,978	143,388,978
6,120 (Previous year Nil) fully paid of equity shares of ₹ 10 each of Accendere Knowledge Management Services Private Limited (foot note i)	134,639,700	-
	1,700,071,447	1,509,423,114
Less : Provision for diminution in value of investment in CL Higher Education Services Private Limited	-	65,760
Closing balance (B)	1,700,071,447	1,509,357,354
Equity shares in other 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
Closing balance (C)	5,000,000	5,000,000
Closing balance (A+B+C)	1,716,362,934	1,525,856,286
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 (excluding provision for impairment)	1,705,071,447	1,514,423,114

The Company has given an undertaking to HDFC Limited against the loan of ₹ 280,000,000 taken by Career Launcher Infrastructure Private Limited (CLIP), a subsidiary company of its subsidiary named Career Launcher Education Infrastructure and Services Limited (CLEIS), that it will continue to hold atleast 51% of equity shares of CLEIS throughout the tenure of said loan.

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

Footnotes:

For the year ended March 31, 2016

i. The Company on September 7, 2015 entered into an agreement with the promoters of 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 (refer footnote ii of note 3).



For the year ended March 31, 2015

The Company had issued 23,486 number of shares to former promoters of GKP on September 5, 2014 and adjusted the same against the share application money received in previous years amounting ₹ 13,856,863.

14. Long-term loans and advances

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Unsecured, considered good, unless otherwise stated		
Capital advances	366,060	1,095,163
Security deposits	12,329,000	11,575,140
Subtotal A	12,695,060	12,670,303
Service tax paid under protest	21,302,000	21,302,000
Loans and advances to employees	61,000	76,000
Advance income-tax [(net of provision for tax of ₹ 172,189,800) (P.Y. ₹147,852,800)]	28,141,295	31,200,183
MAT Credit Entitlement	-	5,120,615
Others (Refer note 43)	-	24,859
Subtotal B	49,504,295	57,723,657
Total (A+B)	62,199,355	70,393,960

15. Other non-current assets

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Unsecured, considered good		
Non-current bank balances (Refer note 18)	112,030,033	112,412,249
	112,030,033	112,412,249

16. Inventories (Valued at cost or net realisable value, whichever is lower)

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Traded goods		
- Text books	42,542,776	45,330,322
Less: Provision for obsolescence of inventory	417,170	584,094
	42,125,606	44,746,228

17. Trade receivables

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment (Refer footnote i)		
- Considered good	491,284,040	234,728,090
- Considered doubtful	935,332	1,178,286
	492,219,372	235,906,376
Less: Provision for doubtful trade receivables	935,332	1,178,286
	491,284,040	234,728,090
Others	352,515,257	300,499,883
	843,799,297	535,227,973

Footnote:

Refer note 44 for long outstanding receivables amounting Rs. 13,930,740 (previous year Rs. 13,172,289) considered good.



18. 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	-	-	68,482,619	54,355,176
Cheques/ drafts on hand	-	-	4,095,211	4,486,231
Cash on hand	-	-	3,580,634	3,955,709
	-	-	76,158,464	62,797,116
Other bank balances				
- in 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	-	-	2,392,109	2,592,505
- Margin money deposits and under lien deposits (Refer footnote i)	112,030,033	112,412,249	1,333,620	47,927,955
	112,030,033	112,412,249	79,910,548	113,334,651
Amount disclosed under other non-current assets (Refer note 15)	(112,030,033)	(112,412,249)	-	-
	-	-	79,910,548	113,334,651

Footnote: 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) submitted in bank against overdraft facility

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

---Space Intentionally left blank---



19. Short term loans and advances

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Security deposits		
Unsecured, considered good, unless otherwise stated		
- Considered good	17,809,298	15,980,156
- Considered doubtful	1,386,266	636,266
	19,195,564	16,616,422
Less: provision for doubtful balance	1,386,266	636,266
Subtotal (A)	17,809,298	15,980,156
Loans and advance to related parties (Refer note 43)		
- Considered good	128,277,344	128,965,794
- Considered doubtful	1,404,371	1,404,371
	129,681,715	130,370,165
Less: Provision for doubtful advances	1,404,371	1,404,371
Subtotal (B)	128,277,344	128,965,794
Other receivables from related parties (Refer note 43)		
Considered good		
- on account of transfer of fixed assets	1,393,621	1,393,621
- others	67,294,385	2,000,217
Subtotal (C)	68,688,006	3,393,838
Other loans and advances		
Loans and advances to employees	7,210,838	3,818,377
Balance with government authorities		
- Service tax credit receivable available for adjustment		1,317,111
Other advances recoverable in cash or in kind		
- Prepaid expenses	111,139,373	94,532,329
- Loan and advances to franchisees	-	70,000
- Advance to suppliers	4,798	2,967,201
- Receivable from others considered good	57,840,682	31,964,386
- Receivable from others considered doubtful	39,949,409	40,224,409
	216,145,100	174,893,813
- Less: Provision for doubtful loans and advances	39,949,409	40,224,409
Subtotal (D)	176,195,691	134,669,404
Total (A+B+C+D)	390,970,339	283,009,192

