

CL EDUCATE LIMITED ANNUAL REPORT

FY 2016



TABLE OF CONTENTS

Contents

About the Company	2
Overview	2
Historical Data for CL Educate (FY 2012 – FY 2016)	3
Historical Data for Consolidated CL Group including K-12 (FY 2012 – FY 2016)	4
Board and Committees (As on July 28, 2016)	5
Directors' Report 2016	6
1. Results of Our Operations	6
2. Financial Highlights	7
3. Industry Overview and Developments	7
4. Overview of Our Company	9
5. Subsidiaries & Associates	9
6. Change in the status of subsidiaries/associate companies/joint venture:	11
Management's Discussion and Analysis	13
Introduction	13
Competition	14
Results of our Operations	15
Company's Future Outlook	24
Various Matters & Disclosures	28
1. Dividend	28
2. Capital and Finance	28
3. Disclosure of Energy conservation, Technology Absorption & Foreign Exch. Inflows & Outflows	29
4. Internal Financial Control Systems	30
5. Particulars of Employees	31
6. Directors and Key Managerial Personnel	32
7. Auditors	32
8. Internal Auditor	34
9. Cost Auditor	35
10. Public Deposits	35

TABLE OF CONTENTS

11.	Corporate Social Responsibility	35
12.	Extract of Annual Return	36
13.	Annual Evaluation by the Board	36
14.	Particulars of Loans, Guarantees and Investments	36
15.	Particulars of Contracts or Arrangements with Related Parties	37
16.	Amount proposed to be carried to any reserves	37
17.	Material changes	37
18.	Risk Management Policy	37
19.	Vigil Mechanism / Whistle Blower Policy	37
20.	Sexual Harassment of Women at Workplace	37
21.	Corporate Governance	38
22.	Directors Responsibility Statement	45
	Annexures to Directors' Report 2016	46
	Annexure I: AOC – I Features of Financial Statement of Subsidiaries	46
	Annexure II: Particulars of Employees	49
	Annexure III: CSR Policy	50
	Annexure IV: MGT-9 Extract of Annual Return	55
	Annexure V: AOC – II Contracts/Arrangements with Related Parties	70
	Annexure VI: Risk Management Policy	81
	Annexure VII: Process of Determination of Director's Remuneration	88
	Annexure VIII: Corporate Governance Report	93
	Financial Statements - Standalone	98
	Financial Statements - Consolidated	180
	a) In case of one of the subsidiary, cl media private limited, the procurement policy implemented for purchase of goods and services was not operating effectively, which could potentially result in the company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.	185
	AGM Notice 2016	270

About the Company

Overview

We are a diversified and integrated technology-enabled provider of education products, services, content and infrastructure, with a presence across the education value chain. Since we commenced our operations in 1996, we have diversified our operations across six business segments, spanning the education value chain. The diversity of our business portfolio enables us to touch students across multiple age groups across their educational lifecycles.

At CL Educate, we operate across a broad spectrum of segments in the education industry, including test preparation & training services, publishing & content development, integrated business, marketing & sales services for corporates, vocational training, integrated solutions to educational institutions & universities and K-12 education. We have state of the art infrastructure across 162 test preparation and training centers (Of which 4 are temporary 'Smart Career Centers') spread over 22 states in India.

We believe that the only unchanging part of any business entity is the core ideology. Our clarity about our core ideology equips us to effectively keep reinventing ourselves over time and makes us capable of converting every change in the environment into an opportunity for growth and success.

Core Values

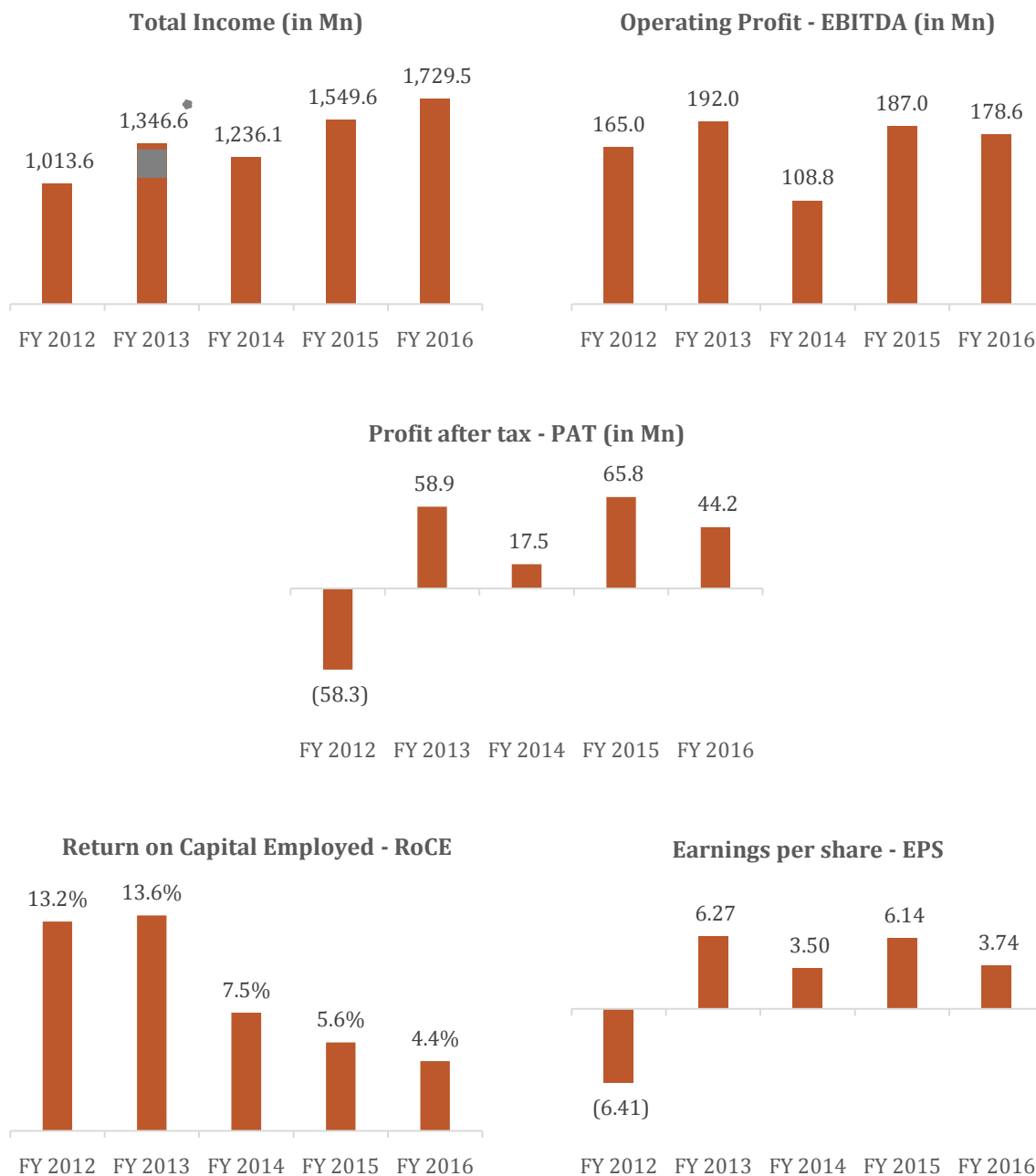
Our core values are summed up in the internal acronym 'ROOHI'

- **Risk Taking:** Acting decisively based on sound judgment and intuition.
- **Ownership:** Accepting responsibility for actions and carrying the team forward in a crisis situation.
- **Openness:** Regularly sharing experiences with team members and customers, and encouraging feedback and initiative from them.
- **Honesty & commitment to customers:** Communicating clearly & honestly to customers, the deliverables and expectations from them.
- **Innovation:** Creating products, systems and processes with enhanced effectiveness to meet customer needs.

We follow our core values in all aspects of our operating practices and at all our locations. We believe that our adherence to these core values has enabled us to grow our business and our brand and we will continue to adhere to these principles. Further, our core values have taken the shape of a core value test that has been designed in consultation with external experts in the realm of psychology and psychometrics. Any new recruit to our Company is required to take this test prior to their meeting for the recruitment process.

About the Company – CL Educate Limited

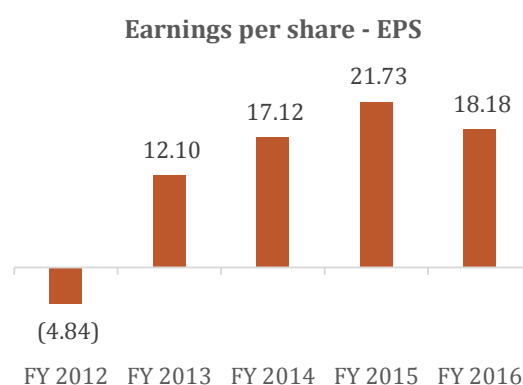
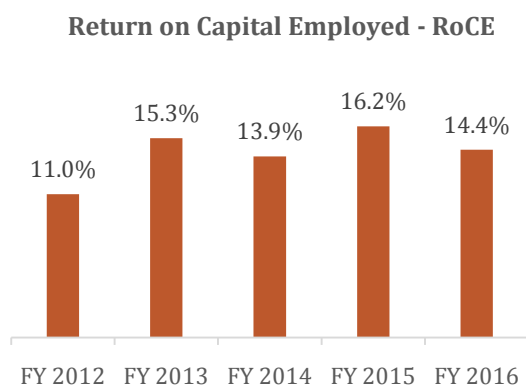
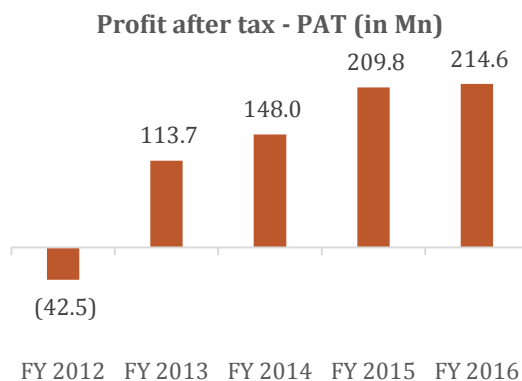
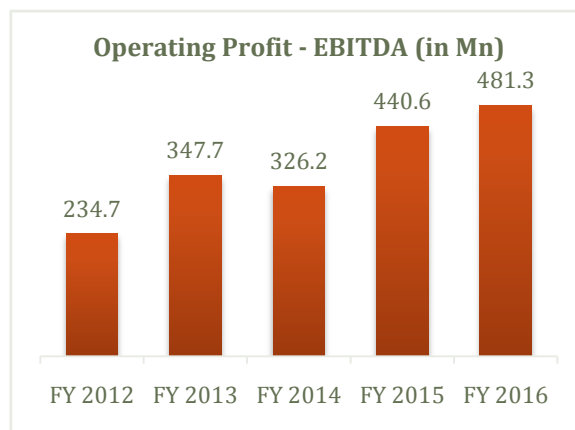
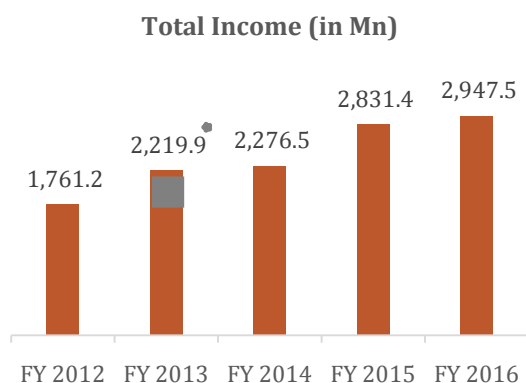
Historical Data for CL Educate (FY 2012 – FY 2016)



* Includes a Provision write-back to the tune of INR 112.8 mn

About the Company – CL Educate Limited

Historical Data for Consolidated CL Group including K-12 (FY 2012 – FY 2016)



* Includes a Provision write-back to the tune of INR 112.8 mn

About the Company – CL Educate Limited

Board and Committees (As on July 28, 2016)

The Board of Directors

Mr. Satya Narayanan. R
*Chairman of the Board &
Whole-Time Director*

Mr. Gautam Puri
*Vice-Chairman & Managing
Director*

Mr. Nikhil Mahajan
*Whole Time Director &
Chief Financial Officer*

Mr. Sridar Iyengar
*Non-Executive Independent
Director*

Mr. Safir Anand
*Non-Executive Independent
Director*

Mr. Gopal Jain
*Non-Executive (Nominee)
Director*

Mr. Viraj Tyagi
*Non-Executive Independent
Director*

Mr. Kamil Hasan
*Non-Executive Independent
Director*

Ms. Sangeeta Modi
*Non-Executive Independent
Director*

Board Committees

Audit Committee

Mr. Sridar Iyengar, *Chairman*

Mr. Gopal Jain, *Member*

Mr. Kamil Hasan, *Member*

Mr. Viraj Tyagi, *Member*

Nomination, Remuneration and Compensation Committee

Mr. Viraj Tyagi, *Chairman*

Mr. Safir Anand, *Member*

Mr. Gopal Jain, *Member*

Mr. Kamil Hasan, *Member*

CSR Committee

Mr. Safir Anand, *Chairman*

Mr. Satya Narayanan .R,
Member

Mr. Gautam Puri, *Member*

Stakeholders Relationship Committee

Mr. Safir Anand, *Chairman*

Mr. Gautam Puri, *Member*

Mr. Nikhil Mahajan, *Member*

Risk Management Committee

Mr. Satya Narayanan .R,
Chairman

Mr. Gautam Puri, *Member*

Mr. Nikhil Mahajan, *Member*

Company Secretary

Ms. Rachna Sharma

Auditors (2015-16)

Haribhakti & Company, LLP
Chartered Accountants,

Bankers

HDFC Bank Ltd.

ICICI Bank

Standard Chartered Bank

Kotak Mahindra Bank

Corporation Bank

Axis Bank

Citibank

State Bank of India

Registered & Corporate Office

A-41, Espire Building,

Lower Ground Floor,

Mohan Co-operative

Industrial Area,

Main Mathura Road,

New Delhi – 110 044, India

Tel: +91 011 4128 1100, Fax:
4128 1101

Email:

rachna@careerlauncher.com

Website: www.cleducate.com

Directors' Report 2016

Directors' Report 2016

To the Members,

We have the pleasure of presenting the 20th Annual Report of our Company together with the Audited Accounts for the year ended March 31, 2016.

1. Results of Our Operations

1a. CL Educate Standalone

(Figures in ₹ Mn)

	FY 2016	FY 2015
Total Income	1,729.51	1,549.59
Total Expenditure	1,664.92	1,460.60
Profit before tax	64.59	88.99
Exceptional Expenses	-	-
Tax Expenses	20.42	23.23
Profit after tax	44.17	65.76
Profits brought forward from previous year	354.73	298.42
Cumulative Surplus carried to Balance sheet	398.89	354.73

1b. CL Educate Consolidated

(Figures in ₹ Mn)

	FY 2016	FY 2015
Total Income	2,947.49	2,831.45
Total Expenditure	2,657.77	2,538.76
Profit before tax	289.72	292.69
Exceptional items (net)	-	22.84
Tax Expenses	75.11	60.22
Profit after tax	214.61	209.85
Profits brought forward from previous year	70.95	453.87
Cumulative Surplus carried to Balance sheet	243.04	70.95

Directors' Report 2016

2. Financial Highlights

2a. CL Educate Standalone

Our Operating Income increased to ₹ 1,643.54 Mn from ₹ 1496.27 Mn in the previous year, at a growth rate of 9.84%. While our Test Preparation revenues increased to ₹ 1,282.58 Mn reflecting a growth rate of about 8.40% over the previous year 2015, the vocational business revenue grew by over 15.27% to reach ₹ 360.96 Mn.

Our Total Income was at ₹ 1,729.51 Mn as against ₹ 1549.59 Mn in the previous year. The Other Income also grew by 61.23% this year to be at ₹ 85.97 Mn vis-à-vis ₹ 53.32 Mn last year.

While the total expenses increased by ₹ 204.32 Mn over the previous year, the overall PBT for FY16 decreased from ₹ 88.99 Mn to ₹ 64.59 Mn. Similarly, Earning per share (Basic) fell to ₹ 3.74 this year from an EPS ₹ 6.14 the previous year.

2b. CL Educate Consolidated

Our Operating Income on a consolidated basis increased to ₹ 2,826.41 Mn from ₹ 2,735.29 Mn in the previous year, at a growth rate of 3.33%. While our consolidated revenues from Sale of Text Books increased marginally to ₹ 425.23 Mn reflecting a growth rate of about 1.50% over the previous year 2015, the consolidated revenue from Sale of Services grew by 5.48% to reach ₹ 2,233.31 Mn.

Our Total Income on a consolidated basis was at ₹ 2,947.49 Mn as against ₹ 2,831.45 Mn in the previous year. The Other Income on a consolidated basis also grew by 25.91% this year to be at ₹ 121.08 Mn vis-à-vis ₹ 96.16 Mn last year.

While the total expenses on a consolidated basis increased by ₹ 119.01 Mn over the previous year, the overall PBT (after exceptional items) on a consolidated basis for FY16 increased from ₹ 269.85 Mn to ₹ 289.72 Mn. However, Earning per share (Basic before exceptional expenses) fell to ₹ 18.18 this year from an EPS (Basic before exceptional expenses) of ₹ 21.73 the previous year.

3. Industry Overview and Developments

India is the world's largest democracy in terms of population, with approximately 1.25 trillion people, and the world's fourth largest economy in terms of Gross Domestic Product ("GDP"), after China, the European Union and the United States of America, with an estimated GDP (by purchasing power parity valuation) of approximately US\$ 8.03 trillion. (*Source: CIA World Factbook, 2015*)

Amidst volatility in the international economic environment, India is expected to be the fastest growing major economy in the world in 2016. In the Advance Estimates of GDP released by the Central Statistics Office, the growth rate of India's GDP at constant market prices is projected to register growth in excess of 7% for the third consecutive year, increasing from 7.2% in 2014-15 to 7.6% in 2015-16. (*Source: Indian Economic Survey 2015-16, Ministry of Finance, GoI*).

Directors' Report 2016

In India, Education is the key to the task of nation-building. It is also a well-accepted fact that providing the right knowledge and skills to the youth can ensure the overall national progress and economic growth. The Indian education system recognizes the role of education in instilling the values of secularism, egalitarianism, respect for democratic traditions and civil liberties and quest for justice.

Over the last decade, with the rising focus on literacy and primary education, the Centre's outlay on education has risen at a 17% CAGR, touching nearly ₹ 880 billion in 2014-15. Year-on-year, it grew 23%.

In the Union Budget 2016-17, the Union Finance Minister has announced an allocation of ₹ 723.94 billion to the education sector, reflecting a 4.8% increase over the allocation of ₹ 69,074 billion last year. Allocation to the education sector included allocation of ₹ 435.54 billion to school education and ₹ 288.40 billion to higher education. In addition, ₹ 18.04 billion was allocated towards skill development, ₹ 17.00 billion was allocated towards setting up 1,500 multi-skill development centres and ₹ 5.00 billion was allocated towards promoting entrepreneurship among scheduled castes and tribes.

3a. Overview of key market segments

Over the years, the Indian test preparation industry has witnessed a transition from home tuitions to a host of renowned chains of coaching classes. The mode of knowledge transfer has also evolved from a traditional blackboard class to modern technology driven sessions. Once restricted to textbooks and printed study notes, the segment has evolved to include online content delivery, where students can access course material via online portals and smartphone applications.

Structural changes in the Indian economy, such as rising disposable incomes and growing numbers of nuclear families, along with factors such as rising share of private institutions and enrolments, few quality educational institutions and social issues in regard to high stress on marks in the Indian education system are expected to drive the coaching industry. Also, the coaching industry being a less capital intensive industry, has attracted entrepreneurial interest.

The Indian test prep market is estimated at ₹ 378 billion, as of 2015-16, having grown at a CAGR of approximately 14% from 2008-09, driven by factors including escalation in income levels, increased spend on education, high competition for limited seats in quality institutes and complexity of entrance exams. The Indian test prep segment is estimated to grow at a CAGR of 13 per cent during the period 2016-2021.

As of 2015-16, the graduate segment accounts for 56% share of the Indian test prep industry, while the job-oriented segment accounts for 30% share (on account of high enrolments, largely as Government jobs still enjoy mass appeal among the youth of India, especially in semi-urban and rural areas, although the coaching fees are relatively lower in this segment), and the postgraduate segment accounts for 13%.

The Vocational Training segment is estimated to grow at 21-22% annually between 2014-15 and 2019-20, in volume terms, i.e., from 10-11 million people expected to be trained in 2014-15 to 28-29 million people expected to be trained in 2019-20. Consequently, private players are expected to play a larger role in providing vocational training in the next few years. The share of private players in vocational training is

Directors' Report 2016

estimated to have increased from 5% in 2013-14 to 22% in 2014-15, and is expected to grow to 39% by 2019-20.

The Indian book publishing industry is valued at ₹ 244 billion as of 2015-16, with the academic segment accounting for the largest share at ₹ 202 billion (approximately 83%) and the non-academic segment accounting for the balance ₹ 42 billion (approximately 17%). The Indian book publishing industry is expected to grow at 10-11% over the next five years to reach ₹ 415 billion by 2020-21. While publishing of academic books is expected to grow at 11-12% annually to ₹ 353 billion in 2020-21, the growth of the non-academic segment is expected to be slower at 8-9% annually to ₹ 63 billion by 2020-21.

The GER in overall K-12 segment in India was estimated at 80.5% in 2014-15 and is expected to reach 87.5% in 2019-20, driven by rise in urbanization and disposable income, as well as lower dropout rates due to increasing awareness, rising affordability (with more households moving to the middle and higher income brackets) and Government schemes to incentivize transition to higher level K-12 education (such as cash rewards for girls transiting to upper primary, secondary and higher secondary K-12 schools).

4. Overview of Our Company

We are a diversified and integrated technology-enabled provider of education products, services, content and infrastructure, with a presence across the education value chain. We operate across a broad spectrum of segments in the education industry, including test preparation & training services, publishing & content development, integrated business, marketing & sales services for corporates, vocational training, integrated solutions to educational institutions & universities and K-12 education. We have state of the art infrastructure across 162 test preparation and training centers (Of which 4 are temporary 'Smart Career Centers') spread over 22 states in India.

