
CL Educate Limited

Statutory Audit for the year
ended March 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of CL Educate Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CL Educate Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 standalone financial statements are free from material misstatement.

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

accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors 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 Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31 on Contingent Liabilities and Note 45 in respect of other pending litigations;

(ii) The Company 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 Company.

(iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management (Refer Note No. 49 to the 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

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the standalone financial statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted unsecured loans to companies and other parties covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company to 2 parties covered in the register maintained under Section 189 of the Act, (total loan amount granted during the year Rs. 110,240 and balance outstanding as at balance sheet date Rs. 53,846,311) are prejudicial to the Company's interest on account of the fact that the Company is not charging any interest on such loans.
- (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated and thus we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
- (c) In respect of the aforesaid loans, as the schedule of repayment of principal has not been stipulated, we are unable to comment whether there is any overdue amount of loans granted to company and other parties listed in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanation given to us in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, except for the details given below:

Nature of non-compliance	Name of Company/party	Amount granted during the year	Balance as at March 31, 2016
Loan given at rate of interest lower than prescribed	Kestone Asia Hub Pte Ltd.	Nil	833,500
	Career Launcher Education Foundation	110,240	53,012,811



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

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

Name of the statute	Nature of the dues	Amount ₹	Period to which amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance Tax	3,432,887	April 1, 2016 to June 30, 2016	June 15, 2016	Not yet paid
Income Tax Act, 1961	Advance Tax	6,865,773	July 1, 2016 to September 30, 2016	September 15, 2016	Not yet paid

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

Name of the statute	Nature of dues	Amount Disputed Rs.	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	16,635,768	-	October 2010 to September 2011	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Service Tax	12,553,238	-	October 2011 to June 2012	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Cenvat credit reversal	4,648,826	-	September 2004 to March 2007	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Cenvat credit reversal	1,569,481	-	October 2007 to March 2008	Central Excise and Service Tax Appellate Tribunal, New Delhi



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Name of the statute	Nature of dues	Amount Disputed Rs.	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Cenvat credit reversal	40,097,178	-	April 2008 to March 2012	Central Excise and Service Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	35,557,912	-	FY 2002-03 to FY 2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	27,330,519	-	FY 2006-07 to 2008-09	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	38,064,894	-	FY 2009-10	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	15,716,776	-	FY 2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Tax deducted at Source	87,668,910	-	FY 2011-12	Income Tax Appellate Tribunal, New Delhi

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. There are no debenture holders.
- (ix) The Company has made an initial public offer during the year. As explained in Note no. 47 of financial statements, the net proceeds in respect of shares issued in initial public offer were received on March 31, 2017. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public issue offer during the year for the purposes for which they were raised and the details of utilised/unutilised amount are as under:

Objects	Amount (Rs.)	Utilised Till March 31, 2017	Remarks
Repayment of loan taken by CLIP (step down subsidiary) from HDFC Bank Limited	186,040,723	186,040,723	-
Meeting the working capital requirements of CL Educate and its subsidiaries namely Kestone Integrated Marketing Services Private Limited and GK Publications Private Limited	525,000,000	Nil	The Company expects to utilize remaining funds in financial year 2017-18. Pending utilization the amounts is presently lying in the current account of the Company.



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Funding Acquisitions and other strategic Initiatives	200,000,000	Nil	---Do---
General Corporate purposes	108,571,671	Nil	---Do---

Further, in our opinion and according to the information and explanations given to us, the Company has utilized the term loans for the purposes for which they were obtained.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



(Raj Kumar Agarwal)
Partner
Membership No. 074715



Place: New Delhi
Date: May 29, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the financial statements for the year ended March 31, 2017]

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

We were engaged to audit the internal financial controls over financial reporting of CL Educate Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as



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necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:


- a) 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 company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, 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 ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

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
Balance Sheet as at March 31, 2017

		March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	141,632,780	119,395,880
Reserves and surplus	4	3,477,653,309	2,442,117,297
		3,619,286,089	2,561,513,177
Non-current liabilities			
Long-term borrowings	5	31,559,304	45,856,573
Deferred tax liabilities (net)	6	21,411,598	14,542,392
Long-term provisions	7	24,448,009	22,927,652
		77,418,911	83,326,617
Current liabilities			
Short-term borrowings	8	331,180,610	330,530,375
Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small		431,391,570	455,281,474
Other current liabilities	10	1,465,004,937	321,587,312
Short-term provisions	7	570,943	596,336
		2,228,148,060	1,107,995,497
Total		5,924,853,060	3,752,835,291
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	11	373,513,862	329,392,731
- Intangible assets	12	118,182,638	103,049,415
Non-current investments	13	1,716,156,056	1,716,362,934
Long-term loans and advances	14	50,366,448	62,199,355
Other non-current assets	15	121,164,690	112,030,033
		2,379,383,694	2,323,034,468
Current assets			
Inventories	16	47,600,580	42,125,606
Trade receivables	17	856,291,452	843,799,297
Cash and bank balances	18	2,146,226,138	79,910,548
Short-term loans and advances	19	483,800,683	392,025,740
Other current assets	20	11,550,513	71,939,632
Total		3,545,469,366	1,429,800,823
		5,924,853,060	3,752,835,291

Summary of significant accounting policies 2

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

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W/W100048

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date : May 29, 2017



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

Gautam Puri

Vice Chairman & MD

DIN: 00033548

Place: New Delhi

Date : May 29, 2017

Nikhil Mahajan

Director & CFO

DIN: 00033404

Rachna Sharma

Company Secretary

ICSI M. No.: A17780



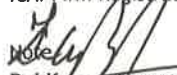
CL Educate Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
Income			
Revenue from operations	21	1,478,359,741	1,643,539,548
Other income	22	84,941,749	85,974,009
Total Revenue		1,563,301,490	1,729,513,557
Expenses			
Purchases of traded goods	23	121,891,582	153,740,164
(Increase)/decrease in inventory of traded goods	24	(6,595,954)	2,787,546
Cost of services	25	625,795,812	719,136,270
Employee benefits expense	26	240,453,373	248,005,322
Finance costs	27	52,507,738	51,817,104
Depreciation and amortisation expenses	28	47,885,988	62,195,280
Other expenses	29	373,784,395	427,243,121
Total expenses		1,455,722,934	1,664,924,807
Profit before tax		107,578,556	64,588,750
Income tax expense:			
- Current tax		28,270,000	23,737,000
- Deferred tax charge/(benefit)	6	6,869,206	(3,315,351)
Total tax expenses		35,139,206	20,421,649
Profit after tax		72,439,350	44,167,101
Earnings per equity share			
Nominal value of Rs. 10 each (Previous year Rs. 10 each)	30		
- Basic		6.05	3.74
- Diluted		6.05	3.72
Summary of significant accounting policies	2		

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

As per our report of even date.

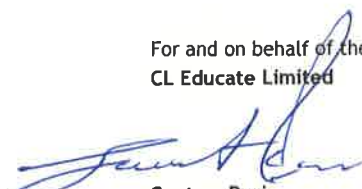
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.:103523W/W100048


