

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of CL Educate Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the



HARIBHAKTI & CO. LLP

Chartered Accountants

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two (2) subsidiaries whose financial statements reflects total assets of ₹ 27,564,568 and net assets of ₹ (8,403,405) as at March 31, 2017, total revenues of ₹ 34,245,099 and net cash outflows amounting to ₹ 758,822 for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

One of these subsidiaries is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the Consolidated Financial Statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies in India is disqualified as on March 31, 2017 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 Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 31 to the Consolidated Financial Statements in respect of contingent liability and note 47 in respect of other pending litigation;
 - (ii) The Group did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

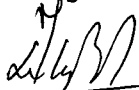


HARIBHAKTI & CO. LLP

Chartered Accountants

(iv) The Holding Company and its subsidiary companies incorporated in India have provided the requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Holding Company and its subsidiary companies far as it appears from our examination of those books and the reports of the other auditors; (Refer note 51 to the consolidated financial statements)

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



(Raj Kumar Agarwal)
Partner
Membership No. 074715



Place: New Delhi
Date: May 29, 2017

HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated financial statements for the year ended March 31, 2017]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Group which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

- I. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified on the adequacy (and therefore operating effectiveness) of the Group's Internal Financial Controls Over Financial Reporting as at March 31, 2017:
 - a) In case of one of the subsidiary Kestone Integrated Marketing Services Private Limited, comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at higher prices.
 - b) In case of one of the subsidiary, Kestone Integrated Marketing Services Private Limited, it has not maintained adequate documentation for 'partially completed events' in the Event Management Services at any given point of time. This could potentially result in incorrect recording of provisional revenue and corresponding provisional expenses in respect of such incomplete services as at the reporting date.
 - c) In case of one of the subsidiary, Career Launcher Education Infrastructure and Services Limited, comprehensive policy for periodical review and reconciliation of students and fee income recorded in the books of account has not been documented. This could potentially result in incorrect recording of revenue.
- II. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Group's internal financial controls over financial reporting as at March 31, 2017:



HARIBHAKTI & CO. LLP

Chartered Accountants

- a) In case of one of the Company and one of the subsidiary, CL Media Private Limited, the procurement policy implemented for purchase of goods and services was not operating effectively, which could potentially result in the Company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at higher prices.

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

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.



We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 consolidated financial statements of the Group, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Group.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one (1) subsidiary company which is the company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

(Raj Kumar Agarwal)

Partner

Membership No. 074715

Place: New Delhi

Date: May 29, 2017

CL Educate Limited
Consolidated Balance Sheet as at March 31, 2017

Particulars	Notes	March 31, 2017	March 31, 2016
		Amount in ₹	Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	141,632,780	119,395,880
Reserves and surplus	4	3,439,072,608	2,286,409,716
		<u>3,580,705,388</u>	<u>2,405,805,596</u>
Non-current liabilities			
Long-term borrowings	5	79,601,772	254,900,333
Deferred tax liabilities (net)	6	21,507,048	14,547,172
Other long-term liabilities	7	3,771,218	3,023,500
Long-term provisions	8	37,547,368	34,902,915
		<u>142,427,406</u>	<u>307,373,920</u>
Current liabilities			
Short-term borrowings	9	434,245,616	376,204,632
Trade payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		267,085,366	246,843,384
Other current liabilities	11	1,745,404,531	507,262,975
Short-term provisions	8	22,094,799	22,464,709
		<u>2,468,830,312</u>	<u>1,152,775,700</u>
Total		<u><u>6,191,963,106</u></u>	<u><u>3,865,955,216</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	12	829,227,197	764,134,068
-Intangible assets	13	124,196,424	105,337,112
-Capital work-in-progress	44	6,312,785	6,312,785
Goodwill on consolidation	43	331,093,118	331,093,118
Non-current investments	14	16,584,609	16,791,487
Deferred tax assets (net)	6	10,731,153	8,276,153
Long-term loans and advances	15	193,775,631	219,704,564
Other non-current assets	16	127,722,110	112,030,033
		<u>1,639,643,027</u>	<u>1,563,679,320</u>



Continued on next page...



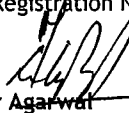
CL Educate Limited
Consolidated Balance Sheet as at March 31, 2017

Particulars	Notes	March 31, 2017	March 31, 2016
		Amount in ₹	Amount in ₹
Continued from previous page...			
Current assets			
Inventories	17	81,699,117	65,341,698
Trade receivables	18	1,390,978,729	1,179,960,546
Cash and cash equivalents	19	2,225,178,933	158,685,837
Short-term loans and advances	15	720,509,850	739,407,931
Other current assets	20	133,953,450	158,879,884
		4,552,320,079	2,302,275,896
		6,191,963,106	3,865,955,216
Summary of significant accounting policies	2		

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

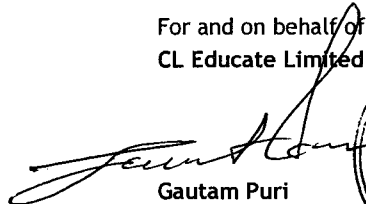
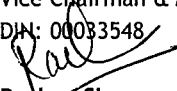
As per our report of even date

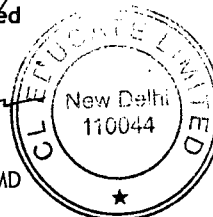
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

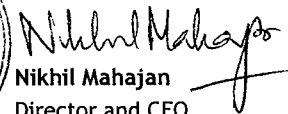

Raj Kumar Agarwal
Partner
Membership No.:074715



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


Gautam Puri
Vice Chairman & MD
DIN: 00033548

Rachna Sharma
Company Secretary
ICSI M. No.: A17780




Nikhil Mahajan
Director and CFO
DIN: 00033404

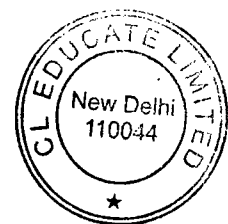
Place: New Delhi
Date : May 29, 2017

Place: New Delhi
Date : May 29, 2017

CL Educate Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	March 31, 2017	March 31, 2016
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	21	2,698,679,485	2,738,867,531
Other income	22	91,874,476	84,031,285
Total revenue (I)		2,790,553,961	2,822,898,816
Expenses			
Cost of raw material and components consumed	23A	86,930,544	64,959,689
Cost of services	23B	1,326,530,237	1,179,870,446
Purchases of traded goods	24	15,830,957	34,371,451
Decrease in inventories of finished goods, work-in-progress and traded goods	25	(20,769,685)	18,437,394
Employee benefit expenses	26	505,941,427	610,953,894
Finance costs	27	78,808,419	71,128,078
Depreciation and amortisation expense	28	64,182,740	79,614,711
Other expenses	29	487,257,369	516,259,763
Total expenses (II)		2,544,712,008	2,575,595,426
Profit from continuing operations before tax and minority interest (I - II)		245,841,953	247,303,390
Income tax expense:			
For current year:			
-Current tax		74,613,097	79,189,690
-Minimum alternate tax ('MAT') credit		-	(15,491,034)
-Deferred tax charge/(benefit)		4,749,789	(8,859,398)
For earlier years:			
-Tax adjustment/expenses		313,532	2,361,424
-Deferred tax (benefit)			
Total tax expenses		79,676,418	57,200,682
Profit from continuing operations after tax before minority interest		166,165,535	190,102,708
Share of minority in profit/(loss) for the year		-	-
Profit after tax		166,165,535	190,102,708



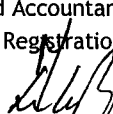
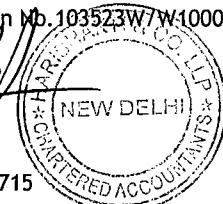
CL Educate Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

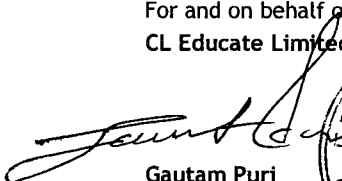
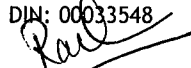
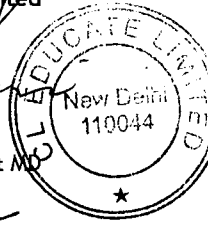
Particulars	Notes	March 31, 2017	March 31, 2016
		Amount in ₹	Amount in ₹
Discontinued operations	49		
Profit from discontinued operations before tax		39,366,882	42,419,463
Tax expense of discontinued operations			
-Current tax		16,210,839	17,908,255
-Deferred tax (benefit)		(244,912)	-
Tax expense of discontinued operations			
Profit from discontinued operations		23,400,955	24,511,208
Profit for the year		189,566,490	214,613,916
Earnings per equity share (Nominal value Rs. 10 per share)	30		
- Basic earnings per share from continuing operations		13.89	16.11
- Diluted earnings per share from continuing operations		13.87	16.01
- Basic earnings per share		15.84	18.18
- Diluted earnings per share		15.82	18.08

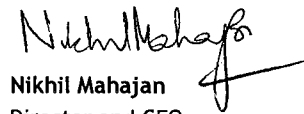
Summary of significant accounting policies 2

The accompanying notes are an integral part of the Consolidated Financial Statements.
As per our report of even date

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


Raj Kumar Agarwal
Partner
Membership No.: 074715

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


Gautam Puri
Vice Chairman & MD
DIN: 00033548

Rachna Sharma
Company Secretary
ICSI M. No.: A17780



Nikhil Mahajan
Director and CFO
DIN: 00033404

Place: New Delhi
Date : May 29, 2017

Place: New Delhi
Date : May 29, 2017

CL Educate Limited

Consolidated Cash Flow Statement for the year ended March 31, 2017

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
A Cash flow from operating activities		
Net profit before tax and minority interest and after prior period items	285,208,835	289,722,853
Adjustments for:		
Depreciation and amortisation	73,411,505	90,006,200
Depreciation and amortisation on investment property	206,878	207,445
Interest expense	100,951,997	92,422,696
Loan processing charges	4,345,882	4,322,085
Interest income	(76,353,993)	(71,543,940)
Fixed assets written off	906,979	-
Loss on sale of fixed assets (net)	685,213	5,274,525
Transfer to employee stock option outstanding	(13,948,808)	(10,124,864)
Advances and deposits written off	10,072,608	3,506,800
Bad debts written off	54,453,548	70,306,583
Rent on investment properties	(2,119,900)	(1,125,000)
Bad debts recovered	(4,695,663)	(2,528,428)
Liability no longer required written back	(24,623,252)	(17,725,254)
Provision for doubtful advances	5,373,706	1,685,332
Provision no longer required written back	(9,529,865)	(21,860)
Provision for slow moving inventory	1,832,424	1,931,225
Unrealised foreign exchange loss	2,844,772	141,924
Operating profit before working capital changes	409,022,866	456,458,322
Adjustments for (increase)/decrease in operating assets		
Trade receivables	(262,797,847)	(390,602,336)
Other non current assets	-	2,456,525
Other current assets	(83,721,811)	11,451,818
Long term loans and advances	(5,517,027)	(6,742,244)
Short term loans and advances	43,553,363	(54,105,212)
Inventories	(18,189,843)	20,874,904
Adjustments for increase/(decrease) in operating liabilities		
Other current liabilities	1,252,344,305	43,196,752
Non current liabilities	747,718	433,500
Long term provisions	2,644,453	5,835,569
Short term provisions	(303,340)	(824,911)
Trade payables	20,484,700	46,113,147
Cash generated from operations	1,358,267,537	134,545,834
Taxes paid (net of refund including interest on refund)	(70,523,336)	(85,651,369)
Net cash generated from operating activities	1,287,744,201	48,894,465



Continued on next page....



	March 31, 2017	March 31, 2016
	Amount in `	Amount in `
....Continued from previous page		
Add:		
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	57,109,389	65,377,897
- on unpaid dividend account	19,402	26,355
Current restricted cash (Margin money deposit and under lien deposits)	1,549,636	1,333,620
Total cash and bank balances at end of the year	2,225,178,933	158,685,837

Notes :


1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 "Cash Flow Statements" as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. Notes to the financial statements are integral part of the Consolidated Cash Flow Statement.
3. Pursuant to the requirements of Section 135 of the Act, the Group has incurred Rs. Nil on CSR activities during the year.

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

For Haribhakti & Co. LLP

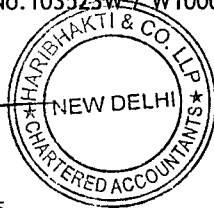
Chartered Accountants

ICAI Firm Registration No.103523W / W100048


Raj Kumar Agarwal

Partner

Membership No.:074715



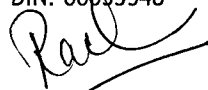
For and on behalf of the Board of Directors of

CL Educate Limited


Gautam Puri

Vice Chairman & MD

DIN: 00033548


Rachna Sharma

Company Secretary

ICSI M. No.: A17780

Place: New Delhi

Date : May 29, 2017


Nikhil Mahajan

Director and CFO

DIN: 00033404

Place: New Delhi

Date : May 29, 2017

1. Background

CL Educate Limited ('the Company') was incorporated in India on April 25, 1996 to conduct various educational and consulting programmes. The Company is providing in education and training programme which include coaching for higher education entrance examinations.

The Company's shares have been listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) consequent to a public offer of shares during the year by the Company along with the offer for sale by promoters and investor shareholders.

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

The accompanying Consolidated Financial Statements reflect results of activities undertaken by the Company and its subsidiaries (collectively referred to as 'the Group') during the period April 1, 2016 to March 31, 2017.

