

# HARIBHAKTI & CO. LLP

Chartered Accountants

## Independent Auditors' Report

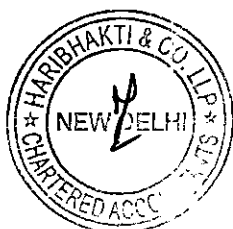
To  
The Board of Directors of  
CL Educate Limited

1. We have audited the accompanying Statement of Standalone Financial Results of CL Educate Limited ("the Company") for the year ended March 31, 2018 ("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 CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/ 62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone IND AS financial statement which has been prepared in accordance with Indian Accounting Standards 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 express an opinion on the Statement based on our audit of such standalone financial statement.
3. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statement, 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 statement 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 statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the Company for the year ended March 31, 2018.
5. We draw attention to Note 10 of the statements wherein the management has explained reasons for considering old vocational outstanding receivables as recoverable. Our opinion is not modified in respect of this matter.

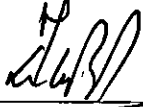


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6. The statement includes the results for the Quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Raj Kumar Agarwal  
Partner  
Membership No.: 074715



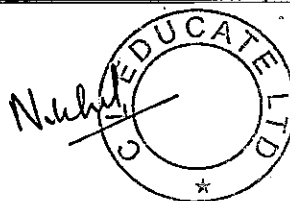
Place: New Delhi  
Date: May 23, 2018

CL Educate Limited  
CIN No:- L74899DL1996PLC078481  
Registered Office: A-41, Espire Building, Lower Ground Floor,  
Mohan Cooperative Industrial Area, Main Mathura Road, Delhi 110044

STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT MARCH 31, 2018

(Rs. In Lacs)

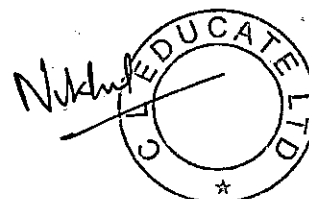
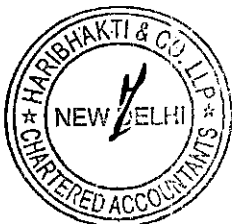
Particulars	For the year ended		
	March 31, 2018 Audited	March 31, 2017 Audited	April 01, 2016 Audited
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3,803.30	3,756.99	3,316.19
Investment property	108.78	110.85	112.91
Goodwill	212.38	-	-
Intangibles under development	117.74	-	-
Other intangible assets	1,984.33	1,181.83	1,030.49
Investment in subsidiaries and associates	19,429.86	17,031.97	17,025.59
Financial assets			
(i) Investments	-	50.00	50.00
(ii) Loans	217.22	123.38	87.27
(iii) Other financial assets	1,474.15	1,211.65	1,120.30
Deferred tax assets (net)	485.24	696.18	637.55
Non-current tax assets	1,034.18	532.88	532.88
Other non-current assets	54.42	237.05	241.58
<b>Total non-current assets</b>	<b>28,921.60</b>	<b>24,932.78</b>	<b>24,154.76</b>
<b>2 Current assets</b>			
Inventories	462.91	476.01	421.26
Financial assets			
(i) Trade receivables	5,942.98	6,457.55	6,324.02
(ii) Cash and cash equivalents	1,158.92	8,514.89	761.58
(iii) Bank balances other than (ii) above	2,615.82	12,947.37	37.52
(iv) Loans	4,327.98	3,383.04	1,472.88
(iii) Other financial assets	867.22	514.05	792.13
Other current assets	1,373.35	1,024.98	1,675.80
<b>Total Current Assets</b>	<b>16,749.18</b>	<b>33,317.89</b>	<b>11,485.19</b>
Assets classified as held for sale			518.65
<b>TOTAL ASSETS</b>	<b>45,670.78</b>	<b>58,250.67</b>	<b>36,158.60</b>
<b>B EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
Equity share capital	1,416.57	1,416.33	1,193.96
Other equity	32,971.60	33,106.75	22,970.12
<b>Total Equity</b>	<b>34,388.17</b>	<b>34,523.08</b>	<b>24,164.08</b>
<b>2 Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	490.09	341.37	483.01
Provisions	272.46	244.48	229.28
Other non-current liabilities	246.93	301.88	296.54
<b>Total Non Current Liabilities</b>	<b>1,009.48</b>	<b>887.73</b>	<b>1,008.83</b>
<b>3 Current liabilities</b>			
Financial liabilities			
(i) Borrowings	3,148.91	3,311.81	3,305.30
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises			
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,920.53	5,448.67	5,145.88
(iii) Other financial liabilities	1,460.67	12,589.02	1,071.71
Other current liabilities	1,299.21	1,074.35	1,205.37
Provisions	16.22	5.71	5.96
Current tax liabilities (net)	427.59	410.30	251.47
<b>Total Current Liabilities</b>	<b>10,273.13</b>	<b>22,839.86</b>	<b>10,985.69</b>
<b>TOTAL LIABILITIES</b>	<b>45,670.78</b>	<b>58,250.67</b>	<b>36,158.60</b>