Raj Kumar Agarwal
Partner
Membership No.:074715



Place: New Delhi
Date : May 29, 2017

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


Gautam Puri
Vice Chairman & MD
DIN: 00033548


Nikhil Mahajan
Director & CFO
DIN: 00033404


Rachna Sharma
Company Secretary
ICSI M. No.: A17780

Place: New Delhi
Date : May 29, 2017



CL Educate Limited
Cash Flow Statement for the year ended March 31, 2017

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
A Cash flow from operating activities		
Net profit before tax	107,578,556	64,588,750
Adjustments for:		
Depreciation and amortisation on fixed assets	47,885,988	62,195,280
Depreciation and amortisation on investments property	206,878	207,445
Finance costs	48,078,942	48,002,889
Loan processing charges	1,375,414	1,354,536
Interest on delay in payment of taxes	3,053,382	2,459,679
Interest income	(18,808,459)	(24,825,744)
Loss on sale of fixed assets	23,928	5,252,963
Rent income on investments property	(2,119,900)	(1,125,000)
Advances written off	9,831,329	921,811
Bad debts written off	50,882,473	69,566,398
Provision for doubtful advances	1,464,732	750,000
Provision for doubtful debts	1,148,581	935,332
Provision for obsolescence of inventory	1,120,982	-
Liability no longer required written back	(18,187,379)	(16,070,574)
Transfer to stock options outstanding	(6,207,342)	(6,026,151)
Unrealised foreign exchange gain	(1,790,320)	(286,798)
Operating profit before working capital changes	225,537,785	207,900,816
Adjustments for (Increase)/decrease in operating assets		
Trade receivables	(62,523,274)	(378,762,562)
Other current assets	-	800,000
Non current assets		
Long term loans and advances	(4,377,819)	(714,001)
Short term loans and advances	69,930,405	(110,288,705)
Inventories	(6,595,956)	2,620,622
Adjustments for increase/(decrease) in operating liabilities		
Other current liabilities	1,165,322,362	17,475,469
Long term provisions	1,520,357	3,499,080
Short term provisions	(25,393)	93,315
Trade payables	(5,921,289)	229,662,036
Cash (used in)/generated from operations	1,382,867,178	(27,713,930)
Taxes paid	(12,387,110)	(15,557,497)
Net cash generated from operating activities	1,370,480,068	(43,271,427)
B Cash flow from investing activities:		
Purchase of investment of in subsidiaries (net of payable for investments)	(15,000,000)	(164,206,360)
Purchase of fixed assets (net)	(59,901,822)	(43,841,836)
Disposal of fixed assets	60,000	4,320,000
(Proceeds)/investments in deposits not considered as cash and cash equivalents (net)	(9,521,540)	47,167,667
Loans given to subsidiaries (including conversion of interest and receivables)	(231,933,300)	(60,892,847)
Interest income received	19,591,725	25,587,633
Rent income on investments property	2,119,900	1,125,000
Proceeds from realisation of loan given to subsidiaries (including adjustments)	58,986,946	61,581,297
Net cash (used in) Investing activities	(235,598,091)	(129,159,445)

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CL Educate Limited
Cash Flow Statement for the year ended March 31, 2017

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C Cash flow from financing activities:

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Proceeds from issue of equity shares	22,236,900	2,944,330
Securities premium received on equity shares (net of share issue expenses)	977,045,210	162,866,763
Proceeds from long-term borrowings	15,000,000	32,294,462
Repayment of long-term borrowings	(31,439,521)	(54,577,892)
Net increase in working capital borrowings	650,235	93,997,155
Loan processing fee paid	(1,375,414)	(1,354,536)
Interest paid	(51,177,922)	(50,393,400)
Net cash generated from financing activities	930,939,488	185,776,882
Net Increase in cash and cash equivalents	2,065,821,465	13,346,010
Unrealised foreign exchange gain on cash and cash equivalents	107,243	15,338
Cash and cash equivalents at beginning of the year	76,158,464	62,797,116
Cash and cash equivalents at end of the year	2,142,087,172	76,158,464
Cash and cash equivalents comprise		
Fixed deposits shown under cash and bank balances:		
- on current accounts	2,132,534,978	68,482,619
- Cheques/ drafts on hand	3,242,683	4,095,211
- Cash on hand	6,309,510	3,580,634
	2,142,087,171	76,158,464
Add:		
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	2,569,929	2,392,109
- 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 (Refer note 18)	2,146,226,138	79,910,548

Notes :

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

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

Place: New Delhi
Date : May 29, 2017



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

Gautam Puri
Vice Chairman & MD
DIN: 00033548

Place: New Delhi
Date : May 29, 2017

Nikhil Mahajan
Director & CFO
DIN: 00033404

Rachna Sharma
Company Secretary
ICSI M. No.: A17780



CL Educate Limited

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

2. Summary of significant accounting policies

(i) Basis for preparation of Financial Statements:

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

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

(ii) Use of estimates

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

(iii) Revenue recognition

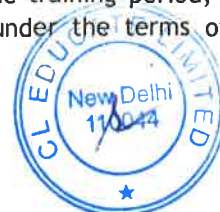
Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured.

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

Revenue from services

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

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



CL Educate Limited

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

Revenue from sale of text books

Sale of text books for full course is recognised at the time of receipt of first payment on account of test preparation services provided by the Company and is recorded net of discounts and taxes, if any.

Other operating income

- Revenue in respect of one-time license fee received from the franchisees is recognised on execution of the contract.
- Revenue from licensing of content given for a long term period and dependent on percentage of revenue earned by the licensee is recognised as and when the right to receive payment is established.

Other Income

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

Interest

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

Dividend

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

Unbilled revenue

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

Unearned revenue

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

iv. *Grant*

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

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

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



CL Educate Limited

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

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

(v) Fixed assets

Tangible assets

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

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

Intangible assets

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

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

(vi) Depreciation and amortisation

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

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

The useful lives of the assets are as under:

Particulars

Useful life (years)

Tangible assets:

Leasehold land

90 (period of lease)

Building

60

Furniture and fixtures

8-10

Plant & Machinery

15

Office equipment

5

Vehicle

8-10



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

Computer equipment	3
Computer servers and networks	6
Leasehold improvements	Lesser of 3 years and period of lease

Intangible assets:

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

(vii) Impairment of assets

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

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

(viii) Borrowing cost

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

(ix) Leases:*Where the Company is lessee*

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

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

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



Where the Company is the lessor

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

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

(x) Investment property

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

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

Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management, which are equal to useful lives specified as per Schedule II to the Act.

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

(xi) Investments other than investments property

Accounting treatment

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

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

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

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



Classification in the financial statements as per requirements of Schedule III

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

(xii) Inventories

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

(xiii) Employee Benefits

Short term employee benefits:

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

Long term employee benefits:

i. Defined contribution plan: Provident fund

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

ii. Defined Benefit Plan: Gratuity

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

iii. Other long-term benefits: Leave encashment

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



CL Educate Limited

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

iv. Employee stock option scheme

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

(xiv) Foreign exchange transactions

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Translation of integral and non integral foreign operations

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

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

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

(xv) Taxation

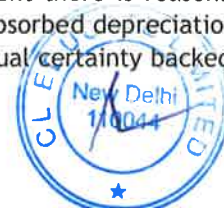
Tax expense for the year comprising current tax, deferred tax charge or benefit and MAT credit entitlement is included in determining the net profit for the year.

Current tax

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

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by



CL Educate Limited

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

convincing evidence of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

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

Minimum alternate tax

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

(xvi) Provisions, contingent liabilities and contingent assets

Provision

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

Contingent liabilities

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

Contingent assets

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

(xvii) Cash and cash equivalents

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

(xviii) Exceptional items

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

(xix) Earnings per share

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



CL Educate Limited

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

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

(xx) Segment Reporting

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

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

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

(xxi) Share issue expenses

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

(xxii) Material Events

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

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CL Educate Limited

Notes to the 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
	16,000,000	160,000,000	16,000,000	160,000,000
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
	14,163,278	141,632,780	11,939,588	119,395,880

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	14,163,278	141,632,780	11,939,588	119,395,880

Footnote 1.

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. (Refer footnote i of note 13)

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 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) The Company does not have any holding Company.

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

1) Class-I shares-Equity shares

Name of share holders	March 31, 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%
Bilakes 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.