2. Significant accounting policies

a. Basis of preparation of Consolidated Financial Statements

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

b. Principles of consolidation

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

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

- i. Consolidated Financial Statements include Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and notes to Consolidated Financial Statements, other statements and explanatory material that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as adapted by the Company for its standalone financial statements.
- ii. The Consolidated Financial Statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Company and its share in the post-acquisition increase/ (decrease) in the relevant reserves of the entity to be consolidated. This procedure has been performed using the audited Standalone Financial Statements of CL Educate Limited and its subsidiaries.
- iii. As per Accounting Standard 21 on Consolidated Financial Statements, notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the Consolidated Financial Statements.
- iv. The Consolidated Financial Statements have been drawn to keep all the information as contained in the Audited Financial Statements of the Company for the year ended March 31, 2017 on standalone basis.



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

c. Basis for Consolidation

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

Subsidiaries	Effective shareholding	
	March 31, 2017	March 31, 2016
Kestone Integrated Marketing Services Private Limited (Kestone) (India)	100.00%	100.00%
Kestone Asia Hub Pte Ltd (Singapore)	99.99%	99.99%
G. K. Publications Private Limited (GKP) (India)	100.00%	100.00%
CL Media Private Limited (CLM) (India)	100.00%	100.00%
Career Launcher Education Infrastructure and Services Limited (India) (CLEIS)	100.00%	100.00%
Career Launcher Infrastructure Private Limited (CLIP) (India)	100.00%	100.00%
Accendere Knowledge Management Services Private Limited (AKMS) (India) (Refer footnote i)	51.00%	51.00%

(i) During the previous year, the Company had acquired 51% shares of AKMS held by its promoters.

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

d. Use of estimates

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

e. Revenue recognition

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

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

- Revenue from services

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

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

- Revenue from sale of text books

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



Advertisement income

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

Infrastructure fees and soft skill fees

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

Event management service income

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

Manpower resourcing service income

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

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

Revenue is recognised when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and trade discounts. Allowances for sales returns are estimated and provided for in the period of sales.

Other operating revenues

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

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

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

License fee

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

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

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

Royalty income

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



Content development income

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

Subscription fee

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

Unbilled revenue

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

Unearned revenue

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

Other Income

Interest income

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

Dividend income

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

f. Grant

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

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

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

Grants for various government projects carried out by the Company are disclosed in other operating income as grant income.



g. Fixed Assets

Tangible Assets

Tangible fixed assets are stated at cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts, are charged to the Statement of Profit and Loss for the 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 Group and are shown separately in the financial statements under other current assets. Loss determined, if any, is recognised immediately in the Statement of Profit and Loss, whereas profit and sale of such assets is recognised only upon completion of sale thereof.

Intangible Assets

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

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

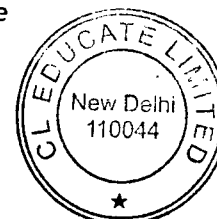
h. Depreciation and amortisation

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

Depreciation and amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard from fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be.

The useful lives of the assets are as under:

Particulars	Useful life (years)
Tangible Assets:	
Building	60
Leasehold land	90 (period of lease)
Plant and machinery	10-15
Furniture and fixtures	8-10
Office equipment	5
Vehicle	8-10
Computer equipment	3-6
Leasehold improvements and building improvements	Lesser of 3 years and period of lease



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Intangible assets:	
Trademark	5
Software	1-10
CAT online module	4
Intellectual property rights	Amortised over a period of 10 years using straight line method based on the management's assessment of useful life.
Goodwill^	5 years from the date of acquisition of business.
Non-compete fee	5
Website	5
License fees	Over the period of license

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

i. Impairment of assets

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

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

j. Borrowing costs

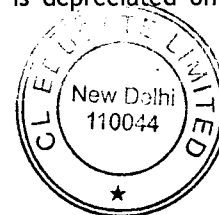
Borrowing costs relating to acquisition or construction or production of assets which take substantial period of time to get ready for its intended use are included as cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognised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

k. Leases

Where the Group is lessee

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

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



straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

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

Where the Group is lessor

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

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

l. Investment property

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

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

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

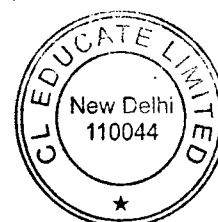
On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

m. Investments other than investments property

Accounting treatment

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

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



value of the asset given up or by reference to the fair value of the investment, acquired, whichever is more clearly evident.

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

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

Classification in the financial statements as per requirements of Schedule III

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

n. Inventories

- i. Raw materials are valued at lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first in first out method is used.
- ii. Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on the first in first out basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first in first out basis.
- iii. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on individual item basis.
- iv. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

o. Employee Benefits

- i) Short term employee benefits:

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

- ii) Long term employee benefits:

(a) Defined contribution plan: Provident Fund

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



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

(b) Defined Benefit Plan: Gratuity

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

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

(c) Other long-term benefits: Leave encashment

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

iii) Employee stock option scheme

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

p. Foreign currency transactions

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

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

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

Statement of Profit and Loss items at branch offices located outside India are translated at daily average rates. Monetary Balance Sheet items at branch offices at the Balance Sheet date are translated using the



year-end rates. Non monetary Balance Sheet items are recorded at the rates prevailing on the date of the transaction.

q. Integral and non-integral foreign operations

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

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

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

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

A reclassification from foreign integral operations to foreign non-integral operations or vice versa is made consequent to change in the way operations of entities are financed and operates. The translated amounts for non-monetary items of reclassified entities on the date of such reclassification are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences which have been deferred in foreign currency translation reserve are not recognised as income or expenses until the disposal of that entity.

r. Taxation

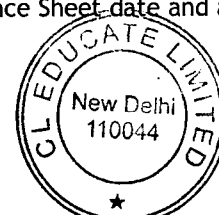
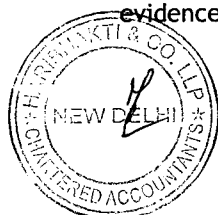
Tax expense for the year comprising current tax, deferred tax charge or benefit and MAT credit entitlement is included in determining the net profit for the year.

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.

s. Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

Contingent assets

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

t. Cash and cash equivalents

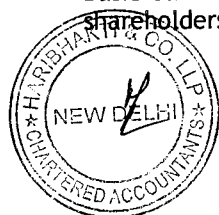
Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

u. Exceptional items

Items of income or expense from ordinary activities which are of such size, nature or incidence that, their disclosure is relevant to explain the performance of the enterprise for the period, are disclosed separately in the Consolidated Statement of Profit and Loss.

v. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split or consolidation of shares.

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

w. Segment reporting

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

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

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

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

x. Share issue expenses

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

y. Material events

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



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

3. Share capital

a) The Company has one class of shares i.e. Equity Shares having a par value of Rs. 10 per share.

Particulars	March 31, 2017		March 31, 2016	
	Numbers	Amount in Rs.	Numbers	Amount in Rs.
Authorised				
Equity shares of Rs. 10 each (previous year Rs. 10) with equal voting rights	16,000,000	160,000,000	16,000,000	160,000,000
	<u>16,000,000</u>	<u>160,000,000</u>	<u>16,000,000</u>	<u>160,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each (previous year Rs. 10) with equal voting rights	14,163,278	141,632,780	11,939,588	119,395,880
	<u>14,163,278</u>	<u>141,632,780</u>	<u>11,939,588</u>	<u>119,395,880</u>

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, 2017		March 31, 2016	
	Numbers	Amount in Rs.	Numbers	Amount in Rs.
At the beginning of year	11,939,588	119,395,880	11,645,155	116,451,550
Add: Share issued during the year by way of:				
- Employee stock option plan	43,571	435,710	28,829	288,290
- Allotment of share for a consideration in cash (Refer footnote i and 47)	2,180,119	21,801,190	-	-
- Allotment of share for a consideration other than in cash (Refer footnote ii)	-	-	265,604	2,656,040
Outstanding at the end of the year	<u>14,163,278</u>	<u>141,632,780</u>	<u>11,939,588</u>	<u>119,395,880</u>

Footnote i.

For the year ended March 31, 2017

Pursuant to initial public offering (IPO), 2,180,119 equity shares of the Company of RS. 10 each were allotted at Rs. 502 per equity share:

Date of allotment	No. of shares	Share capital	Securities Premium	Total
March 29, 2017	2,180,119	21,801,190	1,072,618,548	1,094,419,738

The equity shares of the Company were listed on BSE and NSE with effect from March 31, 2017

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 Rs. 134,639,700. The Company has issued 185,830 equity shares of Rs. 10 each at a price of Rs. 590 per share and balance consideration amounting Rs. 25,000,000 to be paid in cash in three tranches as per the share purchase agreement dated September 7, 2015.

The Board of Directors of the Company at its meeting held on May 03, 2015 and 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 Rs. 56,066,660. The Company has issued 79,774 equity shares of Rs. 10 each at a price of Rs. 590 per share to Bilakes and balance consideration amounting Rs. 9,000,000 is to be paid in cash. Consequent to such investment, the Company now holds 100% share in CLEIS.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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) *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, 2017		March 31, 2016	
	Numbers	% held	Numbers	% held
Mr. Gautum Puri	2,262,579	15.97%	2,562,579	21.46%
Mr. Satya Narayanan R	2,262,579	15.97%	2,562,579	21.46%
GPE (India) Limited	946,473	6.68%	1,426,473	11.95%
Bitakes Consulting Private Limited	1,253,090	8.85%	1,253,090	10.50%
	6,724,721	47.47%	7,804,721	65.37%

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

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

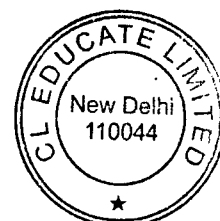
1) *Class-I shares-Equity shares*

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

March 31, 2017	March 31, 2016
Numbers In aggregate	Numbers In aggregate
1,511,627	2,092,555
1,511,627	2,092,555

In addition to aforesaid, the Company has issued equity shares aggregating 75,300 (previous year 36,504) of Rs. 10 each fully paid up during the period of five years immediately preceding the reporting date, on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

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



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Shares reserved for issue under options

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

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, 2017 and March 31, 2016 the Company had 13,168 and 48,518 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. Further, pursuant to resolution passed by Board of Directors at its meeting held on August 11, 2014 and special resolution passed by the members in its Annual General Meeting held on September 5, 2014 adopted the amended and extended "Amended Career Launcher Employee Stock Options Plan 2008" the same is valid for further period of 3 years. Further, pursuant to resolution passed by Board of Directors at its meeting held on January 29, 2016 and special resolution passed by the members in its Extraordinary General Meeting held on March 22, 2016 adopted "Amended and Restated Career Launcher Employee Stock Options Plan 2014"



4. Reserves and Surplus

	<u>March 31, 2017</u> Amount in ₹	<u>March 31, 2016</u> Amount in ₹
4.1. Securities premium		
Opening balance	2,008,509,672	1,845,642,909
-on issue of equity shares		
-for consideration other than cash	-	154,050,720
-for consideration in cash [Refer footnote i of 3 (b)]	1,072,618,548	-
-of ESOP	12,714,140	8,981,860
(-) Share issue expenses (Refer note 47b)	(108,287,478)	(165,817)
Closing balance (A)	2,985,554,882	2,008,509,672
4.2. Capital reserves (Others) (B)	19,939	19,939
4.3. General reserves		
Opening balance	6,469,578	5,784,256
Add: Transferred from ESOP reserves	-	685,322
Closing balance (C)	6,469,578	6,469,578
4.4. Employee stock option outstanding		
Gross employee stock compensation for options granted in earlier years	28,374,997	39,185,183
(+) Gross compensation for options for the year	(6,207,342)	(6,026,151)
(+) Gross compensation for options granted to employees of subsidiary (Refer footnote i of note 40)	(7,741,466)	(4,098,713)
(-) Less: Transferred to general reserve	-	(685,322)
Closing balance (D)	14,426,189	28,374,997
4.5. Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	243,035,530	70,949,446
(+) Net profit for the year	189,566,490	214,613,916
(-) Adjustment on account of change in minority interest	-	(42,527,832)
Closing balance (E)	432,602,020	243,035,530
Total reserves and surplus (A+B+C+D+E)	3,439,072,608	2,286,409,716

---Space intentionally left blank---



5. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Term loans (secured)				
-From banks				
a) Vehicle loans (Refer footnote i)	1,888,935	2,853,554	1,769,080	2,133,835
b) Other term loans (Refer footnote ii)	12,566,178	24,536,846	11,947,843	19,612,033
-From financial institutions				
a) Term loan (Refer footnote iii)	-	181,857,989	-	21,452,746
b) Vehicle loans (Refer footnote iv)	415,927	985,890	569,963	899,829
Unsecured loans				
a) Term Loan from financial institutions (Refer footnote v)	18,155,063	19,745,797	25,901,696	8,717,169
b) Working Capital Loan from bank (Refer footnote vi)	12,815,303	2,841,886	20,424,660	1,504,128
c) Working Capital Loan from Financial Institutions (Refer footnote vii)	32,755,366	21,073,371	14,352,386	11,687,385
d) From others (Refer footnote viii)	1,005,000	1,005,000	-	-
	<u>79,601,772</u>	<u>254,900,333</u>	<u>74,965,628</u>	<u>66,007,125</u>
The above amount includes				
Amount disclosed under the head "Other current liabilities" (Refer note 11)	-	-	(74,965,628)	(66,007,125)
Net amount	<u><u>79,601,772</u></u>	<u><u>254,900,333</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

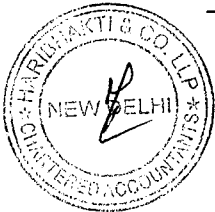
Footnotes

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, 2017

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	558,383	27,821	14.00%	February 5, 2019
Loan 2	256,550	12,782	14.00%	February 5, 2019
Loan 3	758,999	37,816	14.00%	February 5, 2019
Loan 4	1,577,038	78,203	13.50%	February 5, 2019
Loan 5	507,045	26,146	13.50%	February 5, 2019
	<u>3,658,015</u>			



For amount outstanding as at March 31, 2016

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

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 ₹ 510,000,000) with Kotak Mahindra Bank, under which various term loans and overdrafts have been availed at different times during the current year and previous year.