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
Kestone Asia Educational Hub Pte. Ltd. (formally known as Career Launcher Asia Educational Hub Pte. Ltd)		Nil	8,570,231	7,956,186
Career Launcher Education Foundation	10,000	Nil	52,902,571	52,892,571
Nalanda Foundation	21,688,869	14.50%	46,452,720	24,763,851
CL Media Private Limited	36,821,031	14.50%	10,821,561	30,481,827
GK Publications Private Limited	1,758,903	14.50%	10,934,632	14,275,730
Total	60,278,803		129,681,715	130,370,165



20. Other current assets

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Interest accrued but not due on fixed deposits	1,332,576	2,094,465
Other receivable from related party (Refer footnote i and note 43)	18,742,409	22,841,122
Total (A)	20,074,985	24,935,587
Fixed asset held for sale (Refer footnote (iii) of note 11)*	51,864,647	52,664,647
Total (B)	51,864,647	52,664,647
Total (A+B)	71,939,632	77,600,234

Footnote:

i. During the current year and previous year, CLEIS a subsidiary company has recorded income and expenses towards ESOP in accordance with guidance note issued by ICAI in respect of shares of the Company to be issued to a director of CLEIS. All amounts related to issue of such shares on exercise of ESOP shall be reimbursed by CLEIS to the Company. Accordingly, no income/expense has been recorded by the Company and ESOP reserves have been credited with a corresponding receivable from CLEIS.

*Tangible assets are subject to first *pari passu* charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current year and previous year. (See note 5).

---Space intentionally left blank---



21. Revenue from operations

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Revenue from operations		
Sale of products (traded)		
- Sale of text book	260,946,538	251,834,823
Sale of services		
- Education and training programmes	931,920,357	857,931,241
- Online education services	71,350,472	45,915,656
- Vocational training services	306,809,367	207,746,113
	<u>1,571,026,734</u>	<u>1,363,427,833</u>
Other operating revenue		
Start up fees from franchisees	18,365,484	27,458,743
Grant income	54,147,330	105,380,219
Revenue from operations	<u>1,643,539,548</u>	<u>1,496,266,795</u>

22. Other Income

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Interest income on		
- fixed deposits	12,420,012	14,756,216
- loans and advances (refer footnote i)	12,405,732	4,352,043
Advertising income (refer footnote i)	19,672,417	12,322,445
Expense reversal on employee stock option (ESOP) scheme (Refer note 34)	6,026,151	-
Net gain on foreign currency transactions and translations	1,503,063	102,577
Insurance claim received	804,720	-
Liabilities no longer required written back	16,070,574	14,513,247
Infrastructure fees (refer footnote i)	7,380,000	2,280,000
Rent income from investment property net of expenses (refer footnote ii)	917,555	1,318,710
Bad debts recovered	2,528,428	950,587
Notice period recovery	998,631	2,367,135
Miscellaneous income (refer footnote i)	5,189,479	256,725
Scrap sale	57,247	102,820
	<u>85,974,009</u>	<u>53,322,505</u>

Footnotes

- i. Includes income from related parties (refer note 43).
ii. Rent income (net of expense)
Rent income on building classified as investment property 1,125,000 1,525,588
Less: Depreciation on building classified as investment property 207,445 206,878
917,555 1,318,710

23. Purchase of traded goods

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Text books (refer footnote i)	124,463,386	122,375,464
Paper	1,226,566	702,746
Others	28,050,212	22,642,011
	<u>153,740,164</u>	<u>145,720,221</u>

Footnotes

- i. Includes purchase from related parties (refer note 43).



24. Decrease/(increase) in inventories of traded goods

		March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Opening stock	A	45,330,322	33,647,181
Closing stock	B	42,542,776	45,330,322
Decrease/(increase) in inventory of traded goods	(A-B)	<u>2,787,546</u>	<u>(11,683,141)</u>

25. Cost of services

		March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Franchisee expenses		429,015,491	397,810,512
Faculty expenses		103,307,852	85,629,297
Equipment hire expenses (Refer footnote i)		90,973,222	35,700,246
Hostel expenses		57,996,361	39,121,224
Material development and printing expenses (Refer footnote i)		11,203,368	26,556,907
Mobilization expenses (Refer footnote i)		14,376,797	11,688,592
Placement support expenses (refer footnote i)		11,441,615	15,468,500
Other test prep related consumables		821,564	1,962,651
		<u>719,136,270</u>	<u>613,937,929</u>

Footnotes

i. Includes expense from related party (refer Note 43).