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

1) Class-I shares-Equity shares

	March 31, 2017	March 31, 2016
	Numbers	Numbers
	In aggregate	In aggregate
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	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.

g) 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 Financial Statements for the year ended March 31, 2017

Shares reserved for issue under options

h) Employees stock option schemes (ESOP) (refer note 34)

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

Pursuant to the resolution passed by the Board of Directors at its meeting on March 6, 2008 and the Special Resolution passed by the members in the EGM held on March 31, 2008, the Company introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants. As at March 31, 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"



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

4. Reserves and Surplus

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
4.1. Securities premium account		
Opening balance	2,008,359,668	1,845,492,905
(+) Securities premium received		
-on issue of equity shares [Refer footnote i of 3 (b)]	1,072,618,548	-
-on issue of equity shares consideration other than cash	-	154,050,320
-on issue of ESOP	12,714,140	8,981,860
(-) Share issue expenses (Refer note 47b)	(108,287,478)	(165,417)
Closing balance	2,985,404,878	2,008,359,668
4.2. Capital reserves		
Opening balance	19,939	19,939
Closing balance	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	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 20)	(7,741,206)	(4,098,713)
(-) Less: Transferred to general reserve	-	(685,322)
Closing balance	14,426,449	28,374,997
4.5. Surplus in the Statement of Profit and Loss		
Opening balance	398,893,115	354,726,014
(+) Net profit for the year	72,439,350	44,167,101
Closing balance	471,332,466	398,893,115
Total reserves and surplus	3,477,653,309	2,442,117,297

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CL Educate Limited

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

5. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Term loans (secured)				
-From banks				
a) Vehicle loans (Refer footnote i)	838,063	1,573,930	735,869	1,186,814
b) Other term loans (Refer footnote ii)	12,566,178	24,536,846	11,947,843	19,612,033
Term loans (unsecured)				
-From others	18,155,063	19,745,797	14,690,052	8,717,169
a) Term loan (Refer footnote iii)				-
The above amount includes				
Amount disclosed under the head "Other current liabilities" (Refer note 10)	-	-	(27,373,764)	(29,516,016)
Net amount	31,559,304	45,856,573	-	-

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	Rate of Interest	Equal monthly installment (EMI)	Date of Last EMI
	Amount in Rs.		Amount in Rs.	
Loan 1	558,383	14.00%	27,821	February 5, 2019
Loan 2	256,550	14.00%	12,782	February 5, 2019
Loan 3	758,999	14.00%	37,816	February 5, 2019
	1,573,932			

For amount outstanding as at March 31, 2016

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

ii. Secured term loans from bank-other term loans

The Company had entered into a finance facility agreement with limit amounting Rs. 510,000,000 (previous year Rs. 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 Rs. 50,000,000 and Rs. 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.



CL Educate Limited

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

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

The loan of Rs. 44,000,000 is repayable in 48 equal monthly installments of Rs. 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 are further secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Company.

These loans are part of overall limit sanctioned by the bank to the Company, which comprise term loans as detailed above, overdraft facility upto Rs. 385,000,000 (Previous year Rs. 440,000,000) (disclosed in short term borrowings in the financial statements), cash management facility of Rs. 2,500,000 (Previous Year Rs. 2,500,000) and overdraft against credit card receivables of Rs. 15,000,000 (availed) (Previous Year Rs. 15,000,000). Securities mentioned above are securities provided by the Company for such overall limit.

iii. Term Loan- from others

Unsecured loans represent 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 Rs. 15,000,000 which is repayable in 36 equal monthly installments of Rs. 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 Rs. 30,000,000 which is repayable in 36 equal monthly installments of Rs. 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.



CL Educate Limited

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

Aggregate amount of loans guaranteed by directors of the Company Rs. 388,539,746 (previous year Rs. 403,142,220) [Includes amount of Rs. 26,637,895 (previous year Rs. 28,329,202) disclosed under other current liabilities as current maturities of long term borrowing (Refer note 10)] and short term borrowings amounting Rs. 331,180,610 (previous year Rs. 330,530,375) (Refer note 8).

6. Deferred tax liabilities

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the increase in net Deferred Tax Liability of Rs. 6,869,206 for the current year has been recognised as charge in the 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 Liabilities as at March 31, 2017.

	March 31, 2017 Amount in Rs.	Charge/(benefit) Amount in Rs.	March 31, 2016 Amount in Rs.
Deferred tax assets			
Provision for gratuity	3,724,676	(104,871)	3,619,805
Provision for leave encashment	4,358,570	(200,639)	4,157,931
Provision for loans and advances	14,411,469	(280,328)	14,131,141
Provision for incentive	2,909,806	3,061,077	5,970,883
Provision for doubtful debts	689,004	(379,755)	309,249
Provision for obsolescence of inventory	508,559	(370,630)	137,929
	<u>26,602,084</u>	<u>1,724,854</u>	<u>28,326,938</u>
Deferred tax liabilities			
On account of depreciation	48,013,682	5,144,352	42,869,330
Total deferred tax liabilities	<u>48,013,682</u>	<u>5,144,352</u>	<u>42,869,330</u>
Net deferred tax liabilities	<u>21,411,598</u>	<u>6,869,206</u>	<u>14,542,392</u>

7. Provisions (Refer Note 33)

	Long-term		Short-term	
	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Provision for employees benefits				
Provision for gratuity	11,662,549	10,753,645	172,587	193,420
Provision for leave encashment	12,785,460	12,174,007	398,356	402,916
	<u>24,448,009</u>	<u>22,927,652</u>	<u>570,943</u>	<u>596,336</u>

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

8. Short-term borrowings

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Secured, from bank, repayable on demand		
-Cash credit (Refer footnote i)	331,180,610	330,530,375
	331,180,610	330,530,375

Footnotes (i)

Overdraft from Kotak Mahindra Bank

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

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

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

9. Trade payables

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Trade payables		
- Related parties (Refer note 43)	329,084,989	331,470,841
- Others	102,306,581	123,810,633
	431,391,570	455,281,474

Footnote:

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

10. Other current liabilities

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Current maturities of long term borrowing (Refer note 5)		
Term Loans- secured		
- From Banks- Vehicle loan (Refer footnote i of note 5)	735,869	1,186,814
- From Banks- Term loan (Refer footnote ii and iii of note 5)	11,947,843	19,612,033
- From Others- Term loan (Refer footnote iii of note 5)	14,690,052	8,717,169
Interest accrued but not due on borrowings	684,545	730,143
Unearned revenue on education and training services	73,075,689	127,895,472
Advance from customers	3,528,147	16,898,000
Payable for purchase of fixed assets		
- Related party (Refer note 42 and 43)	170,540	1,181,531
- Others (Refer note 42)	1,691,165	5,550,206
Payables for purchase of investments		
- Related party (Refer note 43)	1,507,733	1,507,733
- Others	10,000,000	25,000,000
Employee related payables	38,384,769	42,705,171
Statutory dues payable	17,680,149	11,295,811
Payables for expenses		
- Related party (Refer note 42 and 43)	5,683,519	607,103
- Selling shareholders	1,177,431,228	-
- Others (Refer note 42)	107,793,689	58,700,126
	1,465,004,937	321,587,312

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

11. Tangible assets*
Current year

Particulars	Gross block (at cost)				Accumulated depreciation			Amount in Rs.	
	As at April 1, 2016	Additions/ Adjustments	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2017	Net block As at March 31, 2017
Leased assets									
Land (Refer footnote ii)	20,043,350	51,864,647	-	71,907,997	2,592,125	210,096	-	2,802,221	69,105,776
Owned assets									
Building (Refer footnote i)	303,750,926	-	-	303,750,926	30,100,688	4,799,062	-	34,899,750	268,851,176
Plant & machinery	9,558,757	33,601	-	9,592,358	6,469,953	472,797	-	6,942,750	2,649,608
Leasehold improvement	26,239,995	8,503,195	-	34,743,190	20,705,461	4,979,434	-	25,684,895	9,058,295
Furniture and fixtures	5,834,117	681,519	-	6,515,636	3,122,126	498,544	-	3,620,670	2,894,966
Vehicles	12,616,453	-	924,448	11,692,005	8,712,649	1,094,650	840,520	8,966,779	2,725,226
Office equipment	19,311,644	2,218,594	-	21,530,238	14,796,331	1,521,568	-	16,317,899	5,212,339
Computers	49,302,528	1,539,904	-	50,842,432	30,765,706	7,060,250	-	37,825,956	13,016,476
Total	446,657,770	64,841,460	924,448	510,574,782	117,265,039	20,636,401	840,520	137,060,920	373,513,862

*Tangible assets are subject to first *pari passu* charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts. (See note 5 & 8).

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 amounting Rs. 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. However, during the year, due to non availability of buyers the same has been re-classified in fixed assets.