The term loans so availed comprise two loans of ₹ 50,000,000 and ₹ 44,000,000. Year end balances of these loans are Rs. Nil and Rs. 24,514,021 (previous year Rs. 9,140,254 and Rs. 35,008,625) respectively.

Interest rate:

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

Repayment schedule:

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 was 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 Rs. 110,000,000

The loans are further secured by equitable mortgage on following properties of the Company:

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

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



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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 ₹ 440,000,000) (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) (Previous Year ₹ 15,000,000). Securities mentioned above are securities provided by the Company for such overall limit.

iii. Secured term loans- from others

During the year on March 31, 2017, the Company has repaid the long term loan amounting to Rs.20.33 Crores and requested the HDFC Bank to issue the Non objection Certificate. Subsequent to the Balance sheet date the company has received the NOC from HDFC Bank and filed Form No.CHG4 to MCA for removal of charges from various assets.

For the year ended March 31, 2016

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

The secured loans are secured by way of:

a) First equitable mortgage of land and building of projects

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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 ₹ 440,000,000) (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) (Previous Year ₹ 15,000,000). Securities mentioned above are securities provided by the Company for such overall limit.

iii. Secured term loans- from others

During the year on March 31, 2017, the Company has repaid the long term loan amounting to Rs.20.33 Crores and requested the HDFC Bank to issue the Non objection Certificate. Subsequent to the Balance sheet date the company has received the NOC from HDFC Bank and filed Form No.CHG4 to MCA for removal of charges from various assets.

For the year ended March 31, 2016

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

The secured loans are secured by way of:

a) First equitable mortgage of land and building of projects

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

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

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

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

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

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

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

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

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

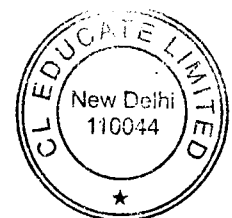
h) First charge on all receivables of Nalanda Foundation, via an escrow mechanism.

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

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

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

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



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

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

o) Any other security of equivalent or higher amount that may be acceptable to the lender, HDFC Limited. There is no other security demanded by the lenders as at March 31, 2016 & March 31, 2017.

Rate of interest

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

Terms of repayment

The loan shall be repaid by way of 32 unequal quarterly instalments with the first instalment falling due on February 28, 2015. The said loan completely repaid and there is no outstanding in the said loan account on March 31, 2017.

Aggregate amount of loans guaranteed by directors of the Company Rs. 472,783,597 (previous year Rs. 633,295,177) [Includes amount of Rs. 26,637,895 (previous year Rs. 49,781,948) disclosed under other current liabilities as current maturities of long term borrowing (Refer note 11)] and short term borrowings amounting Rs. 415,424,461 (previous year Rs. 357,372,597) (Refer note 9).

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

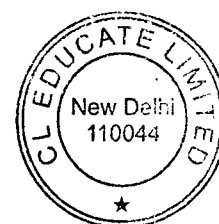
The terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2017

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	145,084	49,218	10.59%	June 10, 2017
Loan 2	840,806	45,050	17.74%	January 1, 2019
	<u>985,890</u>			

For amount outstanding as at March 31, 2016

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan 1	688,641	49,218	10.59%	June 10, 2017
Loan 2	1,197,078	45,050	17.74%	January 1, 2019
	<u>1,885,719</u>			



v. Term Loan from financial institutions

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

Interest rate:

These loans carry interest at 16.00% per annum.

Repayment schedule:

During the year, the Company has taken an additional loan of ₹ 15,000,000 which is repayable in 36 equal monthly installments of ₹ 527,356 (inclusive of interest) for which September 5, 2019 is the last installment date.

During the previous year, the Company had taken loan of ₹ 30,000,000 which 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.

vi. Unsecured working capital loans- from banks

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

For amount outstanding as at March 31, 2017

Name of Bank	Loan taken(₹)	Rate of Interest	Tenure	Date of first EMI	EMI (₹)
IndusInd Bank	2,500,000	18.50%	36 Months	04-Oct-15	91,009
Deutsche Bank	2,500,000	19.00%	36 Months	05-Oct-15	91,640
Kotak Mahindra Bank	2,500,000	18.70%	36 Months	01-Nov-16	91,010
Ratnakar Bank Limited (Refer footnote i)	50,000,000	16.00%	36 Months	28-Feb-17	4,166,667

Footnote:

(i) Company has given security, Corporate & personal guarantee while

1. Negative lien on agricultural properties situated at:

- Hyderabad(Agriculture Land) which is in the name of its subsidiary company CLIP
- Faridabad(Agriculture Land) which is in the name of its subsidiary company CLIP

2. Personal Guarantee of Satya Narayan, Gautam Puri and Nikhil Mahajan remain valid throughout the currency of facilities.

3. Corporate Guarantee of -CL Educate Limited to remain valid throughout the currency of facilities.

For amount outstanding as at March 31, 2016

Name of Bank	Loan taken(₹)	Rate of Interest	Tenure	Date of first EMI	EMI (₹)
IndusInd Bank	2,500,000	18.50%	36 Months	04-Oct-15	91,009
Deutsche Bank	2,500,000	19.00%	36 Months	05-Oct-15	91,640



Guarantees :

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

vii. Unsecured working loans- from financial institutions

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

For amount outstanding as at March 31, 2017

Name of Bank	Loan taken(₹)	Rate of Interest	Tenure	Date of first EMI/EDI	EMI (₹)
Magma Fincorp Limited	9,000,000	19.00%	36 Months	07-Oct-15	329,904
Tata Capital Financial Services Limited	5,000,000	18.65%	36 Months	09-Oct-15	183,280
Dewan Housing Finance Corporation Ltd.	3,500,000	13.50%	36 Months	10-Oct-15	118,790
Capital First Limited	7,500,000	18.75%	36 Months	05-Nov-15	273,974
Neo Growth credit private Limited	3,000,000	16.22%	450 Days	03-Sep-16	8,000 (Daily)
Aditya Birla Finance Limited	4,500,000	18.50%	24 Months	05-Nov-16	225,748
Magma Fincorp Limited (Refer footnote ii)	3,000,000	19.00%	24 Months	07-Feb-17	151,226

(ii) Guarantees:

The loans taken from Magma Fincorp Limited and IndusInd bank are secured by corporate guarantee of CL Educate Limited, the Holding Company.

For amount outstanding as at March 31, 2016

Name of Bank	Loan taken(₹)	Rate of Interest	Tenure	Date of first EMI	EMI (₹)
Magma Fincorp Limited	9,000,000	19.00%	36 Months	07-Oct-15	329,904
Tata Capital Financial Services Limited	5,000,000	18.65%	36 Months	09-Oct-15	183,280
Capital First Limited	7,500,000	18.75%	36 Months	05-Nov-15	273,974
Dewan Housing Finance Corporation Ltd.	3,500,000	13.50%	36 Months	14-Oct-15	118,790

During the year, CL Media Private Limited has taken working loan from banks and financial institution, details of the loans are as follows:



For amount outstanding as at March 31, 2017

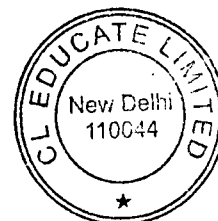
Name of bank	Loan taken	Rate of Interest	Tenure	Date of first EMI	EMI
Ratnakar Bank Limited	3,500,000	19.00%	36 Months	05-Jan-16	128,296
Name of financial institutions	Loan taken	Rate of Interest	Tenure	Date of first EMI	EMI
Fullerton India Credit Company Limited	5,000,000	18.50%	24 Months	04-Feb-16	250,831
Edelweiss Retail Finance Limited	3,000,000	18.50%	36 Months	31-Mar-16	109,212
Tata Capital Financial Services Limited	2,227,000	18.79%	18 Months	03-Oct-16	142,627
Capital First Limited	4,000,000	18.50%	36 Months	05-Oct-16	145,615
IIFL	3,500,000	19.50%	24 Months	03-Nov-16	177,282
Capital Float	2,500,000	19.00%	360 Days	05-Nov-16	230,391
LendingKart	2,500,000	19.20%	12 months	29-Jan-17	230,630

For amount outstanding as at March 31, 2016

Name of financial institutions	Loan taken	Rate of Interest	Tenure	Date of first EMI	EMI
Fullerton India Credit Company Limited	5,000,000	18.50%	24 Months	04-Feb-16	250,831
Edelweiss Retail Finance Limited	3,000,000	18.50%	36 Months	31-Mar-16	109,212

viii. Unsecured working loans- from others

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



6. Deferred tax (liabilities)/ assets

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' net increase in Deferred Tax liability of Rs. 4,504,876 for the current year has been recognised as charge in the Consolidated Statement of Profit and Loss. The tax effect of significant timing differences as at March 31, 2017 that reverse in one or more subsequent years gave rise to the following net Deferred Tax Liability as at March 31, 2017.

	March 31, 2017 Amount in ₹	(Charge)/benefit Amount in ₹	March 31, 2016 Amount in ₹
Deferred tax assets			
On account of			
Unabsorbed losses	3,972,377	(36,554,234)	40,526,611
Provision for gratuity	7,045,467	374,967	6,670,500
Provision for bonus	1,579,061	(401,660)	1,980,721
Provision for leave encashment	5,426,041	372,342	5,053,699
Provision for loans and advances	14,411,470	280,329	14,131,141
Provision for incentive	2,909,806	(3,061,077)	5,970,883
Provision for slow moving inventory	712,516	115,767	596,749
Provision for obsolete inventory	508,559	370,631	137,928
Provision for doubtful debts & advance	1,684,902	1,240,822	444,080
Provision for sales incentive	301,585	(68,359)	369,944
Provision for sales return	217,243	(76,068)	293,311
Lease equalisation reserve	181,767	181,767	-
Total deferred tax assets	38,950,794	(37,224,773)	76,175,567
Deferred tax liabilities			
On account of depreciation	49,726,689	32,719,897	82,446,586
Total deferred tax liabilities	49,726,689	32,719,897	82,446,586
Net deferred tax (liabilities)	(10,775,895)	(4,504,876)	(6,271,019)

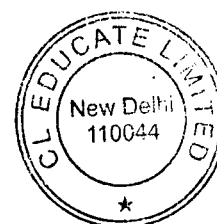
Presentation in the financial statements as per tax jurisdictions:

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Total deferred tax assets of net deferred tax assets jurisdiction entities	10,731,153	8,276,153
Total deferred tax liabilities of net deferred tax liabilities jurisdiction entities	(21,507,048)	(14,547,172)
Net deferred tax liability shown in the balance sheet	(10,775,895)	(6,271,019)

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

7. Other long-term liabilities

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Security deposit received	3,771,218	3,023,500
	3,771,218	3,023,500



8. Provisions

		Long-term		Short-term	
		March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Provision for taxes					
-for Income tax [net of advance tax and tax deducted at source of Rs. 43,039,143 (previous year Rs. 18,092,382)]		-	-	20,676,968	20,743,538
Total	A	-	-	20,676,968	20,743,538
Provision for sales return (Refer footnote i)	B	-	-	703,053	949,228
Provision for employees benefit					
Gratuity (Refer note 42)		21,572,150	19,904,705	264,954	323,381
Leave encashment (Refer note 42)		15,975,218	14,998,210	449,824	448,562
Total	C	37,547,368	34,902,915	714,778	771,943
Total (A+B+C)		37,547,368	34,902,915	22,094,799	22,464,709

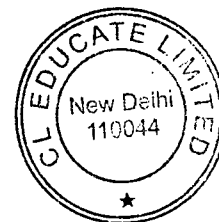
Footnote

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

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Opening balance	949,228	1,788,747
(+) Additions during the year	703,053	949,228
(-) Utilised/reversed during the year	(949,228)	(1,788,747)
Closing balance	703,053	949,228



---Space intentionally left blank---



9. Short-term borrowings

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Secured, from bank, repayable on demand		
-Cash credit (Refer footnote i)	434,245,616	376,204,632
Net amount	434,245,616	376,204,632

Footnotes:

i. Details of these loans are as follows:

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

Cash credit from Kotak Mahindra Bank- loan 1

1. It carries interest rate of bank's base rate plus 3.75 % ranging from 13.75% to 14.25% calculated on monthly basis on the actual amount utilised.
2. Security details: Refer footnote ii of note 5.

Cash credit from Kotak Mahindra Bank- loan 2

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

2. Security details:

Primary security

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

Collateral Security

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

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

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

This loan is repayable on demand.

