

Limited Review Report on the Unaudited Consolidated Financial Results for the quarter ended June 30, 2017 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To The Board of Directors

CL Educate Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of CL Educate Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended June 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We believe that the review procedures performed by us, is sufficient and appropriate to provide a basis for our reporting on the Statement.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognised accounting practices and policies have not



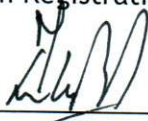
disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. As stated in Note 3 to the Statement, figures pertaining to the quarter ended June 30, 2016 have not been subject to limited review or audit.
6. We did not review the financial results of 2 subsidiaries included in the Statement, whose financial results reflects total revenue of Rs. 263.64 lacs and total profit after tax of Rs. 2.64 lacs and total comprehensive income of Rs. (21.33) lacs for the quarter ended June 30, 2017, as considered in the Statement. These financial results are not reviewed by their auditors and have been furnished to us by the Management and our reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such un-reviewed financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our report is not modified in respect of this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date: August 24, 2017



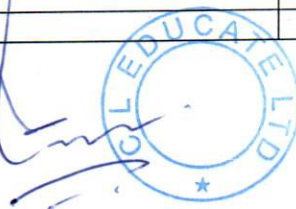
CL Educate Limited
CIN No:- U74899DL1996PLC078481

Registered Office: A-41, Espire Building, Lower Ground Floor, Mohan Cooperative Industrial Area,
Main Mathura Road, Delhi 110044

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs. In Lacs)

Particulars	Quarter Ended	
	June 30, 2017	June 30, 2016
	Unaudited	Unaudited
Income		
I (a) Revenue From operations	7,298.95	7,102.07
II (b) Other income	241.14	268.19
III Total income (I+II)	7,540.09	7,370.26
IV Expenses		
(a) Cost of material consumed	359.47	249.73
(b) Purchases of Stock-in-Trade	109.14	42.32
(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(55.48)	(42.89)
(d) Franchisee expenses	1,662.80	1,320.73
(e) Employee benefits expense	1,416.35	1,404.93
(f) Finance costs	171.20	165.01
(g) Depreciation and amortization expense	203.60	154.97
(h) Other expenses	3,301.05	3,534.22
Total expenses (IV)	7,168.13	6,829.02
V Profit before exceptional items and tax (III-IV)	371.96	541.24
VI Exceptional items	-	-
VII Profit before tax (V-VI)	371.96	541.24
VIII Tax expense:		
(a) Current tax	289.83	215.77
(b) Deferred tax	(144.29)	(48.88)
IX Profit from continuing operations for the period (VII-VIII)	226.42	374.35
X Profit from discontinued operations	113.26	67.33
XI Tax expenses of discontinued operations	21.26	51.06
XII Profit from Discontinued operations (after tax) (X-XI)	92.00	16.27
XIII Net Profit for the period (IX+XII)	318.42	390.62
XIV Profit from continuing operations for the period attributable to		
(a) Owners of the Company	226.42	373.60
(b) Non-controlling interest	-	0.78
XV Profit from discontinued operations for the period attributable to		
(a) Owners of the Company	92.00	16.27
(b) Non-controlling interest	-	-
XVI Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	7.08	10.40
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.41)	(3.41)
B. (i) Items that will be reclassified to profit or loss	(17.94)	(3.29)
(ii) Income tax relating to items that will be reclassified to profit or loss	6.21	1.14
XVII Total Comprehensive Income for the period (Comprising Profit and Other comprehensive Income for the period) (XIII+XVI)	311.36	395.46
XVIII Paid-up Equity Share Capital (face value of Rs. 10 each)	1,416.33	1,193.96
XIX Earnings per equity share (for continuing operation), excluding Other Comprehensive Income		
(a) Basic	1.60	3.14
(b) Diluted	1.60	3.11
XX Earnings per equity share (for discontinued operation):		
(a) Basic	0.65	0.14
(b) Diluted	0.65	0.14
XXI Earnings per equity share (Total) including Other Comprehensive Income		
(a) Basic	2.20	3.31
(b) Diluted	2.20	3.29



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Notes to the Unaudited Consolidated Financial Results for the quarter ended June 30, 2017

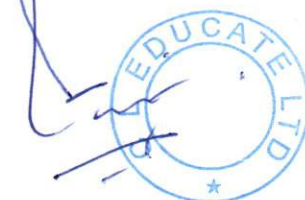
1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board at their meeting held on August 24, 2017.
2. The financial results for the quarter ended June 30, 2017 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, to the extent applicable. Beginning April 01, 2017, the company has for the first time adopted Ind AS together with Ind AS compliant comparatives for FY 2016-17 (transition date April 01, 2016). Accordingly, figures for the previous period are recast/ regrouped as per new requirements wherever considered necessary.
3. As the Company got listed on March 31, 2017, the statement was drawn in accordance with regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the first time for the quarter and year ended March 31, 2017. Therefore, the Ind AS compliant financial results pertaining to period June 30, 2016 have not been subjected to limited review. However, the management has exercised necessary due diligence to ensure that the financial results provide a true & fair view of its affairs in accordance with Ind AS.
4. Reconciliation of the financial results of corresponding quarter of financial year 2016-17 to those reported under previous IGAAP are summarized below:

Particulars	For the quarter ended June 30, 2016 (in lacs)
Profit after tax from continuing operations as reported under previous IGAAP (A)	546.03
Adjustments on account of:	
Discounting of security deposits	(4.07)
Finance cost on financial guarantees received	(2.09)
Effective interest rate on loans	(2.48)
Interest on finance lease obligation	(1.69)
Depreciation on finance lease	0.42
Deferred revenue adjustment of Franchisee start up fees	(20.48)
Deferred revenue adjustment of admission fees	(367.30)
Prepaid FRP expenses	170.68
Re-measurement of post-employment expense (Re-class to OCI)	(10.40)



Particulars	For the quarter ended June 30, 2016 (in lacs)
Allowances of Expected Credit Losses (ECL)	(43.39)
Other financial assets measured at amortized cost (Security deposit)	3.50
Foreign Currency Translation Reserve (Re-class to OCI)	3.29
Deferred tax on unrealised profits	(19.17)
Deferred tax impact on above benefit / (charge)	121.50
Total (B)	(171.68)
Profit after tax from Continuing Operations as reported under Ind AS (C=A-B)	374.35
Profit after tax from Discontinuing Operations as reported under previous IGAAP (D)	66.92
Tax expense of discontinued operations	(50.93)
Impact of discounting of security deposits	(1.36)
Impact of other financial assets measured at amortized cost (Security Deposit)	1.77
Deferred tax impact on above benefit / (charge)	(0.13)
Total (E)	50.65
Profit after tax from Discontinuing Operations as reported under Ind AS (F=D-E)	16.27
Other comprehensive income	-
Items that will not be reclassified to profit or loss	
- Re-measurements of defined benefit plans	10.40
- Less: Tax on Re-measurements of defined benefit plans	(3.41)
Items that will be reclassified to profit or loss (net of tax)	
Foreign Currency Translation Reserve	(3.29)
Tax Impact	1.14
Total OCI (G)	4.84
Total Income as reported under Ind AS (C+F+G)	395.46

5. During the year ended March 31,2017, pursuant to Initial Public Offering ("IPO"), 2,180,119 equity shares of Rs. 10 each were allotted to public at a premium of Rs. 492 per share along with offer for sale of 2,579,881 equity shares by the selling shareholders.



The shares were listed at BSE and NSE on March 31, 2017 pursuant to an initial public offering (“IPO”). Details of the utilisation of IPO proceed till the quarter ended June 30, 2017 are as under:

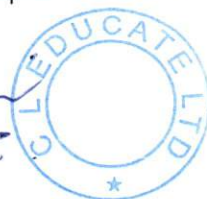
Objects	Amount (Rs. (in lacs))	Utilised till June 30, 2017 (Rs. in lacs)#
Repayment of loan taken by Career Launcher Infrastructure Private Limited (a step down subsidiary) from HDFC Bank Limited	1,860.40	1,860.40
Meeting the working capital requirements of CL Educate and its subsidiaries namely Keystone Integrated Marketing Services Private Limited and GK Publications Private Limited	5,250.00	4,119.66
Funding acquisitions and other strategic initiatives	2,000.00	-
General corporate purposes	*1006.28	-
Total	10,116.68	5,980.06

* subject to finalization/ reconciliation of pending fees/ charges

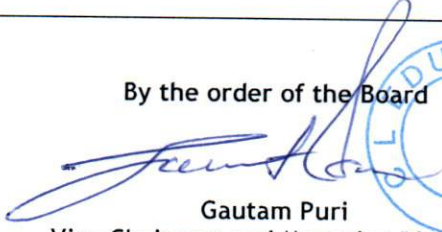

Balance funds of Rs 4,136.62 lacs, pending utilisation, are parked in bank fixed deposits.