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

Particulars	Gross block (at cost)				Accumulated depreciation			Amount in Rs.	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2016	Net block As at March 31, 2016
Leased assets									
Land (Refer footnote ii)	20,043,350	-	-	20,043,350	2,381,454	210,671	-	2,592,125	17,451,225
Owned assets									
Building (Refer footnote i)	303,750,926	-	-	303,750,926	25,288,478	4,812,210	-	30,100,688	273,650,238
Plant & machinery	9,558,757			9,558,757	5,996,516	473,437	-	6,469,953	3,088,804
Leasehold improvement	23,656,108	2,583,887		26,239,995	17,054,659	3,650,802	-	20,705,461	5,534,534
Furniture and fixtures	5,381,978	452,139		5,834,117	2,687,321	434,805	-	3,122,126	2,711,991
Vehicles	12,616,453			12,616,453	7,357,546	1,355,103	-	8,712,649	3,903,804
Office equipment	17,729,546	1,582,098		19,311,644	13,506,898	1,289,433	-	14,796,331	4,515,313
Computers	48,750,371	27,622,157	27,070,000	49,302,528	25,745,707	22,517,036	17,497,037	30,765,706	18,536,822
Total	441,487,489	32,240,281	27,070,000	446,657,770	100,018,579	34,743,497	17,497,037	117,265,039	329,392,731

*Tangible assets are subject to first *pari passu* charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts. (See note 5 & 8).
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 amounting Rs. 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. (Refer note 20).



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

12. Intangible assets*
Previous year

Particulars	Gross block (at cost)			Accumulated amortisation			Net block As at March 31, 2016	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation for the year		Disposals/ Adjustments
Owned assets								
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	81,219,434	13,663,848	-	71,264,713
Softwares	12,147,964	2,649,343	-	14,797,307	10,132,138	741,941	-	3,923,228
Content development	39,622,705	9,002,809	-	48,625,514	13,780,919	7,370,855	-	27,473,740
License fees	2,800,000	-	-	2,800,000	1,908,120	891,880	-	-
CAT online module	7,641,070	1,052,000	-	8,693,070	3,522,077	4,783,259	-	387,734
Total	228,359,734	12,704,152	-	241,063,886	110,562,688	27,451,783	-	103,049,415

*Intangible assets are subject to first pari passu charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts. (See note 5 & 8).

Footnote (i):
Content Development includes internally generated intangible assets

Particulars	Gross block (at cost)			Accumulated amortisation			Net block As at March 31, 2016	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation for the year		Disposals/ Adjustments
Content Development	-	1,945,176	-	1,945,176	-	83,861	-	1,861,315



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

13. Non-current investments

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
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
Closing balance (A)	11,084,609	11,291,487
Equity shares in subsidiary companies (Trade, un-quoted, at cost)		
9,447,606 (Previous year 9,447,606) fully paid up equity shares of Rs. 10 each of Career Launcher Education Infrastructure and Services Limited [Refer footnote (i) of 3(b)]	1,352,842,769	1,352,842,769
10,000 (Previous year 10,000) fully paid up equity shares of Rs. 10 each of CL Media Private Limited	100,000	100,000
1,000,000 (Previous year 1,000,000) fully paid up equity shares of Rs. 10 each of Kestone Integrated Marketing services Private Limited.	69,100,000	69,100,000
190,000 (Previous year 190,000) fully paid up equity shares of Rs. 10 each of G.K. Publications Private Limited	143,388,978	143,388,978
6,120 (Previous year 6,120) fully paid of equity shares of Rs. 10 each of Accendere Knowledge Management Services Private Limited [Refer footnote (i) of 3(b)]	134,639,700	134,639,700
Closing balance (B)	1,700,071,447	1,700,071,447
Equity shares in other 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
Closing balance (C)	5,000,000	5,000,000
Closing balance (A+B+C)	1,716,156,056	1,716,362,934
The aggregate book value of unquoted non current investment are as follows:		
	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Aggregate book value of unquoted non current investment	1,705,071,447	1,705,071,447

Till financial year 2015-16, The Company has given an undertaking to HDFC Limited against the loan of Rs. 280,000,000 taken by Career Launcher Infrastructure Private Limited (CLIP), a subsidiary company of its subsidiary named Career Launcher Education Infrastructure and Services Limited (CLEIS), that it will continue to hold atleast 51% of equity shares of CLEIS throughout the tenure of said loan. However, during the current year loan has been repaid by CLIP and accordingly, the said undertaking shall stand cancelled and extinguished.

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



14. Long-term loans and advances

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Unsecured, considered good, unless otherwise stated		
Capital advances	38,224	366,060
Security deposits	16,767,819	12,329,000
Subtotal (A)	16,806,043	12,695,060
Service tax paid under protest	21,302,000	21,302,000
Loans and advances to employees	-	61,000
Advance income-tax [(net of provision for tax of Rs. 200,459,800 (P.Y. Rs. 172,189,800)]	12,258,405	28,141,295
Subtotal (B)	33,560,405	49,504,295
Total (A+B)	50,366,448	62,199,355

15. Other non-current assets

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Unsecured, considered good		
Non-current bank balances (Refer note 18)	121,164,690	112,030,033
	121,164,690	112,030,033

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

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Traded goods		
- Text books	49,138,730	42,542,776
Less: Provision for obsolescence of inventory	1,538,150	417,170
	47,600,580	42,125,606

17. Trade receivables

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment (Refer footnote i & ii)		
- Considered good	649,421,440	491,284,040
- Considered doubtful	2,083,913	935,332
	651,505,353	492,219,372
Less: Provision for doubtful trade receivables	2,083,913	935,332
	649,421,440	491,284,040
Others (Refer footnote ii)	206,870,012	352,515,257
	856,291,452	843,799,297

Footnote:

- i. Refer note 44 for long outstanding receivables amounting Rs. 13,634,645 (previous year Rs. 13,930,740) considered good.
ii. Includes amounts from related party (refer Note 43).



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

18. Cash and bank balances

	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Cash and cash equivalents				
Balances with banks:				
- on current accounts (Refer note 47 and i)	-	-	2,132,534,978	68,482,619
Cheques/ drafts on hand	-	-	3,242,683	4,095,211
Cash on hand	-	-	6,309,510	3,580,634
	-	-	2,142,087,171	76,158,464
Other bank balances				
- in 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	-	-	2,569,929	2,392,109
- Margin money deposits and under lien deposits (Refer footnote ii)	121,164,690	112,030,033	1,549,636	1,333,620
	121,164,690	112,030,033	2,146,226,138	79,910,548
Amount disclosed under other non-current assets (Refer note 15)	(121,164,690)	(112,030,033)	-	-
	-	-	2,146,226,138	79,910,548

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.

Footnote: 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,

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).

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

19. Short term loans and advances

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Security deposits		
Unsecured, considered good, unless otherwise stated		
- Considered good	36,038,773	17,809,298
- Considered doubtful	2,804,998	1,386,266
	38,843,771	19,195,564
Less: provision for doubtful balance	2,804,998	1,386,266
Subtotal (A)	36,038,773	17,809,298
Loans and advance to related parties (Refer note 43)		
- Considered good	301,223,698	128,277,344
- Considered doubtful	833,500	1,404,371
	302,057,198	129,681,715
Less: Provision for doubtful advances	833,500	1,404,371
Subtotal (B)	301,223,698	128,277,344
Other receivables from related parties (Refer note 43)		
Considered good		
- on account of transfer of fixed assets	317,378	1,393,621
- others	49,087,270	67,294,385
Subtotal (C)	49,404,648	68,688,006
Other loans and advances		
Loans and advances to employees	2,264,963	7,210,838
Balance with government authorities		
- Service tax credit receivable available for adjustment	6,364,178	1,055,401
Other advances recoverable in cash or in kind		
- Prepaid expenses	82,550,164	111,139,373
- Advance to suppliers	1,020,023	4,798
- Receivable from others considered good	4,934,236	57,840,682
- Receivable from others considered doubtful	39,949,409	39,949,409
	137,082,973	217,200,501
- Less: Provision for doubtful loans and advances	39,949,409	39,949,409
Subtotal (D)	97,133,564	177,251,092
Total (A+B+C+D)	483,800,683	392,025,740

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

Company/Party name	Amount given*	Rate of interest	March 31, 2017	March 31, 2016
Kestone Asia Educational Hub Pte. Ltd. (formally known as Career Launcher Asia Educational Hub Pte. Ltd)	-	Nil	833,500	8,570,231
Career Launcher Education Foundation	110,240	Nil	53,012,811	52,902,571
Nalanda Foundation	19,037,553	14.50%	20,490,273	46,452,720
CL Media Private Limited	9,259,247	14.50%	13,963,207	10,821,561
GK Publications Private Limited	1,420,426	14.50%	12,355,058	10,934,632
Accendere Knowledge Management Services Private Limited	9,003,904	14.50%	9,003,903	-
Career Launcher Education Infrastructure and Services Limited	6,291,207	14.50%	6,291,207	-
Career Launcher Infrastructure Private Limited	186,107,239	14.50%	186,107,239	-
Total	231,229,816		302,057,198	129,681,715

* Includes conversion of interest into loans.