**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018**

(Rs. In Lacs)

Particulars	For the quarter ended			For the year ended	
	Audited	Unaudited	Unaudited	Audited	Audited
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
<b>Income</b>					
I (a) Revenue From operations	4,072.62	3,023.39	3,622.12	15,521.39	14,285.33
II (b) Other income	12.88	564.46	171.22	1,344.24	960.73
III <b>Total income (I-II)</b>	<b>4,085.50</b>	<b>3,587.85</b>	<b>3,793.34</b>	<b>16,865.63</b>	<b>15,246.06</b>
<b>IV Expenses</b>					
(a) Purchases of Stock-in-Trade	216.93	205.57	266.33	1,091.87	1,065.77
(b) Changes in inventories of Stock-in-Trade	(31.21)	(26.92)	(74.82)	10.38	(65.96)
(c) Employee benefits expense	748.79	907.14	627.59	3,213.37	2,695.12
(d) Finance costs	91.03	98.54	153.97	340.10	541.71
(e) Depreciation and amortization expense	182.38	176.00	125.78	690.13	479.27
(f) Franchisee expenses	1,495.18	1,146.22	1,301.44	5,877.89	4,865.36
(g) Other expenses	1,724.51	1,311.91	1,178.23	5,778.14	4,950.32
<b>Total expenses (IV)</b>	<b>4,427.61</b>	<b>3,818.46</b>	<b>3,578.52</b>	<b>17,001.88</b>	<b>14,531.59</b>
V <b>Profit before exceptional items and tax (III-IV)</b>	<b>(342.11)</b>	<b>(230.61)</b>	<b>214.82</b>	<b>(136.25)</b>	<b>714.47</b>
VI Exceptional items	-	-	-	-	-
VII <b>Profit before tax (V-VI)</b>	<b>(342.11)</b>	<b>(230.61)</b>	<b>214.82</b>	<b>(136.25)</b>	<b>714.47</b>
VIII <b>Tax expense:</b>					
(a) Current tax	-	(99.44)	78.06	-	282.70
(b) Deferred tax	(102.66)	121.00	(17.45)	62.34	(61.01)
IX <b>Profit from continuing operations for the period (VII-VIII)</b>	<b>(239.45)</b>	<b>(252.17)</b>	<b>154.21</b>	<b>(198.59)</b>	<b>492.78</b>
X <b>Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss	15.17	1.83	0.26	20.40	6.85
(ii) Income tax relating to items that will not be reclassified to profit or loss	(5.25)	(0.63)	(0.09)	(7.06)	(2.37)
XI <b>Total Comprehensive Income for the period (Comprising Profit and Other comprehensive Income for the period )</b>	<b>(229.53)</b>	<b>(250.97)</b>	<b>154.38</b>	<b>(185.25)</b>	<b>497.26</b>
XII <b>Paid-up Equity Share Capital (face value of Rs. 10 each)</b>	<b>1,416.57</b>	<b>1,416.57</b>	<b>1,416.33</b>	<b>1,416.57</b>	<b>1,416.33</b>
XIII <b>Earnings per equity share (for continuing operation), excluding Other Comprehensive Income</b>					
(a) Basic	(1.69)	(1.78)	1.29	(1.40)	4.12
(b) Diluted	(1.69)	(1.78)	1.29	(1.40)	4.11
XIV <b>Earnings per equity share (Total) including Other Comprehensive Income</b>					
(a) Basic	(1.62)	(1.77)	1.29	(1.31)	4.16
(b) Diluted	(1.62)	(1.77)	1.29	(1.30)	4.15



**CL Educate Limited**

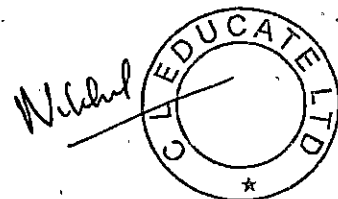
**CIN No:- L74899DL1996PLC078481**

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

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018  
STANDALONE SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES**

(Rs. In Lacs)