Cash credit from IndusInd Bank- loan 1

1. It carried interest rate as follows:

- a. 13.55% p.a (Base rate of 10.55% + Margin of 3%) from January 17, 2017
- b. 13.60% p.a (Base rate of 10.60% + Margin of 3%) from October 19, 2015 to to January 16, 2017
- c. 13.85% p.a (Base rate of 10.85% + Margin of 3%) from June 15, 2015 to October 18, 2015
- d. 14.00% p.a (Base rate of 11.00% + Margin of 3%) Till June 14, 2015

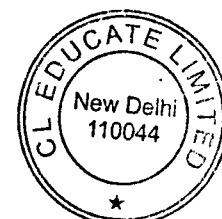
2. Security details:

Primary Security

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

Collateral Security

- a. First and exclusive charge on movable fixed assets of Kestone both present and future.
- b. Corporate guarantee of CL Educate Limited (Holding Company) amounting Rs. 115,000,000 (March 31, 2016 Rs. 95,000,000).
- c. Lien on fixed deposits amounting to Rs. 23,000,000 (Previous year Rs. 19,000,000).
- d. Personal guarantee of directors, Mr Nikhil Mahajan and Mr Gautam Puri.



Cash credit from IndusInd Bank- loan 2

1. This loan represents over draft facility from IndusInd Bank. The above amount represents the limit availed out of the total fund limit of Rs. 19,000,000 (previous year Rs. 19,000,000).
2. Kestone Integrated Marketing Services Private Limited has pledged its fixed deposits amounting Rs. 20,000,000 (previous year Rs. 20,000,000) as security for the above over draft facility from IndusInd Bank Limited.
3. The facility carries an interest rate of 9.75% (Bank fixed deposits rate i.e., 8.00% + 1.75%) per annum payable on monthly basis.
4. The above loan is repayable by February 20, 2017 or maturity date of underlying fixed deposits, whichever is earlier.

10. Trade payables

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Trade payable (refer footnote i and note 41)		
- Related party	892,027	892,027
- Others	266,193,339	245,951,357
	267,085,366	246,843,384

Footnote i

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

11. Other current liabilities

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Current maturities of long term borrowing (Refer note 5)	74,965,628	66,007,125
Interest accrued but not due on borrowings	1,278,082	1,243,680
Unearned revenue	162,259,242	189,583,876
Employees related payables	70,645,212	81,442,664
Advance from customers	9,899,075	24,014,276
Advance received against sale of fixed assets	30,043,397	-
Payables for purchase of investments		
- To related party (Refer note 38)	1,507,733	1,507,733
- To selling shareholders	1,177,431,228	-
- To others	10,000,000	25,000,000
Payables for expenses (Refer note 41)		
- To related party (Refer note 38)	15,882,370	5,750
- To others	153,261,324	91,804,636
Payable for fixed assets (Refer note 41)	2,543,283	6,476,072
Statutory dues payable	35,687,957	20,177,163
	1,745,404,531	507,262,975



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

12 Fixed assets- Tangible assets*
Current year

Particulars	Gross block (at cost)					Accumulated depreciation				Net block	
	As at April 1, 2016	Additions during the year	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Disposals	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	
	Land - freehold (Refer footnote iii)	105,323,520	42,582,191	-	147,905,711	-	-	-	-	147,905,711	-
Land - Leasehold (Refer footnote ii & iii)	20,043,350	51,864,647	-	71,907,997	2,592,125	210,096	-	2,802,221	69,105,776	-	
Buildings (Refer footnote i)	585,607,047	-	-	585,607,047	52,656,666	9,250,436	-	61,907,102	523,699,945	-	
Building Improvements	9,072,717	-	1,514,613	7,558,104	8,929,648	-	1,438,882	7,490,766	67,338	67,338	
Plant and machineries	14,347,245	327,156	71,966	14,602,435	7,725,036	773,688	11,558	8,487,166	6,115,269	6,115,269	
Leasehold Improvement	32,585,438	8,503,195	249,268	40,839,365	25,929,671	5,555,442	221,049	31,264,064	9,575,301	9,575,301	
Furniture and fixtures	46,903,562	2,242,252	4,043,622	45,102,192	19,818,082	4,071,251	2,730,676	21,158,657	23,943,535	23,943,535	
Office equipments	52,298,886	2,788,819	3,062,518	52,025,187	30,496,751	6,115,210	2,689,250	33,922,711	18,102,476	18,102,476	
Computers	102,185,550	4,510,840	17,814,343	88,882,047	65,490,528	16,330,048	16,960,209	64,860,367	24,021,680	24,021,680	
Vehicles	24,019,230	12,756	924,448	23,107,538	14,613,970	2,643,923	840,520	16,417,373	6,690,165	6,690,165	
Total	992,386,545	112,831,856	27,680,778	1,077,537,623	228,252,477	44,950,094	24,892,144	248,310,427	829,227,196	829,227,196	

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

Footnote:

- Building includes 5 shares of Rs. 50 each being the cost of shares in Tardeo Air conditioned Market Building Cooperative Society Limited, Mumbai.
- Land measuring 20,007 square metres has been acquired by the Company under a lease agreement with Greater Noida Industrial Development Authority for a lease period of 90 years commencing from July 20, 2004. The premium paid on the land and other expenses incidental to the acquisition are amortised over the period of the lease.
- Pursuant to the board resolution dated October 31, 2012, the Group had classified freehold land of Rs. 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. During the year, due to non availability of buyers the same has been re-classified in fixed assets.
- Depreciation for the current year includes Rs. 9,160,782 related to assets identified for slump sale (discontinued operations) (Refer note 49)

-----Space intentionally left blank-----



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Previous year*#

Amount in ₹

Particulars	Gross block (at cost)			Accumulated depreciation			Net block		
	As at April 1, 2015	Additions during the year	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Depreciation for the year	Disposals	As at March 31, 2016	As at March 31, 2016
Land - freehold	105,323,520	-	-	105,323,520	-	210,671	-	2,592,125	105,323,520
Land - Leasehold (Refer footnote ii)	20,043,350	-	-	20,043,350	2,381,454	-	-	-	17,451,225
Buildings (Refer footnote i)	585,607,047	-	-	585,607,047	43,394,168	9,262,498	-	52,656,666	532,950,381
Building improvements	9,072,717	-	-	9,072,717	8,915,848	13,800	-	8,929,648	143,069
Plant and machineries	14,294,158	53,087	-	14,347,245	6,946,386	778,650	-	7,725,036	6,622,209
Leasehold improvement	29,626,033	2,959,405	-	32,585,438	21,442,448	4,487,223	-	25,929,671	6,655,767
Furniture and fixtures	41,298,633	5,604,929	-	46,903,562	15,799,640	4,018,442	-	19,818,082	27,085,480
Office equipments	44,908,472	7,472,209	81,795	52,298,886	24,293,772	6,216,480	13,501	30,496,751	21,802,135
Computers	95,374,734	34,029,909	27,219,093	102,185,550	50,917,651	32,124,586	17,551,709	65,490,528	36,695,022
Vehicles	22,131,147	2,300,000	411,917	24,019,230	12,061,681	2,759,834	207,545	14,613,970	9,405,260
Total	967,679,811	52,419,539	27,712,805	992,386,545	186,153,048	59,872,184	17,772,755	228,252,477	764,134,068

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

#Pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life is "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 10,291,918 and deferred tax thereon has been adjusted against the reserves as on April 1, 2014.

Footnote:

- Building includes 5 shares of Rs. 50 each being the cost of shares in Tardeo Air conditioned Market Building Cooperative Society Limited, Mumbai.
- Land measuring 20,007 square metres has been acquired by the Company under a lease agreement with Greater Noida Industrial Development Authority for a lease period of 90 years commencing from July 20, 2004. The premium paid on the land and other expenses incidental to the acquisition are amortised over the period of the lease.
- Pursuant to the board resolution dated October 31, 2012, the Company had classified freehold land of ₹ 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. During the FY 2012-13, CLIP, a subsidiary company has entered into agreements with various parties to sale lands of ₹ 42,582,190 located at Faridabad and Amritsar. The same have been shown as "Assets held for sale" under the head "Other Current Assets". Further, during the year 2014-15, assets aggregating ₹ 800,000 have been classified as held for sale which have been sold in financial year 2015-16. (Refer note 20).

Depreciation for the current year includes Rs. 10,391,489 related to assets identified for slump sale (discontinued operations) (Refer note 49)

-----Space intentionally left blank-----



13 Fixed assets- Intangible assets*

Current year

Amount in ₹

Particulars	Gross block (at cost)				Accumulated amortisation				Net block	
	As at April 1, 2016	Additions	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2016	Amortisation for the year	Disposals	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Intellectual property rights and trademarks	166,147,995	2,643,444	-	168,791,439	94,883,282	13,819,408	-	108,702,690	60,088,749	
Computer softwares	18,847,648	1,619,173	795,043	19,671,778	14,242,264	1,634,464	795,043	15,081,685	4,590,093	
License fees	29,435,258	-	-	29,435,258	20,706,577	2,642,177	-	23,348,754	6,086,504	
Content development	27,725,782	40,286,178	-	68,011,960	7,879,199	8,995,093	-	16,874,292	51,137,668	
CAT Online Module	8,693,070	571,926	-	9,264,996	8,305,336	864,831	-	9,170,167	94,829	
Web Site	3,584,770	2,200,000	-	5,784,770	3,580,753	5,438	-	3,586,191	2,198,579	
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	-	2,750,000	-	
Non-competee fees	5,000,000	-	-	5,000,000	4,500,000	500,000	-	5,000,000	-	
Total	262,184,523	47,320,721	795,043	308,710,201	156,847,411	28,461,411	795,043	184,513,779	124,196,422	

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

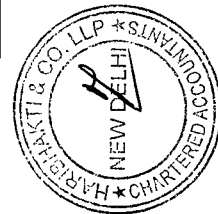
i. Depreciation for the current year includes Rs. 67,983 related to assets identified for slump sale (discontinued operations) (Refer note 49)

Footnote (i):

Content Development includes internally generated intangible assets:

Particulars	Gross block (at cost)			Accumulated amortisation			Net block	
	As at April 1, 2016	Additions	Disposals/ Adjustments	As at April 1, 2016	Amortisation for the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Content Development	2,475,442	19,132,059	-	83,861	2,372,412	2,456,273	19,151,228	

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



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Amount in ₹

Previous year*

Particulars	Gross block (at cost)			Accumulated amortisation			Net block	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation for the year	Disposals	As at March 31, 2016
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	81,219,434	13,663,848	-	71,264,713
Computer softwares	16,177,885	2,669,763	-	18,847,648	12,992,740	1,249,524	-	4,605,384
License fees	29,435,258	-	-	29,435,258	16,016,207	4,690,370	-	8,728,681
Content development	22,222,707	5,503,075	-	27,725,782	3,138,194	4,741,005	-	19,846,583
CAT Online Module	7,641,070	1,052,000	-	8,693,070	3,522,077	4,783,259	-	387,734
Web Site	3,584,770	-	-	3,584,770	3,574,743	6,010	-	4,017
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	-	-
Non-compete fees	5,000,000	-	-	5,000,000	3,500,000	1,000,000	-	500,000
Total	252,959,685	9,224,838	-	262,184,523	126,713,395	30,134,016	-	105,337,112

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

Amount in Rs.

Particulars	Gross block (at cost)			Accumulated amortisation			Net block	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2016
Content Development	-	2,475,442	-	2,475,442	-	83,861	-	83,861
								2,391,581

-----Space intentionally left blank-----



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

14. Non-current investments

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	<u>Amount in ₹</u>	<u>Amount in ₹</u>
Investment property		
(Non-trade, valued at cost less accumulated depreciation)		
Cost of building	13,113,500	13,113,500
Less: Accumulated depreciation	2,028,891	1,822,013
	<u>11,084,609</u>	<u>11,291,487</u>
Equity shares in companies		
(Non-trade, un-quoted, at cost)		
909 (Previous year 909) fully paid up equity shares of Rs. 10 each of Threesixtyone Degree Minds Consulting Private Limited	5,000,000	5,000,000
50,000 (Previous year 50,000) shares of Rs. 10 each fully paid up in Investment in Energy Plantation Project Private Limited	500,000	500,000
	<u>5,500,000</u>	<u>5,500,000</u>
	<u>16,584,609</u>	<u>16,791,487</u>

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

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	<u>Amount in ₹</u>	<u>Amount in ₹</u>
Aggregate book value of unquoted non current investment	5,500,000	5,500,000

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



---Space intentionally left blank---



15. Loans and advances

		Long-term		Short-term	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Unsecured, considered good, unless otherwise stated					
Capital advances	(A)	1,649,482	12,414,740	-	-
Advance to suppliers	(B)	-	-	16,093,761	7,777,894
Loans and advances to related parties (Refer note 38)	(C)	-	-	558,044,457	516,616,762
Security deposits					
-Considered good		28,860,317	23,282,290	39,277,648	21,219,163
-Considered doubtful		-	-	2,804,998	1,386,266
Less: Provision for doubtful balances		-	-	(2,804,998)	(1,386,266)
Sub Total	(D)	28,860,317	23,282,290	39,277,648	21,219,163
Balances recoverable from government authorities					
-Considered good	(E)	21,302,000	21,302,000	12,868,171	149,746
Advance income-tax [(net of provision for tax of Rs. 403,786,872) (Previous year Rs. 340,123,991)]	(F)	85,944,404	101,985,029	-	-
MAT credit entitlement	(G)	56,019,428	60,659,505	-	-
Prepaid expenses	(H)	-	-	74,447,698	113,394,979
Loans and advances to employees	(I)	-	61,000	4,494,687	10,566,255
Others					
-Gratuity Assets (Including balances of Trust)		-	-	13,452	12,427
- Other dues from related party (good)		-	-	10,630,023	10,630,023
- Receivable from others (good)		-	-	4,639,953	59,040,682
- Receivable from others (doubtful)		-	-	39,983,772	39,949,409
		-	-	55,267,200	109,632,541
Less: Provision for doubtful balances		-	-	(39,983,772)	(39,949,409)
Sub Total	(J)	-	-	15,283,428	69,683,132
Total (A+B+C+D+E+F+G+H+I+J)		193,775,631	219,704,564	720,509,850	739,407,931

During the year, the Group has given unsecured loan to their various entities for meeting their working capital requirement. Details of the same are as below:

Company/Party name	Amount given	Rate of interest	March 31, 2017	March 31, 2016
Career Launcher Education Foundation	110,240	Nil	132,783,492	132,673,251
Nalanda Foundation	37,608,582	14.50% to 15.05%	404,309,079	365,564,664
CLEF - AP	1,290,044	14.00%	20,951,886	18,378,847
Total	39,008,866		558,044,457	516,616,762

16. Other non-current assets

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Unsecured, considered good, unless otherwise stated		
Non-current bank balances (Deposits with maturity for more than 12 months from reporting date) (Refer note 19)	127,722,110	112,030,033
	127,722,110	112,030,033



17. Inventories (Refer footnote a)

	March 31, 2017	March 31, 2016
(Valued at lower of costs and net realisable value)	Amount in ₹	Amount in ₹
Raw materials (Refer footnote b)	4,165,074	7,081,705
Work-in-progress (Refer footnote c)	7,312,976	2,722,881
Finished goods produced	72,526,945	57,885,505
Less: Provision for slow moving/obsolete inventory	2,305,878	2,348,393
	81,699,117	65,341,698

Footnote a: All inventories categories represent text books.