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

20. Other current assets

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Interest accrued but not due on fixed deposits	549,310	1,332,576
Other receivable from related party (Refer footnote i and note 43)	11,001,203	18,742,409
Total (A)	11,550,513	20,074,985
Fixed asset held for sale (Refer footnote (iii) of note 11)*#	-	51,864,647
Total (B)	-	51,864,647
Total (A+B)	11,550,513	71,939,632

Footnote:

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

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

During the year, due to non availability of buyers the same has been re-classified in fixed assets.

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

21. Revenue from operations

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Revenue from operations		
Sale of products (traded)		
- Sale of text book	281,852,677	260,946,538
Sale of services		
- Education and training programmes	1,052,042,104	931,920,357
- Online education services	94,902,347	71,350,472
- Vocational training services	23,792,774	306,809,367
	1,452,589,902	1,571,026,734
Other operating revenue		
Start up fees from franchisees	25,769,839	18,365,484
Grant income	-	54,147,330
Revenue from operations	1,478,359,741	1,643,539,548

22. Other Income

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Interest income on		
- fixed deposits	8,789,117	12,420,012
- loans and advances (refer footnote i)	10,019,342	12,405,732
Advertising income (refer footnote i)	23,006,344	19,672,417
Expense reversal on employee stock option (ESOP) scheme (Refer note 34)	6,207,342	6,026,151
Net gain on foreign currency transactions and translations	-	1,503,063
Insurance claim received	42,381	804,720
Liabilities no longer required written back	18,187,379	16,070,574
Infrastructure fees (refer footnote i)	8,472,492	7,380,000
Rent income from investment property net of expenses (refer footnote ii)	1,913,022	917,555
Bad debts recovered	4,695,663	2,528,428
Notice period recovery	1,047,779	998,631
Miscellaneous income (refer footnote i)	2,494,012	5,189,479
Scrap sale	66,876	57,247
	84,941,749	85,974,009

Footnotes

i. Includes income from related parties (refer note 43).

ii. Rent income (net of expense)

Rent income on building classified as Investment property

Less: Depreciation on building classified as investment property

2,119,900	1,125,000
206,878	207,445
1,913,022	917,555

23. Purchase of traded goods

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Text books (refer footnote i)	106,577,264	124,463,386
Paper	1,818,409	1,226,566
Others	13,495,909	28,050,212
	121,891,582	153,740,164

Footnotes

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



CL Educate Limited

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

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

		March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
Opening stock	A	42,542,776	45,330,322
Closing stock	B	49,138,730	42,542,776
(Increase)/decrease in inventory of traded goods	(A-B)	<u>(6,595,954)</u>	<u>2,787,546</u>

25. Cost of services

		March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
Franchisee expenses		514,159,284	429,015,491
Faculty expenses		82,643,108	103,307,852
Equipment hire expenses (Refer footnote i)		21,856,419	90,973,222
Hostel expenses		996,250	57,996,361
Material development and printing expenses (Refer footnote i)		4,970,116	11,203,368
Mobilization expenses (Refer footnote i)		294,240	14,376,797
Placement support expenses (refer footnote i)		745,671	11,441,615
Other test prep related consumables		130,724	821,564
		<u>625,795,812</u>	<u>719,136,270</u>

Footnotes

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

26. Employee benefits expense

		March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
Salary, wages, bonus and other benefits		217,407,948	225,861,941
Contribution to provident and other funds (Refer note 33)		9,824,289	8,354,036
Gratuity expense (Refer note 33)		2,874,514	1,670,309
Leave encashment expense (Refer note 33)		2,173,546	3,478,967
Staff welfare expenses		8,173,076	8,640,069
		<u>240,453,373</u>	<u>248,005,322</u>

27. Finance costs

		March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
Interest expense on borrowings			
-Vehicle loan		310,924	150,884
-Overdraft		38,375,963	37,446,320
-Term loan		9,392,055	10,405,685
Other borrowing costs			
- Loan processing charges		1,375,414	1,354,536
Interest on delay in payment of			
- Advance income tax		3,053,382	2,459,679
		<u>52,507,738</u>	<u>51,817,104</u>



CL Educate Limited

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

28. Depreciation and amortisation expenses

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Depreciation of tangible assets (Refer note 11)	20,636,398	34,743,497
Amortisation of intangible assets (Refer note 12)	27,249,590	27,451,783
	47,885,988	62,195,280

29. Other expenses

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Rent expenses (Refer note 37)	84,498,343	99,508,154
Office expenses	23,603,210	32,948,189
Travelling and conveyance expenses	23,113,976	26,591,825
Communication expenses	19,737,846	18,074,735
Water and electricity expenses	14,600,210	13,952,415
Legal and professional expenses (Refer note 35 & 43)	13,276,563	14,056,046
Repairs and maintenance expenses		
-Building	7,976,207	15,939,831
-Others	2,635,242	4,976,417
Marketing research (Refer note 43)	6,706,346	10,418,441
Advertisement, publicity and sales promotion	49,939,201	69,346,950
Freight and cartage expenses	2,298,170	4,799,446
Printing and stationery expenses	3,529,084	3,576,863
Rates and taxes expenses	3,431,404	1,799,984
Provision for obsolescence of inventory	1,120,982	-
Newspaper, books and periodicals expenses	813,370	1,352,570
Insurance expenses	1,476,933	1,564,432
Recruitment, training and development expenses (Refer note 43)	670,790	1,899,743
Bank charges (other than finance cost)	5,841,938	4,454,629
Business promotion expenses	31,787,713	15,964,265
Sales Incentive	8,357,371	4,514,000
Commission to non executive directors	696,793	372,500
Bad debts written off	50,882,473	69,566,398
Doubtful advances written-off	9,831,329	921,811
Provision for doubtful advance	1,464,732	750,000
Provision for doubtful debts	1,148,581	935,332
Loss on Sale of asset	23,928	5,252,963
Loss on foreign currency transactions and translations	1,843,262	-
Miscellaneous expenses	2,478,398	3,705,182
	373,784,395	427,243,121

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CL Educate Limited

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

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 Amount in Rs.	March 31, 2016 Amount in Rs.
Profit after tax	A	Rs.	72,439,350	44,167,101
Weighted average numbers of equity shares	B	Numbers	11,964,183	11,802,697
Add: Dilutive potential equity shares (Refer footnote i)	C	Numbers	18,817	70,372
Number of equity shares for dilutive EPS	D=B+C	Numbers	11,983,000	11,873,069
Basic earnings per share	A/B	Rs.	6.05	3.74
Diluted earnings per share	A/D	Rs.	6.05	3.72

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 In numbers	March 31, 2016 In numbers
18,817	70,372
18,817	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.