26. Employee benefits expense

		March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits		225,861,941	219,119,748
Contribution to provident and other funds (Refer note 33)		8,354,036	6,232,229
Gratuity expense (Refer note 33)		1,670,309	3,659,715
Leave encashment expense (Refer note 33)		3,478,967	4,580,703
Expense on employee stock option (ESOP) scheme (Refer note 34)		-	7,016,855
Staff welfare expenses		8,640,069	7,213,503
		<u>248,005,322</u>	<u>247,822,753</u>

27. Finance costs

		March 31, 2016	March 31, 2015
		Amount in ₹	Amount in ₹
Interest expense on borrowings			
-Vehicle loan		150,884	231,374
-Overdraft		37,446,320	32,921,767
-Term loan		10,405,685	10,295,692
Other borrowing costs			
- Loan processing charges		1,354,536	2,446,639
Interest on delay in payment of			
- Advance income tax		2,459,679	1,200,000
- Other statutory dues		-	70,413
		<u>51,817,104</u>	<u>47,165,885</u>



28. Depreciation and amortisation expenses

Depreciation of tangible assets (Refer note 11)
Amortisation of intangible assets (Refer note 12)

March 31, 2016	March 31, 2015
Amount in ₹	Amount in ₹
34,743,497	28,263,319
27,451,783	22,578,509
62,195,280	50,841,828

29. Other expenses

Rent expenses (Refer note 37)
Office expenses
Travelling and conveyance expenses
Communication expenses
Water and electricity expenses
Legal and professional expenses (Refer note 35)
Repairs and maintenance expenses
-Building
-Others
Marketing research
Advertisement, publicity and sales promotion
Freight and cartage expenses
Printing and stationery expenses
Rates and taxes expenses
Provision for obsolescence of inventory
Newspaper, books and periodicals expenses
Insurance expenses
Recruitment, training and development expenses
Donations
Bank charges (other than finance cost)
Business promotion expenses
Sales Incentive
Commission to non executive directors
Bad debts written off
Doubtful advances written-off
Miscellaneous balances written-off
Provision for doubtful advance
Provision for doubtful debts
Loss on Sales of Assets
Fixed assets written off
Miscellaneous expenses

March 31, 2016	March 31, 2015
Amount in ₹	Amount in ₹
99,508,154	70,572,676
32,948,189	23,722,303
26,508,425	23,881,297
18,074,735	16,933,777
13,952,415	11,973,684
14,139,446	11,399,464
15,939,831	11,685,492
4,976,417	5,420,413
10,418,441	11,911,125
69,346,950	74,447,985
4,799,446	4,012,727
3,576,863	2,995,048
1,799,984	3,125,955
-	584,094
1,352,570	889,245
1,564,432	1,295,190
1,899,743	1,771,466
-	10,055
4,454,629	4,571,184
15,964,265	9,155,003
4,514,000	3,893,130
372,500	498,258
69,566,398	60,006,567
629,863	1,238,946
291,948	1,271,188
750,000	200,000
935,332	1,178,286
5,252,963	4,883,393
-	325,048
3,705,182	2,941,908
427,243,121	366,794,907

...Space intentionally left blank...



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	₹	44,167,101	65,756,319
Weighted average numbers of equity shares	B	Numbers	11,802,697	10,708,949
Add: Dilutive potential equity shares (Refer footnote i)	C	Numbers	70,372	161,790
Number of equity shares for dilutive EPS	D=B+C	Numbers	11,873,069	10,870,739
Basic earnings per share	A/B	₹	3.74	6.14
Diluted earnings per share	A/D	₹	3.72	6.05

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.

---Space intentionally left blank---



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)]	386,500,000	355,000,000
	697,637,187	674,293,266

Footnote 1: 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 (e)	Various years	3,825,555	11,981,634
	Total	311,137,187	319,293,266

Amount above includes:

- 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.
- 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.
- 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.
- 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.
- 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. During the year, 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.