Footnote b: Includes raw materials lying with third parties Rs. 4,165,074 (Previous year Rs. 7,081,705)

Footnote c: Includes work-in-progress lying with third parties Rs. 7,312,976 (Previous year Rs. 2,722,881)

18. Trade receivables

	March 31, 2017	March 31, 2016
Unsecured, considered good unless stated otherwise	Amount in ₹	Amount in ₹
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good (refer footnote i and ii)	455,298,819	586,793,444
- Considered doubtful	4,244,306	935,332
	459,543,125	587,728,776
Less: Provision for doubtful trade receivables	4,244,306	935,332
	455,298,819	586,793,444
Others (refer footnote ii)	935,679,910	593,167,102
	1,390,978,729	1,179,960,546

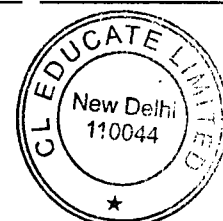
Footnote:

i. Refer note 46 amounting ₹ 14,634,645 (Previous year ₹ 13,930,740) considered good.

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

19. Cash and bank balances

	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Cash and cash equivalents				
Balances with banks:				
- on current accounts	-	-	2,156,906,548	84,271,547
Cheques/ drafts on hand	-	-	3,242,683	4,095,211
Cash on hand	-	-	6,351,275	3,581,207
Subtotal (A)	-	-	2,166,500,506	91,947,965
Other bank balances				
- on unpaid dividend account	-	-	19,402	26,355
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	-	-	57,109,389	65,377,897
- Deposits with maturity for more than 12 months from the reporting date	6,557,420	-	-	-
- Margin money deposits (Refer footnote ii)	121,164,690	112,030,033	1,549,636	1,333,620
Subtotal (B)	127,722,110	112,030,033	58,678,427	66,737,872
Amount disclosed under other non-current assets (Refer note 16)	(127,722,110)	(112,030,033)	-	-
Subtotal (A+B)	-	-	2,225,178,933	158,685,837



Footnote: i

Includes Rs. 1,290,597,927 (Previous year Rs. Nil) lying in Public Issue account CL Educate IPO and which is considered as restricted cash.

Footnotes ii**Current deposits include:**

- Deposits of Rs. 1,549,636 (Previous year Rs. 1,333,620) for issue of guarantees in favor of Northern Eastern Council Secretariat, Shilong,

Fixed deposits amounting Rs. 43,000,000 (Previous year Rs. 39,000,000) are under lien, out of which fixed deposits amounting Rs. 23,000,000 (Previous year Rs. 19,000,000) are under lien towards cash credit facility from IndusInd Bank and fixed deposits amounting Rs. 20,000,000 (Previous year Rs. 20,000,000) are under lien towards overdraft facility from IndusInd Bank to GK Publication Private Limited (A fellow subsidiary with common Directors)

Non current deposits include:

- Deposits of Rs. 101,094 (Previous year Rs. 75,000) for issue of guarantees in favor of value added tax authorities,
- Deposits of Rs. 1,975,935 (Previous year Rs. 1,684,764) for issue of guarantees in favor of Development Support Agency of Gujarat-TDD Project,
- Deposits of Rs. 255,696 (Previous year Rs. 200,000) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits aggregating to Rs. 110,000,000 (Previous year Rs. 110,000,000) pledged with banks for overall loan facility (Refer footnote ii of note 6).
- Deposits of Rs. 81,965 (Previous year Rs. 70,269) submitted in bank against consumer court case appeal
- Deposits of Rs. 8,750,000 (Previous year Rs. Nil) pledged with Shri Ram City Union Finance Limited for loan taken (Refer footnote iii of note 5).

20. Other current assets

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Unbilled revenue	108,751,140	38,412,718
Amount recoverable from Non Banking Financial Company	35,978	23,610
Interest accrued but not due on fixed deposits	618,657	1,332,576
Interest accrued and due on fixed deposits	681,191	1,050,823
Interest accrued but not due on loans and advances		
- From related parties (Refer note 38)	10,495,463	23,613,320
Receivables on account of transfer of fixed assets	13,371,021	-
Fixed assets held for sale (Refer footnote (iii) of note 12)	-	94,446,837
	133,953,450	158,879,884



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

21. Revenue from operations

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Revenue from operations		
Sale of products (Refer footnote i)	478,891,067	425,231,482
Sale of services (Refer footnote ii)	2,110,596,190	2,187,793,962
Other operating revenue		
Start up fees from franchisees	25,769,839	18,365,484
Advertising Income	82,993,249	52,720,698
Infrastructure fees (Refer footnote iii)	372,492	-
Sale of scrap	34,000	591,874
Grant income	-	54,147,330
Other miscellaneous operating Income	22,648	16,701
	2,698,679,485	2,738,867,531

Footnote i

Detail of products sold

Particulars

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
-Sale of text books	478,891,067	425,231,482
	478,891,067	425,231,482

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

Footnote ii

Detail of services provided

Particulars

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
-Education and training programmes income	1,052,044,481	932,010,145
-Online education services	239,363,645	184,621,862
-Vocational training services income	23,792,774	306,809,367
-Manpower services income	134,811,187	268,611,094
-Event management services income	660,584,103	495,741,494
	2,110,596,190	2,187,793,962

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



22. Other Income

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Interest income on		
-Fixed deposits	13,573,824	18,765,738
-Income tax	3,893,791	2,478,325
-Loans and advances (Refer footnote i)	10,189,267	13,255,009
-others	363,836	-
Liability no longer required written back	24,623,252	17,725,254
Rent income on investment property [net of depreciation on investment property of Rs. 207,445 (previous year Rs. 206,878)]	1,913,022	917,555
Provision written back	9,529,865	21,860
Sale of scrap	296,827	745,010
Insurance Claim Received	42,381	804,720
Amount forfeited against sale of land	2,450,000	5,350,000
Income on employee stock option (ESOP) scheme	13,948,548	10,124,864
Notice period recovery	1,047,779	998,631
Net gain on foreign currency transactions and translations	-	195,070
Bad debts recovered	4,695,663	2,528,428
Miscellaneous income	5,306,421	10,120,821
	91,874,476	84,031,285

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

23A. Cost of raw material and components consumed

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Inventory at the beginning of the year	7,081,705	9,686,141
Add: Purchases during the year	84,013,913	62,355,253
	91,095,618	72,041,394
Less: Inventory at the end of the year	4,165,074	7,081,705
Cost of raw material and components consumed	86,930,544	64,959,689

Details of raw material and components consumed

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Paper	86,647,082	63,866,730
Lamination material	283,462	570,845
Binding and packaging material	-	522,114
	86,930,544	64,959,689

Details of closing stock of raw materials and components

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Paper	4,165,074	7,081,705
	4,165,074	7,081,705

... Space intentionally left blank...



23B. Cost of Services

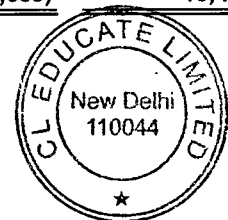
	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Printing cost	63,353,729	47,819,646
Binding and cover pasting charges	2,900,469	1,643,644
Packing material consumed	521,498	785,339
Content development cost	323,929	854,732
Material printing cost	693,733	4,106,462
Other test prep related consumables	130,724	821,564
Labour cost	8,400	256,581
Placement support expenses	745,671	11,441,615
Faculty expenses	82,643,108	103,307,852
Franchisee expenses	514,159,284	429,015,491
Hostel expenses	996,250	57,996,361
Mobilization expenses	294,240	7,083,097
Equipment hire expenses	63,401,879	70,443,373
Royalty charges	467,881	450,664
Giveaways	194,318,871	142,412,928
Event consultancy	123,366,185	92,863,766
Banquet and hotel charges	93,049,475	70,822,323
Travelling and conveyance	47,963,917	39,675,995
Temporary manpower resources	48,441,033	31,958,975
Business promotion	41,952,761	8,107,670
Sponsorship fee	19,753,876	29,507,235
Communication	17,967,009	20,527,963
Subscription	162,057	223,591
Photography charges	5,739,846	2,302,768
Recruitment expenses	-	8,458
Insurance	741,403	1,008,377
Rent (Refer note 34)	600,000	3,536,450
Miscellaneous expense	1,833,009	887,526
	1,326,530,237	1,179,870,446

24. Purchase of traded goods

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Text books	15,830,957	34,371,451
	15,830,957	34,371,451

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

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Inventories at the beginning of the year (A)		
-Finished goods produced	57,885,505	76,349,481
-Work-in-progress	2,722,881	2,696,299
	60,608,386	79,045,780
Less: Inventories at the end of the year (B)		
-Finished goods produced	74,065,095	57,885,505
-Work-in-progress	7,312,976	2,722,881
	81,378,071	60,608,386
Net (increase)/decrease (A-B)	(20,769,685)	18,437,394



Details of Inventory of finished goods produced

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Text books	74,065,095	57,885,505
	74,065,095	57,885,505

Details of work in progress

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Text books	7,312,976	2,722,881
	7,312,976	2,722,881

26. Employee benefit expenses

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Salary, wages, bonus and other benefits	459,599,938	558,108,153
Contribution to provident and other funds (net of EDLI charges recovered from employees) (Refer note 42)	19,349,973	24,968,862
Gratuity expense (Refer note 42 and footnote i)	5,703,072	6,086,478
Leave encashment expense (Refer note 42 and footnote ii)	2,667,572	5,493,127
Staff welfare expenses	18,620,872	16,297,274
	505,941,427	610,953,894

Footnote i

During the year ended March 31, 2016, gratuity liability for project employees 2,456,525 was recorded with a corresponding recoverable under other non current assets. The same has been expensed off during the period.

Footnote ii

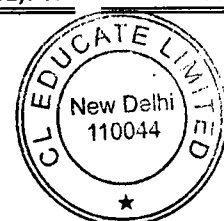
Subsidiary namely CLIP has recorded an expense of leave encashment of Nil (Previous Year ₹ 19,741) and of gratuity of Rs. Nil (previous year Rs. 57,281) which is not based on actuarial valuation.

27. Finance costs

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Interest on vehicle loans	310,924	150,884
Interest on short term borrowings	52,364,732	51,428,603
Interest on other term loans	17,289,540	10,405,685
Loan processing charges	4,345,882	4,322,085
Interest on delayed payment of statutory dues	4,497,341	4,820,821
	78,808,419	71,128,078

28. Depreciation and amortisation expenses

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Depreciation of tangible assets (Refer note 12)	35,789,310	49,480,695
Amortisation of intangible assets (Refer note 13)	28,393,430	30,134,016
	64,182,740	79,614,711



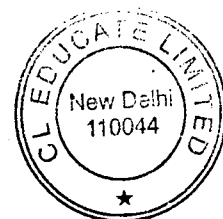
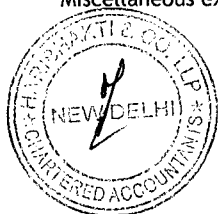
CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

29. Other expenses

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Banquet and event material expenses	1,965,131	1,675,461
Advertisement, publicity and sales promotion expenses	99,537,557	102,968,549
Travelling, conveyance and vehicle maintenance expenses	40,327,473	38,235,808
Rent expense (Refer note 34)	98,070,111	109,745,159
Communication expenses	26,352,504	22,563,279
Equipment hire charges	192,504	113,998
Office expenses	26,143,853	36,401,315
Legal and professional (Refer note 33)	24,799,624	25,927,852
Retainership fees and temporary manpower resources expenses	18,387,943	6,621,605
Printing and stationery expenses	4,977,006	4,994,547
Power and fuel	17,234,553	16,265,060
Commission to non executive directors	1,270,723	372,500
Repairs to building	7,976,207	15,939,831
Repairs to machinery	3,746,070	92,038
Repairs to other	3,809,580	10,796,793
Freight outward and forwarding	11,179,456	13,524,604
Bank charges (other than loan processing charges)	5,988,798	4,624,425
Rates, taxes and fees	4,388,319	2,894,899
Insurance	2,866,138	3,474,054
Rebates and discounts	5,718,272	5,566,771
Recruitment, training and development expenses	700,240	1,719,743
Newspaper, books and periodicals and subscriptions expenses	2,050,316	2,010,173
Fixed assets written off	906,979	-
Net loss on foreign currency transactions and translations	2,195,082	-
Loss on sale of fixed assets (net)	685,213	5,274,525
Consumption of packing materials	2,059,207	1,969,890
Provision for sales return	-	949,228
Miscellaneous balances written-off	-	291,948
Bad debts written off	54,453,548	70,306,583
Provision for doubtful debts and advances	5,373,706	1,685,332
Advances written off	10,072,608	3,506,800
Provision for slow moving inventory	1,832,424	1,931,225
Miscellaneous expenses	1,996,224	3,815,768
	487,257,369	516,259,763