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CL Educate Limited

Notes to the 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 Rs.	Amount in Rs.
Claims against the Company not acknowledged as debt [Refer footnote (i)]	80,561,650	311,137,187
Corporate guarantees [Refer footnote (ii)]	176,500,000	386,500,000
	257,061,650	697,637,187

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

Particulars	Year Pertaining	March 31, 2017	March 31, 2016
		Amount in Rs.	Amount in Rs.
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 avilment 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 avilment 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 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

Bank Name/NBFC Name	Name of the guaranter	Name of the borrower	March 31, 2017	March 31, 2016
			Amount in Rs.	Amount in Rs.
IndusInd Bank Limited	CL Educate Limited	Kestone	115,000,000	95,000,000
Magma Fincorp Limited	CL Educate Limited	CLEIS	9,000,000	9,000,000
IndusInd Bank Limited	CL Educate Limited	CLEIS	2,500,000	2,500,000
Ratnakar Bank Limited	CL Educate Limited	CLEIS	50,000,000	-
HDFC Limited	CL Educate Limited	CLIP	-	280,000,000
Total			176,500,000	386,500,000

32. Commitments

Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- to related party [Net of advances of Rs. Nil (previous year Rs. Nil)]	14,400,000	6,000,000
- to others [Net of advances of Rs. 38,224 (previous year Rs. 366,060)]	-	388,290
Total capital commitments (A)	14,400,000	6,388,290
Other material Commitments		
Commitment for maintenance of contents to related party	9,600,000	6,000,000
Commitment for purchase of study material to related party	-	7,252,040
Total other material commitments (B)	9,600,000	13,252,040
Total commitments (A+B)	24,000,000	19,640,330

33. Employee benefits obligations

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

A. Defined contribution plans

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

Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Employers contribution to provident fund	9,723,636	8,311,250
Total (Refer note 26)	9,723,636	8,311,250

Defined benefit plans and other long term employee benefits:

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



CL Educate Limited

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

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)	7.69%	8.00%	7.69%	8.00%
Expected rate of increase in compensation levels	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	N.A.	N.A.	8.00%	8.35%
Expected average remaining working lives of employees (years)	25.81	26.42	25.81	26.42
Retirement age (years)	58	58	58	58
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
Up to 30 Years	3		3	
From 31 to 44 years	2		2	
Above 44 years	1		1	

Note:

The discount rate has been assumed at 7.69% (previous year 8.00%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Present value of obligation

Particulars	(Amount in Rs.)			
	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of obligation at the beginning of the year	12,576,923	10,509,661	12,194,932	10,946,746
Acquisition adjustment : Transfer In	-	170,363	-	282,692
Transfer Out	-	(4,268)	-	(3,347)
Current service cost	2,701,334	3,288,963	2,683,780	2,715,738
Interest cost	1,006,154	840,773	975,595	875,740
Past service cost	-	-	-	-
Benefit paid	(1,566,653)	(1,577,800)	(2,259,404)	(831,346)
Actuarial (gain)/loss on obligation	(1,533,942)	(650,769)	(695,637)	(1,791,291)
Present value of obligation at the end of the year	13,183,816	12,576,923	12,899,266	12,194,932

III. Fair value of plan assets

Particulars	Gratuity (funded)	
	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Fair value of plan assets at the beginning of the year	1,247,867	1,524,814
Expected return on plan assets	104,197	133,421
Administrative expenses	(4,292)	(84,867)
Contributions	796,908	377,849
Benefits paid	(1,065,577)	(699,807)
Actuarial (loss) on plan assets	(14,973)	(3,543)
Fair value of plan assets at the end of the year	1,064,130	1,247,867

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

Particulars	(Amount in Rs.)			
	Earned leave (unfunded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current service cost	2,701,334	3,288,963	2,683,780	2,715,738
Interest cost	1,006,154	840,773	975,595	875,740
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(104,197)	(133,421)
Net actuarial (gain)/loss to be recognized	(1,533,942)	(650,769)	(680,664)	(1,787,748)
Expense recognised in Statement of Profit and Loss	2,173,546	3,478,967	2,874,514	1,670,309



CL Educate Limited

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

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

Particulars	(Amount in Rs.)			
	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of obligation as at the end of the year (A)	13,183,816	12,576,923	12,899,266	12,194,932
Fair Value of plan assets as at the end of the year (B)	-	-	1,064,130	1,247,867
Net liability recognized in Balance Sheet as at year end (A-B)	13,183,816	12,576,923	11,835,136	10,947,065
Amount classified as:				
Short term provision (Refer note 7)	398,356	402,916	172,587	193,420
Long term provision (Refer note 7)	12,785,460	12,174,007	11,662,549	10,753,645

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

(a) Gratuity (Funded)

Particulars	(Amount in Rs.)		
	March 31, 2017	March 31, 2016	March 31, 2015
PBO	12,899,266	12,194,932	10,946,746
Plan assets	1,064,130	1,247,867	1,524,814
Net (liability)	11,835,136	10,947,065	(9,421,932)
Experience gain/(loss) on PBO	1,108,220	1,791,291	1,739,727
Experience gain/(loss) on plan assets	(14,973)	(3,543)	(13,302)

Particulars	March 31, 2014	March 31, 2013
	PBO	7,792,400
Plan assets	1,131,646	2,031,805
Net (liability)	(6,660,754)	(3,898,515)
Experience gain/(loss) on PBO	452,704	924,288
Experience gain/(loss) on plan assets	(37,893)	(2,879)

(b) Earned Leave (unfunded)

Particulars	(Amount in Rs.)		
	March 31, 2017	March 31, 2016	March 31, 2015
PBO	13,183,816	12,576,923	10,509,661
Plan assets	-	-	-
Net (liability)	(13,183,816)	(12,576,923)	(10,509,661)
Experience gain/(loss) on PBO	1,969,145	650,769	119,956
Experience gain/(loss) on plan assets	-	-	-

Particulars	March 31, 2014	March 31, 2013
	PBO	7,377,071
Plan assets	-	-
Net (liability)	(7,377,071)	(5,917,117)
Experience (loss) on PBO	(191,308)	(648,627)
Experience gain/(loss) on plan assets	-	-

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at March 31, 2017 and March 31, 2016 has not been provided by Life Insurance Corporation of India.



CL Educate Limited

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

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

Particulars	Amount in Rs.
Employees gratuity fund	4,386,479
Earned leave	2,328,254

34. 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 entitle 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.

Share based payment expenses

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
CL ESOP -2008 (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:

ESOP to directors of the Company

Particulars	March 31, 2017		March 31, 2016	
	Number of Stock Options	Weighted average exercise Price (Rs.)	Number of Stock Options	Weighted average exercise Price (Rs.)
Employees Stock Option Plan 2008				
Outstanding at the beginning of the year	4,800	300.00	7,200	300.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	2,400	300.00
Forfeited during the year	2,400	300.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of year	2,400	300.00	4,800	300.00
Exercisable at year end	2,400	300.00	4,800	300.00
Vested during the year	-	-	-	-
Weighted average grant date fair value per option for option granted during the period at less than fair value	-	-	-	-

ESOP to person other than directors of the Company

Particulars	March 31, 2017		March 31, 2016	
	Number of Stock Options	Weighted average exercise price (Rs.)	Number of Stock Options	Weighted average exercise price (Rs.)
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 less than fair value	-	-	-	-



CL Educate Limited

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

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
Dividend yield (%)	-	-
Expected volatility (%)*	0.00%	0.00%
Risk-free interest rate (%)	7.69%	8.00%
Weighted average share price (in Rs.)	496.29	495.00
Exercise price (in Rs.)	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.

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

Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)
Directors of the Company (and its subsidiaries)	2,400	3 years' service from the grant date	0.08
Employees	154,357	3 years' service from the grant date	2.20

35. Payment to auditors (excluding service tax)

Particulars	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
Statutory audit	2,750,000	2,750,000
Other matters [including fee for Initial Public Offerings ('IPO')]*	7,250,000	9,150,000
Out of pocket expenses	227,167	72,500
Total	10,227,167	11,972,500

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

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36. Segment reporting

Primary segment

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

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

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

Financial information about the primary segments is given below:

For the year ended March 31, 2017

Particulars			(Amount in Rs.)
	Education and training programme (including sale of study material)	Vocational Training	Total
Revenue			
External revenue	1,454,566,967	23,792,774	1,478,359,741
Total revenue	1,454,566,967	23,792,774	1,478,359,741
Results			
Segment results	274,615,550	(65,354,847)	209,260,703
Unallocated expenses			134,116,158
Operating profit			75,144,545
Finance costs			(52,507,738)
Other income including finance income	21,880,255	1,643,410	23,523,665
Unallocated other income			61,418,084
Profit before tax			107,578,556
Income taxes			(35,139,206)
Net profit			72,439,350
As at March 31, 2017			
Segment assets	683,460,719	548,169,826	1,231,630,545
Unallocable assets			4,693,222,515
Total assets			5,924,853,060
Segment liabilities	352,666,352	239,423,234	592,089,586
Unallocable liabilities			1,713,477,385
Total liabilities			2,305,566,971
Other information			
Capital expenditure-allocable	50,741,501	-	50,741,501
Capital expenditure-unallocable	-	-	4,618,125
Depreciation and amortisation- allocable	34,105,908	5,539,165	39,645,073
Depreciation and amortisation-unallocable	-	-	8,240,918
Other significant non-cash expenses (net)-allocable	61,038,729	2,197,946	63,236,675
Other significant non-cash expenses (net)-unallocable	-	-	1,199,713

Secondary segment

The Company has identified Geographical Segment as Secondary Segment.