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

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

Footnote ii: Corporate guarantees

Bank Name/NBFC Name	Name of the guarantor	Name of the borrower	March 31, 2016	March 31, 2015
			Amount in ₹	Amount in ₹
IndusInd Bank Limited	CL Educate Limited	Kestone	95,000,000	75,000,000
Magma Fincorp Limited	CL Educate Limited	CLEIS	9,000,000	-
IndusInd Bank Limited	CL Educate Limited	CLEIS	2,500,000	-
HDFC Limited	CL Educate Limited/ CLEIS	CLIP	280,000,000	280,000,000
Total			386,500,000	355,000,000

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		
- to related party [Net of advances of ₹ Nil (previous year ₹ Nil)]	6,000,000	8,400,000
- to others [Net of advances of ₹ Nil (previous year ₹ 1,095,163)]	388,290	69,757
Total capital commitments (A)	6,388,290	8,469,757

Other material Commitments

Commitment for maintenance of contents to related party	6,000,000	8,400,000
Commitment for purchase of study material to related party	7,252,040	-
Total other material commitments (B)	13,252,040	8,400,000
Total commitments (A+B)	19,640,330	16,869,757

33. Employee benefits obligations

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

A. Defined contribution plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Employers contribution to provident fund	8,311,250	6,112,506
Total (Refer note 26)	8,311,250	6,112,506

Defined benefit plans and other long term employee benefits:

The present value obligation in respect of gratuity and earned leave is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarised positions of various defined benefits are as under:



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%	8.00%	8.00%	8.00%
Expected rate of increase in compensation levels	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	N.A.	N.A.	8.35%	8.75%
Expected average remaining working lives of employees (years)	26.42	26.84	26.42	26.84
Retirement age (Years)	58	58	58	58
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
Up to 30 Years	3		3	
From 31 to 44 years	2		2	
Above 44 years	1		1	

Note:

The discount rate has been assumed at 8.00% (previous year 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
Present value of obligation at the beginning of the year	10,509,661	7,377,071	10,946,746	7,792,400
Acquisition adjustment : Transfer In	170,363	-	282,692	-
Transfer Out	(4,268)	-	(3,347)	-
Current service cost	3,288,963	2,055,412	2,715,738	2,485,673
Interest cost	840,773	669,100	875,740	706,771
Past service cost	-	-	-	-
Benefit paid	(1,577,800)	(1,448,113)	(831,346)	(591,086)
Actuarial (gain)/loss on obligation	(650,769)	1,856,191	(1,791,291)	552,988
Present value of obligation at the end of the year	12,576,923	10,509,661	12,194,932	10,946,746

III. Fair value of plan assets

Particulars	Gratuity (funded)	
	March 31, 2016	March 31, 2015
Fair value of plan assets at the beginning of the year	1,524,814	1,131,646
Expected return on plan assets	133,421	99,019
Administrative expenses	(84,867)	-
Contributions	377,849	898,537
Benefits paid	(699,807)	(591,086)
Actuarial (loss) on plan assets	(3,543)	(13,302)
Fair value of plan assets at the end of the year	1,247,867	1,524,814

IV. Expenses recognised in the 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
Current service cost	3,288,963	2,055,412	2,715,738	2,485,673
Interest cost	840,773	669,100	875,740	706,771
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(133,421)	(99,019)
Net actuarial (gain)/loss to be recognized	(650,769)	1,856,191	(1,787,748)	566,290
Expense recognised in Statement of Profit and Loss	3,478,967	4,580,703	1,670,309	3,659,715



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

Particulars	(Amount in ₹)			
	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the end of the year (A)	12,576,923	10,509,661	12,194,932	10,946,746
Fair Value of plan assets as at the end of the year (B)	-	-	1,247,867	1,524,814
Net liability recognized in Balance Sheet as at year end (A-B)	12,576,923	10,509,661	10,947,065	9,421,932
Amount classified as:				
Short term provision (Refer note 7)	402,916	340,342	193,420	162,679
Long term provision (Refer note 7)	12,174,007	10,169,319	10,753,645	9,259,253

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

(a) Gratuity (Funded)

Particulars	(Amount in ₹)		
	March 31, 2016	March 31, 2015	March 31, 2014
PBO	12,194,932	10,946,746	7,792,400
Plan assets	1,247,867	1,524,814	1,131,646
Net (liability)	(10,947,065)	(9,421,932)	(6,660,754)
Experience gain/(loss) on PBO	1,791,291	(1,739,727)	452,704
Experience gain/(loss) on plan assets	(3,543)	(13,302)	(37,893)

Particulars	(Amount in ₹)	
	March 31, 2013	March 31, 2012
PBO	5,930,320	5,151,348
Plan assets	2,031,805	1,962,767
Net (liability)	(3,898,515)	(3,188,581)
Experience gain/(loss) on PBO	924,288	785,029
Experience gain/(loss) on plan assets	(2,879)	39,845

(b) Earned Leave (unfunded)