Our Company's key strengths being:

- Diversified and integrated education products, services, content and infrastructure provider; with Pan-India presence and a focus on knowledge-creation
- Reputed courses, particularly in the aptitude based test prep segment
- Asset-light, technology-enabled business model
- Strong brand equity
- Track record of successful inorganic expansion
- Professionally qualified, experienced and entrepreneurial management team, and quality human capital

5. Subsidiaries & Associates

Our Company has seven subsidiaries (including two indirect subsidiaries) to carry out activities in various streams of education and other educational training areas. A brief profile of our subsidiaries is given hereunder:

Directors' Report 2016

5a. Kestone Integrated Marketing Services Private Limited (Kestone)

Our Company acquired Kestone on the 1st day of April, 2008 and it has since been a wholly owned subsidiary. Under our brand Kestone, we believe we enjoy strong relationships with corporates to which we provide our integrated business, marketing and sales services. Kestone focuses largely on the IT/ITES and Telecom sectors to provide a variety of manpower and CRM solutions.

Kestone provides integrated business, marketing and sales services to our corporate customers, including event management, marketing support (including digital marketing support in the form of online marketing initiatives, to support offline marketing campaigns), customer engagement (including audience generation, lead generation, loyalty and reward programs and contest management), managed manpower and training services.

The business has shown extremely robust growth not only in top line but also in its bottom line. The top line has increased from about ₹ 607.24 Mn in FY12 to about ₹ 973.58 Mn in FY16, thus reflecting an almost 60% increase in last five years.

5a.1. Kestone Asia Hub PTE. Ltd., Singapore

Kestone Asia Hub Pte. Ltd. (Previously Known as 'Career Launcher Asia Educational Hub Pte. Ltd.', Singapore - an indirect subsidiary of CL Educate Limited), now a subsidiary company of Kestone, and hence an indirect subsidiary of CL was incorporated in the year 2008. It is currently engaged in providing integrated marketing solutions for products and services for and on behalf of inland and overseas clients and customers.

5b. CL Media Private Limited (CLM)

CL Media, as a subsidiary of CL, was incorporated on February 1, 2008. CL holds 100% of the issued and paid-up equity capital in this company. CL Media provides integrated solutions to educational institutions and universities including business advisory and outreach support services.

CL Media is currently engaged in the business of content development for study material, publishing study material and books.

The total income of CL Media was ₹ 298.87 Mn in FY 2016 as against ₹ 301.69 Mn in FY 2015, thereby decreasing marginally by almost 0.94% over the previous year.

5c. Career Launcher Education Infrastructure and Services Limited (CLEIS)

CLEIS is a wholly owned subsidiary of CL incorporated in the year 2005. CLEIS is currently engaged in business of providing educational services for K-12 schools including brand licensing and providing education soft skills under the brand Indus World School. The Company owns brand names "Indus World School" and "Ananda".

Directors' Report 2016

As on March 2016, CLEIS operates 8 (eight) K-12 schools across India under the IWS brand of which two K-12 schools are owned, six schools are operated through an infrastructure partnership model (of which one school has been shifted to educational partnership model w.e.f April 1, 2016).

5c.1. Career Launcher Infrastructure Private Limited (CLIP)

CLIP, a wholly owned subsidiary of CLEIS, and hence a subsidiary of CL was incorporated in the year 2008. CLIP is currently engaged in the business of providing infrastructure facilities for K-12 schools operated under the brand Indus World School.

5d. GK Publications Private Limited (GKP)

GK Publications Private Limited became a subsidiary of CL Educate Limited on November 12, 2011. As on date, CL holds 100% stake in the Company. GKP is currently engaged in the business of distribution of test preparation guides, books and other academic material.

5e. Accendere Knowledge Management Services Private Limited (AKMS)

Accendere Knowledge Management Services Private Limited became a subsidiary of CL Educate Limited on September 07, 2015. As on date, CL holds 51% stake in the Company.

Accendere was incorporated under the Companies Act 1956 on September 19, 2008. Accendere is currently engaged in the business of facilitating educational institutions in establishing their institutional credibility, international presence and thought leadership by improving their research output in terms of both the quality and quantity of research articles published by them.

6. Change in the status of subsidiaries/associate companies/joint venture:

There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

There has been no material change in the nature of the business of the subsidiaries.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Subsidiaries' in Form AOC-1 is attached to the financial statements (attached to this report as **Annexure-I**).

Further, pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

6a. Equity Investment in Subsidiaries

As on March 31, 2016 the Company's holding in its various subsidiaries was as follows:

- a) 9,447,606 Equity Shares of ₹ 10 each comprising of 100% Equity Capital in Career Launcher Education Infrastructure and Services Limited;

Directors' Report 2016

- b) 10,000 Equity Shares of ₹ 10 each comprising of 100% Equity Capital in CL Media Private Limited;
- c) 1,000,000 Equity Shares of ₹ 10 each comprising of 100% Equity Capital in Kestone Integrated Marketing Services Private Limited;
- d) 190,000 Equity Shares of ₹ 10 each comprising of 100% Equity Capital in GK Publications Private Limited;
- e) 6,120 equity shares of 10 each comprising of 51% Equity Capital in Accendere Knowledge Management Services Private Limited

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

Management's Discussion and Analysis

Management's Discussion and Analysis

Introduction

We are a leading diversified and integrated technology-enabled provider of education products, services, content and infrastructure, with a presence across the education value chain in India. We have diversified our operations across six business segments, spanning the education value chain:

- Test preparation, generally referred to as “test prep”, conducted under our well-recognized brand Career Launcher;
- Publishing and content development, conducted under our brand GK Publications;
- Integrated business, marketing and sales services for corporates, conducted under our brand Kestone, including event management, marketing support (including digital marketing support), customer engagement, managed manpower and training services;
- Vocational training programs implemented by us under Government schemes in various States across India;
- Integrated solutions to educational institutions and universities, including business advisory and outreach support services, under our brand CL Media, as well as research incubation and support services conducted under the brand Accendere; and
- K-12 schools operated under our brand Indus World School.

Under the umbrella of our brand Career Launcher, we offer reputed test prep courses for MBA, Banking and Staff Selection Commission (“SSC”) and Law entrance examinations, as well as courses for Engineering, Medical, Civil Services, Grade VIII-XII Tuitions and International Education (GRE, GMAT and SAT), among others.

For fiscal 2016, we had over 87,000 enrolments in our test prep segment across a network of 159 test prep centers (Of which 4 are temporary ‘Smart Career Centers’). in 87 cities throughout India and 3 test prep centers abroad, with 57 owned centers, and 105 centers operated under a partnership model. Our students have established a strong success record for us, across our test prep business. For instance, 66 of our students secured ranks in the top 100 successful candidates in the CLAT examination held in May 2016.

A Major change in Civil Service (CSAT paper) exam by the Government, saw our CSAT enrolments dip from 14,287 in fiscal 2015 to 4,145 in fiscal 2016 and consequently the billing for CSAT course decrease from ₹ 186.62 Mn in fiscal 2015 to ₹ 46.74 Mn in fiscal 2016. It adversely impacted our revenue growth and EBIDTA for our Test preparation business.

With our acquisition of the GK Publications business in November 2011, we believe that we have an established brand in the publishing and content development business, in particular, a brand that has built a reputation for publishing niche test prep books, guides, and question banks for popular professional and entrance examinations in India. During the year ended March 31, 2016, we had released over 1,600 titles and had sold over 1.06 million copies under the brand GK Publications.

Management's Discussion and Analysis

We also provide infrastructure, educational services and license our 'Indus World Schools' brand 8 (eight) K-12 schools across India. As on March 31, 2016, almost 2,500 students were enrolled in the Indus World Schools across the States of Punjab, Delhi NCR, Madhya Pradesh, Chhattisgarh, Maharashtra and Haryana.

In the vocational training segment, we had an aggregate of 6,663 enrolments in our training programs under project tenders issued by the Central and various State Governments, during fiscal 2016, across the States of Jharkhand, Odisha, Chhattisgarh, Gujarat, Madhya Pradesh and Uttar Pradesh. With the Government of India and other State Governments promoting private participation in their drive for skill development in India, including through the Prime Minister's National Policy of Skill Development seeking to train 500 million people in India by 2022, we believe that there is a significant growth opportunity in the vocational training segment. In addition, we undertake certain recruitment, training and event management services for corporates from time to time, through our Subsidiary, Kestone, which, we believe, enables us to build relationships with corporates and drives our placement programs for enrolments in our vocational training programs.

Competition

Competition in each of our business segments, as well as in the education sector as a whole, is generally fragmented. For instance, in the test prep segment, we believe that we face competition in each of the courses that we offer from generally from multiple regional players, in addition to larger players that have wider coverage across India.

In the K-12 segment, especially in metropolitan and other larger cities and towns in India and among the more affluent section of society, we believe that we face greater competitive pressures from private schools and educational institutions (relative to government schools).

The vocational training business is generally driven by programs launched by, and under the aegis of, various State and Central Governments in India in a need-based manner, wherein contracts are awarded through the tender process, where we face competition from other players. We also conduct recruitment, training and event management services for corporates and we face competition from other players including from corporates who may undertake to recruit and train their own staff.

In the publishing and content development business, in addition to competition from traditional print and publishing companies, we face an increasing level of competition from multimedia companies that are engaged in developing educational content and providing multimedia products and services in the education sector.

Our test prep and publication and content development businesses also face significant competition from online content provided by internet websites. Online content is typically available to consumers at a lower cost than printed books and guides, and is also interactive and user friendly. In particular, the growing urban population in India with access to the internet may prefer online content over printed material, thereby adversely affecting our test prep business and sales of titles under the GK Publications brand.

Management's Discussion and Analysis

Competitive factors may force us to reduce our fees and/or increase our spend in order to continue to attract student enrolments and to retain and attract faculty members, and to pursue new market opportunities. Further, India's gradual transition from the traditional classroom teaching model to the online or virtual model, and related aspirations and requirements to digitize content and to supplement our network of test prep centers with more innovative new media solutions and technology platforms adds an additional dimension to the challenges posed to us by the competitive factors shaping the education sector in which we currently operate.

Results of our Operations

The function-wise classification of the Standalone Statement of Profit and Loss as follows:

	FY 2016	%	FY 2015	%
Revenue from Operations	1,643.54	95.0%	1,496.27	96.6%
Other Income	85.97	5.0%	53.32	3.4%
Total Revenue	1,729.51	100.0%	1,549.59	100.0%
Operating Expenses	1,550.91	89.7%	1,362.59	87.9%
EBITDA	178.60	10.3%	186.99	12.1%
Depreciation	62.20	3.6%	50.84	3.3%
EBIT	116.41	6.7%	136.15	8.8%
Finance Cost	51.82	3.0%	47.17	3.0%
PBT before Exceptional & Prior period items	64.59	3.7%	88.99	5.7%
Exceptional & Prior period items	-	-	-	-
Profit Before Tax	64.59	3.7%	88.99	5.7%
Tax Expense	20.42	1.2%	23.23	1.5%
Profit after Tax and Exceptional items	44.17	2.6%	65.76	4.2%

Management's Discussion and Analysis

The function-wise classification of the Consolidated Statement of Profit and Loss as follows:

	<i>(Figures in ₹ Mn)</i>			
	FY 2016	%	FY 2015	%
Revenue from Operations	2,826.41	95.9%	2,735.29	96.6%
Other Income	121.08	4.1%	96.16	3.4%
Total Revenue	2,947.49	100.0%	2,831.45	100.0%
Operating Expenses	2,466.20	83.7%	2,367.80	83.6%
EBITDA	481.29	16.3%	463.65	16.4%
Depreciation	90.01	3.1%	77.39	2.7%
EBIT	391.29	13.3%	386.25	13.6%
Finance Cost	101.57	3.4%	93.57	3.3%
PBT before Exceptional & Prior period items	289.72	9.8%	292.69	10.3%
Exceptional items (net)	-	-	22.84	0.8%
Profit Before Tax	289.72	9.8%	269.85	9.5%
Tax Expense	75.11	2.5%	60.22	2.1%
Profit after Tax before Minority Interest	214.61	7.3%	209.62	7.4%
Share of minority in (loss)/ profit for period	-	-	(0.22)	(0.01)%
Profit after tax	214.61	7.3%	209.85	7.4%

FISCAL 2016 COMPARED TO FISCAL 2015 – ON A STANDALONE BASIS

I. Income

Of the total revenues for the year ended March 31, 2016, on a standalone basis, approx. 95.0% came from Operations while just 5.0% came from Other Income.

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 organization 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). Out of the Revenues from operations, approx. 78.0% came from the Test Preparation and training segment (including sale of study material) and 22.0% came from the Vocational Training segment.

Management's Discussion and Analysis

The segmentation of revenues by business segments on a standalone basis is as follows:

<i>(Figures in ₹ Mn)</i>				
	FY 2016	%	FY 2015	%
Education and training programme (including sale of study material)	1,282.58	78.0%	1,183.14	79.1%
Vocational Training	360.96	22.0%	313.13	20.9%
Total Revenue from Operations	1,643.54	100.0%	1,496.27	100.0%

The Company has identified Geographical Segment as Secondary Segment. The segmentation of revenues by geographical segment on a standalone basis is as follows:

<i>(Figures in ₹ Mn)</i>				
	FY 2016	%	FY 2015	%
Within India	1,605.18	97.7%	1,480.19	98.9%
Overseas	38.36	2.3%	16.08	1.1%
Total Revenue from Operations	1,643.54	100.0%	1,496.27	100.0%

Revenue from Operations

Our total revenue from operations on standalone basis increased by 9.8% from ₹ 1,496.27 million in fiscal 2015 to ₹ 1,643.54 million in fiscal 2016, primarily on account of an increase in both sale of products and sale of services.

Income from Sale of Products

Income from sale of products increased by 3.6% from ₹ 251.83 million in fiscal 2015 to ₹ 260.95 million in fiscal 2016, primarily on account of increase in sale of study material given the increase in the number of enrollments across our Test Preparation and Training course offerings over the previous year.

Income from Sale of Services

Income from sale of services increased by 17.9% from ₹ 1,111.59 million in fiscal 2015 to ₹ 1,310.08 million in fiscal 2016, primarily on account of a 8.6% increase in education and training programs income from ₹ 857.93 million in fiscal 2015 to ₹ 931.92 million in fiscal 2016 – the growth in our education and training programs income during this period was primarily due to increase in enrolments in, and income from, our Bank PO & SSC and other test prep courses, as enrolments in, and income from, our Civils test prep courses saw a decline during this period due to change in the Civil Services examination pattern. Our Income from Online Education Services increased by 55.4% from ₹ 45.92 million in fiscal 2015 to ₹ 71.35 million in fiscal 2016. In addition, there was a 47.7% increase in our vocational training services income, from ₹ 207.75 million in fiscal 2015 to ₹ 306.81 million in fiscal 2016.

Management's Discussion and Analysis

Other Operating Revenue

Our other operating revenue decreased substantially from ₹ 132.84 million in fiscal 2015 to ₹ 72.51 million in fiscal 2016 showing a 45.4% decrease over the previous year, primarily on account of lower grant income from the government vocational training segment.

Other Income

Our other income increased by 61.2% over the previous year. It rose from ₹ 53.32 million in fiscal 2015 to ₹ 85.97 million in fiscal 2016.

II. Expenditure

The summary of our expenses on a standalone basis is as follows:

	<i>(Figures in ₹ Mn)</i>			
	FY 2016	%	FY 2015	%
Total Revenue	1,729.51	100.0%	1,549.59	100.0%
Purchases of traded goods	153.74	8.9%	145.72	9.4%
Decrease/ (Increase) in inventory of traded goods	2.79	0.2%	(11.68)	-0.8%
Cost of services	719.14	41.6%	613.94	39.6%
Employee benefits expense	248.01	14.3%	247.82	16.0%
Finance costs	51.82	3.0%	47.17	3.0%
Depreciation and amortisation expenses	62.20	3.6%	50.84	3.3%
Other expenses	427.24	24.7%	366.79	23.7%
Total Expenses	1,664.92	96.3%	1,460.60	94.3%

Total Expenses

Our total expenditure including interest and finance charges and depreciation/amortization increased by 14.0% from ₹ 1,460.60 million in fiscal 2015 to ₹ 1,664.92 million in fiscal 2016.

Purchases of traded goods

Our purchases of traded goods increased by 5.5% from ₹ 145.72 million in fiscal 2015 to ₹ 153.74 million in fiscal 2016, primarily due to increase in purchases of text books from our Subsidiary, CL Media, for circulation as study material to the students enrolled under the Test Preparation and Training courses as well as the Government Vocational Training schemes.

Decrease (Increase) in Inventory of Traded Goods

Management's Discussion and Analysis

Our closing inventory decreased by 6.6% from ₹ 45.33 million as on March 31, 2015 to ₹ 42.54 million as on March 31, 2016.

Cost of Services

Our cost of services increased by 17.1% from ₹ 613.94 million in fiscal 2015 to ₹ 719.14 million in fiscal 2016, primarily on account of 154.8% increase in Equipment hire expenses payments under Government vocational training schemes and 7.8% increase in payments made to the test prep franchise partners.

Employee Benefit Expenses

Our employee benefit expenses remained flat with a marginal increase of 0.1% from ₹ 247.82 million in fiscal 2015 to ₹ 248.01 million in fiscal 2016, primarily due to higher expense on ESOP schemes last year that were not incurred this year.

Finance Costs

Our finance costs increased by 9.9% from ₹ 47.17 million in fiscal 2015 to ₹ 51.82 million in fiscal 2016, primarily due to a 105.0% increase in interest on delay in payment of advance tax, from ₹ 1.2 million in fiscal 2015 to ₹ 2.46 million in fiscal 2016 and interest on overdraft increased by 13.7% from ₹ 32.92 million in fiscal 2015 to ₹ 37.45 million in fiscal 2016 given that we increased the credit limit utilization to meet the growing working capital funding needs from the increased scale of operations.

Depreciation/Amortization Expense

Our depreciation/amortization expense increased by 22.3% from ₹ 50.84 million in fiscal 2015 to ₹ 62.20 million in fiscal 2016, primarily due to increase in the gross block of tangible assets by ₹ 32.24 million during fiscal 2016 as well as due to increase in gross block of intangible assets by ₹ 12.70 million during fiscal 2016.

Other Expenses

Our other expenses increased by 16.5% from ₹ 366.79 million in fiscal 2015 to ₹ 427.24 million in fiscal 2016, primarily on account of 41.0% increase in rent expenses from ₹ 70.57 million in fiscal 2015 to ₹ 99.51 million in fiscal 2016, 38.9% increase in office expenses from ₹ 23.72 million in fiscal 2015 to ₹ 32.95 million in fiscal 2016; among others.

III. Net Profit after tax and exceptional items

On standalone basis, our net profit decreased by 32.8% from ₹ 65.76 million in fiscal 2015 to ₹ 44.17 million in fiscal 2016 reflecting a net profit margin of 2.6% of total revenue as against a net profit margin of 4.2% of total revenue in the previous fiscal 2015.

IV. Earnings Per share (EPS)

Management's Discussion and Analysis

On standalone basis, our basic EPS decreased by 39.1% during the year to ₹ 3.74 per share from ₹ 6.14 per share in the previous year. The outstanding shares used in computing the basic EPS were 11,802,697 and 10,708,949 for the year ending March 31, 2016 and March 31, 2015 respectively.

FISCAL 2016 COMPARED TO FISCAL 2015 – ON A CONSOLIDATED BASIS

I. Income

Of the total revenues for the year ended March 31, 2016, on a consolidated basis, approx. 95.9% came from Operations while just 4.1% came from Other Income.

A Major change in Civil Service (CSAT paper) exam, saw our CSAT enrolments dip from 14,287 in fiscal 2015 to 4,145 in fiscal 2016 and consequently the billing for CSAT course decrease from ₹ 186.62 Mn in fiscal 2015 to ₹ 46.74 Mn in fiscal 2016.

Further, Nokia which was a significant corporate client of our subsidiary Kestone through which we provide Managed Manpower Services discontinued its business contract with us due to internal restructuring carried out by Microsoft (Parent Company), post a global financial write off of their investment from August 2015. As a result of these two events our revenue growth and EBIDTA were adversely impacted on consolidated basis.

The group has identified six reportable business segments as primary segments:

- Education & training programme (including sale of study material),
- Sale of educational books
- Manpower management services
- Marketing and sales services
- K - 12
- Vocational training.

The segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organisation structure and the internal financial reporting system.

Education & training programme (including sale of study material) mainly includes fees received from the students from our test prep courses.

Sale of educational books mainly includes publishing and sale of educational for various competitive exams

Our manpower managed services is primarily meant to deploy and manage personnel requirements for corporate customers.

Under Marketing and Sales services we conduct various marketing related activities, events, customer awareness and customer engagement and development programs for our corporate customers.

Management's Discussion and Analysis

Under the K-12 segment, the group provides soft skills, infrastructure facilities and other support services to schools involved in Kindergarten to senior secondary studies.

Vocational training segment includes specific projects undertaken (including government projects). And other segment includes revenue from integrated solutions to educational institutions.

The segmentation of revenues by business segments on a consolidated basis is as follows:

<i>(Figures in ₹ Mn)</i>				
	FY 2016	%	FY 2015	%
Education and training programme (including sale of study material)	1,287.67	45.6%	1,183.14	43.3%
Vocational Training	360.96	12.8%	313.13	11.4%
K-12	87.55	3.1%	72.59	2.7%
Sale of educational books	379.48	13.4%	408.02	14.9%
Manpower Management services	268.85	9.5%	451.15	16.5%
Marketing and Sales Services	622.62	22.0%	520.76	19.0%
Others	131.29	4.6%	83.56	3.1%
<i>Eliminations</i>	<i>(311.99)</i>	<i>(11.0)%</i>	<i>(297.06)</i>	<i>(10.9)%</i>
Total Revenue from Operations	2,826.41	100.0%	2,735.29	100.0%

The Company has identified Geographical Segment as Secondary Segment. The segmentation of revenues by geographical segment on a consolidated basis is as follows:

<i>(Figures in ₹ Mn)</i>				
	FY 2016	%	FY 2015	%
Within India	2,788.06	98.6%	2,719.21	99.4%
Overseas	38.35	1.4%	16.08	0.6%
Total Revenue from Operations	2,826.41	100.0%	2,735.29	100.0%

Revenue from Operations

Our total revenue from operations on a consolidated basis increased by 3.3% from ₹ 2,735.29 million in fiscal 2015 to ₹ 2,826.41 million in fiscal 2016, primarily on account of an increase in both sale of products and sale of services.