Financial information about the geographic segment is given below:

Particulars			(Amount in Rs.)
	Within India	Overseas	Total
Segment revenue	1,428,610,077	49,749,664	1,478,359,741
Segment assets	5,907,080,935	17,772,125	5,924,853,060
Segment liabilities	2,273,896,774	31,670,197	2,305,566,971
Capital expenditures	55,359,626	-	55,359,626



CL Educate Limited

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For the year ended March 31, 2016

Particulars			(Amount in Rs.)
	Education and training programme (including sale of study material)	Vocational Training	Total
Revenue			
External revenue	1,282,582,851	360,956,697	1,643,539,548
Total revenue	1,282,582,851	360,956,697	1,643,539,548
Results			
Segment results	181,543,465	(46,830,011)	134,713,454
Unallocated expenses			104,281,609
Operating profit			30,431,845
Finance costs			(51,817,104)
Other income including finance income	25,780,838	7,170,018	32,950,856
Unallocated other income			53,023,153
Profit before tax			64,588,750
Income taxes			(20,421,649)
Net profit			44,167,101
As at March 31, 2016			
Segment assets	625,763,817	658,836,083	1,284,599,900
Unallocable assets			2,468,235,391
Total assets			3,752,835,291
Segment liabilities	383,202,831	309,599,334	692,802,165
Unallocable liabilities			498,519,949
Total liabilities			1,191,322,114
Other information			
Capital expenditure-allocable	14,236,486	26,875,000	41,111,486
Capital expenditure-unallocable	-	-	3,832,947
Depreciation and amortisation- allocable	33,692,605	21,081,827	54,774,432
Depreciation and amortisation-unallocable	-	-	7,420,848
Other significant non-cash expenses (net)-allocable	52,282,678	10,043,783	62,326,461
Other significant non-cash expenses (net)-unallocable	-	-	1,393,628

Secondary segment

The Company has identified Geographical Segment as Secondary Segment.

Financial information about the geographic segment is given below:

Particulars			(Amount in Rs.)
	Within India	Overseas	Total
Segment revenue	1,605,184,506	38,355,042	1,643,539,548
Segment assets	3,724,280,864	27,499,026	3,751,779,890
Segment liabilities	1,185,452,855	5,869,259	1,191,322,114
Capital expenditures	44,944,433	-	44,944,433



CL Educate Limited

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

37. Leases

As lessee

The Company is a lessee under various operating leases for coaching centres across India. The lease terms of these premises range from 1 to 2 years and accordingly are short term leases. Rental expense for operating lease for the year ended March 31, 2017 and March 31, 2016 was Rs. 84,498,343 and Rs. 99,508,154 respectively. Total of future minimum lease payments under non-cancellable leases are as follows:

Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Not later than one year	-	7,263,806
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Total	-	7,263,806

As lessor

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

Lease receipts are recognized in the Statement of Profit and Loss during the year amounting Rs. 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.

38. Expenditure in foreign currency

Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Travelling and conveyance	619,465	827,013
Bank charges	551,780	105,726
Rent	5,494,231	2,862,260
Salary and wages	12,888,313	2,584,512
Faculty expenses	8,047,667	952,119
Others	55,334,515	29,430,333
Total	82,935,971	36,761,963

39. Earnings in foreign currency

Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
Test preparation training services	27,584,327	18,035,098
Sale of study material	22,165,337	20,319,944
Total	49,749,664	38,355,042

40. Un-hedged foreign currency exposure

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

Receivables in foreign currency

Particulars	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.	Amount in Original Currency	Amount in Original Currency
- Trade receivables	44,419,674	39,333,602	AED 3,308,134	AED 2,185,256
- Trade payable	6,305,237	2,489,939	AED 357,898	AED 187,740
- Payable for expenses	3,735,192	3,519,197	AED 250,541	AED 138,330
- Short term loans and advances	40,921,704	62,044,452	SGD 17,307 USD 768,589 AED 9,764	SGD 174,867 USD 768,589 AED 609,778
- Cash and bank balances	3,090,912	1,254,947	AED 175,446	AED 69,719

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



CL Educate Limited

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

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

Accordingly, the board of directors approved CSR Policy of the Company at its meeting held on February 16, 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 2,887,804 (previous year 1,675,633) on prescribed CSR activities. The Company is yet to undertake CSR activities and in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.

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

	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in		
Principal amount due to micro and small enterprises	6,931,193	-
Interest due on above	-	-
	6,931,193	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

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CL Educate Limited

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

43. Related party disclosure

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

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

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

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

Particulars	March 31, 2017 Amount in Rs.	March 31, 2016 Amount in Rs.
1. Other income		
a. Interest on loans and advances		
- Career Launcher Education Infrastructure and Services Limited	101,341	-
- G K Publications Private Limited	1,585,521	1,954,337
- Career Launcher Infrastructure Private Limited	73,907	-
- CL Media Private Limited	1,954,718	5,538,659
- Nalanda Foundation	5,966,182	4,912,736
- Accendere Knowledge Management Services Private Limited	337,673	-
	10,019,342	12,405,732
b. Infrastructure Fees		
- CL Media Private Limited	6,000,000	6,000,000
- Career Launcher Education Infrastructure & Services Limited	2,100,000	1,380,000
	8,100,000	7,380,000
c. Rent income-others		
- Career Launcher Education Infrastructure and Services Limited	-	180,000
d. Advertising Income		
- CL Media Private Limited	23,006,344	19,672,417
2. Purchase of traded goods		
- CL Media Private Limited	102,099,236	108,963,595
- G.K. Publications Private Limited	3,961,389	14,205,618
	106,060,625	123,169,213
3. Cost of services		
a. Material development and printing expenses		
- CL Media Private Limited	4,860,000	9,478,880
- Kestone Integrated Marketing Services Private Limited	-	398,656
	4,860,000	9,877,536



CL Educate Limited

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

Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
b. Equipment hiring charges		
- Kestone Integrated Marketing Services Private Limited	7,925,744	76,951,184
c. Mobilisation expenses		
- Kestone Integrated Marketing Services Private Limited	-	8,340,277
d. Placement support expenses		
- Kestone Integrated Marketing Services Private Limited	-	4,401,640
4. Other expenses		
a. Marketing expenses		
- Kestone Integrated Marketing Services Private Limited	2,416,445	1,267,361
b. Legal and professional charges		
- Kestone Integrated Marketing Services Private Limited	1,285,510	87,773
c. Recruitment, training and development expenses		
- Kestone Integrated Marketing Services Private Limited	-	203,724
5. Employee benefit expenses		
a. Managerial remuneration*		
- Mr. Gautam Puri	6,983,268	6,814,356
- Mr. Satya Narayanan R.	6,983,268	6,814,356
- Mr. Nikhil Mahajan	6,927,528	6,786,120
	20,894,064	20,414,832
6. Reimbursement of expense from related parties		
- Career Launcher Education Infrastructure and Services Limited	6,340,864	5,153,421
- Kestone Integrated Marketing Services Private Limited	11,817,896	9,840,871
- Nalanda Foundation	-	-
- CL Media Private Limited	12,472,056	11,076,638
- G K Publications Private Limited	464,430	160,000
- Accendere Knowledge Management Services Private Limited	3,273,382	-
	34,368,628	26,230,930
7. Reimbursement of expense to related parties		
- Career Launcher Infrastructure Private Limited	676,183	695,720
	676,183	695,720
8. Amount paid by related party for purchase of fixed assets		
- Kestone Integrated Marketing Services Private Limited	-	170,540
	-	170,540
9. Advance given for services		
- Bilakes Consulting Private Limited	-	9,550,000
10. Loans given to related party		
- Career Launcher Education Infrastructure and Services Limited	6,200,000	
- Career Launcher Education Foundation	110,240	10,000
- CL Media Private Limited	7,500,000	31,836,238
- Nalanda Foundation	13,667,989	17,267,406
- Career Launcher Infrastructure Private Limited	186,040,723	
- Accendere Knowledge Management Services Pvt. Ltd.	8,700,000	
	222,218,952	49,113,644