Particulars	(Amount in ₹)		
	March 31, 2016	March 31, 2015	March 31, 2014
PBO	12,576,923	10,509,661	7,377,071
Plan assets	-	-	-
Net (liability)	(12,576,923)	(10,509,661)	(7,377,071)
Experience gain/(loss) on PBO	650,769	119,956	(191,308)
Experience gain/(loss) on plan assets	-	-	-

Particulars	(Amount in ₹)	
	March 31, 2013	March 31, 2012
PBO	5,917,117	5,003,743
Plan assets	-	-
Net (liability)	(5,917,117)	(5,003,743)
Experience (loss) on PBO	(648,627)	(201,840)
Experience gain/(loss) on plan assets	-	-

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at March 31, 2016 and March 31, 2015 has not been provided by Life Insurance Corporation of India.



(c) Employer's best estimate for contribution during next 12 months

Particulars	Amount in ₹
Employees gratuity fund	4,608,979
Earned leave	2,324,965

34. 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.

Share based payment expenses

CL ESOP -2008 (Refer footnote)

March 31, 2016	March 31, 2015
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 year end is as follows:

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 (₹)
Employees Stock Option Plan 2008				
Outstanding at the beginning of the year	7,200	300.00	9,600	300.00
Granted during the year	-	-	-	-
Exercised during the year	2,400	300.00	2,400	300.00
Forfeited during the year	-	-	-	-
Expired during the year	-	300.00	-	-
Outstanding at the end of year	4,800	300.00	7,200	300.00
Exercisable at year end	4,800	300.00	7,200	300.00
Vested during the year	-	-	-	-
Weighted average grant date fair value per option for option granted during the year at less than fair value	-	-	-	-

ESOP to person other than directors of the Company

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

Details of options outstanding at the year end with the range of exercise price and weighted average remaining contractual life:

Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)
Directors of the Company (and its subsidiaries)	4,800	3 years' service from the grant date	0.58
Employees	160,178	3 years' service from the grant date	1.99

35. Payment to auditors (excluding service tax)

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Statutory audit	2,750,000	2,300,000
Other matters [including fee for Initial Public Offerings (IPO)] [*]	9,150,000	9,975,000
Out of pocket expenses	72,500	274,161
Total	11,972,500	12,549,161

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



36. Segment reporting

Primary segment

The Company has identified two reportable business segments as primary segments: Education and training programme (including sale of study material) and Vocational training. The segment have been identified and reported taking into account the nature of products, the differing risks and returns, the organisation structure and the internal financial reporting systems.

Education and training programme (including sale of study material) mainly include coaching for higher education entrances.

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

Financial information about the primary segments is given below:

For the year ended March 31, 2016

Particulars	(Amount in ₹)		
	Education and training programme (including sale of study material)	Vocational Training	Total
Revenue			
External revenue	1,282,582,851	360,956,697	1,643,539,548
Total revenue	1,282,582,851	360,956,697	1,643,539,548
Results			
Segment results	181,543,465	(46,830,011)	134,713,454
Unallocated expenses			104,281,609
Operating profit			30,431,845
Finance costs			(51,817,104)
Other income including finance income	25,780,838	7,170,018	32,950,856
Unallocated other income			53,023,153
Profit before tax			64,588,750
Income taxes			(20,421,649)
Net profit			44,167,101
As at March 31, 2016			
Segment assets	624,708,416	658,836,083	1,283,544,499
Unallocable assets			2,468,235,391
Total assets			3,751,779,890
Segment liabilities	382,147,430	309,599,334	691,746,764
Unallocable liabilities			483,977,557
Total liabilities			1,175,724,321
Other information			
Capital expenditure-allocable	14,236,486	26,875,000	41,111,486
Capital expenditure-unallocable	-	-	3,832,947
Depreciation and amortisation- allocable	33,692,605	21,081,827	54,774,432
Depreciation and amortisation-unallocable	-	-	7,420,848
Other significant non-cash expenses (net)-allocable	52,282,678	10,043,783	62,326,461
Other significant non-cash expenses (net)-unallocable	-	-	-

Secondary segment

The Company has identified Geographical Segment as Secondary Segment.