Income from Sale of Products

Income from sale of products increased by 1.5% from ₹ 418.95 million in fiscal 2015 to ₹ 425.23 million in fiscal 2016, primarily on account of marginal increase in sale of study material.

Management's Discussion and Analysis

Income from Sale of Services

Income from sale of services increased by 5.5% from ₹ 2,117.28 million in fiscal 2015 to ₹ 2,233.31 million in fiscal 2016, primarily on account of a 8.6% increase in education and training programs income from ₹ 857.93 million in fiscal 2015 to ₹ 932.01 million in fiscal 2016 – the growth in our education and training programs income during this period was primarily due to increase in enrolments in, and income from, our Banking PIO & SSC and other test prep courses, as enrolments in, and income from, our Civil Services test prep courses saw a decline during this period due to change in the examination pattern.

In addition, there was a 47.7% increase in our vocational training services income, from ₹ 207.75 million in fiscal 2015 to ₹ 306.81 million in fiscal 2016, This was offset by 40.3% decrease in manpower services income from ₹ 450.04 million in fiscal 2015 to ₹ 268.61 million in fiscal 2016, given that an ongoing engagement with one of our clients was not renewed during the year.

Other Operating Revenue

Our other operating revenue decreased by 15.7% from ₹ 199.06 million in fiscal 2015 to ₹ 167.88 million in fiscal 2016 mainly due to decrease in the grant income received under the vocational training programmes being lower by ₹ 51.23 million during the year.

Other Income

Our other income increased by 25.9% from ₹ 96.16 million in fiscal 2015 to ₹ 121.08 million in fiscal 2016, primarily due to higher income on ESOP schemes, interest income from loans and advances, etc.

II. Expenditure

The summary of our expenses on a consolidated basis is as follows:

	FY 2016	%	FY 2015	%
Total Revenue	2,947.49	100.0%	2,831.45	100.0%
Cost of raw material and components consumed	64.96	2.2%	62.16	2.2%
Cost of services	1,179.87	40.0%	1,055.98	37.3%
Purchases of traded goods	34.37	1.2%	19.81	0.7%
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	18.44	0.6%	23.43	0.8%
Employee benefit expenses	626.23	21.2%	749.69	26.5%
Finance costs	101.57	3.4%	93.57	3.3%
Depreciation and amortisation expense	90.01	3.1%	77.39	2.7%
Other expenses	542.33	18.4%	456.71	16.1%
Total Expenses	2,657.77	90.2%	2,538.76	89.7%

Total Expenses

Management's Discussion and Analysis

Our total expenditure on a consolidated basis including interest and finance charges and depreciation/amortization increased by 4.7% from ₹ 2,538.76 million in fiscal 2015 to ₹ 2,657.77 million in fiscal 2016.

Cost of raw material and components consumed

Our cost of raw material and components consumed increased by 4.5% from ₹ 62.16 million in fiscal 2015 to ₹ 64.96 million in fiscal 2016, primarily due to lower levels of closing inventory of raw materials and components maintained at our Subsidiary CL Media.

Cost of Services

Our cost of services increased by 11.7% from ₹ 1,055.98 million in fiscal 2015 to ₹ 1,179.87 million in fiscal 2016, primarily on account of 7.8% increase in payments made to the test prep franchise partners, 24.8% increase in amount spent of giveaways under the Events management services conducted under our Subsidiary Kestone, and 38.5% increase in the equipment hire expenses under Government vocational training schemes, among others.

Purchases of traded goods

Our cost of purchases of traded goods increased by 73.5% from ₹ 19.81million in fiscal 2015 to ₹ 34.37 million in fiscal 2016, primarily due to increase in purchases of text books for circulation as study material to the students enrolled under the Test Preparation and Training courses as well as the Government Vocational Training schemes.

Decrease/ (Increase) in Inventories of Finished Goods, Work-In-Progress and Traded Goods

Our closing inventory levels decreased by 23.3% from ₹ 79.05 million as on March 31, 2015 to ₹ 60.61 million as on March 31, 2016.

Employee Benefit Expenses

Our employee benefit expenses decreased by 16.5% from ₹ 749.69 million in fiscal 2015 to ₹ 626.23 million in fiscal 2016, primarily due to a 16.0% decrease in the salary, wages, bonus and other benefits component, 24.4% decrease in the contribution to PF given that a key engagement with one of our manpower management services under our Subsidiary Kestone did not get renewed during the year.

Finance Costs

Our finance costs increased by 8.5% from ₹ 93.57 million in fiscal 2015 to ₹ 101.57 million in fiscal 2016, primarily due to a 11.5% increase in interest on short term borrowings from ₹ 73.41 million in Fiscal 2015 to ₹ 81.87 million in Fiscal 2016.

Management's Discussion and Analysis

Depreciation/Amortization Expense

Our depreciation/amortization expense increased by 16.3% from ₹ 77.39 million in fiscal 2015 to ₹ 90.01 million in fiscal 2016, primarily due to increase in the gross block of tangible assets by ₹ 52.42 million during fiscal 2016 as well as due to increase in gross block of intangible assets by ₹ 9.2 million during fiscal 2016.

Other Expenses

Our other expenses increased by 18.75% from ₹ 456.71 million in fiscal 2015 to ₹ 542.33 million in fiscal 2016, primarily on account of a 3122.1% increase in advances written off from ₹ 2.18 million in fiscal 2015 to ₹ 70.31 million in fiscal 2016 and a 36.7% increase in rent expenses, from ₹ 83.25 million in fiscal 2015 to ₹ 113.84 million in fiscal 2016. This was offset by a 94.8% decrease in bad debts written off from ₹ 67.72 million in fiscal 2015 to just ₹ 3.51 million in fiscal 2016.

III. Exceptional items

On a consolidated basis, while there was no exceptional item recorded in this Fiscal as compared to an exceptional expense recorded to the tune of ₹ 22.84 million in fiscal 2015 on account of recording an expense on ESOP scheme.

IV. Net Profit after tax and exceptional items

On consolidated basis, our net profit increased by 2.3% from ₹ 209.85 million in fiscal 2015 to ₹ 214.61 million in fiscal 2016 reflecting a flat net profit margin of 7.3% of total revenue as against a net profit margin of 7.4% of total revenue in the previous fiscal 2015.

V. Earnings Per share (EPS)

On consolidated basis, our basic EPS before exceptional item fell by 16.3% during the year to ₹ 18.18 per share from ₹ 21.73 per share in the previous year. The outstanding shares used in computing the basic EPS were 11,802,697 and 10,708,949 for the year ending March 31, 2016 and March 31, 2015 respectively.

Company's Future Outlook

It is our continued endeavor to strengthen our role as a diversified provider of educational services. We plan to expand our geographical reach, increase our product offerings across our business segments.

Expand our geographical footprint and increase test prep center utilization across India

We believe that the aptitude-based test prep business is easier to scale than knowledge-based test prep, as it uses standardized content and has mobility of faculty across courses, unlike knowledge-based exams, which are generally more individual-driven. We believe that this offers us a growth opportunity in our aptitude based test prep business, across an array of product offerings. Accordingly, we seek to continue expanding

Management's Discussion and Analysis

our test prep center network across India, leveraging recognition of our brand Career Launcher, primarily through our scalable, asset-light, less capital-intensive business partnership model. In this relation, we may also continue to explore strategic organic and inorganic expansion opportunities that may arise for us in the future.

In addition, we are continuing to explore opportunities to expand our product and service offerings and to improve test prep center utilization, including by increasing the number of courses offered at each test prep center.

Develop and derive synergies from our publishing and content development business

As part of our ongoing larger strategy of diversification, we seek to continue to develop and derive synergies from our publishing and content development business, including in terms of expanding our dealer and distributor network and expanding our content library, through our in-house content development team as well as through independent content providers.

We consider our GK Publications business to be synergistic with our other lines of business, in particular, our test prep business, allowing us to reach out to what we believe to be a significant student population currently relying on self-study instead of classroom training and tutorials. We seek to continue to leverage and develop GK Publications' brand value and market reputation, wide content library, and extensive distribution network to tap further opportunities to cross-sell our test prep courses (among students buying GK Publications titles, to incentivize them to enrol in our Career Launcher test prep courses) and to monetize our content (including content developed and published by us in-house under our brand GK Publications) through offering such content as course material and supplementary reference material in our test prep business.

We have also introduced dual language titles, across different examinations, with the objective of deepening our presence in regional markets. We continue to explore opportunities for the introduction of dual language titles. We are also deploying dual language titles simultaneously on digital platforms, with the objective of extending our reach beyond our physical dealer and distributor network.

Diversify our business into the B2BC spectrum of the education sector

While our test prep, publishing and content development, vocational training and K-12 school businesses have historically focused primarily on the business-to-customer (B2C) spectrum of the education sector, we believe that there is a significant growth opportunity for us in the business-to-business-to-consumer (B2BC) spectrum of the education sector.

Under our brand CL Media, we offer integrated solutions to educational institutions and universities across India, including business advisory and outreach support services, with the objective of facilitating such educational institutions and universities in improving their intake and graduate outcomes. Pursuant to our 51% acquisition of Accendere in September 2015, we also offer research incubation and support services to

Management's Discussion and Analysis

educational institutions and universities under the Accendere brand, with the objective of facilitating educational institutions and universities in establishing their institutional credibility, international presence and thought leadership, by improving their research output in terms of both the quality and quantity of research articles published by them.

In addition to expanding our offerings in the B2BC spectrum of the education sector, we believe that our operations in this business will enable growth in our Career Launcher test prep and GK Publications publishing and content development businesses, by providing us access to students and faculty at these educational institutions and universities. We believe that this 'knowledge enterprise' enables universities, colleges and schools to become more competitive, by providing them research, Testing Assessment, Analytics and Filtering from testing to student selection, enabling the educational institutions and universities online, providing integrated career development services on campus, as well as providing integrated marketing services.

Develop and implement innovative business initiatives

We seek to expand our customer base and revenue-generation capabilities, to target the growing and increasingly mobile Indian middle class with rising household incomes, including through exploring a variety of innovative and technology-enhanced platforms as well as new media initiatives, targeted towards on-demand learning.

As the Internet and smartphones and other mobile devices continue to gain widespread use and acceptance throughout India, we seek to leverage our education brand, knowledge and human capital to enhance our existing physical and digital reach, increase capacity utilization at each of our individual test prep centers, and develop new and complementary online programs, services and products, including interactive content through mobile and tablet applications and through our websites, as well as the creation of microsites and digital marketing, lead generation, referral and student admission and engagement strategies for our clients who are educational institutions and universities. Moreover, we are exploring opportunities to grow our test prep and content development and publication businesses, through partnerships and strategic alliances for providing customized on-demand online content, publication of e-books or other modes of digital distribution in the future.

We believe that such initiatives would allow us to reach out to, and engage with, a significant student and customer base beyond our physical network, who are currently unable to access our products and services due to geographical limitations, thus providing us with a competitive advantage over other players in the educational sector, who may be continuing to rely on conventional modes of marketing, distribution and delivery. In addition, we believe that our innovative business initiatives and foray into digital modes of marketing, distribution and delivery will also support and complement our business in the B2BC segment.

Management's Discussion and Analysis

Capitalize on opportunities in the vocational training business

Growth drivers for vocational training in India include India's growing population in the working age group and the current infrastructural constraints in the Indian public education system as a result of which, a large number of job aspirants in India lack formal vocational training or identifiable vocational skills and industry-readiness. Moreover, with the GoI and other State Governments promoting skill development in India, there is a significant growth opportunity in the vocational training segment, in sectors and areas including auto dealerships and service centers, BFSI, construction, IT-ITeS and organized retail.

(Source: CRISIL Research)

Further, we believe that India's transition from a primarily agricultural economy to a more service-oriented economy, coupled with increasing geographical mobility, influenced by job aspirants seeking to migrate from rural and semi-urban regions to larger and more urban cities and towns, which may offer more attractive employment opportunities, provides us with a unique opportunity to grow our vocational training business.

Vendor selection for Government-funded vocational training programs is based on various criteria including technical competencies, past experience and our projected costs of implementing such programs. In view of our technical competencies, relevant experience and placement record, pursuant to our vocational training programs, we believe that we are well-positioned to continue to win contracts for implementation of Government-funded vocational training programs across India, in the future.

Annexures to Directors' Report 2016

Various Matters & Disclosures

1. Dividend

Your Directors do not recommend any dividend for the year 2015-16.

2. Capital and Finance

Issue of equity share capital during the financial year 2015-16:

<i>(Figures in ₹ Mn)</i>								
S.No.	Date Of Allotment	Number Of Equity Shares (₹)	Face Value (₹)	Issue Price (₹)	Nature Of Consideration	Nature Of Allotment	Equity Share Capital (₹)	
1	May 13, 2015	2,400	10	300	Cash	Allotment against exercise of options granted under ESOP 2008 ¹	0.02	
2	September 7, 2015	79,774	10	590	Other than cash	Preferential Allotment ²	0.80	
3	September 7, 2015	185,830	10	590	Other than cash	Preferential Allotment ³	1.86	
4	January 20, 2016	5,000	10	210	Cash	Allotment against exercise of options granted under ESOP 2008 ⁴	0.05	
5	January 20, 2016	21,429	10	350	Cash	Allotment against exercise of options granted under ESOP 2008 ⁵	0.21	

¹Allotment of 800 Equity Shares each, to Safir Anand, Viraj Tyagi, and Sridar Iyengar.

²Allotment of 79,774 Equity Shares to Bilakes, in consideration for 167,542 equity shares of CLEIS transferred from Bilakes to the Company at a swap ratio of 1 Equity Share for every 2.10 equity shares of CLEIS.

³Allotment of 92,915 Equity Shares each, to Praveen Dwarakanath and Shivaraman Ramaswamy, the promoters of Accendere, in consideration for acquisition of 51% stake in Accendere by the Company.

⁴Allotment of 5,000 Equity Shares to Sanjeev Srivastava

⁵Allotment of 21,429 Equity Shares to Shantanu Prakash.

As a result of this, the issued, subscribed and paid up capital of the Company has increased from ₹ 116.45 Mn in FY 2014-15 to ₹ 119.39 Mn in FY 2015-16.

Annexures to Directors' Report 2016

3. Disclosure of Energy conservation, Technology Absorption & Foreign Exch. Inflows & Outflows

Information as per the Rule 8 of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, Internal financial control systems etc.

a) Conservation of Energy – The planning and installation of equipment of the Company is done in a manner such that maximum energy is conserved. To the extent possible, energy efficient equipment and instruments are used.

b) Technology absorption – Since your Company does not carry out any manufacturing activity, the particulars regarding technology absorption and other particulars as required to be stated by the Companies Act, 2013 and rules made thereunder are not applicable.

c) The foreign exchange earnings and outflows are detailed below:-

Earnings in Foreign Exchange (on accrual basis)

<i>(Figures in ₹ Mn)</i>		
Particulars	FY 2016	FY 2015
Test preparation training services	18.04	10.26
Sale of study material	20.32	5.82
Total	38.36	16.08

Expenditure in Foreign Currency (on accrual basis):

<i>(Figures in ₹ Mn)</i>		
Particulars	FY 2016	FY 2015
Travelling and conveyance	0.83	1.13
Bank charges	0.11	0.08
Rent	2.86	1.43
Salary and wages	2.58	1.56
Faculty expenses	0.95	10.60
Others	29.43	3.53
Total	36.76	18.34

Annexures to Directors' Report 2016

4. Internal Financial Control Systems

CL has aligned its current systems of internal financial control with the requirement of the Companies Act 2013. The Internal Control system is intended to increase transparency and accountability in an organisation's process of designing and implementing a system of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. CL's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. CL has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. CL uses a state-of-the-art enterprise resource planning (ERP) system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2016. The assessment involved self review, peer review and external audit.

CL has appointed Axis Risk Consulting Services Pvt. Ltd. to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors (Haribhakti & Co. LLP) and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as IT processes and general controls, accounting and finance, procurement, employee engagement, including most of the subsidiaries. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets CL's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

During the year 2015-16, the Company appointed Manchanda & Manchanda, Chartered Accountants in order to check upon the adequacy and effectiveness of as well as to report on the gaps in the Internal Financial Control Systems and processes within the organization with respect to revenue, procurement, payroll, Inventory, Finance & Accounts and Statutory Compliance (Taxation) along with its recommendations. The Firm reviewed the processes and transactions and issued its summary report which was considered by the Audit Committee at its meeting held on June 25, 2016

Haribhakti & Co. LLP, the statutory auditors of CL has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

Qualified opinion given by the Auditor in CL Standalone Report:

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

Annexures to Directors' Report 2016

a) *The Company does not have a comprehensive procurement policy for purchase of goods and services, which could potentially result in the Company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.*

Management's response:

A Comprehensive Procurement policy shall be formulated, which would incorporate requirements of:

- Periodic vendor master review
- Restricted access to vendor master
- Compulsory Vendor Registration Forms for vendor code creation
- Requirement of at least three vendor quotations and exception approvals

Qualified opinion on adequacy (and therefore operating effectiveness) of Internal Financial Controls Over Financial Reporting for CL on a consolidated basis

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

a) *In case of CL Educate Limited and Kestone Integrated Marketing Services Private Limited, they did not have comprehensive procurement policies for purchase of goods and services, which could potentially result in the respective companies procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.*

b) *In case of Kestone Integrated Marketing Services Private Limited, it does not maintain adequate documentation for incomplete event management services at any given point of time. This could potentially result in incorrect recording of provisional revenue and corresponding provisional expenses in respect of such incomplete services at the reporting date.*

c) *In case of Career Launcher Education Infrastructure and Services Limited, it does not have comprehensive policy for periodical review and reconciliation of students and fee income recorded in the books of account. This could potentially result in incorrect recording of revenue.*

d) *In case of G.K. Publications Private Limited, it does not maintain adequate records related to employees' master data and there is no policy to review and update master data at reasonable intervals. This could potentially result in incorrect salary processing and/or incorrect provision for employee benefits*

Management's response:

While clear processes were defined and operating people were aware of the standard operating proceeding, however much of the policies were not documented. The said policies have now been documented and put in place. Necessary process related to documentation of policies/procedures and periodical review of the policies have now been put in place or is in the process of being put in place.

5. Particulars of Employees

People are our most valuable asset and your Company places the engagement, development and retention of talent as its highest priority, to enable achievement of organizational vision.

Annexures to Directors' Report 2016

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the names of the top ten employees in terms of remuneration drawn, as on March 31, 2016, along with the relevant information thereon is given in **Annexure II**.

Further, during the year 2015-16, there was no employee who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

6. Directors and Key Managerial Personnel

6a. Appointments & Resignations during the year 2015-16:

Ms. Madhumita Ganguli, who was appointed as a Nominee Director (nominee of Housing Development Finance Corporation Limited (HDFC)) of the Company on 16.09.2014, resigned from the Board on and with effect from 07.04.2015.

The Independent Directors of the Company have declared that they meet the criteria of independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of independence.

During the year, the independent directors of the Company met separately, without the attendance of non-independent directors, or any other official of the Company or members of its management on October 26, 2015 and again on January 29, 2016.

All Directors have disclosed their Directorship and interest in other Companies in specified formats as prescribed in Companies Act, 2013.

6b. Retirement by Rotation:

Mr. Nikhil Mahajan (DIN:00033404), Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The notice convening the Annual General Meeting includes the proposal for re-appointment of Mr. Nikhil Mahajan.

7. Auditors

At their respective meetings held on July 22, 2014, the Audit Committee as well as the Board of Directors of the Company had approved of the appointment of M/s. Haribhakti & Co., LLP, Chartered

Annexures to Directors' Report 2016

Accountants, for an initial term of 5 years. At the Annual General Meeting of the Company held on September 5, 2014, the members of the Company confirmed the Board's recommendation by appointing M/s. Haribhakti & Co., LLP, Chartered Accountants, for an initial term of 5 years.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors has to be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. Haribhakti & Co., LLP, Chartered Accountants, as the statutory auditors of the Company, is placed for ratification by the shareholders.

The Company has received confirmation from the firm regarding its consent for such appointment, and eligibility under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 for appointment as the Auditor of the Company.

The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The members are requested to ratify the appointment of the Auditors as well as to authorize the Board to fix the Auditor's remuneration.

In this connection, the attention of the members is invited to item no. 3 of the Notice convening the Annual General Meeting.

7a. Auditors' Report

Your Directors' reply to the reservations and views of the auditors expressed in the Statutory Auditor's report are as under:

1. Clause No. (iii)(a) of Annexure I to the Independent Auditor's Report:

The Company has granted unsecured loans to companies and other parties covered in the register maintained under Section 189 of the Act and 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 Rs. 10,000 and balance outstanding as at balance sheet date Rs.61, 472,802 are prejudicial to the Company's interest on account of the fact that the Company is not charging any interest on such loans.

Managements' response:

In view of the Business operations of CLEF (one Party), the loan amount remained dormant during this Financial Year and, for the interest of CL, the outstanding loan amount has been guaranteed by Bilakes Consulting Private Limited, a promoter controlled entity.

Kestone Asia Hub Pte. Ltd. (other party), is the wholly owned subsidiary Company of Kestone (wholly owned subsidiary Company of CL), hence not charging of interest amount will not impact the overall viability of CL Group. And as the Kestone Asia just started its business in Singapore, CL hopes that Foreign Subsidiary will be able to repay the outstanding amount in near future.