---Space intentionally left blank---



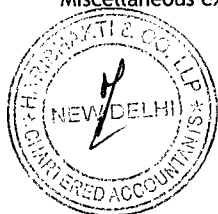
CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

29. Other expenses

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Banquet and event material expenses	1,965,131	1,675,461
Advertisement, publicity and sales promotion expenses	99,537,557	102,968,549
Travelling, conveyance and vehicle maintenance expenses	40,327,473	38,235,808
Rent expense (Refer note 34)	98,070,111	109,745,159
Communication expenses	26,352,504	22,563,279
Equipment hire charges	192,504	113,998
Office expenses	26,143,853	36,401,315
Legal and professional (Refer note 33)	24,799,624	25,927,852
Retainership fees and temporary manpower resources expenses	18,387,943	6,621,605
Printing and stationery expenses	4,977,006	4,994,547
Power and fuel	17,234,553	16,265,060
Commission to non executive directors	1,270,723	372,500
Repairs to building	7,976,207	15,939,831
Repairs to machinery	3,746,070	92,038
Repairs to other	3,809,580	10,796,793
Freight outward and forwarding	11,179,456	13,524,604
Bank charges (other than loan processing charges)	5,988,798	4,624,425
Rates, taxes and fees	4,388,319	2,894,899
Insurance	2,866,138	3,474,054
Rebates and discounts	5,718,272	5,566,771
Recruitment, training and development expenses	700,240	1,719,743
Newspaper, books and periodicals and subscriptions expenses	2,050,316	2,010,173
Fixed assets written off	906,979	-
Net loss on foreign currency transactions and translations	2,195,082	-
Loss on sale of fixed assets (net)	685,213	5,274,525
Consumption of packing materials	2,059,207	1,969,890
Provision for sales return	-	949,228
Miscellaneous balances written-off	-	291,948
Bad debts written off	54,453,548	70,306,583
Provision for doubtful debts and advances	5,373,706	1,685,332
Advances written off	10,072,608	3,506,800
Provision for slow moving inventory	1,832,424	1,931,225
Miscellaneous expenses	1,996,224	3,815,768
	487,257,369	516,259,763

---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, 2017	March 31, 2016
Profit for the year from continuing operations	A	₹	166,165,535	190,102,708
Profit for the Year from discontinuing operations	B	₹	23,400,955	24,511,208
Profit for the year	C=A+B	₹	189,566,490	214,613,916
Weighted average numbers of equity shares	D	Numbers	11,964,183	11,802,697
Add: Dilutive potential equity shares (Refer footnote i)	E	Numbers	18,187	70,372
Number of equity shares for dilutive EPS	F=D+E	Numbers	11,982,370	11,873,069
Basic earnings per share from continuing operations	A/D	₹	13.89	16.11
Diluted earnings per share from continuing operations	A/F	₹	13.87	16.01
Basic earnings per share	C/D	₹	15.84	18.18
Diluted earnings per share	C/F	₹	15.82	18.08

Footnotes

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

Weighted average number of shares

Employee stock option outstanding (Refer footnote a)

March 31, 2017	March 31, 2016
In numbers	In numbers
18,187	70,372
18,187	70,372

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.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

31 Contingent liabilities (to the extent not provided for)

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Claims against the Company not acknowledged as debt [Refer footnote (i)]	80,561,650	311,137,187
Corporate guarantees [Refer footnote (ii)]	15,000,000	15,000,000
	95,561,650	326,137,187

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

Particulars	Year Pertaining	March 31, 2017	March 31, 2016
		Amount in ₹	Amount in ₹
Service Tax (a)	July 2003 to September 2008	-	142,013,412
Service Tax (a)	October 2008 to March 2009	-	7,372,308
Service Tax (a)	April 2009 to September 2009	-	10,664,476
Service Tax (a)	October 2009 to September 2010	-	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	5,057,159	3,825,555
	Total	80,561,650	311,137,187

Amount above includes:

a. Demand for service tax aggregating Rs. 160,784,835 (previous year Rs. 160,784,835) for the period July 1, 2003 to September 30, 2010 is disputed by the Company. Penalty of Rs. 71,022,306 (previous year Rs. 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 Rs. 21,302,000 (previous year Rs. 21,302,000) against the said demand. During the year, CESTAT has allowed the appeal filed by the Company and set aside the earlier demand issued by the Commissioner of Service Tax.

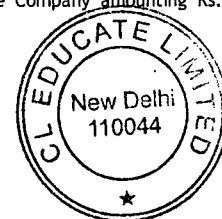
b. Demand for service tax aggregating Rs. 29,189,006 (previous year Rs. 29,189,006) for the period October 2010 to June 2012 is disputed by the Company and against which the Company has filed an appeal before Commissioner (Appeals) of Service tax.

c. Demand for service tax aggregating Rs. 3,118,307 (previous year Rs. 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 Rs. 3,100,000 (previous year Rs. 3,100,000) has also been levied under Section 15 read with Rule 15 of Cenvat Credit Rules, 2004. During the previous year, the Company had received an order passed by Commissioner (Appeals) of Service tax. The Company had preferred an appeal with CESTAT against the order of the Commissioner (Appeals) of Service tax.

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

e. Other cases

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 Rs. 19,000,000 (previous year Rs. 19,000,000) against triangle education. Triangle Education also filed a counter claim against the Company amounting Rs. 3,205,961 (previous year Rs. 3,205,961).



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

A student, has filled a case against the Company for refund of fees amounting Rs. 619,594 (previous year Rs. 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.

The Director of Industries and Commerce cum Chairman MSE- Chandigarh has sent a notice amounting Rs. 1,231,604 (including interest of Rs. 330,039) on behalf of Reivera Fabricators regarding non payment of dues on account of uniforms supplied to Indus World Schools. The Company has preferred an appeal against the same and the matter is pending for final argument.

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

Footnote ii: Corporate guarantees	Name of the guaranter	Name of the borrower	March 31, 2017	March 31, 2016
			Amount in ₹	Amount in ₹
Bank Name				
HDFC Bank Limited	CLEIS	Nalanda Foundation	15,000,000	15,000,000
Total			15,000,000	15,000,000

32 Commitments

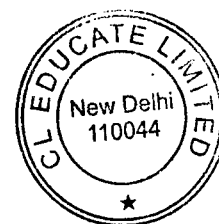
Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	-	53,014,139
Total capital commitments (A)	-	53,014,139

33 Payment to auditors (excluding service tax)

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Statutory audit	5,979,837	5,900,000
Other matters [including fee for Initial Public Offerings ('IPO')]*	7,425,000	9,200,000
Reimbursement of expenses	407,764	105,000
Total	13,812,601	15,205,000

* Till financial year 2015-16, the expenses related to IPO were recorded under loans and advances considering the IPO proceeding were not completed.

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



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34 Leases

As lessee

The Group is a lessee under various operating leases. The lease terms of these premises range from 1 to 5 years and accordingly are short term leases. Rental expense for operating lease for the year ended March 31, 2017 and March 31, 2016 was ₹ 98,670,111 and ₹ 113,281,609 respectively. Expected future minimum commitments for non-cancellable leases are as follows:

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Not later than one year	4,721,383	11,881,086
Later than one year but not later than 5 years	7,158,430	37,429
Later than 5 years	-	-
Total	11,879,813	11,918,515

As lessor

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

Lease receipts are recognized in the Statement of Profit and Loss during the year amounting ₹ 2,119,900 (Previous year Rs. 1,125,000). There are no non cancellable leases and hence disclosure relating to minimum lease receipts has not been provided.

35 Expenditure in foreign currency

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Banquet and event material expenses	7,636,995	3,751,640
Bank charges (other than loan processing charges)	574,256	122,318
Equipment hire charges	7,010,333	3,355,159
Travelling & conveyance Expenses	2,670,825	1,655,757
Rent	6,721,900	4,047,809
Salary, wages, bonus and other benefits	13,593,017	2,597,486
Giveways	9,210,121	4,907,782
Faculty expense	17,510,174	952,119
Legal and professional	4,781,451	8,349,628
Office Expenses	-	27,747
Director's Fee	239,032	414,313
Telephone Expenses	287,074	26,327
Miscellaneous	57,721,343	31,992,674
Total	127,956,521	62,200,759

36 Earnings in foreign currency

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Education and training programmes income	27,584,327	18,035,098
Sale of study material	22,165,337	20,319,944
Manpower management services	290,529	4,843,867
Marketing and sales services	17,982,294	2,729,110
Total	68,022,487	45,928,019



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

37 Un-hedged foreign currency exposure

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

Particulars	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹	Original Currency (FC)	Original Currency (FC)
Receivables in foreign currency				
- Trade receivable	50,132,764	40,718,669	AED 3,308,134 SGD 104,106 USD 13,556	AED 2,185,256 USD 20,930
- Short term loans and advances	41,514,417	53,501,538	USD 769,085 AED 9,764 SGD 29,307	USD 769,001 AED 609,778
- Cash and bank balances	4,250,267	2,902,424	AED 175,446 SGD 24,969	AED 69,719 SGD 33,519
- Security deposits	39,607	80,865	SGD 853	SGD 1645
Payables in foreign currency				
- Trade Payable	12,222,852	11,923,559	USD 83,800 AED 357,898 SGD 10,390	USD 142,555 AED 187,740
- Payable for expenses	4,068,807	4,934,773	AED 250,541 SGD 7185	AED 138,330 SGD 28,801

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

38 Related party disclosure

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

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

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



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Transactions during the year:

Particulars

1. Revenue from operations

a. Soft skill fees

- Nalanda Foundation

March 31, 2017	March 31, 2016
Amount in ₹	Amount in ₹
24,690,889	28,389,966
24,690,889	28,389,966

b. License fees

- Nalanda Foundation

2,250,000	2,750,000
2,250,000	2,750,000

c. Infrastructure Fees

- Nalanda Foundation

21,996,327	22,029,670
21,996,327	22,029,670

2. Other income

a. Interest on loans and advances

- Career launcher education foundation

- CLEF AP Trust

- Nalanda Foundation

651,200	651,200
2,573,039	2,262,475
56,025,974	47,386,202
59,250,213	50,299,877

b. Interest income on gratuity fund

- CL Media Employee Gratuity Trust

95,952	94,345
95,952	94,345

3. Managerial remuneration

Mr. Gautam Puri

Mr. Satya Narayana R

Mr. Nikhil Mahajan

6,983,268	6,814,356
6,983,268	6,814,356
6,927,528	6,786,120
20,894,064	20,414,832

4. Transfer of security deposit from

- Nalanda Foundation

-	20,000
-	20,000

5. Loans given to related party

-Career Launcher Education Foundation

-Nalanda foundation

110,240	10,000
77,612,803	37,514,252
77,723,043	37,524,252

6. Advance given for services

- Bilakes Consulting Private Limited

-	9,550,000
---	-----------

7. Conversion of account receivable into unsecured loan

- Nalanda Foundation

1,555,795	46,230,963
-----------	------------

8. Conversion of interest into unsecured loan

- Nalanda Foundation

-Career Launcher Education Foundation

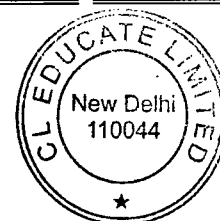
- CLEF - AP

49,196,964	37,761,845
-	2,262,475
2,573,039	-
51,770,003	40,024,320

9. Repayment of loan given

-Nalanda Foundation

89,621,145	64,079,150
89,621,145	64,079,150



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
10. Amount received on behalf of		
- Nalanda Foundation	8,453,611	-
11. Transfer of other current liability from		
- Nalanda Foundation	-	13,500
12. Shares issued during the year		
- Bilakes Consulting Pvt. Ltd.	-	47,066,660
13. Transfer of Advances		
- Bilakes Consulting Pvt. Ltd.	-	1,600,000
14. Liability transferred from		
- Nalanda Foundation	-	382,382
15. Purchase of additional shares in subsidiary company from		
- Bilakes Consulting Private Limited	-	56,074,393
16. Liability taken over (on account of Aurangabad Fees)		
- Nalanda Foundation	2,552,911	

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

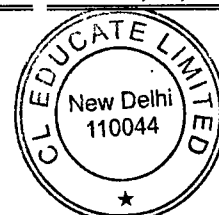


CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(c) Balance outstanding with or from related parties as at the year end:

Particulars	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
1. Short-term loans and advances		
- Career Launcher Education Foundation	132,783,492	132,673,251
- Nalanda Foundation	404,309,079	365,564,664
- CLEF - AP	20,951,886	18,378,847
	558,044,457	516,616,762
2. Long Term loans and advances		
- Bilakes Consulting Private Limited	1,600,000	1,600,000
	1,600,000	1,600,000
3. Other current assets		
a. Interest accrued on loans and advances		
- Nalanda Foundation	7,982,361	21,686,302
- Career Launcher Education Foundation	2,513,098	1,927,018
	10,495,459	23,613,320
b. Other dues from Related parties		
- Bilakes Consulting Private Limited	9,550,000	9,550,000
- Nalanda Foundation	1,080,023	1,080,023
	10,630,023	10,630,023
4. Trade Receivable		
- Career Launcher Education Foundation	7,527,875	7,527,875
- Nalanda Foundation	82,910,826	27,678,146
	90,438,701	35,206,021
5. Trade payable		
- Career Launcher Education Foundation	892,027	892,027
	892,027	892,027
6. Other current liabilities		
a. Payable for expenses		
- Career Launcher Education Infrastructure and Services Limited Employee Group Gratuity Trust	-	5,750
	-	5,750
b. Salary payable to KMPs		
- Mr. Gautam Puri	2,929,294	3,099,116
- Mr. Satya Narayanan R	3,334,768	3,209,481
- Mr. Nikhil Mahajan	3,334,768	3,245,109
	9,598,830	9,553,706
c. Payable for purchase of Investments		
- Bilakes Consulting Pvt Ltd	1,507,733	1,507,733
	1,507,733	1,507,733
7. Guarantees given on behalf of		
- Nalanda Foundation	15,000,000	15,000,000
	15,000,000	15,000,000
8. Guarantees given to Company:		
- Bilakes Consulting Private Limited (Guarantee against loans given to Career Launcher Education)	45,758,320	45,758,320
	45,758,320	45,758,320



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

Accordingly, the board of directors of these companies approved CSR Policy of the Company at its meeting held on February 16, 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Group was required to spend ₹ 10,542,022 (March 31, 2016 ₹ 5,710,047) on prescribed CSR activities. The Group is yet to undertake CSR activities and in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.