Financial information about the geographic segment is given below:

Particulars	(Amount in ₹)		
	Within India	Overseas	Total
Segment revenue	1,605,184,506	38,355,042	1,643,539,548
Segment assets	3,724,280,864	27,499,026	3,751,779,890
Segment liabilities	1,151,219,441	24,504,880	1,175,724,321
Capital expenditures	44,944,433	-	44,944,433



For the year ended March 31, 2015

Particulars	(Amount in ₹)		
	Education and training programme (including sale of study material)	Vocational Training	Total
Revenue			
External revenue	1,183,140,463	313,126,332	1,496,266,795
Total revenue	1,183,140,463	313,126,332	1,496,266,795
Results			
Segment results	157,375,868	66,800,625	224,176,493
Unallocated expenses			141,344,195
Operating profit			82,832,298
Finance costs			(47,165,885)
Other income including finance income	17,830,969	-	17,830,969
Unallocated other income			35,491,536
Profit before tax			88,988,918
Income taxes			(23,232,599)
Net profit			65,756,319

As at March 31, 2015

Segment assets	549,813,505	485,889,376	1,035,702,881
Unallocable assets			2,186,143,848
Total assets			3,221,846,729

Segment liabilities	336,222,066	149,612,424	485,834,490
Unallocable liabilities			356,494,649
Total liabilities			842,329,139

Other information

Capital expenditure-allocable	39,112,545	35,350,000	74,462,545
Capital expenditure-unallocable	-	-	2,031,535
Depreciation and amortisation- allocable	28,778,419	11,207,843	39,986,262
Depreciation and amortisation-unallocable	-	-	10,855,566
Other significant non-cash expenses (net)-allocable	51,242,290	18,001,527	69,243,817
Other significant non-cash expenses (net)-unallocable	-	-	1,393,628

Secondary segment

The Company has identified Geographical Segment as Secondary Segment.

Financial information about the geographic segment is given below:

Particulars	(Amount in ₹)		
	Within India	Overseas	Total
Segment revenue	1,480,187,784	16,079,011	1,496,266,795
Segment assets	3,221,373,055	473,674	3,221,846,729
Segment liabilities	836,644,477	5,684,662	842,329,139
Capital expenditures	76,156,429	337,651	76,494,080



37. Leases

As lessee

The Company is a lessee under various operating leases for coaching centres across India. The lease terms of these premises range from 1 to 2 years and accordingly are short term leases. Rental expense for operating lease for the year ended March 31, 2016 and March 31, 2015 was ₹ 99,508,154 and ₹ 70,572,676 respectively. Total of future minimum lease payments under non-cancellable leases are as follows:

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Not later than one year	7,263,806	10,396,400
Later than one year but not later than 5 years	-	7,223,806
Later than 5 years	-	-
Total	7,263,806	17,620,206

As lessor

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

Lease receipts are recognized in the Statement of Profit and Loss during the year amounting ₹ 1,125,000 (Previous year ₹ 1,525,588). There are no non cancellable leases and hence disclosure relating to minimum lease receipts has not been provided.

38. Expenditure in foreign currency

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Travelling and conveyance	827,013	1,130,726
Bank charges	105,726	83,160
Rent	2,862,260	1,431,749
Salary and wages	2,584,512	1,562,316
Faculty expenses	952,119	10,604,173
Others	29,430,333	3,526,708
Total	36,761,963	18,338,832

39. Earnings in foreign currency

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
Test preparation training services	18,035,098	10,255,213
Sale of study material	20,319,944	5,823,798
Total	38,355,042	16,079,011

40. 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	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in Original Currency	Amount in Original Currency
- Trade receivables	39,333,602	26,661,672	AED 2,185,256	AED 1,465,765 QAR 100,000
- Trade payable	2,489,939	-	AED 187,740	-
- Payable for expenses	3,519,197	691,080.00	AED 138,330	AED 40,604
- Short term loans and advances	62,044,452	48,533,092	SGD 174,867 USD 768,589 AED 609,778	SGD 174,867 USD 768,589 AED 36,853
- Cash and bank balances	1,254,947	1,483,235	AED 69,719	AED 87,147

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



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

Accordingly, the board of directors approved CSR Policy of the Company at its meeting held on February 16, 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 1,675,633 (previous year 224,239) on prescribed CSR activities. The Company 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.

42. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006):

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year 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 appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

....Space intentionally left blank....



43. 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
Subsidiary companies (Including subsidiaries of subsidiaries)	i. Career Launcher Education Infrastructure & Services Ltd, India
	ii. CL Media Private Limited, India
	iii. Kestone Asia Educational Hub Pte Ltd, Singapore
	iv. Kestone Integrated Marketing Services Private Limited, India
	v. Career Launcher Infrastructure Private Limited, India
	vi. CL Higher Education Services Private Limited, India (Upto March 31, 2015)
	vii. G K Publications Private limited, India
	viii. Accendere Knowledge Management Services Private Limited, India (From September 7, 2015)
Enterprises in which key management personnel and their relatives are able to exercise significant influence	i. Career Launcher Education Foundation, India
	ii. Career Launcher Employee Welfare Society
	iii. Career Launcher Employee Group Gratuity Trust
	iv. Nalanda Foundation
	v. Bilakes Consulting Private Limited
Key Management Personnel	i. Mr. Satya Narayanan R
	ii. Mr. Gautam Puri
	iii. Mr. Nikhil Mahajan