Annexures to Directors' Report 2016

2. Clause (vii) (a) of Annexure I to the Independent Auditor's Report:

The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been significant delays in few cases. According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (in ₹)	Period to which the Amount relates	Due date	Date of payment
Income Tax Act, 1961	Advance tax	2,724,334	April 1, 2015 to June 30, 2015	June 15, 2015	Not yet Paid
Income Tax Act, 1961	Advance tax	8,173,001	July 1, 2015 to September 30, 2015	September 15, 2015	Not yet Paid

Managements' response: Due to unpredictability of business, it is slightly difficult to estimate the net tax liability to be deposited so early in the year and hence generally the Company waits till March, when its liability estimates is much clear to deposit advance tax with appropriate interest.

There are following instances of fraud reported by auditors under sub section (12) of section 143.

- *Inappropriate actions by an employee of the Company that involved unauthorized payment of personal utility bills like electricity, water, telephone etc. and embezzlement of funds of the Company amounting ₹ 3,600,708 by transferring to personal bank accounts including family members.*
- *Embezzlement of cash by center manager in collusion with 3 other employees of the Company aggregating ₹ 1,100,000 at its Connaught Place, New Delhi center. According to the information and explanation given to us, management has taken appropriate actions in respect of these matters. Refer note 46 of the financial statements.*

The same had been thoroughly investigated, handled and closed. And the services of all such employees involved have been terminated. Further, the amounts have been recovered by the Company from such employees. Systems and processes have been further tightened to prevent recurrence of any such instance in future.

8. Internal Auditor

Pursuant to section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, on October 26, 2015, the Company has extended the existing term of M/s Axis Risk Consulting Services

Annexures to Directors' Report 2016

Private Limited as the Internal Auditor of the Company upto March 31, 2017 and has set out the scope and timelines with respect to the services rendered by the Internal Auditor, as well as the fee payable against the same.

The Internal Auditor presents its audit report before the Audit Committee on a quarterly basis.

9. Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014 and Notification issued by Ministry of Corporate Affairs dated December 31, 2014, on and from the financial year commencing April 1, 2014, the Companies in Education Sector are required to get their cost records audited.

The Company re-appointed M/s Sunny Chhabra & Co., Cost Accountants as the Cost Auditor of the Company for the Financial Year 2015-16 and 2016-17 on October 26, 2015 and April 29, 2016 respectively.

10. Public Deposits

During the year under review, your Company has not accepted any public deposits under any relevant applicable provisions contained in the Companies Act, 2013, and/or rules there under.

11. Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company at the Board Meeting held on February 16, 2015 approved of a Policy on CSR. The Policy has been hosted on the website of the Company.

As part of CSR initiatives, your Company, during the financial years 2014-15 & 2015-16 has, amongst other activities, earmarked the funds to be invested in the CSR activities/ projects. It intends to spend the said amount in following mentioned areas:

(a) Driving research and innovation and funding technology incubators located within academic institutions which are approved by the Central Government, and/or

(b) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports; and/or

(c) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts. These projects are as prescribed under the Schedule VII of the Companies Act, 2013.

11a. CSR activities as per the Companies Act 2013

Even after earmarking the funds for specific CSR activities, as well as determining the target activities/ projects to be undertaken, the Company has not been able to spend the funds on the said activities as

Annexures to Directors' Report 2016

specific profits could not be identified. However the company has now identified the specific profits for spending the money and we shall be able to deploy the money during the current financial year.

The CSR Policy of the Company is attached as **Annexure-III** to this Report.

12. Extract of Annual Return

Pursuant to Section 92 of the Companies Act, 2013 read with the Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in prescribed MGT-9 is attached as **Annexure-IV**.

13. Annual Evaluation by the Board

Pursuant to the provisions of the Companies Act, 2013, the Board has adopted a methodology for evaluating the performance of every individual Director, of the Chairperson of the Company, of the Board as a whole, of the Independent, as well as of the Non—Independent Directors of the Company, and of the functioning of the committees .

The board of directors carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements.

The performance of the Board as well as Committees was evaluated by the Independent Directors after seeking inputs from all the Non-Executive Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

14. Particulars of Loans, Guarantees and Investments

Details of loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Annexures to Directors' Report 2016

15. Particulars of Contracts or Arrangements with Related Parties

All transactions entered by the Company with Related Parties during the year were in the Ordinary Course of Business and were at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which were all routine and repetitive in nature) and the same was reviewed and approved by the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2015-16 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

The particulars of contracts or arrangements with related parties in prescribed form AOC-II is annexed as **Annexure-V**.

16. Amount proposed to be carried to any reserves

Pursuant to section 134(3)(j), there is no amount which the Company proposes to carry to any reserve in the Balance Sheet.

17. Material changes

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2016) and the date of the Report (July 28, 2016).

18. Risk Management Policy

Your Company has a robust Risk Management policy. The Company, through a steering committee oversees the Risk Management process including risk identification, Impact assessment, effective implementation of mitigation plans and risk reporting. The policy forms a part of the Board Report and is given in **Annexure-VI**.

19. Vigil Mechanism / Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors, Employees, retainers, franchisees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy are to be appropriately and expeditiously investigated by the Ethics Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website under the web link <http://www.cleducate.com/policies.html>.

20. Sexual Harassment of Women at Workplace

Annexures to Directors' Report 2016

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.

During FY 2015-16, the Company received 1 complaint on sexual harassment which was resolved with appropriate action taken.

The policy against Sexual Harassment is made available to employees on the Company's intranet (CL Zone) as well as through the website of the Company.

21. Corporate Governance

21a. Directors' Nomination and Remuneration Policy

The process of determining the Remuneration of the Directors is initiated with the general body of shareholders approving the overall maximum managerial remuneration that may be paid to the Directors, generally over a period of 3 years. Within this overall limit, the actual payout is decided by the Board, on the specific recommendation of the Nomination, Remuneration and Compensation Committee (comprising of all non-executive Directors, with majority of them being independent), while also keeping the provisions of Companies Act 2013 in mind.

The document evidencing the process of determination of remuneration of Directors, i.e. the latest Recommendation Report issued by the Nomination, Remuneration and Compensation Committee is attached as **Annexure-VII** to this Report.

Remuneration Recommended (by NRC Committee and Board) as payable to WTDs for the year 2015-16

<i>(Figures in ₹ Mn)</i>				
S.No.	Whole Time Director	Fixed Compensation	Variable Compensation	Total Compensation
1	Satya Narayanan. R	6.96	3.48	10.44
2	Gautam Puri	6.96	3.48	10.44
3	Nikhil Mahajan	6.77	3.37	10.14

Remuneration actually paid to WTDs for the year 2015-16

<i>(Figures in ₹ Mn)</i>			
Component of Salary	Satya Narayanan .R	Gautam Puri	Nikhil Mahajan
Fixed component	6.81	6.81	6.79*

Annexures to Directors' Report 2016

Variable component	0.00	0.00	0.00
Total	6.81	6.81	6.79*

* This includes an amount equivalent to 10,000 AED per month, which is paid to Mr. Nikhil Mahajan from the Co's Dubai business operations.

21b Recommended commission payable to the Non-Executive directors for 2015-16

S.No.	Name of the Non-executive Independent Directors	Commission payable for 2015-16
1	Mr. Sridar Iyengar	0.25% of the net profits
2	Mr. Safir Anand	0.15% of the net profits
3	Mr. Viraj Tyagi	0.15% of the net profits
4	Mr. Kamil Hasan	0.15% of the net profits
5	Ms. Sangeeta Modi	0.15% of the net profits

Commission actually paid to Non-Executive Directors for the year 2015-16

(Figures in ₹ Mn)

Independent Directors	Commission paid
Mr. Sridar Iyengar	0.11
Mr. Safir Anand	0.07
Mr. Viraj Tyagi	0.07
Mr. Kamil Hasan	0.07
Ms. Sangeeta Modi	0.07

21c. Shares issued under ESOP during FY 2015-16

Details of options exercised during the FY 2015-16

S.No.	Date of Allotment	Name of the Allottee	Vesting	No. of Options Exercised	Price per Share (₹)
1	May 13, 2015	Mr. Sridar Iyengar	Vest 3	800	300
2	May 13, 2015	Mr. Viraj Tyagi	Vest 3	800	300
3	May 13, 2015	Mr. Safir Anand	Vest 3	800	300

Annexures to Directors' Report 2016

4	January 20, 2016	Mr. Shantanu Prakash	Vest 1	21,429	350
5	January 20, 2016	Mr. Sanjeev Srivastava	Vest 1	5,000	210

21d. Details of CL ESOP 2008 Scheme:

S. no.	Particulars	Details of the extant CL ESOP Scheme as on March 31, 2016 (on a Cumulative basis)
(a)	Options granted	272,468
(b)	Options vested (excluding the options that have been exercised)	152,228
(c)	Options exercised	36,504
(d)	The total number of shares arising as a result of exercise of option;	188,732
	The total number of options exercisable at the end of the year	152,228
(e)	Options forfeited/lapsed/cancelled	70,986
(f)	Exercise Price of outstanding ESOPs	₹ 175 – 430
(g)	Variation of terms of options (The Company has adopted the Amended and Restated Career Launcher Employee Stock Options Plan 2014 in its Board Meeting held on January 29, 2016 and the same has been approved by the shareholders of the Company in their EGM held on March 22, 2016)	There is no variation in the terms of options except: <ol style="list-style-type: none"> 1. Extension of exercise period with respect to options granted to Mr. Shantanu Prakash from 36 months to 60 months at the Board meeting dated September 22, 2014. 2. Extension of exercise period with respect to the 2nd vested options granted to independent directors of the Company was extended upto August 31, 2014 at the Board meeting dated August 11, 2014. 3. Extension of exercise period with respect to options granted to independent directors of the Company from 36 months to 60 months at the Board meeting dated January 24, 2013.

Annexures to Directors' Report 2016

(h) Money realized by exercise of options ₹ 11,200,775

(i) Total number of options in force 164,978

(j) Employee wise details of options granted to Directors/ Key management personnel (as on date)

I. Name of Director and Key (Senior) Management Personnel No. of options granted under ESOP Scheme

Sridar Iyengar	4,000
Safir Anand	4,000
Viraj Tyagi	4,000
Shantanu Prakash (Ceased to be a director on Board of CLEIS on and with effect from April 1, 2015)	142,857
Sanjeev Srivastava	25,000
Ajit Kumar	6,500
Himanshu Jain	4,100
Piyush Gupta	11,500
Ruchika Govila	2,500
Rachna Sharma	3,000
Total	207,457

II. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Year 2011-12, Total No. of grants: 37,500

More than 5%

Annexures to Directors' Report 2016

Sanjay Shivnani#	12,000 (32.00%)
Dipanjan Das #	6,000 (16.00%)
Saaket Arora #	4,000 (10.67%)
Vinod V V#	2,500 (6.67%)
Year 2013-14, Total No. of grants 5,000	
More than 5%	
Vivek Garg #	5,000 (100%)
Year 2014-15, total no. of grants: 23,500	
More than 5% :	
Niharika Mittal#	2,500 (10.64%)
Vivek Garg#	2,000 (8.51%)
Manav Agarwal#	2,000 (8.51%)
<i>#As on date, these are no more the employees of the Company</i>	

III. Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.

Mr. Shantanu Prakash (then director on the board of CLEIS) was granted 142,857 options on January 28, 2009, which was approximately 1.63% of the issued capital at the time of the grant.

21e. Details of Board (& Committee) Meetings held during FY 2015-16

During the Financial Year ended March 31, 2016, Ten (10) physical meetings of the Board were held. Details of the Board as well as Committee meetings held during the year are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors Present*
1	13 May, 2015	9	6

Annexures to Directors' Report 2016

2	23 Jun, 2015	9	6
3	03 Aug, 2015	9	7
4	07 Sep, 2015	9	4
5	26 Oct, 2015	9	7
6	30 Nov, 2015	9	6
7	10 Dec, 2015	9	5
8	20 Jan, 2016	9	3
9	29 Jan, 2016	9	8
10	16 Mar, 2016	9	5

*The Attendance at the Board Meetings as given hereinabove does not consider/include the Directors participating in the meeting through tele-conferencing facility.

Members' Attendance at Board and Committee Meetings held during the year 2015-16:

Board and Board Committees	Board Meeting*	Audit Committee	Nomination, Remuneration and Compensation Committee	CSR Committee	Stakeholder Committee	Risk Mgt. Committee
Meetings held	10	5	2	1	3	1
Directors' Attendance*						
Satya Narayanan .R	10	NA	NA	1	NA	1
GautamPuri	10	NA	2	1	3	1
Nikhil Mahajan	10	5	NA	NA	3	1
Sridar Iyengar	7	5	NA	NA	NA	NA
Kamil Hasan	2	2	2	NA	NA	NA
SafirAnand¹	5	NA	2	1	3	NA
VirajTyagi²	6	4	2	NA	NA	NA

Annexures to Directors' Report 2016

Gopal Jain³	3	4	2	NA	NA	NA
Sangeeta Modi⁴	4	NA	NA	NA	NA	NA

*The individual Directors' Attendance at Board Meetings as given hereinabove does not consider/include the following:

¹Mr. Safir Anand attended the Board meeting held on December 10, 2015 through Tele-Conference.

²Mr. Viraj Tyagi attended the Board meeting held on December 10, 2015 through Tele-Conferencing.

³Mr. Gopal Jain attended the Board meetings held on November 30, 2015, December 10, 2015, January 20, 2016, and January 29, 2016, through Tele-Conferencing.

⁴Ms. Sangeeta Modi attended the Board meeting held on May 13, 15, through Tele-Conferencing.

Number of Committee Meetings held during the year 2015-16, with dates is as under:

S. No.	Name of Committee	Quarter	Date of Meeting
1	Audit Committee	Q-1	13 May, 15
		Q-1	23 Jun, 15
		Q-2	03 Aug, 15
		Q-3	26 Oct, 15
		Q-4	29 Jan, 16
2	Nomination, Remuneration and Compensation Committee	Q-1	11 Jun, 15
		Q-4	29 Jan, 16
3	Stakeholders Relationship Committee	Q-2	03 Aug, 15
		Q-3	26 Oct, 15
		Q-4	29 Jan, 16
4	Risk Management Committee	Q-3	26 Oct, 15
5	CSR Committee	Q-3	26 Oct, 15

21f. Declaration of Independence from Independent Directors

Pursuant to sub-section (7) of section 149 of the Companies Act, 2013, the Company has received the declaration of Independence from all the Independent Directors of the Company at its Board Meeting held on April 29, 2016.

Annexures to Directors' Report 2016

Earlier, pursuant to sub-section (10) & (11) of section 149 of the Companies Act, 2013, the board had, at its Meeting held on July 22, 2014, formalized the appointment of all Independent Directors for an initial period of 5 years w.e.f April 1, 2014.

The latest Corporate Governance Report of the Company is attached as **Annexure-VIII** to this Report.

22. Directors Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- b) appropriate Accounting Policies have been selected and applied consistently and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company on March 31, 2016 and of the Profit and Loss of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on a going concern basis and that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- e) That systems to ensure compliance with the provisions of all applicable laws place and were in were adequate and operating effectively.

23. Acknowledgement

Your Directors take this opportunity to thank the Company's customers, shareholders, vendors and bankers for their support and look forward to their continued support in the future.

Your Directors also place on record their appreciation for the excellent contribution made by all employees who are committed to strong work ethics, excellence in performance and commendable teamwork and have thrived in a challenging environment.

For and on behalf of Board of Directors of

CL Educate Limited

Sd/-

Gautam Puri

Vice Chairman & MD

DIN: 00033548

Address: R-90, Greater Kailash, Part-I,

New Delhi – 110 048

Sd/-

Nikhil Mahajan

Executive Director & CFO

DIN: 00033404

Address: House No. 457, Sector – 30,

Faridabad - 121 003, Haryana

Place: New Delhi

Date : July 28, 2016

Annexures to Directors' Report 2016

Annexures to Directors' Report 2016

Annexure I: AOC – I Features of Financial Statement of Subsidiaries

Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

PART "A": Subsidiaries

<i>(Figures in ₹ Mn)</i>									
S. No	Particulars	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Name of the Subsidiary	Career Launcher Education Infrastructure and Services Limited	Career Launcher Infrastructure Private Limited*	CL Media Private Limited	Accendere Knowledge Management Services Private Limited	G K Publications Private Limited	Kestone Integrated Marketing Services Private Limited	Kestone Asia Hub Pte Ltd., Singapore#	
2	Financial Period Ended	31.03. 2016	31.03. 2016	31.03. 2016	31.03. 2016	31.03. 2016	31.03. 2016	31.03. 2016	
3	Reporting Currency and Exchange Rate	INR	INR	INR	INR	INR	INR	SGD	INR
4	Share Capital (Nos. of Equity & Preference shares)	9,447,606	248,468 98,468 150,000 Preference	10,000	12,000	190,000	10,00,000	14,001	14,001
5	Reserves & Surplus	726.89	207.04	331.62	-3.74	5.93	253.65	(0.33)	(15.83)
6	Total Assets	897.89	510.69	525.15	4.13	262.60	491.57	0.03	1.73
7	Total Liabilities	897.89	510.69	525.15	4.13	262.60	491.57	0.03	1.73
8	Investments	337.26	-	-	-	-	0.67	-	-
9	Turnover	109.45	32.56	298.87	13.13	148.72	973.58	-	-
10	Profit / (Loss)	64.15	-13.60	87.62	-0.20	-14.90	114.30	(0.13)	7.12

Annexures to Directors' Report 2016

	Before Taxation (PBT)								
11	Provisions for Taxation	18.05	-	18.24	-	-	38.31	-	-
12	Profit / (Loss) After Taxation (PAT)	46.24	-13.60	85.66	-0.20	-10.56	74.04	(0.13)	7.12
13	Dividend	Nil	Nil	Nil	Nil	Nil	Nil		Nil
14	% of share holding	100%	100%	100%	51%	100%	100%	100%	

*Wholly owned Subsidiary of Career Launcher Education Infrastructure & Services Limited

Subsidiary of Kestone Integrated Marketing Services Private Limited

Notes:

- Names of subsidiaries which are yet to commence operations : None
- Names of subsidiaries which have been liquidated or sold during the year: None. During the year 2015-16, w.e.f November 10, 2015, the name of CL Higher Educational Services Private Limited, one of the subsidiary companies of CL since July 28, 2011 was struck off from the Register of Companies by the RoC under an application made by the Company pursuant to the provisions of Section 560 of the Companies Act, 1956.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Figures in ₹ Mn)

Name of the associates/joint ventures	None
1. Latest audited Balance Sheet Date	NA
2. Shares of Associate / Joint Ventures held by the Company on the year end	NA
No.	
Amount of Investment in Associate/Joint Venture	
Extend of Holding %	

Annexures to Directors' Report 2016

3.	Description of how there is significant influence	NA
4.	Reason why the associate/joint Venture is not consolidated	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	NA
6.	Profit / Loss for the year	NA
i.	Considered in Consolidation	
ii.	Not Considered in Consolidation	

Notes:

- Names of associates or joint ventures which are yet to commence operations: None
- Names of associates or joint ventures which have been liquidated or sold during the year: None

For and on behalf of Board of Directors of

CL Educate Limited

Sd/-

Gautam Puri

Vice Chairman & MD

DIN: 00033548

Sd/-

Nikhil Mahajan

Director & CFO

DIN: 00033404

Sd/-

Rachna Sharma

Company Secretary

ICSI Membership

No.:A17780

Place: New Delhi

Date : July 28, 2016

Annexures to Directors' Report 2016

Annexure II: Particulars of Employees

Particulars of Employees and Related disclosure

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name Of The Employee	Designation	Gross Remuneration Paid (₹ Mn)	Nature Of Employment	Educational Qualification	Experience (In Years)	Date Of Joining	Age	Previous Employment	Equity holding in the Company	Name of director or manager who is the relative of Employee
1	Satya Narayanan .R	Chairman and Whole-Time Director	6.72	Whole Time Employee	PGDM, IIM (Bangalore), B.Sc (Computer Science)	19	25.04.1996 Since Incorporation	46	Marketing Executive, Ranbaxy Laboratories Limited (1993-95)	21.46%	None
2	Gautam Puri	Vice Chairman and Managing Director	6.72	Whole Time Employee	PGDB, IIM (Bangalore), B.E. (Chem.)	19	25.04.1996 Since Incorporation	51	Vam Organics Chemicals Limited	21.46%	None
3	Nikhil Mahajan	Chief Financial Officer and Whole-Time Director	6.69	Whole Time Employee	PGDM, IIM (Bangalore), B.Tech (Elect.)	18	28.12.1998	45	Executive Assistant, Modipon Fibers Company (1996-98)	0.60%	None
4	Sujit Bhattacharyya	Director in Subsidiary Company	4.95	Whole Time Employee	B.Tech (Elect.) IIT (Kharagpur, PGDM, IIM (Bangalore)	15	01.04.2015	49	Wipro and Dharma Systems	2.54%	None
5	Sanjeev Srivastava	President, EBG	4.88	Whole Time Employee	B.A. (Economics) DU, MA Sociology	20	01.10.2010	56	Allahabad Bank, Bank of Punjab, The Times Bank and HDFC Bank Limited and Kotak Mahindra Bank	0.12%	None
6	Ajit Kumar	President	3.24	Whole Time Employee	B.Com, Oemaniya University	15	07.04.2008	46	T.I.M.E.	0.01%	None
7	Himanshu Jain	Senior Vice President	2.46	Whole Time Employee	B.com, DU	22	28.09.2011	44	KarROX Technologies Ltd, iProf Learning Solutions India Ltd, Sri Sidharth Industries and STG International Ltd	0.00%	None
8	Ashish Bahri	Vice President	2.22	Whole Time Employee	B.com, DU	20	07.11.2014	42	NIIT Limited, STG International Limited and First Computers	Nil	None
9	Ruchika Govila	Associate Vice President	1.90	Whole Time Employee	B.Com, DU, PGDM, IIM (Lucknow)	9	21-03.2011	32	HSBC Bank	Nil	None
10	Dinesh Mudgal	Senior Manager	1.60	Whole Time Employee	PGDM, MDU	11	01.04.2014	41	PIE Education from 2005 to 2007	Nil	None
11	Harshvardhan Teckchandani	Deputy Vice President	1.40	Whole Time Employee	PGDM, Lucknow university	14	21.10.2010	37	Bank of Tokyo(2002-2003), Indusind Bank 2003-2005), CITI Bank(2005-2006), Kotak Bank(Sept 2006-2010)	Nil	None

Annexure III: CSR Policy

CL Educate Limited Corporate Social Responsibility (CSR) Policy:

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

A. CSR Vision:

To accomplish passionate commitment to the social obligation towards social, financial and educational upliftment of people belonging to economically weaker sections of the society.