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



CL Educate Limited

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

Particulars

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
11. Conversion of interest into loan		
- Career Launcher Education Infrastructure and Services Limited	91,207	-
- G K Publications Private Limited	1,420,426	1,758,903
- Nalanda Foundation	5,369,564	4,421,463
- CL Media Private Limited	1,759,247	4,984,793
- Career Launcher Infrastructure Private Limited	66,516	-
- Accendere Knowledge Management Services Pvt. Ltd.	303,904	-
	9,010,864	11,165,159
12. Repayment of loan given		
- G K Publications Private Limited	-	5,100,000
- CL Media Private Limited	6,117,600	56,481,297
- Nalanda Foundation	45,000,000	-
- Kestone Asia Educational Hub Pte. Ltd.	7,869,346	-
	58,986,946	61,581,297
13. Purchase of assets from related party		
CL Media Private Limited		
- Content purchased	7,200,000	4,030,000
Accendere Knowledge Management Services Private Limited		
- Intellectual property rights	2,544,444	-
	9,744,444	4,030,000
14. Purchase of additional shares in subsidiary company from		
- Bilakes Consulting Private Limited	-	56,074,393
	-	56,074,393
15. Liability transferred from		
- Career Launcher Education Infrastructure and Services Limited	-	102,248
- Nalanda Foundation	-	382,382
	-	484,630
16. Liability transferred to		
- Career Launcher Education Infrastructure and Services Limited	-	7,615
17. Shares issued during the year		
- Bilakes Consulting Private Limited	-	47,066,660
18. Investment written off		
- CL Higher Education Services Private Limited	-	65,760

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CL Educate Limited

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

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

Particulars

	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
1. Trade receivable		
- CL Media Private Limited	-	6,921,218
2. Short-term loans and advances		
a. Loans advanced to related parties		
- Kestone Asia Educational Hub Pte. Ltd.	833,500	8,570,231
- Career Launcher Education Foundation	53,012,811	52,902,571
- Nalanda Foundation	20,490,273	46,452,720
- CL Media Private Limited	13,963,207	10,821,561
- GK Publications Private Limited	12,355,058	10,934,632
- Career Launcher Education Infrastructure and Services Limited	6,291,207	-
- Career Launcher Infrastructure Private Limited	186,107,239	-
- Accendere Knowledge Management Services Pvt. Ltd.	9,003,903	-
	302,057,198	129,681,715
*including restatement of foreign exchange		
b. Receivables on account of transfer of fixed assets		
- Career Launcher Infrastructure Private Limited	317,378	1,393,621
	317,378	1,393,621
c. Other dues from related parties:		
- Career Launcher Education Infrastructure and Services Limited	9,071,742	7,124,754
- GK Publications Private Limited	862,951	398,521
- Kestone Integrated Marketing Services Private Limited	3,818,835	10,684,914
- CL Media Private Limited	21,320,335	38,456,173
- Nalanda Foundation	1,080,023	1,080,023
- Bilakes Consulting Private Limited	9,550,000	9,550,000
- Accendere Knowledge Management Services Private Limited	3,383,384	-
	49,087,270	67,294,385
c. Provision for doubtful loans and advances		
- Kestone Asia Educational Hub Pte. Ltd.	833,500	1,404,371
4. Other current assets		
a. ESOP expenses to be recovered from subsidiary		
- Career Launcher Education Infrastructure and Services Limited	11,001,203	18,742,409
5. Trade payable		
- CL Media Private Limited	178,534,391	161,533,873
- GK Publications Private Limited	11,780,410	27,741,831
- Kestone Integrated Marketing Services Private Limited	138,770,188	142,195,137
	329,084,989	331,470,841
6. Other current liabilities		
a. Payable for expenses		
- Kestone Integrated Marketing Services Private Limited	4,795,989	392,556
- Career Launcher Infrastructure Private Limited	887,530	214,547
	5,683,519	607,103



CL Educate Limited

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Particulars	March 31, 2017	March 31, 2016
	Amount in Rs.	Amount in Rs.
b. Payable for Fixed assets		
- Kestone Integrated Marketing Services Private Limited	170,540	1,181,531
c. Payable for Investments		
- Bilakes Consulting Private Limited	1,507,733	1,507,733
d. Employee related payables		
- Mr. Gautam Puri	3,334,768	3,099,116
- Mr. Satya Narayanan R	3,334,768	3,209,481
- Mr. Nikhil Mahajan	2,929,294	3,245,109
	9,598,830	9,553,706
8. Guarantees given on behalf of (Refer note 31):		
Kestone Integrated Marketing Services Private Limited (Guarantee for loan taken by the related party)	115,000,000	95,000,000
Career Launcher Infrastructure Private Limited (Guarantee for loan taken by the related party)	-	280,000,000
- Career Launcher Education Infrastructure and Services Limited (Guarantee for loan taken by the related party)	64,500,000	11,500,000
Total	179,500,000	386,500,000
9. Guarantees given to Company:		
Bilakes Consulting Private Limited (Guarantee against loans given to Career Launcher Education Foundation)	45,758,320	45,758,320
Total	45,758,320	45,758,320

44. In the financial year 2009-10, the Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the Company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute were AED 1,019,842 (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.

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

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

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

During the 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.



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

45. The Company has filed legal cases against certain debtors for recovery of outstanding receivables amounting ₹ 13,634,645 (previous year ₹ 13,930,740). The Company is of the view that all such balances are fully recoverable and no provision is required. Further, the Company has also filed cases against certain parties for recovery of damages arising from fraudulent use of Company's brand name, violation of terms and conditions of employment etc, amounting ₹ 74,093,424 (previous year ₹ 51,460,794). The amount likely to be realised, in all these cases, is currently not ascertainable but the Company, based on discussion with concerned lawyers and the proceedings of the cases is hopeful that there would not be any adverse impact on the financial position, and the realisation would be more than the outstanding amount. The Company has recorded all expenses pertaining to legal & professional charges in respect of all such cases.

46 (a). 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.

46 (b). 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.

47.(a) 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 - Offer for sale	2,579,881	502	1,295,100,262
Total share issue expenses			180,674,639
Net Proceeds from IPO			2,208,845,361

The designated utilisation of proceeds from the IPO net of share issue expenses are as below:



CL Educate Limited

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

Objects	Amount (Rs.)	Utilised Till March 31, 2017	Remarks
Repayment of loan taken by Career Launcher Infrastructure Private Limited (step down subsidiary) from HDFC Bank Limited	186,040,723	186,040,723	
Meeting the working capital requirements of CL Educate and its subsidiaries namely Kestone Integrated Marketing Services Private Limited and GK Publications Private	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	100,628,550	-	

(b) The Board and shareholders of the Company had passed the resolution for IPO on July 22, 2014 and September 5, 2014 respectively. 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 26, 2014. However, due to various strategic reasons, the Company had to withdraw the DRHP in April 14, 2015. The Company thereafter resubmitted DRHP with SEBI, after certain restructuring, on March 30, 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 26, 2014. The Company also paid filing fee to SEBI and the stock exchanges.

In course of resubmission of DRHP on March 30, 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.

48. 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.

49. 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

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

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W/W100048

Raj Kumar Agarwal

Partner

Membership No.: 0747

Place: New Delhi

Date : May 29, 2017



For and on behalf of Board of Directors of

CL Educate Limited

Gautam Puri

Vice Chairman & MD

DIN: 00033548

Place: New Delhi

Date : May 29, 2017

Nikhil Mahajan

Director & CFO

DIN: 00033404

Rachna Sharma

Company Secretary

ICSI M. No.: A17780