40 Employees share based payment plan

The Company has "Amended and Restated Career Launcher Employee Stock Options Plan 2014 (CL ESOP -2014)" 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 entitled to purchase one equity share for each option. Till date 312,468 (previous year 272,468) stock options have been granted under this scheme.

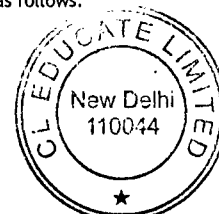
*Although a total of 250,000 options were available to be granted, these include grants that had been forfeited/lapsed, and pooled back, and granted again. At no point of time did the total number of options granted under the plan exceed 250,000.

The term and conditions related to grant of the share Options are as follows:

Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)	
Directors of the Company	2,400	3 years' service from the grant date	0.08	
Employees	154,357	3 years' service from the grant date	2.20	
Share based payment expenses			<u>March 31, 2017</u>	<u>March 31, 2016</u>
			<u>Amount in ₹</u>	<u>Amount in ₹</u>
CL ESOP -2014 (Refer footnote)			(6,207,342)	(6,026,151)

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

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



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

ESOP to directors of the Company

Particulars	March 31, 2017		March 31, 2016	
	Number of Stock Options	Weighted average exercise Price (₹)	Number of Stock Options	Weighted average exercise Price (₹)
Employees Stock Option Plan 2014				
Outstanding at the beginning of the year	4,800	300	7,200	300
Granted during the year	-	-	-	-
Exercised during the year	-	-	2,400	300
Forfeited during the year	2,400	300	-	-
Expired during the year	-	-	-	-
Outstanding at the end of year	2,400	300	4,800	300
Exercisable at year end	2,400	300	4,800	300
Vested during the year	-	-	-	-
Weighted average grant date fair value per option for option granted during the year at	-	-	-	-

ESOP to person other than directors of the Company

Particulars	March 31, 2017		March 31, 2016	
	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	160,178	339.48	200,357	336.92
Granted during the year	40,000	430.00	-	-
Exercised during the year	43,571	301.80	26,429	323.51
Forfeited during the year	-	-	-	-
Expired during the year	2,250	210.00	13,750	332.91
Outstanding at the end of year	154,357	375.46	160,178	339.48
Exercisable at year end	105,857	350.47	147,428	331.65
Vested during the year	4,250	430.00	18,750	259.87
Weighted average grant date fair value per option for option granted during the year at	-	-	-	-

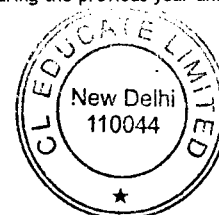
The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Dividend yield (%)	-	-
Expected volatility	0.00%	0.00%
Risk-free interest rate	7.69%	8.00%
Weighted average share price (in ₹)	496.29	495.00
Exercise price (in ₹)	210-430	210-430

*Expected volatility has been determined using historical fluctuation in share issue prices of the Company. Since, the Company got listed on March 31, 2017 no fluctuations in price of share of the Company is available on March 31, 2017 and March 31, 2016.

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

Further, CLEIS, subsidiary company has "CLEIS Employees Stock Option Plan 2008" which was terminated during the previous year and the options which were lying unvested/unexercised under the plan stood cancelled and extinguished.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

- 41 In terms of the clause 22 of chapter V micro, small and Medium enterprises development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier as at March 31, 2017 are as follows:

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period included in		
Principal amount due to micro and small enterprises	7,763,968	-
Interest due on above	-	-
	7,763,968	-

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

- -

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

- -

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

- -

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

- -

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

A Defined contribution Plan

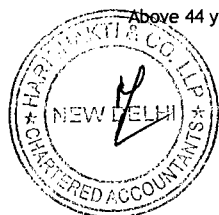
During the year, the Group has recognized the following amounts in the Consolidated Statement of Profit and Loss:

Particulars	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
Employers contribution to provident fund	19,394,153	20,995,820
Employers contribution to EDLI	125,854	424,339
Total	19,520,007	21,420,159

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

I. Actuarial assumptions

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate (per annum)	7.50%-7.69%	8%-8.13%	7.50%-7.69%	8%-8.13%
Expected rate of increase in compensation levels	8%-8.25%	8%-8.25%	8%-8.25%	8%-8.25%
Expected rate of return on plan assets	NA	NA	8.00-8.25%	8.35%
Expected average remaining working lives of employees (years)	20.80- 25.81	22.13-26.42	23.95 - 26.90	24.53-26.99
Retirement age (Years)	58	58	58	58
Mortality table	IALM (2006-08)		IALM (2006-08)	
Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
Up to 30 Years	1.52-3.00	1.28-3.00	2.62-3.13	2.08-3.00
From 31 to 44 years	1.67- 2.00	2.00- 2.09	1.06-3.76	1.77-2.00
Above 44 years	0.00-1.00	0.00-1.00	0.00-1.00	0.00-1.00



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Note:

The discount rate has been assumed at 7.50% -7.69% (previous year 8.00%- 8.13%) 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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Present value of obligation at the beginning of the year	15,446,772	11,322,633	23,007,446	21,939,127
Acquisition adjustment	-	440,550	-	639,000
Current service cost	3,959,583	4,420,129	6,709,570	6,035,398
Interest cost	1,235,914	905,601	1,841,659	1,737,755
Benefit paid	(1,713,735)	(1,765,275)	(4,333,027)	(3,405,652)
Actuarial (gain)/loss on obligation	(2,503,492)	123,134	(2,533,238)	(3,938,182)
Present value of obligation at the end of the year	16,425,042	15,446,772	24,692,410	23,007,446

III. Fair value of plan assets

Particulars	Employees Gratuity Fund	
	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Fair value of plan assets at the beginning of the year	2,779,360	3,852,499
Expected return on plan assets	235,664	323,018
Administrative expenses	(24,718)	(98,779)
Fund management charges	(69,199)	-
Contributions	2,686,717	2,905,659
Received from LIC against payment made through provision	(82,933)	(1,013,431)
Benefits paid	(2,714,079)	(3,168,367)
Actuarial gain/(loss) on plan assets	1,526	(21,239)
Adjustment on account of difference in opening balance	42,968	-
Fair value of plan assets at the end of the year	2,855,306	2,779,360

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

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Current service cost	3,959,583	4,420,129	6,709,570	6,035,398
Interest cost	1,235,914	905,601	1,841,659	1,737,755
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(235,664)	(323,018)
Net actuarial (gain)/ loss to be recognized	(2,503,492)	123,134	(2,534,764)	(3,916,943)
Expense recognised in Consolidated statement of Profit and Loss	2,692,005	5,448,864	5,780,801	3,533,192



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

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Present value of obligation as at the end of the year	16,425,042	15,446,772	24,692,410	23,007,446
Above amount comprises of:	-	-	-	-
Short term present value of obligation	449,824	448,562	264,954	323,381
Long term provision	15,975,218	14,998,210	24,427,456	22,684,065
Total (A)	16,425,042	15,446,772	24,692,410	23,007,446
Fair Value of plan assets as at the end of the year	-	-	2,855,306	2,779,360
Above amount comprises of:	-	-	-	-
Fair value of plan assets	-	-	2,855,306	2,779,360
Total (B)	-	-	2,855,306	2,779,360
Net (Asset)/ liability recognized in Balance Sheet as at year end	16,425,042	15,446,772	21,837,104	20,228,086
Amount classified as:				
Short term provision	449,824	448,562	264,954	323,381
Long term provision	15,975,218	14,998,210	21,572,150	19,904,705

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

(a) Employees Gratuity Fund

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹
PBO	24,692,410	23,007,446	21,939,127
Plan assets	2,855,306	2,779,360	3,852,499
Net assets/(liability)	(21,837,104)	(20,228,086)	(18,086,628)
Experience gain/(loss) on PBO	3,668,332	7,218,090	(266,646)
Experience gain/(loss) on plan assets	1,526	(21,239)	37,683
		March 31, 2014	March 31, 2013
		Amount in ₹	Amount in ₹
PBO		14,671,668	13,713,690
Plan assets		3,095,311	4,536,534
Net assets/(liability)		(11,576,357)	(9,177,156)
Experience gain/(loss) on PBO		1,562,687	912,031
Experience gain/(loss) on plan assets		(113,343)	(22,809)

(b) Earned Leave (unfunded)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in ₹
PBO	16,425,042	15,446,772	11,322,633
Plan assets	-	-	-
Net assets/(liability)	(16,425,042)	(15,446,772)	(11,322,633)
Experience gain/(loss) on PBO	1,240,669	(51,505)	500,349
Experience gain/(loss) on plan assets	-	-	-



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

	March 31, 2014	March 31, 2013
	Amount in ₹	Amount in ₹
PBO	8,804,567	7,316,555
Plan assets	-	-
Net assets/(liability)	(8,804,567)	(7,316,555)
Experience gain/(loss) on PBO	(22,781)	(459,295)
Experience gain/(loss) on plan assets	-	-

The plan assets of the Group are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at March 31, 2017 has not been provided by Life Insurance Corporation of India.

Particulars	Amount in ₹
Employees Gratuity Fund	11,514,425
Earned leave	3,036,577

43 Goodwill on consolidation

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Kestone Integrated Management Services Private Limited	37,438,602	37,438,602
G.K. Publications Private Limited	140,292,256	140,292,256
Career Launcher Education Infrastructure Services Private Limited	6,848,234	6,848,234
Kestone Asia Hub Pte Ltd	11,380,761	11,380,761
Accendere Knowledge Management Services Private Limited	135,133,265	135,133,265
	331,093,118	331,093,118

44 Capital work in progress:

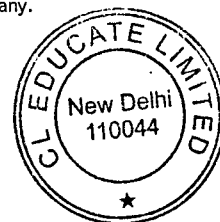
Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Opening balance	6,312,785	6,312,785
Less: Capitalisation during the year	-	-
Balance at year end	6,312,785	6,312,785

45 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 (Rs. 15,088,052) and AED 261,318 (Rs. 3,866,069) respectively. The details of the amount recoverable are as follows:

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

In the financial year 2012-13, the Company had adjusted/squared off traded receivables of AED 261,318 (Rs. 3,866,069) against the amounts payable to AED 261,318 (Rs. 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.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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

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

During the financial year 2014-15, on March 16, 2015 the Hon'ble Arbitrator has passed an award amounting AED 2,063,267 (equivalent to Rs. 35,137,437) in favour of the Company.

During the previous 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.

Subsequent to financial year 2016-17, the Company has obtained necessary documents from Delhi High Court and were submitted to Ministry of Law on April 13, 2017. The Company understand that these documents have been sent to UAE through Indian Embassy for depositing in Dubai Courts for execution. On receipt of submission detail the Company will follow up the case in Dubai court.

- 46 The Group has filed legal cases against its debtors for recovery of outstanding receivables amounting Rs. 34,482,602 (previous year Rs. 38,899,653). The Group 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 Rs. 74,093,424 (previous year Rs. 51,460,794 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.

- 47a During the previous year, the management became aware of inappropriate actions of 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.

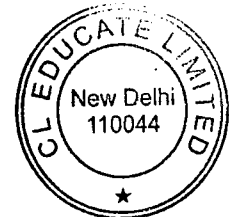
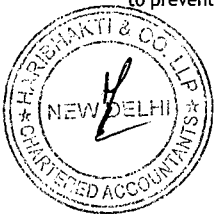
During the investigation, it was also found that large amounts of cash were transferred to various bank accounts which were in the name of the finance manager and his family members. The matter was discussed with the finance manager and he failed to provide any proper justification. From a detailed scrutiny 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 and the total misappropriation was to the tune of Rs. 4,764,402. 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;

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

- 47b During the previous year, while following up for outstanding fees payable by the students at one of the centre operated by the Company, the Company had become 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 had been able to recover Rs. 900,000 from such employees.