B. Constitution of CSR Committee:

Pursuant to Section 135 (1) of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, both of which came into force on 1st day of April 2014, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

In compliance with the above provisions, the Corporate Social Responsibility (CSR) Committee of the Company was constituted on April 29 2014, to comprise of:

S.No.	Name of Director	Designation on Committee	Designation on Board
1.	Mr. Safir Anand	Chairman	Non-Executive, Independent Director
2.	Mr. Satya Narayanan .R	Member	Chairman & Whole time director
3.	Mr. Gautam Puri,	Member	Vice Chairman, Managing Director

C. Duties and responsibilities of the CSR Committee:

The Corporate Social Responsibility Committee shall:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

Annexures to Directors' Report 2016

- ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at such intervals, as it may deem necessary.
- v. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

D. Duties and responsibilities of the Board of Directors:

The Board of Directors of the Company shall:

- i. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company and disclose the contents of such policy in its Board Report and also place it on the Company's website.
- ii. Ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.
- iii. Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.

The Board shall include in its Report the annual report on CSR Projects as per the format prescribed from time to time.

E. Key Areas of Corporate Social Responsibility:

The Company is eligible to undertake any of the following suitable/rightful activity as specified in Schedule VII to the Act and also amended from time to time:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;

Annexures to Directors' Report 2016

- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- viii. Contribution to the prime minister's national relief fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the central government
- x. Rural development projects.
- xi. Slum area development."

F. Identification of CSR Projects:

- i. CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.
- ii. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- iii. As a cardinal principle, the CSR Projects shall be identified on the basis of a detailed assessment survey. Every year, the CSR Budget, along with its implementation schedule shall be presented to the Board, by the CSR Committee, for its approval.
- iv. The Chairman and the Managing Director of the Company are authorized severally to decide the Projects to be implemented as approved by the CSR Committee.
- v. The CSR Committee may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects.

G. Implementation of CSR Projects

- i. The Company may itself undertake the CSR activities, as per its CSR Policy, as projects, or programs, or activities (either new or outgoing);
- ii. The Board of the Company may decide to undertake its CSR activities, approved by the CSR Committee, through a Registered Trust, or a Registered Society, or a Company established by the Company, or its Holding or subsidiary or associate company under Section 8 of the Act, or otherwise;

Annexures to Directors' Report 2016

- iii. The Company may also collaborate with other companies, including its Group Companies, for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.
- iv. The CSR Committee may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
- v. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
 - (a) The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act;
 - (b) The Agency has an established track record of at least three years in undertaking similar programs or projects;

Provided that such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one Financial Year, and the Company shall specify the Project to be undertaken through the Agency, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism.

- vi. The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Implementing Agency, provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

H. Monitoring Mechanism:

The CSR Committee will review and monitor the progress of CSR Project periodically and report to the Board at regular interval.

I. Fund allocation and Others:

CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- i. 2% of the average Net Profits of the Company made during the three immediately preceding Financial Years (calculated in accordance with the provisions of Section 198, excluding any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise)
- ii. any income arising there from.
- iii. surplus arising out of CSR activities carried out by the company and such surplus shall not form a part of business profit of the company.

CSR Expenditure

Annexures to Directors' Report 2016

CSR Expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

Others

The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.

J. Review Periodicity and amendment:

- i. CSR Policy may be revised/modified/amended by the CSR Committee as it may deem fit.
- ii. The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

Annexures to Directors' Report 2016

Annexure IV: MGT-9 Extract of Annual Return

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U74899DL1996PLC078481
2.	Registration Date	25.04.1996
3.	Name of the Company	CL Educate Limited
4.	Category/Sub-category of the Company	Unlisted Public Limited Company / Limited by Shares
5.	Address of the Registered office & contact details	A-41, Espire Building, Lower Ground Floor, Mohan Co-operative Industrial Area, Main Mathura Road, New Delhi - 110 044 Tel. No.: +91 11 - 4128 0800 / 1100, Fax No.: +91 11 - 4128 1101
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State Tel. No.: +91 40 67161604 Email Id: support@karvy.com

Annexures to Directors' Report 2016

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service*	% (approx.) to total turnover of the company
1	Education	8550 - Educational Support Services	78.00
2	Education	8522- Technical and vocational secondary education	22.00

*As per National Industrial Classification 2008

III. PARTICULARS OF HOLDING /SUBSIDIARY AND ASSOCIATE COMPANIES (as on 31 March, 2016)

S. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary, Associate	% of shares held	Applicable Section
1	Career Launcher Education Infrastructure and Services Limited (CLEIS)	U70101DL2005PLC137699	Subsidiary	100%	2(87)(ii)
2	Career Launcher Infrastructure Private Limited	U45200DL2008PTC174240	Indirect Subsidiary	100% by CLEIS	2(87)(ii)
3	CL Media Private Limited	U74300DL2008PTC173449	Subsidiary	100%	2(87)(ii)
4	Accendere Knowledge Management Services Private Limited	U74900TN2008PTC069339	Subsidiary	51%	2(87)(ii)
5	Kestone Integrated Marketing Services Private Limited	U73100DL1997PTC186183	Subsidiary	100%	2(87)(ii)
6	G K Publications Private Limited	U22110DL2001PTC111015	Subsidiary	100%	2(87)(ii)
7	Kestone Asia Hub Pte. Ltd. (Singapore)	Registration Number : 200715067R	Indirect Subsidiary	99.99% by Kestone	2(87)(ii)

Annexures to Directors' Report 2016

IV. SHARE HOLDING PATTERN (Equity & Preference Share Capital Breakup as percentage of Total Equity & Preference)

(i) (a) Category-wise Equity Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters (including Group)										
(1) Indian										
a) Individual/ HUF	6478653	7134	6485967	55.70	6487095	3706	6490801	54.36	-1.34	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	1152453	92740	1245193	10.69	1217891	35199	1253090	10.49	-0.20	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any other Society (Career Launcher Employee Welfare Society (CLEWS))	-	9760	9760	0.08	-	11010	11010	0.09	0.01	
Sub- Total (A) (1)	7631106	109814	7740920	66.47	7704986	49915	7754901	64.9	-1.53	
(2) Foreign										
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-	
b) Other-Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	-	
e) Any other.....	-	-	-	-	-	-	-	-	-	
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-	
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	7631106	109814	7740920	66.47	7704986	49915	7754901	64.9	-1.53	

Annexures to Directors' Report 2016

B. Public Shareholding

1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	594233	-	594233	5.10	594233	-	594233	4.98	-0.12
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	108790	267619	376409	3.23	108790	267619	376409	3.15	-0.08
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	59952	59952	0.51	59952	-	59952	0.50	-0.01
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	703023	327571	1030594	8.84	762975	267619	1030594	8.65	-0.19
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	83868	179678	263546	2.30	203658	12843	216501	1.81	-0.39
ii) Overseas	467293	959180	1426473	12.25	467293	959180	1426473	11.95	0.30
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	29893	133605	163498	1.38	69827	133580	203407	1.70	0.32
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	210386	220867	431253	3.70	523932	210074	734006	6.15	2.45
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	21233	21233	0.18	-	7643	7643	0.06	-0.12
Overseas Corporate	-	-	-	-	-	-	-	-	-

Annexures to Directors' Report 2016

Bodies									
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts/HUF	-	567638	567638	4.88	562913	3150	566063	4.74	-0.14
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	791440	2082201	2873641	24.69	1827623	1326470	3154093	26.41	1.73
Total Public	1494463	2409772	3904235	33.53	2590598	1594089	4189521	35.09	1.56
Shareholding									
(B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9125569	2519586	11645155	100.00	10295584	1644004	11939588	100	0.00

(i) (b) Category-wise Preference Share Holding

There is no preference shareholding of Company as on March 31, 2016

(ii) Shareholding of Promoter-

S.No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Satya Narayanan .R	2562579	22.00	0.00	2562579	21.46	0.00	0.54
2	Mr. Gautam Puri	2562579	22.00	0.00	2562579	21.46	0.00	0.54
3	Mr. Sreenivasan .R	449698	3.86	0.00	449698	3.77	0.00	0.09
4	Mr. Shiva Kumar Ramachandran	449698	3.86	0.00	449698	3.77	0.00	0.09
5	Mr. Sujit Bhattacharyya	303062	2.60	0.00	303062	2.54	0.00	0.06
6	Mr. Nikhil Mahajan	69817	0.60	0.00	69817	0.58	0.00	0.02
7	Bilakes Consulting Private Limited	1245193	10.69	0.00	1253090	10.49	0.10	0.20

Annexures to Directors' Report 2016

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding At The Beginning Of The Year (01.04.2015)		Cumulative Shareholding During The Year (31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year 01.04.2015	7642626	65.63	7650523	64.07
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	7650523	64.07 (Details are in table below)
2	At the end of the year 31.03.2016	7650523	64.07	7650523	64.07

Annexures to Directors' Report 2016

S. No.	Name Of The Promoter	Shareholding		Date	Increase/Decrease In Share Holding	Reason	Cumulative Shareholding During The Year (01-04-15 To 31-03-2016)	
		No. Of Shares At The Beginning 01.04.15/ End Of The Year 31.03.16	% Of Total Shares Of The Company				No. Of Shares	% Of Total Shares
1	Mr. Satya Narayanan .R	2562579/ 2562579	22.00/21.46	N.A.	N.A.	Change in % due to Increase in PUC*	2562579	21.46
2	Mr. Gautam Puri	2562579/ 2562579	22.00/21.46	N.A.	N.A.	Change in % due to Increase in PUC*	2562579	21.46
3	Mr. Sreenivasan .R	449698/ 449698	3.86/3.77	N.A.	N.A.	Change in % due to Increase in PUC*	449698	3.77
4	Mr. Shiva Kumar Ramachandran	449698/ 449698	3.86/3.77	N.A.	N.A.	Change in % due to Increase in PUC	449698	3.77
5	Mr. Sujit Bhattacharyya	303062/ 303062	2.60/2.54	N.A.	N.A.	Change in % due to Increase in PUC	303062	2.54
6	Mr. Nikhil Mahajan	69817/ 69817	0.60/0.58	N.A.	N.A.	Change in % due to Increase in PUC	69817	0.58

Annexures to Directors' Report 2016

7	Bilakes Consulting Private Limited	1245193/ 1253090	10.69/ 10.50	07.09.2015	79774	Allotment of Shares
				Transfer on various dates#	(71877)	Transfer of shares
						1253090 10.50

*PUC- Paid up Capital

#As specified below

During the year only **Bilakes Consulting Private Limited** (Corporate Promoter) shareholding has been changed.

Date Of Allotment/Transfer	No. Of Equity Shares	Face Value (₹)	Issue Price (₹)	Cash/Other Than Cash	Nature Of Allotment
May 13, 2015	2,381	10	590	Cash	Acquisition from Digant Parikh and Monalisa Parikh
	(26,659)	10	590	Other than cash	Transfer to certain shareholders of CLEIS in consideration of equity shares of CLEIS
	(2)	10	590	Cash	Transfer to Vishal Shah
June 23, 2015	(5,154)	10	590	Other than cash	Transfer to certain shareholders of CLEIS in consideration of equity shares of CLEIS
August 3, 2015	(28,107)	10	590	Other than cash	Transfer to certain shareholders of CLEIS in consideration of equity shares of CLEIS
August 4, 2015	(1,695)	10	590	Cash	Transfer to Rajeev Saraf
August 5, 2015	(893)	10	590	Other than Cash	Transfer to Sunil Tiku in consideration of equity shares of CLEIS
	(477)	10	590	Other than Cash	Transfer to Vinod Bhan in consideration of equity shares of CLEIS
August 11, 2015	(848)	10	590	Cash	Transfer to Niraj Prasad
	(1,191)	10	590	Other than Cash	Transfer to Niraj Prasad in consideration of equity shares of CLEIS
	(2,370)	10	590	Cash	Transfer to Sanjeev Srivastava
	(4,762)	10	590	Other than cash	Transfer to Sanjeev Srivastava in consideration of equity shares of CLEIS
August 12, 2015	(405)	10	590	Other than cash	Transfer to Akash Goel in consideration of equity shares of CLEIS
September 7, 2015	79,774	10	590	Other than cash	Preferential Allotment
September 16, 2015	(1,695)	10	590	Cash	Transfer to Aditi Saraf and Nikunj Bhagat

Annexures to Directors' Report 2016

(iv) Shareholding Pattern of top ten Shareholders:(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name	Shareholding		Date	Increase/ Decrease In Share Holding	Reason	Cumulative Shareholding During The Year (01-04-15 To 31-03-2016)	
		No. Of Shares At The Beginning 01.04.15/End Of The Year 31.03.16	% Of Total Shares Of The Company				No. Of Shares	% Of Total Shares
1	GPE (India) Ltd.	1426473/ 1426473	12.25/ 11.95	-	Nil	Change in % due to Increase in PUC	1426473	11.94
2	Housing Development Finance Corporation Limited	594233/ 594233	5.10/ 4.98	-	Nil	Change in % due to Increase in PUC	594233	4.97
3	SP Family Trust (Shares transferred by Mr. Shantanu Prakash)	562913/ 562913	4.83/ 4.71	-	Nil	Change in % due to Increase in PUC	562913	4.71
4	Gaja Trustee Company Private Limited	376409/ 376409	3.23/ 3.15	-	Nil	Change in % due to Increase in PUC	376409	3.15
5	Edelweiss Finance & Investments Limited	119904/ 119904	1.03/ 1.00	-	Nil	Change in % due to Increase in PUC	119904	1.00
6	Poonam Mittal	44208/ 102832	0.38/ 0.86	Demat Transfer	58624	Transmission	102832	0.86

Annexures to Directors' Report 2016

7	Kala Ramaswamy	NIL (at the beginning)/ 92915	NIL/ 0.77	Demat Transfer	92915	Transfer	92915	0.77
8	M/s GHIOF Mauritius	59952/ 59952	0.51/ 0.50	-	Nil	Change in % due to Increase in PUC	59952	0.50
9	Dhandaai Investments Private Limited	59524/ 51124	0.51/ 0.42	Demat Transfer	(8400)	Transfer	51124	0.42
10	Sachin Malhan	50234/ 50234	0.43/ 0.42	-	Nil	Change in % due to Increase in PUC	50234	0.42

(v) Shareholding of Directors and Key Managerial Personnel:

S No.	Name Of The Director/ Key Managerial Personnel	Shareholding		Date	Increase / Decrease In Share Holding	Reason	Cumulative Shareholding During The Year (01-04-15 To 31-03-2016)	
		No. Of shares at the beginning 01.04.15/end of the year 31.03.16	% of total shares of the company				No. Of shares	% of total shares
1	Mr. Satya Narayanan .R	2562579/ 2562579	22.00/21.46	N.A.	N.A.	Change in % due to Increase in PUC*	2562579	21.46
2	Mr. Gautam Puri	2562579/ 2562579	22.00/21.46	N.A.	N.A.	Change in % due to Increase in PUC*	2562579	21.46

Annexures to Directors' Report 2016

3	Mr. Nikhil Mahajan	69817/ 69817	0.60/0.58	N.A.	N.A.	Change in % due to Increase in PUC	69817	0.58
4	Mr. Sridar Iyengar	1600/2400	0.01/ 0.02	13.05.2015	800	Allotment under ESOP	2400	0.02
5	Mr. Kamil Hasan	0	0.00	-	0	NIL	0	0.00
6	Mr. Viraj Tyagi	1600/2400	0.01/ 0.02	13.05.2015	800	Allotment under ESOP	2400	0.02
7	Mr. Safir Anand	1600/2400	0.01/ 0.02	13.05.2015	800	Allotment under ESOP	2400	0.02
8	Mr. Gopal Jain	0	0.00	-	0	NIL	0	0.00
9	Ms. Sangeeta Modi	0	0.00	-	0	NIL	0	0.00
10	Ms. Rachna Sharma, (Company Secretary, KMP)	250/ 250	0.00/ 0.00	N.A.	N.A.	NIL	250	0.00

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Figures in ₹ Mn)

S. No.	Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year (01.04.2016)				
	i) Principal Amount	97.66	-	-	97.66
	ii) Interest due but not paid	Nil	-	-	-

Annexures to Directors' Report 2016

iii) Interest accrued but not due	0.66	-	-	0.66
Total (i+ii+iii)	98.32	-	-	98.32
Change in Indebtedness during the financial year				
* Addition	2.29	30.00	-	32.29
* Reduction	53.04	1.54	-	54.58
Net Change	-50.75	28.46	-	-22.28
2	Indebtedness at the end of the financial year (31.03.2016)			
i) Principal Amount	46.91	28.46	-	75.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.40	0.34	-	0.73
Total (i+ii+iii)	47.30	28.80	-	76.10

- The above details do not include the amount of OD limit of ₹ 330.53 Mn availed by the Company on March 31, 2016.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

<i>(Figures in ₹ Mn)</i>					
	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Satya Narayanan .R	Mr. Gautam Puri	Mr. Nikhil Mahajan	
1	Gross salary*				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.72	6.72	4.56	18

Annexures to Directors' Report 2016

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.05	0.04	0.04	0.013
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others #	-	-	2.13	2.13
	Total (A)	6.77	6.76	6.73	20.26
	Ceiling as per the Act	₹. 25.20 Mn in case of inadequacy of profits, and ₹ 6.03 Mn in case of adequacy of profits (As re-commended by the Nomination, Remuneration and Compensation Committee and subsequently approved by the Board).			

* This includes Provident Fund

w.e.f. 01.11.2014, the total compensation payable to Mr. Nikhil Mahajan is split into 2 parts, whereby an amount equivalent to 10,000 AED per month (Exchange rate @ 17.78/-) is paid to him as a salary from Dubai operations in his capacity as General Manager, Dubai operations and the balance amount is paid in India in his capacity as an Executive Director & CFO.

B. Remuneration to other directors (Independent Directors)

(Figures in ₹ Mn)

S N.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Sridar Iyengar	Mr. Viraj Tyagi	Mr. Safir Anand	Mr. Kamil Hasan	Ms. Sangeeta Modi	
1	Independent Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	0.11	0.07	0.07	0.07	0.07	0.39
	Others, please specify	-	-	-	-	-	-

Annexures to Directors' Report 2016

	Total (1)						-
2	Other Non-Executive Directors						-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.11	0.07	0.07	0.07	0.07	0.39
	Total Managerial Remuneration (A+B)						20.65
	Overall Ceiling as per the Act	0.44 Mn (being 1% of the net profit of the Company)					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Figures in ₹ Mn)

SN	Particulars of Remuneration	CEO	CS (Ms. Rachna Sharma)	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1.30	1.30
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		.01	.01
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	-	-
2	Stock Option (Exercised)		0.04	0.04
3	Sweat Equity		-	-

Annexures to Directors' Report 2016

4	Commission		
	- as % of profit	-	-
	others, specify...	-	-
5	Others*	-	-
	Total	1.35	1.35

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexures to Directors' Report 2016

Annexure V: AOC – II Contracts/Arrangements with Related Parties

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at Arm's length basis:-** There were no contracts or arrangements or transactions entered into by the Company with any of its Related Parties during the year ended March 31, 2016, which were not at arm's length basis.
- 2. Details of contracts or arrangements or transactions at Arm's length basis.-** The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2016 are as follows:-

S. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board of CL Educate Ltd.	Amount paid as advance (if any)	Remarks (If any)
1	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Content Development by CLM for CL and monetization of academic assets	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing	CL has licensed its entire content and has allowed CLM to monetize it. CL pays Rs. 4 Lakhs per month for the content management/ up gradation and charges 40% of the revenue as	13.05.2015	Nil	-

Annexures to Directors' Report 2016

			Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	revenue share so earned from monetization			
2	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Material Purchase and Sale. Sale of books by CL Media to CL	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	CLM published all the course books for CL and sold to CL at 60% discount to the MRP to CL as is a standard industry practice. This also enables CLM to take significant benefit of the tax exemption of its unit in Uttarakhand	13.05.2015	Nil	-
3	Ms. Sapna Puri, Spouse of Mr. Gautam Puri (Vice Chairman & MD of CL)	Office or place of profit (Payment of Salary)	Contract not expiring in 2015-16	Salary is equivalent to people with similar background and similar experience	13.05.2015	Nil	-
4	G K Publications Pvt. Ltd. (GKP),	1. Material Purchase and Sale. Sale of books by GKP	These are routine and Regular Intra-Group	CL purchases some books directly from GKP and provides these as additional	13.05.2015	Nil	-

Annexures to Directors' Report 2016

	Wholly Owned Subsidiary Co. of CL	to CL. 2. Interest payable by GKP to CL	Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	support for its students. These books are purchased at 15-40% discount to the MRP which are more or less the same terms at which GKP sells to outside distributors or dealers			
5	CL Media Pvt. Ltd. & Mr. Sreenivasan .R (Brother of Mr. Satya Narayanan .R)	Payment of Salary	Employment Contract (Appointment Letter dated 01.04.2014)	Salary is equivalent to people with similar background and similar experience.	13.05.2015	Nil	-
6	CL Media Pvt. Ltd. & G K Publications Pvt. Ltd, Both Wholly Owned Subsidiary Companies of CL	Material Purchase	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout	CLM publishes all the course books for GKP and sells to GKP at 60% discount to the MRP to GKP as is a standard industry practice. This also enables CLM to take significant benefit of the tax exemption of its unit in Uttarakhand.	13.05.2015	Nil	-

Annexures to Directors' Report 2016

2015-16.