Segment Wise Performance	For the quarter ended			For the year ended	
	Audited	Unaudited	Unaudited	Audited	Audited
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
<b>Segment Revenue</b>					
Consumer Test Prep	4,072.62	3,023.39	3,622.12	15,521.39	14,047.40
Vocational	-	-	-	-	237.93
<b>Total Segment Revenue from Operations (Gross)</b>	<b>4,072.62</b>	<b>3,023.39</b>	<b>3,622.12</b>	<b>15,521.39</b>	<b>14,285.33</b>
<b>Segment Results</b>					
Consumer Test Prep	959.83	(46.82)	801.19	1,882.07	2,459.04
Vocational	(404.97)	(162.47)	(312.85)	(739.90)	(586.62)
<b>Total Segment Results</b>	<b>554.86</b>	<b>(209.29)</b>	<b>488.34</b>	<b>1,142.17</b>	<b>1,872.42</b>
Add: Other Income	12.88	564.46	171.22	1,344.24	960.73
Less:- Finance Cost	91.03	98.54	153.97	340.10	541.71
Less:- Unallocated expenses	818.82	487.24	290.77	2,282.56	1,576.97
<b>Profit/(Loss) before tax</b>	<b>(342.11)</b>	<b>(230.61)</b>	<b>214.82</b>	<b>(136.25)</b>	<b>714.47</b>
Less: Tax Expenses	(102.66)	21.56	60.61	62.34	221.69
<b>Net Profit / (Loss) for the period</b>	<b>(239.45)</b>	<b>(252.17)</b>	<b>154.21</b>	<b>(198.59)</b>	<b>492.78</b>
Other Comprehensive Income	9.92	1.20	0.17	13.34	4.48
<b>Total Comprehensive Income</b>	<b>(229.53)</b>	<b>(250.97)</b>	<b>154.38</b>	<b>(185.25)</b>	<b>497.26</b>
<b>Segment Assets</b>					
Consumer Test Prep	9,092.41	8,171.92	5,792.77	9,092.41	5,792.77
Vocational	3,737.39	4,061.76	4,360.33	3,737.39	4,360.33
Unallocated	32,840.98	33,333.12	48,097.57	32,840.98	48,097.57
<b>Total</b>	<b>45,670.78</b>	<b>45,566.80</b>	<b>58,250.67</b>	<b>45,670.78</b>	<b>58,250.67</b>
<b>Segment Liabilities</b>					
Consumer Test Prep	3,874.48	4,705.53	3,954.37	3,874.48	3,954.37
Vocational	2,037.73	585.07	2,394.23	2,037.73	2,394.23
Unallocated	5,370.40	6,119.85	17,378.99	5,370.40	17,378.99
<b>Total</b>	<b>11,282.61</b>	<b>11,410.45</b>	<b>23,727.59</b>	<b>11,282.61</b>	<b>23,727.59</b>



CL Educate Limited

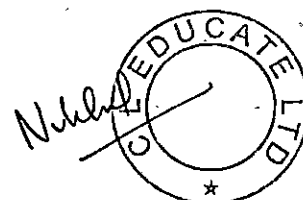
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Notes to the Audited Standalone Financial Results ("financial results") for the quarter and year ended  
March 31, 2018

1. The above financial results have been audited and recommended by the Audit Committee and approved by the Board at their meeting held on May 23, 2018.
2. The financial results for the year ended March 31, 2018 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 Indian Accounting Standard (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. The figures for the quarter ended March 31, 2018 and the corresponding quarter ended in the previous year, as reported in these standalone financial results, are the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year. The figures for the nine months ended December 31, 2017 had only been reviewed and not subject to audit.
4. The shares of the Company got listed on March 31, 2017, the financial results were 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, figures for the nine months ended December 31, 2016 (relied for computing figures for the quarter ended March 31, 2017) have not been subjected to limited review. However, the management has exercised necessary due diligence to ensure that the figures for the nine months ended December 31, 2016 provide a true & fair view of its affairs in accordance with Ind AS.
5. Reconciliation of the financial results of corresponding three months and twelve months ended of financial year 2016-17 to those reported under previous IGAAP are summarized below:

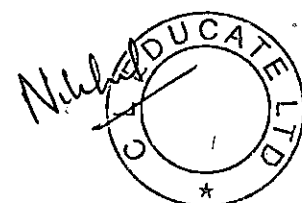
Particulars	Three months ended on March 31, 2017 Unaudited (Rs in lacs)	Twelve months ended March 31, 2017 Audited (Rs in lacs)
Profit after tax as reported under previous IGAAP (A)	227.62	724.39
Adjustments on account of:		
Financial guarantees given	19.51	21.98
Financial guarantees taken	(2.13)	(8.53)