The management of the Company had 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.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

- 48a During the year ended March 31, 2017 pursuant to initial public offering (IPO), 2,180,119 equity shares of Rs. 10 each were allotted to public at a premium of Rs. 492 per share along with offer for sale of 2,579,881 equity shares by the selling shareholders. The proceeds of the IPO was in Escrow account as at March 31, 2017. The details of which are as under:

Particulars	No. of Shares	Price per share	Amount (Rs.)
Gross proceeds from IPO - Fresh issue	2,180,119	502	1,094,419,738
Gross proceeds from IPO - Selling shareholders	2,579,881	502	1,295,100,262
Total share issue expenses			172,731,681
Net Proceeds from IPO			2,216,788,319

The designated utilisation of net proceeds of the IPO are as below:

Objects	Amount (Rs.)	Utilised Till March 31, 2017	Remarks
Repayment of loan taken by Career Launcher Infrastructure Private Limited from HDFC Bank Limited	186,040,723	186,040,723	
Meeting the working capital requirements of CL Educate and its subsidiaries namely Keystone Integrated Marketing Services Private Limited and GK Publications Private Limited	525,000,000	-	The Company expects to utilize bulk of the remaining funds in financial year 2017-18. Pending utilization the amounts have been parked into the current account of the Company and would be deployed in Bank FDs till full amounts are utilized.
Funding Acquisitions and other strategic Initiatives	200,000,000	-	
General Corporate purposes	99,072,747	-	

- 48b The Board and shareholders of the Company had passed the resolution for IPO on August 11, 2014. Pursuant to such resolution, the Company appointed Lawyers and Bankers and submitted a Draft Red Herring Prospectus (DRHP) with Securities & Exchange Board of India (SEBI) on September 29, 2014. However, due to various strategic reasons, the Company had to withdraw the DRHP in April 2015. The Company thereafter resubmitted DRHP with SEBI, after certain restructuring, on March 16, 2016 and completed the IPO with listing on the stock exchanges by March 31, 2017.

In the course of submitting the DRHP and going for IPO, the Company incurred expenses aggregating Rs. 33,480,134 (net of service tax) towards audit and financial restatement engagement, legal counsel fees, merchant banker fees and other incidental expenses in relation to submission of DRHP on September 29, 2014. The Company also paid filing fee to SEBI and the stock exchanges.

In course of resubmission of DRHP on March 16, 2016, the Company incurred further expenses, aggregating Rs. 172,731,681 (net of service tax) towards merchant banker fees, legal counsel fees, brokerage and selling commission, auditors fees, registrar to the issue, printing and stationary expenses, advertising and marketing expenses, fees to SEBI and stock exchanges and other incidental expenses related to IPO, and accordingly summed up the total cost of entire process to Rs. 206,211,815. However, the Bankers decided to include only Rs. 172,731,681 towards cost of the IPO and same was included in the prospectus filed by the Company with the ROC. Amount of Rs. 97,924,337 have been recovered from the selling shareholders and is held in Escrow Account as at March 31, 2017 and the balance Rs. 108,287,478 (Rs. 74,807,344 agreed by the banker (Rs. 33,480,134 incurred initially) and have been adjusted against the Securities Premium in accordance with Section 52 of the Act.

- 49 On March 16, 2017, the Group entered into a Business Transfer Agreement (BTA) with B&S Strategy Services Private Limited and I-Take Care Private Limited to sale businesses of running & operating pre-schools, providing school management services and Infrastructure Services business respectively carried on by CLIP and CLEIS on a slump sale basis. The proposed sale of business is consistent with the Group's long term strategy to discontinue its K-12 business and to focus in the areas of Test Prep business.

As at March 31, 2017, the carrying value of the fixed assets and other assets in the books of CLIP and CLEIS are listed below. The process of selling the said listed assets are likely to be completed by June 30, 2017.

Accordingly, the aforesaid business is now disclosed as discontinued operations.



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

The following statement shows the revenue and expenses of the business subject to slump sale:

Particulars	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Revenue	115,111,295	124,717,595
Expenses	35,528,848	41,469,119
Profit from discontinued operations	79,582,447	83,248,476
Finance cost	30,986,801	30,437,524
Depreciation & amortisation	9,228,765	10,391,489
Profit before tax	39,366,881	42,419,463
Income tax expenses	15,965,926	17,908,255
Profit after tax	23,400,955	24,511,208

The carrying value of the assets & liabilities subject to slump sale are as follows:

	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Total Assets	770,586,194	630,389,111
Total Liabilities	5,663,175	6,608,203

The net cash flows attributable to the business subject to slump sale are stated below:

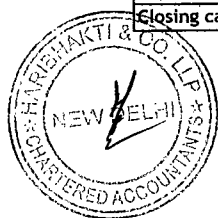
	March 31, 2017	March 31, 2016
	Amount in ₹	Amount in ₹
Operating activities	48,456,660	48,912,054
Investing activities	-	-
Financing activities	-	-

50 Pursuant to the term sheet dated December 23, 2016 with IndiaCan Education Private Limited, all the assets and liabilities of ETEN, a business division of IndiaCan, engaged in the test preparation business for chartered accountancy courses and civil services entrance examination supported by VSAT (very small aperture terminal) network in India, were acquired by the Company via Business Transfer Agreement signed on April 19, 2017 and is effective from April 01, 2017. No adjustment has been made in the current financial statement for the same.

51 Disclosure of transactions in Specified Bank Notes (SBNs) are as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	10,002,400	2,148,061	12,150,461
Permitted receipts	-	17,519,051	17,519,051
Permitted payments	-	-	-
Deposit in banks	10,002,400	10,154,623	20,157,023
Closing cash in hand as on December 30, 2016	-	9,512,489	9,512,489

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



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

52. Segment Reporting

Primary Segment

The group has identified six reportable business segments as primary segments: Education & training programme (including sale of study material), Sale of educational books, Manpower management services, Marketing and sales services, K - 12 and vocational trainings. The segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organisation structure and the internal financial reporting system.

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

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

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

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

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

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

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

For the year ended March 31, 2017

Particulars	For the year ended March 31, 2017						Amount in ₹ Total		
	Education & training programme (including sale of study material)	Vocational Training	K - 12	Sale of educational books	Manpower management services	Marketing and sales services		Others	Eliminations
Revenue									
External revenue - Continuing Operations	1,472,409,913	23,792,774	-	197,072,390	134,811,187	805,045,402	65,547,820	-	2,698,679,485
External revenue - Discontinued Operations	-	-	66,414,184	-	-	-	-	-	66,414,184
Intersegment revenue	-	-	-	262,489,397	-	4,430,651	42,537,300	(309,457,348)	-
Total revenue	1,472,409,913	23,792,774	66,414,184	459,561,787	134,811,187	809,476,053	108,085,120	309,457,348	2,765,093,669
Allocable Expenses									
Allocable Expenses - Continuing Operations	1,202,454,407	89,147,621	6,832,716	368,637,654	117,837,429	623,384,981	59,678,246	331,394,399	2,136,578,655
Allocable Expenses - Discontinued Operations	-	-	44,757,613	-	-	-	-	-	44,757,613
Results									
Segment results - Continuing Operations	269,955,506	(65,354,847)	(6,832,716)	90,924,133	16,973,758	186,091,071	48,406,874	(21,937,051)	562,100,830
Segment results - Discontinued Operations	-	-	21,656,571	-	-	-	-	-	21,656,571
Unallocated expenses									
Operating profit									329,324,934
Finance costs - Continuing Operations									254,432,467
Finance costs - Discontinued Operations									78,808,419
Other income including finance income - Continuing Operations	21,880,255	1,643,410	-	-	-	-	108,151,223	(39,800,412)	30,986,801
Other income including finance income - Discontinued Operations	-	-	-	-	-	-	48,697,111	-	91,874,476
Profit before tax									48,697,111
Income taxes									285,208,834
Net profit									95,642,344
									189,566,490



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

As at March 31, 2017

Segment assets (excluding goodwill on consolidation)

Segment assets	704,900,514	548,169,826	1,047,273,077	854,911,662	26,975,630	238,885,960	190,225,448	716,574,324	2,894,767,793
Unallocated assets									2,966,102,195
Total assets									5,860,869,988

Segment liabilities (excluding minority interest)

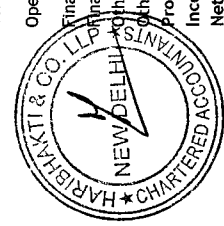
Segment liabilities	382,720,884	239,423,234	332,533,918	388,971,189	8,703,404	183,811,320	68,099,354	643,491,837	960,771,467
Unallocated liabilities									1,650,486,251
Total liabilities									2,611,257,718

Other information

Capital expenditure - allocable	53,069,260	-	1,704,465	2,961,622	-	-	-	-	57,735,347
Capital expenditure - unallocable									7,970,392
Depreciation and amortisation - allocable	34,154,764	5,539,165	2,815,891	2,709,753	-	-	901,742	4,223,369	41,897,946
Depreciation and amortisation - unallocable									31,513,559
Other significant non-cash expenses (net) - allocable	61,038,729	2,197,946	1,478,154	1,518,941	-	3,783,844	1,157,145	-	71,174,759
Other significant non-cash expenses (net) - unallocable									2,114,082

For the year ended March 31, 2016

Particulars	Amount in ₹							Eliminations	Total
	Education & training programme (including sale of study material)	Vocational Training	K - 12	Sale of educational books	Manpower management services	Marketing and sales services	Others		
Revenue									
External revenue - Continuing Operations	1,287,672,639	360,956,697	-	159,876,819	268,611,094	609,012,884	52,737,398	-	2,738,867,531
External revenue - Discontinued Operations	-	-	87,545,605	-	-	-	-	-	87,545,605
Intersegment revenue	-	-	-	219,602,844	235,260	13,602,236	78,551,611	(311,991,951)	-
Total revenue	1,287,672,639	360,956,697	87,545,605	379,479,663	268,846,354	622,615,120	131,289,009	311,991,951	2,826,413,136
Allocable Expenses									
Allocable Expenses - Continuing Operations	1,109,946,918	407,786,708	4,996,005	284,042,017	246,332,017	472,053,189	63,198,325	333,534,501	2,254,820,679
Allocable Expenses - Discontinued Operations	-	-	51,860,608	-	-	-	-	-	51,860,608
Results									
Segment results - Continuing Operations	177,725,721	(46,830,011)	(4,996,005)	95,437,646	22,514,337	150,561,931	68,090,685	(21,542,550)	484,046,854
Segment results - Discontinued Operations	-	-	35,684,997	-	-	-	-	-	35,684,997
Unallocated expenses									
Operating profit									249,646,671
Finance costs - Continuing Operations									270,085,180
Finance costs - Discontinued Operations									71,128,078
Other income including finance income - Continuing									30,437,524
Other income including finance income - Discontinued									84,031,285
Profit before tax	25,780,838	7,170,018							37,171,990
Income taxes									289,722,853
Net profit									75,108,937



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

As at March 31, 2016

Segment assets (excluding goodwill on consolidation)

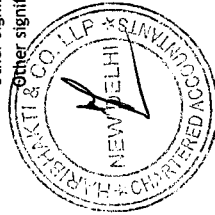
Segment assets	628,843,364	658,836,163	969,536,647	638,499,072	45,088,354	125,174,937	203,111,518	616,425,731	2,652,664,324
Unallocable assets									873,921,621
Total assets									<u>3,526,585,945</u>

Segment liabilities (excluding minority interest)

Segment liabilities	389,904,177	309,599,334	275,399,034	302,933,939	22,458,892	159,561,341	60,868,519	576,810,675	943,914,561
Unallocable liabilities									501,687,887
Total liabilities									<u>1,445,602,448</u>

Other information

Capital expenditure - allocable	14,347,960	26,875,000	2,129,569	143,735	-	-	8,276,313	4,030,000	47,742,577
Capital expenditure - unallocable									13,901,800
Depreciation and amortisation - allocable	33,721,911	21,081,827	13,270,121	2,949,460	-	13,261	5,066,317	4,168,902	71,933,995
Depreciation and amortisation - unallocable									18,072,205
Other significant non-cash expenses (net) - allocable	52,282,678	10,043,783	199,694	3,518,939	-	53,320	3,371,593	-	69,470,007
Other significant non-cash expenses (net) - unallocable									560,148



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Secondary Segment

The group has identified geographical segment as secondary segment.

Financial information about the geographic segment is given below:

For the year ended March 31, 2017

Particulars	Within India	Overseas	Total
Segment revenue	2,698,941,852	66,151,817	2,765,093,669
Segment assets	5,836,973,091	23,896,897	5,860,869,988
Segment liabilities	2,578,771,468	32,486,250	2,611,257,718
Capital expenditures	65,705,739	-	65,705,739

For the year ended March 31, 2016

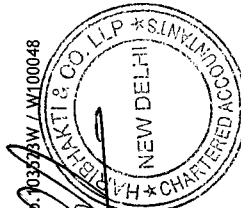
Particulars	Within India	Overseas	Total
Segment revenue	2,788,058,094	38,355,042	2,826,413,136
Segment assets	3,499,086,919	27,499,026	3,526,585,945
Segment liabilities	1,439,733,190	5,869,258	1,445,602,448
Capital expenditures	61,644,377	-	61,644,377

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

As per our report of even date

For Haribhakti & Co., LLP
 Chartered Accountants
 ICAI Firm Registration No. 035573W / W100048

Raj Kumar
 Partner
 Membership No.: 074715



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

Gautam Puri
 Vice Chairman & MD
 DIN: 00033548
 Rachna Sharma
 Company Secretary
 ICSI M. No.: A17780



Nikhil Mahajan
 Director and CFO
 DIN: 00033404

Place: New Delhi
 Date : May 29, 2017

Place: New Delhi
 Date : May 29, 2017