7	CL Media Pvt. Ltd., Wholly Owned Subsidiary Companies of CL and R Shiva Kumar (Brother in Law of Satya Narayanan .R)	Payment of Salary	Service Contact from 1.04.2015 to 31.03.2018	Mr. Shiva Kumar is a whole Tim Director in CL Media. The salary paid to him is equivalent to people with similar background and similar experience	13.05.2015	Nil	-
8	Kestone Integrated Marketing Services Pvt. Ltd., Subsidiary Co. of the CL	Infrastructure servicing/ Leasing by Kestone for some of CL centres	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	For All Government projects in which purchase of fixed assets is prohibited by the Government CL leases the same from Kestone. Before the start of the project CL had called for 3 quotations and Kestone was closed at the lowest quotation point	13.05.2015	Nil	-
9	Career Launcher Education Infrastructure and Services Limited (CLEIS), Subsidiary	Cost Sharing for shared infrastructure and various administrative expenses by CLEIS	The parties entered in to a new agreement w.r.t. Mohan Estate Premises on 01.04.2015.	The infrastructure at Corporate office is co-shared with CLEIS and since is owned by CL it was agreed that CLEIS will pay an amount proportionate to the usage by it. It includes	13.05.2015	Nil	-

Annexures to Directors' Report 2016

	Co. of CL			the operating running and electricity cost for an area of approximately 1650 Sq.ft.			
10	Kestone Integrated Marketing Services Pvt. Ltd. and G K Publications Pvt. Ltd, both Wholly Owned Subsidiary Companies of CL	Security extended to GKP	These are the routine & regular group transactions, which are carried out on continuing basis. The contracts are renewed accordingly.	Security extended to GKP for loan from IndusInd Bank as the loan taken is used to repay Kestone.	13.05.2015	Nil	-
11	Career Launcher Education Infrastructure and Services Limited, Subsidiary Co. of CL & Nalanda Foundation (NF)	1. Leasing of Brand Name & Educational Soft Skills for Indus World Schools 2. Interest payable on outstanding loan	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	CLEIS has licensed IWS brand, academic and technological backend and various other support services to schools at Nalanda. CLEIS charges the revenue share as the same % of fee collected as it charges the other IP schools which also is charged by similar players in the industry. Additionally NF pays to CLEIS interest at 5 BP higher than rate at which CLIP/ CLEIS have borrowed money on outstanding loan.	13.05.2015	Nil	-

Annexures to Directors' Report 2016

12	Career Launcher Infrastructure Private Limited, Subsidiary Co. of CL & Nalanda Foundation (NF)	1. Leasing out of infrastructure facilities for Indus World Schools. 2. Interest Payable on outstanding loan	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	CLIP has given infrastructure to Nalanda Foundation for running the schools. In return NF pays a certain % of revenue to CLIP and this % is almost similar or in range to what NF pays to outside infrastructure providers. Additionally NF pays CLIP interest at 5 BP higher than the rate CLIP has borrowed money from lenders for amount outstanding.	13.05.2015	Nil	-
13	Threesixtyone Degreeminds Consulting Pvt. Ltd., related party as per section 2(76)(iv)	License rights of Software	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	CL holds sub 10% equity in 361 DM directly and through its Chairman and VC. CL has jointly developed products with 361 DM the IP of which belongs to each one's contribution respectively. Since the product runs on 361 DM platform CL pays on a per license basis to 361 DM at a rate which has been commercially agreed between CL and 361 DM	13.05.2015	Nil	-
14	M/s Anand & Anand, Law	Most of the Intellectual Property	Being our Trade Mark Agent, Anand	Not a Related party transaction since the transaction between	13.05.2015	Nil	-

Annexures to Directors' Report 2016

	Firm	related legal matters of CL are handled by Anand & Anand	& Anand is given job work, as and when required.	CL and Anand & Anand does not exceed 2% or 50 Lakh which ever is higher limit.			
15	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Cost Sharing for shared infrastructure and various common administrative expenses by CL Media	The parties entered in to a new agreement w.r.t. Mohan Estate Premises on 01.01.2015.	The infrastructure at Corporate office is co-shared with CL Media and it was agreed that CL Media will pay an amount proportionate to the usage by it. It includes the operating running and electricity cost for an area of approximately 4300 Sqft	13.05.2015	Nil	-
16	Bilakes, Corporate Promoter of CL	Further investment in the shares of CLEIS by CL by purchasing upto 35000 shares from Bilakes	Bilakes transferred its equity shares of CLEIS to CL on various dates during the FY 2015-16.	CL shall further invest in the shares of CLEIS, by purchasing upto 35000 nos. of Equity Shares of CLEIS, from its associate, Bilakes Consulting Private Limited, for cash, at a price of Rs. 281/- per share. Stamp Duty shall be borne by CL.	13.05.2015	Nil	-
17	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Content Development by CLM for CL	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are	CL has licensed its entire content and has allowed CLM to monetize it. CL pays Rs. 49 Lakh pa for the following states:	26.10.2015	Nil	-

Annexures to Directors' Report 2016

			also renewed accordingly.	<ol style="list-style-type: none"> 1. Chattisgarh 2. Jharkhand 3. Madhya Pradesh 4. Uttar Pradesh 			
				and CL pays Rs. 35 Lakhs and Rs. 31 Lakhs for Gujarat and Odisha projects respectively.			
18	Career Launcher Education Infrastructure and Services Limited (CLEIS), Subsidiary Co. of CL	Payment of rent by CLEIS for use of vehicle owned by CL	Original car Lease Agreement dated 01.04.2012 is extended for further period of 2 years by executing addendum dated 01.04.2014.	CLEIS using the vehicle owned by CL and pays Rs. 15,000/- per month towards vehicle rent	26.10.2015	Nil	-
19	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Material Purchase and Sale. Sale of books by CL Media to CL	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This	CLM published all the course books for CL and sold to CL at 65% discount to the MRP to CL as is a standard industry practice. This also enables CLM to take significant benefit of the tax exemption of its unit in Uttarakhand	29.01.2016	Nil	Modification to the transaction no. 2 mentioned above

Annexures to Directors' Report 2016

			particular contract was active throughout 2015-16.				
20	Career Launcher Education Infrastructure and Services Limited (CLEIS), Subsidiary Co. of CL	Cost Sharing for shared infrastructure and various common administrative expenses by CLEIS	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	The infrastructure at Corporate office is co-shared with CLEIS and since is owned by CL it was agreed that CLEIS will pay an amount proportionate to the usage by it. It includes the operating running and electricity cost for an area used by CLEIS.	29.01.2016	Nil	Modification to the transaction no. 9 mentioned above
21	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Cost Sharing for shared infrastructure and various common administrative expenses by CL Media	These are routine and Regular Intra-Group Transactions, which are carried out on a continuing Basis. The contracts are also renewed accordingly. This particular contract was active throughout 2015-16.	The infrastructure at Corporate office is co-shared with CL Media and it has been agreed that CL Media will pay an amount proportionate to the usage by it. It includes the operating running and electricity cost for an area used by CL Media .	29.01.2016	Nil	Modification to the transaction no. 15 mentioned above

Annexures to Directors' Report 2016

22	CL Media Pvt. Ltd. (CLM), Wholly owned Subsidiary Co. of CL	Allocation of Manpower Cost in relation to shared staff (Support)		CL Educate and CL Media have entered into an arrangement whereby an appropriate portion of the salaries of certain support staff, based broadly on their respective contribution to CL Media is allocated / debited to CL Media.	25.06.2016	Nil	This transaction pertains to FY 2015-16 was ratified in FY 2016-17
23	Career Launcher Education Infrastructure and Services Limited (CLEIS), Subsidiary Co. of CL	Allocation of Manpower Cost in relation to shared staff (Support)		CL Educate and CLEIS have entered into an arrangement whereby an appropriate portion of the salaries of certain support staff, based broadly on their respective contribution to CLEIS is allocated / debited to CLEIS	25.06.2016	Nil	This transaction pertains to FY 2015-16 was ratified in FY 2016-17.
24	Kestone Integrated Marketing Services Pvt. Ltd., Subsidiary Co. of the CL	Allocation of Manpower Cost in relation to shared staff (Support)		CL Educate and Kestone have entered into an arrangement whereby an appropriate portion of the salaries of certain support staff, based broadly on their respective contribution to Kestone is allocated / debited to Kestone	25.06.2016	Nil	This transaction pertains to FY 2015-16 was ratified in FY 2016-17.
25	Bilakes, Corporate Promoter of CL	Business (consultancy) services to CL	The parties entered in to a new agreement on 14.01.2016 for next 24 months.	Bilakes has agreed to provide certain business (consultancy) services to CL over the next 24 months. The maximum amount CL can pay under this	25.06.2016	Rs. 95 Lakhs	This transaction pertains to FY 2015-16 was ratified in FY 2016-17.

Annexures to Directors' Report 2016

arrangement is Rs. 125 Lakhs, of which, Rs. 95 Lakhs has been paid as business advance during the year 2015-16.

Annexure VI: Risk Management Policy

RISK MANAGEMENT POLICY

BACKGROUND

This document lays down the framework of Risk Management at CL Educate Limited (hereinafter referred to as the 'Company' or 'CL') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

OBJECTIVES

The objective of Risk Management at CL Educate Limited is to minimize the adverse impact of these risks on our key business objectives and to enable the company leverage market opportunities effectively

REGULATORY FRAMEWORK

Risk Management Policy is framed as per the following regulatory requirements:

A. COMPANIES ACT, 2013

1. Provisions of the Section 134(3)

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

2. Section 177(4) stipulates:

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—

(vii) evaluation of internal financial controls and risk management systems.

3. SCHEDULE IV [Section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

II. Role and functions:

The independent directors shall:

(1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

Annexures to Directors' Report 2016

(4) Satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;

1. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- **Key functions of the Board**

The board should fulfill certain key functions, including:

1. Reviewing and guiding corporate strategy, major plans of action, **risk policy**, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
7. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, **systems for risk management**, financial and operational control, and compliance with the law and relevant standards.

The company shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

- **D. Role of Audit Committee**

The role of the Audit Committee shall include the following:

11. Evaluation of internal financial controls and risk management systems;

- **17. Board of Directors Risk Management**

9a. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

9b. The Board shall be responsible for framing, implementing and monitoring the risk Management plan for the company.

- **Information to be placed before Board of Directors**

N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

CL Educate Limited being an Unlisted company is required to adhere to the regulations made by the Companies Act, 2013 but in order to achieve highest level of Corporate governance CL also follows the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by the Securities and Exchange Board of India (SEBI) up to the possible extent.

Annexures to Directors' Report 2016

APPLICABILITY

This Policy has been in force since 16th February, 2015.

DEFINITIONS

"**Risk Management Committee or Committee**" means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and Listing agreement.

"**Board of Directors**" or "**Board**" in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013)

"**Policy**" means Risk Management Policy.

ROLE OF BOARD AND COMMITTEES

Before proceeding to the policy, attention is drawn to the roles that the Board, Audit Committee and the Risk Management Committee are required to play under the above regulations governing Risk Management:

The Risk Management Committee's role is to review annually and recommend to the Board the Corporate Risk Management Policy

The Board's role under both the regulations is to ensure framing, implementing and monitoring risk management plan, having in place systems for risk management as part of internal controls with duty being cast upon Independent Directors to bring unbiased angle to the Board's deliberations on making risk management systems more robust.

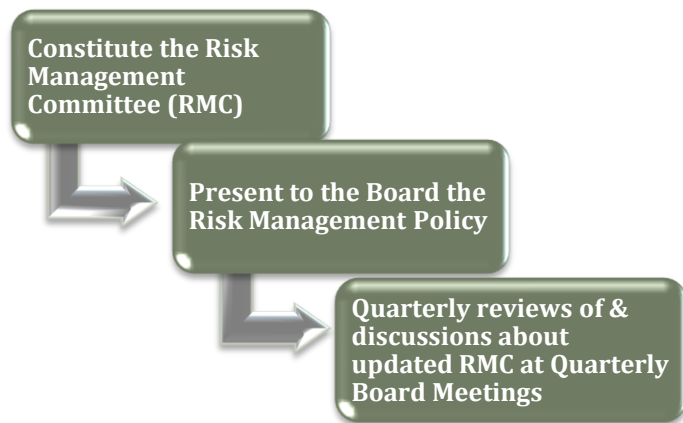
Audit Committee's role is evaluation of the risk management systems.

Broad Principles

The Board has to review the business plan at regular intervals and develop the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, monitoring and mitigating all the material risks, in all the key Risk categories viz. Strategy, Industry, Operations, Competition & Market, Resources and Regulatory Environment at various levels of management for effective implementation of business plans.

Annexures to Directors' Report 2016

CL RISK MANAGEMENT STRUCTURE



RISKS FACED BY CL UNDER KEY RISK CATEGORIES

Strategic Risks

- Significant operating revenues from particular business segment and consequently, any failure to sustain, expand and scale the revenues in that segment
- Limited operating history to new businesses/ products and lack of experience to address risks frequently encountered in these businesses
- Seasonality of different products/ businesses
- Brands are important in our business and dilution of the same

Industry related Risks

- Significant changes in test-patterns of competitive exams
- Significant changes in delivery mechanism due to technology changes or Innovations
- Significant change in Raw material cost in Publishing

Market & Competition

- Entry of new player with substantial financial muscles in Test Prep & competition from other existing players may lead to market share loss & lowered prices
- IPR plagiarizing / Conflicts could result in loss of business
- Creation of significant over capacity in K-12 segment in cities where IWS is present

Annexures to Directors' Report 2016

Resources

- i. Loss of or competition from any key member of our management team
- ii. Ability to attract / hire and retain new talent
- iii. Failure to raise additional capital in the future
- iv. Success of technology driven products, dependent on student acceptability as well as our ability to prevent any disruption of the equipment or systems required to deliver

Operations

- i. Inability to effectively advertise & market and attract & enroll students
- ii. Difficulty in introducing new courses , expanding network, continuing partnerships
- iii. Inability to obtain statutory & regulatory licenses and permits required to operate
- iv. Cost overruns and payment delays in case of fixed price contracts
- v. Inability to explain new distribution channels in the Publishing Industry
- vi. Operations primarily concentrated in North India and the inability to retain and grow subscribers in the region

Regulatory Environment

- i. Changes in Central or State govt. policies or legislation
- ii. Increases in interest rate & Raw material costs may adversely impact our results of operations
- iii. Volatility in political, economic and social developments in India
- iv. Instability in Indian financial markets
- v. Civil disturbances, regional conflicts and other violent acts in India and abroad may disrupt or otherwise adversely affect the Indian economy

RISK MANAGEMENT PRACTICES FOLLOWED BY CL

Risk Identification & Impact Assessment

- i. Includes risk surveys, business risk environment scanning & focused discussion in RMC
- ii. Annual risk survey of executives across units, functions & subsidiaries to seek inputs on key risks
- iii. Periodic scenario based risk assessment to identify risks to achieving business objectives & prioritizing risk of action

Annexures to Directors' Report 2016

- iv. Operational risks to be assessed on 3 levels:
 - Strength of underlying control
 - Compliance to policies & procedures
 - Business process effectiveness

Risk Monitoring & Mitigation

- i. Dash boards to be created that track relevant internal & external risk indicators
- ii. Trend line assessment of top risk, analysis of exposure & potential impact to be carried out
- iii. Mitigation plans to be finalized, owners to be identified & progress to be monitored & reviewed regularly
- iv. Periodic reviews to be conducted for risk adverse business objectives to deploy action

Risk Reporting

- i. Risks to achievement of objectives, trend line of risk level, impact & mitigation to be discussed in RMC on periodic basis.
- ii. Key external and internal incidents with impact to be reported & reviewed at appropriate forums
- iii. Risks related to client project execution to be reported & discussed at appropriate levels within company.
- iv. Periodic updates to be given to Board highlighting risks, impact & mitigation actions

Integration

Identified risks in short, medium & long term are to be used as one of the key inputs for development of strategy and annual business plan.

Penalties

The penalties are prescribed under the Companies Act, 2013 (**the Act**) under various sections which stipulate having a Risk Management Framework in place and its disclosure.

Section 134 (8) (dealing with disclosure by way of attachment to the Board Report): If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

Annexures to Directors' Report 2016

There are other provisions of the Act as well as SEBI Act which stipulate stiff penalties. Therefore, this Policy prescribes that violation of the provisions applicable to Risk Management Framework is something the Company cannot afford to **risk**.

Review

This policy shall be reviewed by the Risk Management Committee, Audit Committee and the Board from time to time as may be necessary.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

Annexure VII: Process of Determination of Director's Remuneration

Note on the Salaries of Directors at CL Educate Limited

Background & Objectives

The Nomination, Remuneration and Compensation Committee has been asked to submit a recommendation for the total compensation of the Directors for the FY 2015-16.

The Committee has been asked to do the following:

- i. Key Considerations for setting the compensation
- ii. Recommend the split between fixed and variable salaries
- iii. Make specific recommendation for the fiscal 2015-16

The purpose of this note is to cover the above areas and recommend the compensation for 2015-16.

1. Key Considerations for setting the whole time Director (WTD) compensation

The Committee in its recommendation in Oct 2011 had laid down the following three considerations for setting the whole time Director's compensation:

- i. The compensation needs to be in line with the provisions of Companies Act, 1956 and any other law relating to Companies;
- ii. The compensation need to take into account market factors both for the Directors and their direct reports. Given that the Directors have significant shareholding in the Company, so we believe that Director's salaries do not need to be at the market level. However, as professionals, Directors need to be paid a fair compensation for the executive and operational responsibilities they carry out for the Company. Therefore their compensation still needs to be pegged to the market salary; this will ensure that Directors receive a fair compensation and more importantly there is "headroom" to pay competitive salaries to the Director's direct reports and for attracting new talent in the Company;
- iii. Compensation trends for the last three years for the WTD.

2. Recommend the Split between fixed and Variable salaries

The table below summarizes the total compensation for the whole time Directors (WTDs)

Annexures to Directors' Report 2016

Table 1 Salary trends for the ETD 2012-13 to 2014-15

<i>(Figures in ₹ Mn)</i>									
Director	2012-13			2013-14			2014-15		
	Fixed	Variable	Total	Fixed	Variable	Total	Fixed	Variable	Total
Satya Narayanan .R	5.09	0.00	5.09	5.60	0.00	5.60	5.95	2.42	8.37
Gautam Puri	5.09	0.00	5.09	5.60	0.00	5.60	5.95	2.42	8.37
Nikhil Mahajan	4.94	0.00	4.94	5.45	0.00	5.45	5.78	2.35	8.13

For the year 2014-15, the recommended compensation for Mr. Satya Narayanan .R and Mr. Gautam Puri, was Rs. 94.7 L (64.4+30.3 L). It was Rs. 92 L (62.68+ 29.33 L) for Mr. Nikhil Mahajan.

3. Specific Recommendation for Fiscal 2015-16

Increase fixed compensation by 8% and variable compensation by 15%

Considering the inflation (CPI) in the year 2014-15 was 7.8%. We also believe that the gearing between Company performance and total compensation needs to keep increasing; therefore we recommend a higher increase in variable compensation

Keeping in mind above mentioned factors, the committee recommends the following total compensation for the Directors, to be paid subject to the compliance with the provisions of the Companies Act, 2013:

Table 2 Recommended Salary for WTD for 2015-16

<i>(Figures in ₹ Mn)</i>			
WTD	Fixed Compensation	Variable Compensation	Total Compensation
Satya Narayanan .R	6.96	3.48	10.44
GautamPuri	6.96	3.48	10.44
Nikhil Mahajan	6.77	3.37	10.14

In view of the Committee the variable part of the compensation needs to be calculated on the basis methodology that was used for FY 2014-15.

Methodology used for calculating variable compensation

Total compensation

Our recommendation is to use the % achievement vs. budget for 2015-16 on following two metrics:

- Total Revenue

- Total EBIDTA

Annexures to Directors' Report 2016

We propose equal weight-age (50% each) to the two metrics, In addition, the committee proposes the following calculation grid for arriving at the variable compensation amount.

Table 3 Variable Compensation Calculation Grid for WTD 2015-16

% Achievement vs. Budget	Revenue Based Variable Compensation	EBIDTA Based Variable Compensation
<80%	70%	70%
80-90%	80%	80%
90-95%	90%*	90%
95-100%	100%	100%**
100-105%	110%	110%
105-110%	120%	120%
110%+	125%	125%

As an illustration if the Company performance vs. budget is 93% achievement on revenue and 98% achievement on EBIDTA then the variable compensation will be calculated as below:

* Revenue Component (90% * 50%)

** EBIDTA Component (100%*50%)

Revenue Component (90% * 50%) + EBIDTA Component (100%*50%) = 95% of Variable compensation.

Audited results should be used for all actual performance metrics. If audited results are not available then latest interim results should be used.

Recommendation for commission payable for the non-executive Directors

The committee has already laid down its recommendation for the commission payable to the non-executive Directors at its meeting held on July 22, 2014 as under.

Table 4 Commission for Non-Executive Independent Directors for the FY 2015-16

S.No.	Name of the Non-executive Independent Directors	Commission payable for 2015-16
1	Mr. Sridar Iyengar	0.25% of the net profits
2	Mr. Safir Anand	0.15% of the net profits
3	Mr. Viraj Tyagi	0.15% of the net profits
4	Mr. Kamil Hasan	0.15% of the net profits
5	Ms. Sangeeta Modi	0.15% of the net profits

Appendix - I

Current Roles and Responsibilities of Executive Directors:

Mr. Satya Narayanan .R, Chairman and Executive Director:

- Handles the entire K-12 business;
- Manages the Corporate affairs, as well as Marketing functions across the entire group;
- Drives structured goal setting, strategy formulation, organizational structuring and management & corporate affairs including fund raising and ensures steps to drive overall profitability of the organization.

Mr. Gautam Puri, Vice-Chairman & Managing Director:

- Handles the Business and delivery responsibility of entire test prep Business;
- Ensures that profitability, market share and revenue objectives of the Test prep division are achieved;
- Heads the entire group's HR, which involves recruitment, training & development, evaluation of reward system, and core values orientation among others;
- Involved in setting organizational goals for the CL group and ensuring that the vision for the designated future stays on course;

Mr. Nikhil Mahajan, Executive Director & CFO:

- Handles the Business responsibility including sales and profitability for GVET and Keystone businesses;
- Handles the Production and Commercial operations of GKP;
- Handles the Business and Sales responsibilities of GKP and CL Media;
- Manages Finance and Corporate affairs across all Group Companies;
- Engaged in investors related activities including fund raising activities.