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

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
1. Other income		
a. Interest on loans and advances		
- Career Launcher Education Infrastructure and Services Limited	-	1,139,541
- G K Publications Private Limited	1,954,337	2,754,305
- CL Media Private Limited	5,538,659	448,362
- Nalanda Foundation	4,912,736	9,835
	12,405,732	4,352,043
b. Infrastructure Fees		
- CL Media Private Limited	6,000,000	900,000
- Career Launcher Education Infrastructure & Services Limited	1,380,000	1,380,000
	7,380,000	2,280,000
c. Rent income-others		
- Career Launcher Education Infrastructure and Services Limited	180,000	180,000
d. Advertising Income		
- CL Media Private Limited	19,672,417	12,322,445
2. Purchase of traded goods		
- CL Media Private Limited	108,963,595	113,975,616
- G.K. Publications Private Limited	14,205,618	11,899,619
	123,169,213	125,875,235
3. Cost of services		
a. Material development and printing expenses		
- CL Media Private Limited	9,478,880	20,560,000
- Kestone Integrated Marketing Services Private Limited	398,656	
	9,877,536	20,560,000



CL Educate Limited

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

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
b. Equipment hiring charges		
- Kestone Integrated Marketing Services Private Limited	76,951,184	27,416,219
c. Mobilisation expenses		
- Kestone Integrated Marketing Services Private Limited	8,340,277	5,366,314
c. Placement support expenses		
- Kestone Integrated Marketing Services Private Limited	4,401,640	-
4. Other expenses		
a. Marketing expenses		
- Kestone Integrated Marketing Services Private Limited	1,267,361	5,275,009
b. Legal and professional charges		
- Kestone Integrated Marketing Services Private Limited	87,773	794,570
c. Recruitment, training and development expenses		
- Kestone Integrated Marketing Services Private Limited	203,724	-
5. Employee benefit expenses		
a. Managerial remuneration*		
- Mr. Gautam Puri	6,814,356	8,840,000
- Mr. Satya Narayanan R.	6,814,356	8,840,000
- Mr. Nikhil Mahajan	6,786,120	8,668,000
	20,414,832	26,348,000
6. Reimbursement of expense from related parties		
- Career Launcher Education Infrastructure and Services Limited	5,153,421	140,000
- Kestone Integrated Marketing Services Private Limited	9,840,871	844,056
- Nalanda Foundation	-	697,641
- CL Media Private Limited	11,076,638	80,000
- G K Publications Private Limited	160,000	80,000
	26,230,930	1,841,697
7. Reimbursement of expense to related parties		
- CL Media Private Limited	-	63,500
- Career Launcher Infrastructure Private Limited	695,720	-
	695,720	63,500
8. Amount paid by related party for purchase of fixed assets		
- Kestone Integrated Marketing Services Private Limited	170,540	1,010,991
- Career Launcher Infrastructure Private Limited	-	225,359
	170,540	1,236,350
9. Advance given for services		
- Bilakes Consulting Private Limited	9,550,000	-
10. Loans given to related party		
- Career Launcher Education Infrastructure and Services Limited	-	21,600,000
- Career Launcher Education Foundation	10,000	555,000
- CL Media Private Limited	31,836,238	41,578,301
- Nalanda Foundation	17,267,406	24,755,000
- CL Higher Education Services Private Limited	-	100,000
	49,113,644	88,588,301



*Does not include provision for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuation for the Company as a whole.

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

Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
11. Liability taken over from and converted into loan		
- CL Higher Education Services Limited	-	105,810
12. Conversion of interest into loan		
- G K Publications Private Limited	1,758,903	2,478,875
- Nalanda Foundation	4,421,463	8,851
- CL Media Private Limited	4,984,793	403,526
	11,165,159	2,891,252
13. Conversion of receivable into loans and advances		
- Career Launcher Education Infrastructure and Services Limited	-	427,339
14. Repayment of loan given		
- G K Publications Private Limited	5,100,000	8,850,000
- CL Media Private Limited	56,481,297	11,500,000
- Career Launcher Education Infrastructure and Services Limited	-	22,027,339
	61,581,297	42,377,339
15. Loans balances given adjusted/written off		
CL Higher Education Services Private Limited		
- Loans and advances written off	-	325,810
	-	325,810
16. Purchase of assets from related party		
CL Media Private Limited		
- Content purchased	4,030,000	2,400,000
	4,030,000	2,400,000
17. Purchase of additional shares in subsidiary company from		
- Bilakes Consulting Private Limited	56,074,393	270,417,060
- Others	-	802,360,333
	56,074,393	1,072,777,393
18. Liability transferred from		
- Career Launcher Education Infrastructure and Services Limited	102,248	
- Nalanda Foundation	382,382	
	484,630	-
19. Liability transferred to		
- Career Launcher Education Infrastructure and Services Limited	7,615	-
20. Shares issued during the year		
- Bilakes Consulting Private Limited	47,066,660	-
21. Investment written off		
- CL Higher Education Services Private Limited	65,760	-

Space intentionally left blank....