Effective Interest Rate adjustment on Borrowings	(0.81)	(1.73)
Finance lease adjustment-Greater Noida Land	(2.23)	(6.79)
Deferred revenue adjustment of Franchisee start up fees	29.29	140.49
Deferred revenue adjustment of admission fees	(129.27)	(498.26)
Impact of re-measurement of Defined benefits plans	(0.26)	(6.85)
Expected Credit Loss Provision for Doubtful debts	(30.84)	(1.11)
Discounting of security deposits	(0.05)	(0.51)
Deferred tax impact on above benefit / ( charge)	43.41	129.70
<b>Total (B)</b>	<b>73.39</b>	<b>231.61</b>
<b>Profit after tax as reported under Ind AS (A-B)</b>	<b>154.23</b>	<b>492.78</b>
<b>Other Comprehensive Income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurements of defined benefit plans-OCI	0.26	6.85
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		
Income tax relating to remeasurement of defined benefit plans	(0.09)	(2.37)
<b>Total Income as reported under Ind AS</b>	<b>154.40</b>	<b>497.26</b>

6. During the previous 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. Details of the utilisation of net IPO proceed till March 31, 2018 is as under:

Objects	Amount as per prospectus (Rs. in lacs)	Utilised till March 31, 2018 (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 Kestone Integrated Marketing Services Private Limited and GK Publications Private Limited	5,250.00	4,643.13
Funding acquisitions and other strategic initiatives	2,000.00	1,835.11



General corporate purposes	*1,010.25	-
<b>Total</b>	<b>10,120.65</b>	<b>8,334.64</b>

\* Post finalization of IPO expenses

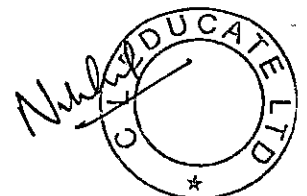
During the quarter ended June 30, 2017, the Company had acquired remaining 5,880 equity shares of Accendere Knowledge Management Services Private Limited (AKMS) constituting 49% of the total paid up capital of AKMS for Rs. 1,323 lacs, making AKMS a wholly owned subsidiary of the Company.

During the quarter ended December 31, 2017, the Company had paid balance outstanding in this respect of Rs. 661.50 lacs, out of the proceeds from IPO.

During the quarter ended December 31, 2017, the company had acquired 5,070 equity shares of Ice Gate Educational Institute Private Limited (IceGate) constituting 50.7% of the total paid up capital, for Rs. 623.61 lacs. The said amount was paid by the Company out of the proceeds from IPO.

During the quarter ended December 31, 2017, the Company had paid Rs. 150.00 lacs to Indiacan Education Private Limited in respect of the Eten business acquired by the Company out of the proceeds from IPO.

7. In accordance with 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 comprising of "Consumer Test Prep" and "Others", which comprises primarily scaled down vocational training businesses.
8. The basic and diluted earnings per share have been calculated in accordance with the Ind AS-33 "Earnings Per Share".
9. During the quarter ended September 30, 2017, the Company purchased Compulsorily Convertible Preference Shares (CCPS) amounting Rs. 400.00 lacs in the education technology Company namely, ThreesixtyOne Degree Minds Consulting Private Limited (361 DM). The Company already held 4.43% of the paid up capital of 361 DM. Pursuant to investment in CCPS, 361 DM has been considered as an Associate of the Company and its results have been consolidated using the Equity method for the year ended March 31, 2018.
10. The company has in the past undertaken various Central and State Government / Agencies, projects in the education / skill development sector. Most of these projects are complete, however the dues from the concerned department / agency has not been realized mainly on account of delays and long process. The details of such vocational trade receivables which are outstanding for a considerable period of time are given below. In the opinion of the





management it has made the necessary provision, wherever required and such balances are fully recoverable. The details are as under.

Nature of Balance	Total Amount (Rs. In lacs)	Amount O/s. for more than 3 years (Rs. In lacs)	Expected Credit Loss (ECL) provided in books of Accounts (Rs in lacs)
Vocational Trade receivables	4,196.88	746.44	837.31

As a matter of prudence, write off of Rs 240 lacs has been taken in year ended March 31, 2018 and the above numbers are net of such write off.

11. Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to the current period's classification.

Place: New Delhi  
Date: May 23, 2018

By the order of the Board



Nikhil Mahajan

Executive Director and Group CEO Enterprise  
Business