Annexures to Directors' Report 2016

Appendix II

Available data on Salaries of Key Managerial Personnel in same/similar industry, as contained in public documents filed with ROC:

(Figures in ₹ Mn p.a.)

Name of KMP	Remuneration	Source of Information
Mr. Mahesh R. Shetty	12.90	MT Educare Annual Report for 2015
Mr. N. Karpe	21.84	Aptech Annual Report for 2015
Mr. Sanjay Jain (CEO)*	7.80	Educomp Annual Report for 2014
Mr. ShantanuPrakash	15.00	Educomp Annual Report for 2014
Mr. Vinod Kumar Bansal	13.20	Bansal Classes Pvt. Ltd. AR for 2014
Mr. Pramod Kr. Bansal	12.90	Bansal Classes Pvt. Ltd. AR for 2014
Mr. Pramod Maheshwari	2.18	Career Point Annual Report for 2014

*Resigned in 2013-14

Annexure VIII: Corporate Governance Report

Board of Directors

As on March 31, 2016, our Board consisted of 9 directors of which 5 directors were Non-Executive independent Directors (including a woman Director), 1 was Non-Executive Nominee Director and 3 were Executive Directors.

During the year, Ms. Madhumita Ganguli resigned from the Board on and with effect from April 7, 2015.

- The chairman of the Board of Directors of the Company, Mr. Satya Narayanan .R is an Executive Director. The list of directors of the Board as on March 31, 2016 is given below:

S.No.	Name of Director	Designation
1.	Mr. Satya Narayanan .R	Chairman & Whole Time Director
2.	Mr. Gautam Puri	Vice Chairman & Managing Director
3.	Mr. Nikhil Mahajan	Executive Director & Chief Financial Officer
4.	Mr. Sridar Iyengar	Non-Executive Independent Director
5.	Mr. Kamil Hasan	Non-Executive Independent Director
6.	Mr. Viraj Tiyagi	Non-Executive Independent Director
7.	Mr. Safir Anand	Non-Executive Independent Director
8.	Ms. Sangeeta Modi	Non-Executive Independent Director
9.	Mr. Gopal Jain	Non-Executive Nominee Director

The fees/compensation paid to the non-executive directors for the FY 15-16 was approved by the shareholders at its extra-ordinary general meeting held on February 24, 2014.

Board Procedures & Disclosures:

- The Board met 10 (Ten) times during the financial year 2015-16 and there has not been a time gap of more than 120 days between any two meetings of the Board.
- The date of the Board Meetings held during 2015-16 and Director's attendance thereat are detailed in the Board Report under the 'Corporate Governance' section.
- Not less than one-half of the board of directors of the Company comprise of non-executive directors;
- None of the independent directors of the Company serve as independent directors in more than seven companies listed in India;

Annexures to Directors' Report 2016

- e. None of the independent directors of the Company who also serve as whole time directors in any other listed company, serve as an independent director in more than three companies listed in India;
- f. None of the directors of the Company, is a member of more than ten committees, across all public limited companies in which he/she is a director; and
- g. None of the directors of the Company is a chairman of more than five committees across all public limited companies in which he/she is a director.

For the purpose of sub-paragraphs (e) and (f), chairmanship/ membership of only the audit committee and/or the stakeholders' relationship committee has been considered.

Independent Directors

The Company has 5 independent directors on Board. In relation to such independent directors, it is hereby confirmed that:

- a. All of the independent directors of the Company hold office for a term of up to 5 consecutive years, and are eligible for reappointment for another term of up to 5 consecutive years on passing of a special resolution by the Company.
- b. The Company has issued a formal letter of appointment to all independent directors in a manner provided under the Companies Act, 2013.
- c. The Nomination, Remuneration and Compensation Committee of the Board has laid down the evaluation criteria for performance evaluation of the independent directors.
- d. During the year, the independent directors of the Company held separate meetings twice, without the attendance of non-independent directors of the Company or members of its management on October 26, 2015 and again on January 29, 2016.

Audit Committee of the Board

The Members of the Committee are as follows:

S.No.	Name of Director	Designation
1.	Mr. Sridar Iyengar, Chairman	Non-Executive Independent Director
2.	Mr. Gopal Jain, Member	Non-Executive Nominee Director
3.	Mr. Viraj Tyagi, Member	Non-Executive Independent Director
4.	Mr. Kamil Hasan, Member	Non-Executive Independent Director

All the members of Audit Committee are professionally qualified and financially literate. Mr. Sridar Iyengar, Chairman, is a fellow member of the Institute of Chartered Accountants in England and Wales.

Annexures to Directors' Report 2016

The terms of powers, role and terms of reference of the Audit Committee are in accordance with the provisions contained in the Companies Act 2013.

Company secretary of the Company Ms. Rachna Sharma acts as the secretary to the Audit Committee.

The Audit Committee has met 5 (five) times during the financial year 2015-16 and there has not been a time gap of more than 4 months between any two meetings of the Audit Committee.

The respective dates of the Committee Meetings held during 2015-16 and members' attendance thereat are detailed in the Board Report under the 'Corporate Governance' section.

Stakeholders' Relationship Committee

The Company has constituted the Stakeholders' Relationship Committee of the Board ("Stakeholders' Relationship Committee") and its constitution is as under:

S.No.	Name Of Director	Designation on Committee	Designation on Board
1.	Mr. Safir Anand	Chairman	Non-Executive Independent Director
2.	Mr. Gautam Puri	Member	Vice Chairman & Managing Director
3.	Mr. Nikhil Mahajan	Member	Executive Director & CFO

The Terms of reference for the Stakeholders' Relationship Committee have been defined at the meeting of the Board of Directors at its meeting, held on July 22, 2014 (in accordance with the terms of Section 178 of the Companies Act, 2013).

There being no complaint received from any stakeholder, the Committee met 1 (one) time during the year under Review, whereat it also directed the Company Secretary to call a Committee meeting as and when any complaint is received from any of the Stakeholders.

The date of the Committee Meeting held during 2015-16 and members' attendance thereat are detailed in the Board Report under the 'Corporate Governance' section.

The chairman of the Stakeholders Relationship Committee is a Non-Executive Independent director of the Company.

Nomination, Remuneration and Compensation Committee of the Board

The Company has constituted the Nomination, Remuneration and Compensation Committee of the Board ("Nomination, Remuneration & Compensation Committee") and its constitution is as under:

S.No.	Name of Director	Designation on Committee	Designation on Board
1.	Mr. Viraj Tyagi	Chairman	Non-Executive Independent Director
2.	Mr. Gopal Jain	Member	Non-Executive Nominee Director
3.	Mr. Safir Anand	Member	Non-Executive Independent Director
4.	Mr. Kamil Hasan	Member	Non-Executive Independent Director

Annexures to Directors' Report 2016

The Terms of reference for the Nomination, Remuneration and Compensation Committee have been defined at the meeting of the Board of Directors at its meeting, held on August 11, 2014 (in accordance with the Listing requirements and Section 178 of the Companies Act, 2013).

The chairman of the Nomination, Remuneration and Compensation Committee is a non-executive & independent director of the Company.

The Committee met 3 (three) times during the year under Review.

The respective dates of the Committee Meetings held during 2015-16 and members' attendance thereat are detailed in the Board Report under the 'Corporate Governance' section.

Risk Management Committee of the Board

The Company has constituted the Risk Management Committee of the Board ("Risk Management Committee") and its constitution is as under:

S.No.	Name of Director	Designation on Committee	Designation on Board
1.	Mr. Satya Narayanan .R	Chairman	Chairman & Whole time director
2.	Mr. Gautam Puri,	Member	Vice Chairman & Managing Director
3.	Mr. Nikhil Mahajan	Member	Executive Director & CFO

The Terms of reference for the Risk Management Committee have been defined at the meeting of the Board of Directors at its meeting, held on August 11, 2014 (in accordance with the Listing requirements.)

The chairman of the Risk Management Committee is an Executive Director of the Company.

The Committee met 1 (one) time during the year under Review.

The date of the Committee Meeting held during 2015-16 and members' attendance thereat are detailed in the Board Report under the 'Corporate Governance' section.

Corporate Social Responsibility (CSR) Committee of the Board

The Company has constituted the Corporate Social Responsibility Committee of the Board ("CSR Committee") and its constitution is as under:

S.No.	Name of Director	Designation on Committee	Designation on Board
1.	Mr. Safir Anand	Chairman	Non-Executive, Independent Director
2.	Mr. Satya Narayanan .R	Member	Chairman & Whole time director

Annexures to Directors' Report 2016

3. Mr. Gautam Puri,

Member

Vice Chairman, Managing Director

The Board of Directors has, at its meeting, held on April 29, 2014 approved the terms of reference and roles and responsibility of the CSR Committee as per Section 135 of the Companies Act, 2013.

The Chairman of the CSR Committee is a non-executive independent director of the Company.

The Committee met 1 (one) time during the year under Review.

The date of the Committee Meeting held during 2015-16 and members' attendance thereat are detailed in the Board Report under the 'Corporate Governance' section.

Material Subsidiaries

Career Launcher Education Infrastructure and Services Limited and Kestone Integrated Marketing Services Private Limited are 'material subsidiaries' of the Company, (considering the criteria laid down in the SEBI (Listing Obligation and Disclosure Requirement), 2015. Mr. Safir Anand, independent director on the Board of the Company is on the Boards of both these material subsidiaries, Career Launcher Education Infrastructure and Services Limited and Kestone Integrated Marketing Services Private Limited.

Financial Statements - Standalone

Independent Auditor's Report

To the Members of CL Educate Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

FINANCIAL STATEMENTS – STANDALONE

financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

FINANCIAL STATEMENTS – STANDALONE

- i. The standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company – Refer Note 31 to the standalone financial statements in respect of contingent liabilities and Note 45 in respect of other pending litigations;
- 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.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Pranav Jain

Partner

Membership No. 098308

Date: July 28, 2016

Place: New Delhi

FINANCIAL STATEMENTS – STANDALONE

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the standalone financial statements for the year ended March 31, 2016]

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

In respect of the aforesaid loans, as the schedule of repayment of principal has not been stipulated, we are unable to comment whether there is any overdue amount of loans granted to company and other parties listed in the register maintained under Section 189 of the Act..
- (iv) According to the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

FINANCIAL STATEMENTS – STANDALONE

NATURE OF NON COMPLIANCE	NAME OF COMPANY/PARTY	AMOUNT INVOLVED	BALANCE AS AT MARCH 31, 2016
Loan Given at rate of interest lower than prescribed	Kestone Asia Hub Pte Ltd	Nil	8,570,231
	Career Launcher Education Foundation	10,000	52,902,571

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

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

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

FINANCIAL STATEMENTS – STANDALONE

(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:

(Figures in ₹)					
Name of the statute	Nature of dues	Amount Disputed ₹	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	120,711,412	-	July 2003 to September 2008	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	7,372,308	-	October 2008 to March 2009	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	10,664,476	-	April 2009 to September 2009	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	71,756,945	21,302,000	October 2009 to September 2010	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	16,635,768	-	October 2010 to September 2011	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Service Tax	12,553,238	-	October 2011 to June 2012	Commissioner of Service Tax (Appeals), New Delhi
Finance Act, 1994	Cenvat credit reversal	4,648,826	-	September 2004 to March 2007	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Cenvat credit reversal	1,569,481	-	October 2007 to March 2008	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Cenvat credit reversal	40,097,178	-	April 2008 to March 2012	Central Excise and Service Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	35,557,912	-	FY 2002-03 to FY 2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	27,330,519	-	FY 2006-07 to 2008-09	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	38,064,894	-	FY 2009-10	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Tax deducted at Source	15,716,776	-	FY 2010-11	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Tax deducted	87,668,910	-	FY 2011-12	Income Tax Appellate Tribunal, New Delhi

FINANCIAL STATEMENTS – STANDALONE

at Source

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

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

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

FINANCIAL STATEMENTS – STANDALONE

(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

Sd/-

Pranav Jain

Partner

Membership No. 098308

Date: July 28, 2016

Place: New Delhi

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the standalone financial statements for the year ended March 31, 2016]

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

FINANCIAL STATEMENTS – STANDALONE

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified opinion

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

The Company does not have a comprehensive procurement policy for purchase of goods and services, which could potentially result in the Company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.

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

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the

FINANCIAL STATEMENTS – STANDALONE

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

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

Pranav Jain
Partner
Membership No.098308

Place: New Delhi
Date: July 28, 2016

FINANCIAL STATEMENTS – STANDALONE

CL Educate Limited

Balance Sheet as at March 31, 2016

Particulars		(Figures in ₹)	
		March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	119,395,880	116,451,550
Reserves and surplus	4	2,442,117,297	2,245,208,297
		2,561,513,177	2,361,659,847
Non-current liabilities			
Long-term borrowings	5	45,856,573	44,957,119
Deferred tax liabilities (net)	6	14,542,392	17,857,743
Long-term provisions	7	22,927,652	19,428,572
		83,326,617	82,243,434
Current liabilities			
Short-term borrowings	8	330,530,375	236,533,220
Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		455,281,474	241,648,709
Other current liabilities	10	320,531,911	299,258,498
Short-term provisions	7	596,336	503,021
		1,106,940,096	777,943,448
Total		3,751,779,890	3,221,846,729

Contd. on next page...

FINANCIAL STATEMENTS – STANDALONE

Continued from previous page...

ASSETS

Non-current assets			
Fixed assets			
- Tangible assets	11	329,392,731	341,468,910
- Intangible assets	12	103,049,415	117,797,046
Non-current investments	13	1,716,362,934	1,525,856,286
Long-term loans and advances	14	62,199,355	70,393,960
Other non-current assets	15	112,030,033	112,412,249
		2,323,034,468	2,167,928,451
Current assets			
Inventories	16	42,125,606	44,746,228
Trade receivables	17	843,799,297	535,227,973
Cash and bank balances	18	79,910,548	113,334,651
Short-term loans and advances	19	390,970,339	283,009,192
Other current assets	20	71,939,632	77,600,234
Total		1,428,745,422	1,053,918,278
		3,751,779,890	3,221,846,729

Summary of significant accounting policies 2

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

As per our report of even date

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.:103523W/W100048

Sd/-

Pranav Jain

Partner

Membership No.:098308

For and on behalf of the Board of Directors of

CL Educate Limited

Sd/-

Sd/-

Gautam Puri

Managing Director

DIN: 00033548

Nikhil Mahajan

Director and CFO

DIN: 00033404

Sd/-

Rachna Sharma

Company Secretary

ICSI M. No.: A17780

Place: New Delhi

Date :July 28, 2016

Place: New Delhi

Date :July 28, 2016

FINANCIAL STATEMENTS – STANDALONE

CL Educate Limited

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

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

FINANCIAL STATEMENTS – STANDALONE

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

Sd/-
Pranav Jain
Partner
Membership No.:098308

Place: New Delhi
Date :July 28, 2016

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

Sd/-
Gautam Puri
Managing Director
DIN: 00033548

Rachna Sharma
Company Secretary
ICSI M. No.: A17780

Place: New Delhi
Date :July 28, 2016

Sd/-
Nikhil Mahajan
Director and CFO
DIN: 00033404

FINANCIAL STATEMENTS – STANDALONE

Cash Flow Statement for the year ended March 31, 2016

(Figures in ₹ Mn)

	Particulars	March 31, 2016	March 31, 2015
A	Cash flow from operating activities		
	Net profit before tax	64,588,750	88,988,918
	Adjustments for:		
	Depreciation and amortisation on fixed assets	62,195,280	50,841,828
	Depreciation and amortisation on investments property	207,445	206,878
	Finance costs	48,002,889	43,519,246
	Loan processing charges	1,354,536	2,446,639
	Interest on delay in payment of taxes	2,459,679	1,200,000
	Interest income	(24,825,744)	(19,108,259)
	Loss on sale of fixed assets	5,252,963	4,883,393
	Rent income on investments property	(1,125,000)	(1,525,588)
	Fixed assets written off	-	325,048
	Advances written off	629,863	1,238,946
	Bad debts written off	69,566,398	60,006,567
	Miscellaneous balances written off	291,948	1,271,188
	Provision for doubtful advances	750,000	200,000
	Provision for doubtful debts	935,332	1,178,286
	Provision for obsolescence of inventory	-	584,094
	Liability no longer required written back	(16,070,574)	(14,513,247)
	Transfer to stock options outstanding	(6,026,151)	7,016,855
	Unrealised foreign exchange gain	(286,798)	(563,270)
	Operating profit before working capital changes	207,900,816	228,197,522
	Adjustments for (increase)/decrease in operating assets		
	Trade receivables	(378,762,562)	(236,569,788)
	Other current assets	800,000	(800,000)
	Long term loans and advances	(714,001)	(1,481,052)
	Short term loans and advances	(100,738,705)	(32,163,929)
	Inventories	2,620,622	(11,683,141)
	Adjustments for increase/(decrease) in operating liabilities		
	Other current liabilities	17,475,469	62,364,373
	Long term provisions	3,499,080	5,849,813
	Short term provisions	93,315	43,956
	Trade payables	229,662,036	82,069,965

FINANCIAL STATEMENTS – STANDALONE

	Cash (used in)/generated from operations	(27,713,930)	95,827,719
	Taxes paid (net of refund)	(15,557,497)	(6,575,845)
	Net cash generated from operating activities	(43,271,427)	89,251,874
B	Cash flow from investing activities:		
	Purchase of investment of in subsidiaries (net of payable for investments)	(164,206,360)	(1,072,777,393)
	Purchase of fixed assets (net)	(43,841,836)	(70,303,621)
	Disposal of fixed assets	4,320,000	1,600,002
	(Proceeds)/investments in deposits not considered as cash and cash equivalents (net)	47,167,667	(20,877,589)
	Loans given to subsidiaries (including conversion of interest and receivables)	(70,442,847)	(92,012,702)
	Interest income received	25,587,633	18,571,584
	Rent income on investments property	1,125,000	1,525,588
	Proceeds from realisation of loan given to subsidiaries (including adjustments)	61,581,297	43,043,288
	Net cash (used in) investing activities	(138,709,445)	(1,191,230,844)
C	Cash flow from financing activities:		
	Proceeds from issue of equity shares	2,944,330	17,273,450
	Securities premium received on equity shares (including adjustments)	162,866,763	1,145,914,510
	Share application money received pending allotment	-	(13,856,563)
	Proceeds from long-term borrowings	32,294,462	94,000,000
	Repayment of long-term borrowings	(54,577,892)	(63,793,627)
	Net increase in working capital borrowings	93,997,155	(4,126,959)
	Loan processing fee paid	(1,354,536)	(2,446,639)
	Interest paid	(50,393,400)	(43,156,440)
	Net cash generated from financing activities	185,776,882	1,129,807,733
	Net increase in cash and cash equivalents	13,346,010	27,828,764
	Unrealised foreign exchange gain on cash and cash equivalents	15,338	35,732
	Cash and cash equivalents at beginning of the year	62,797,116	34,932,620
	Cash and cash equivalents at end of the year	76,158,464	62,797,116
	Cash and cash equivalents comprise		

FINANCIAL STATEMENTS – STANDALONE

Fixed deposits shown under cash and bank balances:

- on current accounts	68,482,619	54,355,176
- Cheques/ drafts on hand	4,095,211	4,486,231
- Cash on hand	3,580,634	3,955,709
	76,158,464	62,797,116
Add:		
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	2,392,109	2,592,505
- on unpaid dividend account	26,355	17,075
Current restricted cash (Margin money deposit and under lien deposits)	1,333,620	47,927,955
Total cash and bank balances at end of the year (Refer note 18)	79,910,548	113,334,651

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 "Cash Flow Statements" as notified under section 211(3C) of the Companies Act, 1956.
2. Notes to the Financials Statements are integral part of the Cash Flow Statement.
3. Pursuant to the requirements of Section 135 of the Act, the Company has incurred ₹ 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

Sd/-

Pranav Jain

Partner

Membership No.:098308

Place: New Delhi

Date : July 28, 2016

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

Sd/-

Gautam Puri

Managing Director

DIN: 00033548

Place: New Delhi

Date : July 28, 2016

Sd/-

Nikhil Mahajan

Director & CFO

DIN: 00033404

Sd/-

Rachna Sharma

Company Secretary

ICSI M. No.: A17780

FINANCIAL STATEMENTS – STANDALONE

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

1. Background

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

2. Summary of significant accounting policies

(i) Basis for preparation of Financial Statements:

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

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

(ii) Use of estimates

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

(iii) Revenue recognition

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

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

FINANCIAL STATEMENTS – STANDALONE

Revenue from services

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

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

Revenue from sale of text books

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

Other operating income

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

Other Income

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

Interest

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

Dividend

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

Unbilled revenue

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

Unearned revenue

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

FINANCIAL STATEMENTS – STANDALONE

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.

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.

FINANCIAL STATEMENTS – STANDALONE

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:

<i>(Figures in ₹)</i>	
Particulars	Useful life (years)
Tangible assets:	
Leasehold land	90 (period of lease)
Building	60
Furniture and fixtures	8-10
Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6
Leasehold improvements	Lesser of 3 years and period of lease

FINANCIAL STATEMENTS – STANDALONE

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.

FINANCIAL STATEMENTS – STANDALONE

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 the 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.

FINANCIAL STATEMENTS – STANDALONE

(xi) Investments other than investments property

Accounting treatment

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

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

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

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

Classification in the financial statements as per requirements of Schedule III

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

(xii) Inventories

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

(xiii) Employee Benefits

Short term employee benefits:

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

Long term employee benefits:

i. Defined contribution plan: Provident fund

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

ii. Defined Benefit Plan: Gratuity

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

iii. Other long-term benefits: Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits.

The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

iv. Employee stock option scheme

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

(xiv) Foreign exchange transactions

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

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

Translation of integral and non integral foreign operations

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

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

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

(xv) Taxation

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

Current tax

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

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

FINANCIAL STATEMENTS – STANDALONE

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.