6. In accordance with the Ind AS -108“ Operating Segments” and based on "management evaluation", the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in preparing financial statements are consistently applied to record revenue & expenditure in individual segments. The reportable segments represent (i) **Consumer business** comprising of Consumer Test Prep & Consumer Publishing (ii) **Enterprise business** comprising of Enterprise Corporate & Enterprise Institutional and (iii) **Others** which comprises primarily the discontinued K-12 and scaled down vocational training businesses.
7. The basic and diluted earnings per share have been calculated in accordance with the Ind AS-33 “Earnings Per Share”.
8. a) During the month of March 2017, the Group entered into a Business Transfer Agreement with I-Take Care Private Limited for sale of its infrastructure services business carried on by its step down subsidiary Career Launcher Infrastructure Private Limited on slump sale basis. The proposed sale of business is consistent with group’s long term strategy to discontinue the K-12 business. The operations of K-12 business, has now been disclosed under discontinued operations.

b) Pursuant to the Business Transfer Agreement dated March 18, 2017 and its amendment dated July 18, 2017 with B&S Strategy Service Private Limited (B&S), effective July 01, 2017, the business of running and operating pre-schools and providing school management services carried on by the Company’s subsidiary Career Launcher Education Infrastructure & Services Limited was sold on slump sale basis for a total consideration of Rs. 4650.00 lacs.
9. Subsequent to the quarter ended June 30, 2017, the Company has purchased Compulsorily Convertible Preference Shares (CCPS) amounting Rs. 400.00 lacs in the education technology Company namely, Three sixty One Degree Minds Consulting Private Limited (361 DM). The Company already holds 4.43% of the paid up capital of 361 DM.



10. The Company owned 6,120 equity shares of Rs. 10 face value per share constituting 51% holding in Accendere Knowledge Management Services Private Limited till March 31, 2017. During the current quarter, the Company has purchased the balance 49% holding i.e. 5,880 number of equity shares of Rs. 10 face value per share in Accendere Knowledge Management Services Private Limited on April 12, 2017 for an aggregate purchase price of Rs. 1,323 lacs. Consequently, the Company now holds the entire 100% equity shares of Accendere Knowledge Management Services Private Limited, making it a wholly-owned subsidiary of the Company.
11. Figures for the previous period have been regrouped/reclassified wherever necessary to conform to the current period's classification.

<p>Place: New Delhi Date: August 24, 2017</p>	<p>By the order of the Board</p>  <p>Gautam Puri Vice Chairman and Managing Director</p> 
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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017
CONSOLIDATED SEGMENT REPORTING

Particulars	(Rs. In Lacs)	
	Quarter ended	
	Unaudited June 30, 2017	Unaudited June 30, 2016
Segment Revenue		
Consumer Test Prep	4,389.22	3,904.58
Consumer Publishing	559.71	483.32
Enterprise Corporate	2,415.67	2,547.82
Enterprise Institutional	145.94	183.47
Others	60.00	263.02
Inter-segment	(271.59)	(280.14)
Total	7,298.95	7,102.07
Segment Result - Continuing		
Consumer Test Prep	809.45	714.82
Consumer Publishing	4.43	79.04
Enterprise Corporate	80.12	123.64
Enterprise Institutional	(4.04)	47.70
Others	(111.38)	(60.08)
Inter-segment	52.20	147.46
Total Continuing	830.78	1,052.58
Segment Result - Discontinuing		
Others	112.79	66.92
Total	943.57	1,119.50
Unallocated expenses	590.68	565.28
Operating profit	352.89	554.22
Finance cost	(171.20)	(165.01)
Other income	190.27	152.03
Profit before tax	371.96	541.24
Income taxes	(145.54)	(166.89)
Net profit from continuing operations	226.42	374.35
Profit/(Loss) from Discontinued operations (Net of taxes)	92.00	16.27
Net profit including Discontinued operations	318.42	390.62
Other Comprehensive Income	(7.06)	4.84
Total Comprehensive Income	311.36	395.46
Segment Assets		
Consumer Test Prep	9,160.92	6,266.31
Consumer Publishing	5,870.58	4,517.33
Enterprise Corporate	6,558.12	6,167.16
Enterprise Institutional	1,183.10	785.00



Particulars	(Rs. In Lacs)	
	Quarter ended	
	Unaudited	Unaudited
	June 30, 2017	June 30, 2016
Others	15,709.78	15,144.19
Unallocated	34,019.34	26,919.11
Inter-segment	(22,617.95)	(18,839.06)
Total	49,883.89	40,960.04
Segment Liabilities		
Consumer Test Prep	5,004.96	4,681.89
Consumer Publishing	988.58	1,229.13
Enterprise Corporate	3,320.53	3,592.29
Enterprise Institutional	455.60	591.66
Others	5,878.16	6,221.36
Unallocated	5,111.39	5,443.35
Inter-segment	(5,123.51)	(4,700.34)
Total	15,635.71	17,059.34
Capital Employed (Assets - Liabilities)		
Consumer Test Prep	4,155.96	1,584.42
Consumer Publishing	4,882.00	3,288.20
Enterprise Corporate	3,237.59	2,574.87
Enterprise Institutional	727.50	193.34
Others	9,831.62	8,922.83
Unallocated	28,907.95	21,475.76
Inter-segment	(17,494.44)	(14,138.72)
Total	34,248.18	23,900.70