CL Educate Limited

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

(C) Balance outstanding with or from related parties as at:

Particulars

	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
1. Long term loans and advances		
- Career Launcher Employee Group Gratuity Trust	-	24,859
2. Trade receivable		
- CL Media Private Limited	6,921,218	6,921,218
3. Short-term loans and advances		
a. Loans advanced to related parties		
- Kestone Asia Educational Hub Pte. Ltd. (formally known as Career Launcher Asia Educational Hub Pte. Ltd)*	8,570,231	7,956,186
- Career Launcher Education Foundation	52,902,571	52,892,571
- Nalanda Foundation	46,452,720	24,763,851
- CL Media Private Limited	10,821,561	30,481,827
- GK Publications Private Limited	10,934,632	14,275,730
	129,681,715	130,370,165
*Including restatement of foreign exchange		
b. Receivables on account of transfer of fixed assets		
- Career Launcher Infrastructure Private Limited	1,393,621	1,393,621
	1,393,621	1,393,621
c. Other dues from related parties:		
- Career Launcher Education Infrastructure and Services Limited	7,124,754	140,000
- GK Publications Private Limited	398,521	238,521
- Kestone Integrated Marketing Services Private Limited	10,684,914	844,056
- CL Media Private Limited	38,456,173	80,000
- Nalanda Foundation	1,080,023	697,640
- Bilakes Consulting Private Limited	9,550,000	-
	67,294,385	2,000,217
4. Other current assets		
a. ESOP expenses to be recovered from subsidiary		
- Career Launcher Education Infrastructure and Services Limited	18,742,409	22,841,122
5. Provisions		
a. Career Launcher Higher Education Services Private Limited		
- Provision for Impairment of investment	-	65,760
b. Kestone Asia Educational Hub Pte. Ltd.		
- Provision for doubtful loans and advances	1,404,371	1,404,371
6. Trade payable		
- CL Media Private Limited	161,533,873	78,231,480
- GK Publications Private Limited	27,741,831	13,536,140
- Kestone Integrated Marketing Services Private Limited	142,195,137	66,742,518
	331,470,841	158,510,138
7. Other current liabilities		
a. Payable for expenses		
- Kestone Integrated Marketing Services Private Limited	392,556	392,556
- Career Launcher Infrastructure Private Limited	214,547	-
	607,103	392,556



Particulars	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹
b. Payable for Fixed assets		
- Kestone Integrated Marketing Services Private Limited	1,181,531	1,010,991
c. Payable for Investments		
- Bilakes Consulting Private Limited	1,507,733	-
d. Employee related payables		
- 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

8. Guarantees given on behalf of (Refer note 31):

Kestone Integrated Marketing Services Private Limited (Guarantee for loan taken by the related party)	95,000,000	75,000,000
Career Launcher Infrastructure Private Limited (Guarantee for loan taken by the related party)	280,000,000	280,000,000
- Career Launcher Education Infrastructure and Services Limited (Guarantee for loan taken by the related party)	11,500,000	-
Total	386,500,000	355,000,000

9. Guarantees given to Company:

Bilakes Consulting Private Limited (Guarantee against loans given to Career Launcher Education Foundation)	45,758,320	45,758,320
Total	45,758,320	45,758,320

44. 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. Akhlesh 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 Delhi High Court for execution of award passed by Hon'ble Arbitrator and matter is listed for further proceedings.



45. The Company has filed legal cases against its debtors for recovery of outstanding receivables amounting ₹ 13,930,740 (previous year ₹13,172,289). 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.

46 (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.

46 (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.

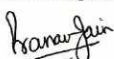
47. The Company has reclassified/regrouped previous year figures where necessary to conform to the current year's classification.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.:103523W/W100048



PraNav Jain

Partner


Membership No.:098308



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


Gautam Puri
Vice Chairman & MD
DIN: 00033548


Nikhil Mahajan
Director & CFO
DIN: 00033404


Rachna Sharma
Company Secretary
ICSI M. No.: A17780



Place: New Delhi
Date : July 28, 2016

Place: New Delhi
Date : July 28, 2016