FINANCIAL STATEMENTS – STANDALONE

(xix) Earnings per share

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

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

(xx) Segment Reporting

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

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

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

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

(xxi) Share issue expenses

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

(xxii) Material Events

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

FINANCIAL STATEMENTS – STANDALONE

3. Share capital

- a) The Company has one class of shares i.e. Equity Shares [previous year three classes of shares i.e. Equity shares (Class-I), Compulsorily convertible 0.01% non-cumulative preference shares (CCPS)(Class -II) and Optionally convertible 0.01% non-cumulative preference shares (OCPS)(Class- III)], having a par value of ₹ 10 per share.

Particulars	March 31, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised				
Equity shares of ₹ 10 each (previous year ₹ 10) with equal voting rights	16,000,000	160,000,000	16,000,000	160,000,000
	16,000,000	160,000,000	16,000,000	160,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each (previous year ₹ 10) with equal voting rights (Class -I)	11,939,588	119,395,880	11,645,155	116,451,550
	11,939,588	119,395,880	11,645,155	116,451,550

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

1) Class-I shares-Equity shares

Particulars	March 31, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of year	11,645,155	116,451,550	9,417,810	94,178,100
Add: Share issued during the year by way of:				
-Allotment of share for a consideration in cash (Refer footnote i)	-	-	1,061,526	10,615,260
- Employee stock option plan	28,829	288,290	2,900	29,000
-Allotment of share for a consideration other than in cash (Refer footnote ii, iii and iv)	265,604	2,656,040	1,162,919	11,629,190
Outstanding at the end of the year	11,939,588	119,395,880	11,645,155	116,451,550

Footnote i.

During the previous year, pursuant to a Share Subscription and Amendment Agreement dated August 12, 2014 between the Company, individual promoters and a shareholder GPE (India) Limited, Mauritius, the Company had issued 467,293 equity shares of ₹ 10 each at a price of ₹ 590 per share to GPE (India) Limited, Mauritius in two tranches of 230,000 equity shares and 237,293 equity shares on September 05, 2014 and September 16, 2014 respectively.

FINANCIAL STATEMENTS – STANDALONE

During the previous year, pursuant to the Share Subscription Agreement dated September 05, 2014 between the Company, individual promoters and a shareholder Housing Development Finance Corporation Limited (HDFC Limited), the Company had issued 594,233 equity shares of ₹ 10 each at a price of ₹ 590 per share to HDFC Limited on September 05, 2014.

Footnote ii.

For the year ended March 31, 2016

The Company on September 7, 2015 entered into an agreement with the promoters of Accendere Knowledge Management Services Private Limited (hereinafter referred as "AKMS")) to acquire 51% of share capital of AKMS held by them for a consideration of ₹ 134,639,700. The Company has issued 185,830 equity shares of ₹ 10 each at a price of ₹ 590 per share and balance consideration amounting ₹ 25,000,000 to be paid in cash in three tranches as per the share purchase agreement dated September 7, 201 (Refer footnote i of note 13)

The Board of Directors of the Company at its meeting held on August 3, 2015 approved further investment in equity shares of Career Launcher Education and Infrastructure Services ("CLEIS"), by making an offer to purchase 199,553 equity shares of CLEIS held by Bilakes Consulting Private Limited (hereinafter referred as "Bilakes") at a consideration of ₹ 56,066,660. The Company has issued 79,774 equity shares of ₹ 10 each at a price of ₹ 590 per share to Bilakes and balance consideration amounting ₹ 9,000,000 is to be paid in cash. Consequent to such investment, the Company now holds 100% share in CLEIS.

For the year ended March 31, 2015

During the previous year, the Board of Directors of the Company at its meeting held on August 11, 2014 had proposed a scheme wherein eligible domestic shareholders of CLEIS, a subsidiary company were given a "share swap option" to swap shares of CLEIS with shares of CL Educate Limited at an agreed share swap ratio. This share swap option was proposed with an objective to consolidate Company's shareholding in CLEIS.

Pursuant to such share swap option, the Board of Directors of the Company at its meeting held on September 05, 2014 had approved to allot 1 equity share of the Company of ₹ 10 each for 2.10 equity shares of CLEIS held by the eligible CLEIS investors subject to adjustment and rounding up. Such swap ratio had been determined in accordance with the Relative Valuation Report obtained by the Company from a Category-1 Merchant Banker.

Pursuant to the resolutions passed by the Board of Directors at its meetings held on August 11 and September 05, 2014 and pursuant to the shareholders' approval to the scheme at the Annual General Meeting of the Company held on September 05, 2014, the Company had issued 904,139 equity shares of ₹ 10 each at an effective price of ₹ 590 to CLEIS investors in lieu of 1,898,684 shares of CLEIS. Consequent to share swap, the Company's holding in CLEIS increased to 97.99% shares in CLEIS as against 57.55% shares prior to the share swap.

FINANCIAL STATEMENTS – STANDALONE

Footnote iii

For the year ended March 31, 2015

The Company had acquired third and last tranche of shares in GKP by payment of cash consideration and balance consideration amounting ₹ 13,856,863 is settled by issue of 23,486 equity shares at the price of ₹ 590 per share. (Refer footnote i of note 13)

2) Class-II shares-CCPS

Particulars	March 31, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	-	-	411,045	4,110,450
Add: Share issued during the year	-	-	-	-
Less: conversion into equity shares (refer footnote iv)	-	-	411,045	4,110,450
Outstanding at the end of the year	-	-	-	-

3) Class-III shares-OCPS

Particulars	March 31, 2016		March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	-	-	88,955	889,550
Add: Share issued during the year	-	-	-	-
Less: conversion into equity shares (refer footnote iv)	-	-	88,955	889,550
Outstanding at the end of the year	-	-	-	-

Footnote iv

For the year ended March 31, 2015

During the financial year 2012-13, the Company had issued 411,045, 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each at a price of ₹ 200 per share termed as Class II and 88,955, 0.01% Non-Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10 each issued at a price of ₹ 200 per share termed as Class III to GPE (India) Limited and Gaja Trustee Company Private Limited respectively.

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

FINANCIAL STATEMENTS – STANDALONE

Each holder of OCPS had either to get his shares converted into equity shares or redeemed in cash as per the terms of conversion stipulated in the addendum number 3 to the Share Subscription and Shareholders Agreement dated November 02, 2012 at any time.

The Board of Directors at its meeting dated July 22, 2014 had approved of the conversion of such CCPS and OCPS into equity shares of ₹ 10 each at a price of ₹ 425 per share. The details of the equity shares issued are as given below:

Name of the Share holder	Nature of Preference Shares held	No. of Preference Shares held	No. of Equity Share Issued
GPE (India) Limited	OCPS	88,955	41,861
Gaja Trustee Company Private Limited	CCPS	411,045	193,433

c) Terms/rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d) The Company does not have any holding Company.

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

1) Class-I shares-Equity shares

Name of the share holders	March 31, 2016		March 31, 2015	
	Numbers	% held	Numbers	% held
Mr. Gautum Puri	2,562,579	21.46%	2,562,579	22.01%
Mr. Satya Narayanan R	2,562,579	21.46%	2,562,579	22.01%
GPE (India) Limited	1,426,473	11.95%	1,426,473	12.25%
Bilakes Consulting Private Limited	1,253,090	10.50%	1,245,193	10.69%
HDFC Limited	594,233	4.98%	594,233	10%
	8,398,954	70.35%	8,391,057	72.06%

FINANCIAL STATEMENTS – STANDALONE

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

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

1) Class-I shares-Equity shares	March 31, 2016	March 31, 2015
	Numbers In aggregate	Numbers In aggregate
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	2,092,555	1,826,951
	2,092,555	1,826,951

In addition, the Company has issued 36,504 equity shares of ₹ 10 each fully paid up (as on March 31, 2015, 7,675 of ₹ 10 each fully paid up) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

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

Shares reserved for issue under options

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

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

Pursuant to the resolution passed by the Board of Directors at its meeting on March 6, 2008 and the Special Resolution passed by the members in the EGM held on March 31, 2008, the Company introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants. As at March 31, 2016 and March 31, 2015 the Company had 48,518 and 34,768 number of shares reserved for issue under the scheme respectively.

Pursuant to the resolution passed by the Board of Directors at its meeting held on January 28, 2014 and special resolution passed by the members in the Extraordinary general meeting held on May 29, 2014, the Company renewed "Career Launcher Employee Stock Options Plan 2008" for a further period of one year i.e. from April 01, 2014 upto March 31, 2015 by Board and from May 30, 2014 upto May 29, 2015 by shareholders respectively. Subsequently, the Company has approved and adopted the amended "Career Launcher Employee Stock Options Plan 2008" in its Annual General Meeting held on September 5, 2014 and the same is valid for a period of 3 years.

FINANCIAL STATEMENTS – STANDALONE

4. Reserves and Surplus

Particulars	March 31, 2016	March 31, 2015
4.1. Securities premium account		
Opening balance	1,845,492,905	693,701,683
(+) Securities premium received		
-on issue of shares in cash	-	615,685,080
-on issue of equity shares consideration other than cash	154,050,320	540,669,510
-on issue of ESOP	8,981,860	778,500
(+) Transfer from Class-II shares- CCPS conversion reserve	-	4,831,186
(+) Transfer from Class-III shares- OCPS redemption/conversion reserve	-	1,045,526
(-) Share swap issue expenses	(165,417)	(11,218,580)
Closing balance	2,008,359,668	1,845,492,905
4.2. Class-II shares-CCPS conversion reserve		
Opening balance	-	4,831,186
(-) Transferred to securities premium during the year	-	(4,831,186)
Closing balance	-	-
4.3. Class-III shares-OCPS redemption/conversion reserve		
Opening balance	-	1,045,526
(-) Transferred to securities premium during the year	-	(1,045,526)
Closing balance	-	-
4.4. Capital reserves		
Opening balance	19,939	19,939
Closing balance	19,939	19,939
4. General reserves		
Opening balance	5,784,256	5,784,256
Add: Transferred from ESOP reserves	685,322	-
Closing balance	6,469,578	5,784,256
4.6. Employee stock option outstanding		
Gross employee stock compensation for options granted in earlier years	39,185,183	9,327,206
(+) Gross compensation for options for the year	(6,026,151)	7,016,855
(+) Gross compensation for options granted to employees of subsidiary (Refer footnote i of note 20)	(4,098,713)	22,841,122

FINANCIAL STATEMENTS – STANDALONE

(-) Less: Transferred to general reserve	(685,322)	-
Closing balance	28,374,997	39,185,183
4.7.Surplus in the Statement of Profit and Loss		
Opening balance	354,726,014	298,420,325
(+) Net profit for the year	44,167,101	65,756,319
(-) Adjustment for Schedule II depreciation (refer footnote i)	-	(7,102,533)
(-) Schedule II adjustment of deferred tax	-	(2,348,097)
Closing balance	398,893,115	354,726,014
Total reserves and surplus	2,442,117,297	2,245,208,297

- i. During the previous year, pursuant to the transitional provisions of Schedule II of the Act in respect of fixed assets where the remaining useful life was "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 7,102,533 and deferred tax thereon has been adjusted against the opening reserves.

5. Long-term borrowings

(Figures in ₹)				
Particulars	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loans (secured)				
-From banks				
a) Vehicle loans (Refer footnote i)	1,573,930	517,935	1,186,814	960,058
b) Other term loans (Refer footnote ii)	24,536,846	44,439,184	19,612,033	51,738,842
Term loans (unsecured)				
-From Others	19,745,797	-	8,717,169	-
a) Term loan (Refer footnote iii)				-
The above amount includes Amount disclosed under the head "Other current liabilities" (Refer note 10)	-	-	(29,516,016)	(52,698,900)
Net amount	45,856,573	44,957,119	-	-

FINANCIAL STATEMENTS – STANDALONE

Footnotes:

i. Vehicle loans from banks are secured against hypothecation of concerned vehicles.

The repayment terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2016

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

For amount outstanding as at March 31, 2015

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

ii. Secured term loans from bank-other term loans

The Company had entered into a finance facility agreement with limit amounting ₹ 510,000,000 (previous year ₹ 465,000,000) with Kotak Mahindra Bank, under which various term loans and overdrafts have been availed at different times during the current and previous year.

The term loans so availed comprise four loans ₹ 12,000,000, ₹ 35,000,000, ₹ 50,000,000 and ₹ 44,000,000. Year end balances of these loans are ₹ Nil, ₹ Nil, ₹ 9,140,256 ₹ 35,008,625 (previous year ₹ 3,126,045, ₹ 14,274,445, ₹ 34,777,536 ₹ 44,000,000) respectively.

Interest rate:

These loans carry interest at bank's base rate + 3.75% (previous year bank's base rate + 4.25%) per annum ranging from 13.25% to 14.25% (previous year 14.00% to 14.25%).

Repayment schedule:

The loan of ₹ 12,000,000 was repayable in 36 equal monthly installments of ₹ 410,132 (inclusive of interest) for which November 10, 2015 was the last installment date.

FINANCIAL STATEMENTS – STANDALONE

The loan of ₹ 35,000,000 was repayable in 24 equal monthly installments of ₹ 1,684,587 (inclusive of interest) for which December 25, 2015 was the last installment date.

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

The loan of ₹ 44,000,000 is repayable in 48 equal monthly installments of ₹ 1,207,890 (inclusive of interest) for which March 01, 2019 is the last installment date.

Primary security

These loans together with short term borrowings are secured by way of first and exclusive charge on all present and future current and moveable assets including moveable fixed assets of the Company.

Collateral security

Lien over fixed deposits of ₹ 110,000,000

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

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

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

These loans are part of overall limit sanctioned by the bank to the Company, which comprise term loans as detailed above, overdraft facility upto ₹ 440,000,000 (Previous year ₹ 340,000,000) (disclosed in short term borrowings in the financial statements), cash management facility of ₹ 2,500,000 (Previous Year ₹ 2,500,000) and overdraft against credit card receivables of ₹ 15,000,000 (availed). Securities mentioned above are securities provided by the Company for such overall limit.

iii. Term Loan- from others

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

Interest rate:

These loans carry interest at 16.00% per annum.

Repayment schedule:

The loan of ₹ 30,000,000 is repayable in 36 equal monthly installments of ₹ 1,054,711 (inclusive of interest) for which January 5, 2019 is the last installment date.

FINANCIAL STATEMENTS – STANDALONE

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 held by Bilakes Consulting Private Limited of the Company.

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

6. Deferred tax liabilities

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

(Figures in ₹)			
Particulars	March 31, 2016	Charge/ (benefit)	March 31, 2015
Deferred tax assets			
Provision for diminution in value of investment	-	21,742	21,742
Provision for gratuity	3,619,805	(440,207)	3,179,598
Provision for leave encashment	4,157,931	(747,546)	3,410,385
Provision for loans and advances	14,131,141	(157,049)	13,974,092
Provision for incentive	5,970,883	(2,199,853)	3,771,030
Provision for doubtful debts	309,249	80,328	389,577
Provision for obsolescence of inventory	137,929	55,190	193,119
	28,326,937	(3,387,395)	24,939,543
Deferred tax liabilities			
On account of depreciation	42,869,330	72,044	42,797,286
Total deferred tax liabilities	42,869,330	72,044	42,797,286
Net deferred tax liabilities	14,542,392	(3,315,351)	17,857,743

FINANCIAL STATEMENTS – STANDALONE

7. Provisions (Refer Note 33)

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

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

8. Short-term borrowings

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Secured, from bank, repayable on demand		
-Cash credit (Refer footnote i)	330,530,375	236,533,220
	330,530,375	236,533,220

Footnotes (i)

Overdraft from Kotak Mahindra Bank

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

1. It carries interest rate of bank's base rate plus 3.75 % ranging from 14.25% to 13.75% (previous year 14.00% to 14.25%) calculated on monthly basis on the actual amount utilised.
2. Security details: Refer footnote ii and iii of note

9. Trade payables

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

Footnote:

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

FINANCIAL STATEMENTS – STANDALONE

10. Other current liabilities

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

FINANCIAL STATEMENTS – STANDALONE

11. Tangible assets*

Current year

Particulars	Gross block (at cost)				Accumulated depreciation			Net block	
	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	As at March 31, 2016
(Figures in ₹)									
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 in the current year and previous year. (See note 5).

Footnote:

- i. Building includes 5 shares of ₹ 50 each being the cost of shares in Tardeo Air conditioned Market Building Cooperative Society Limited, Mumbai.
- ii. 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.
- iii. Pursuant to the board resolution dated October 31, 2012, the Company had classified freehold land amounting ₹ 51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. (Refer note 20).

FINANCIAL STATEMENTS – STANDALONE

11. Tangible assets**

Previous year

(Figures in ₹)

Particulars	Gross block (at cost)				Accumulated depreciation				Net block	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Depreciation for the year	Adjustment as per Schedule II	Disposals/ Adjustments	As at March 31, 2015	As at March 31, 2015
Leased assets										
Land (Refer footnote ii)	20,043,350	-	-	20,043,350	2,158,973	222,481	-	-	2,381,454	17,661,896
Owned assets										
Building (Refer footnote i)	303,750,926	-	-	303,750,926	20,489,417	4,799,061	-	-	25,288,478	278,462,448
Plant & machinery	7,993,775	1,564,982	-	9,558,757	5,273,943	722,573	-	-	5,996,516	3,562,241
Leasehold improvement	19,549,865	5,356,414	1,250,171	23,656,108	14,458,528	3,846,302	-	1,250,171	17,054,659	6,601,449
Furniture and fixtures	5,362,197	1,769,083	1,749,302	5,381,978	3,322,939	1,020,421	54,368	1,710,407	2,687,321	2,694,657
Vehicles	12,616,453	-	-	12,616,453	5,745,672	1,351,400	260,474	-	7,357,546	5,258,907
Office equipment	20,600,902	1,615,342	4,486,698	17,729,546	8,806,747	2,906,582	5,994,114	4,200,545	13,506,898	4,222,648
Computers	28,123,250	36,559,587	15,932,466	48,750,371	21,006,702	13,394,499	793,577	9,449,071	25,745,707	23,004,664
Total	418,040,718	46,865,408	23,418,637	441,487,489	81,262,921	28,263,319	7,102,533	16,610,194	100,018,579	41,468,910

*Tangible assets are subject to first *pari passu* charge to secure the Company's borrowings referred in notes as secured term loan from banks and bank overdrafts in the current and previous year. (See note 5) #Pursuant to the transitional provisions of Schedule II in respect of fixed assets where the remaining useful life was "Nil" as on April 1, 2014, their carrying amount aggregating ₹ 7,102,533 and deferred tax thereon has been adjusted against the opening reserves.

Footnote:

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

FINANCIAL STATEMENTS – STANDALONE

12. Intangible assets*

Current year

(Figures in ₹)

Particulars	Gross block (at cost)			Accumulated amortization			Net block		
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2016	As at March 31, 2016
Owned assets									
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	81,219,434	13,663,848	-	94,883,282	71,264,713
Softwares	12,147,964	2,649,343	-	14,797,307	10,132,138	741,941	-	10,874,079	3,923,228
Content development	39,622,705	9,002,809	-	48,625,514	13,780,919	7,370,855	-	21,151,774	27,473,740
License fees	2,800,000	-	-	2,800,000	1,908,120	891,880	-	2,800,000	-
CAT online module	7,641,070	1,052,000	-	8,693,070	3,522,077	4,783,259	-	8,305,336	387,734
Total	228,359,734	12,704,152	-	241,063,886	110,562,688	27,451,783	-	138,014,471	103,049,415

FINANCIAL STATEMENTS – STANDALONE

12. Intangible assets*

Previous year

(Figures in ₹)

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

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

FINANCIAL STATEMENTS – STANDALONE

13. Non-current investments

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
Investment property (Non-trade, valued at cost less accumulated depreciation)		
Cost of building	13,113,500	13,113,500
Less: Accumulated depreciation	1,822,013	1,614,568
Closing balance (A)	11,291,487	11,498,932
Equity shares in subsidiary companies (Trade, un-quoted, at cost)		
9,447,606 (Previous year 9,248,053) fully paid up equity shares of ₹ 10 each of Career Launcher Education Infrastructure and Services Limited	1,352,842,769	1,296,768,376
10,000 (Previous year 10,000) fully paid up equity shares of ₹ 10 each of CL Media Private Limited	100,000	100,000
1,000,000 (Previous year 1,000,000) fully paid up equity shares of ₹ 10 each of Kestone Integrated Marketing services Private Limited.	69,100,000	69,100,000
Nil (Previous year 6,576) fully paid up equity shares of ₹ 10 each of CL Higher Education Services Private Limited	-	65,760
190,000 (Previous year 190,000) fully paid up equity shares of ₹ 10 each of G.K. Publications Private Limited	143,388,978	143,388,978
6,120 (Previous year Nil) fully paid of equity shares of ₹ 10 each of Accendere Knowledge Management Services Private Limited (foot note i)	134,639,700	-
	1,700,071,447	1,509,423,114
Less : Provision for diminution in value of investment in CL Higher Education Services Private Limited	-	65,760
Closing balance (B)	1,700,071,447	1,509,357,354
Equity shares in other companies (Non-trade, un-quoted, at cost)		
909 (Previous year 909) fully paid up equity shares of ₹ 10 each of Threesixtyone Degree Minds Consulting Private Limited	5,000,000	5,000,000
Closing balance (C)	5,000,000	5,000,000
Closing balance (A+B+C)	1,716,362,934	1,525,856,286

FINANCIAL STATEMENTS – STANDALONE

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

Particular	(Figures in ₹)	
	March 31, 2016	March 31, 2015
Aggregate book value of unquoted non-current investment (excluding provision for impairment)	1,705,071,447	1,514,423,114

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

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

Footnotes:

For the year ended March 31, 2016

- The Company on September 7, 2015 entered into an agreement with the promoters of AKMS to acquire 51% of share capital of AKMS held by them for a consideration of ₹ 134,639,700. The Company has issued 185,830 equity shares of ₹ 10 each at a price of ₹ 590 per share and balance consideration amounting ₹ 25,000,000 to be paid in cash in three tranches as per the share purchase agreement dated September 7, 2015 (refer footnote ii of note 3).

For the year ended March 31, 2015

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

14. Long-term loans and advances

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
Unsecured, considered good, unless otherwise stated		
Capital advances	366,060	1,095,163
Security deposits	12,329,000	11,575,140
Subtotal A	12,695,060	12,670,303
Service tax paid under protest	21,302,000	21,302,000
Loans and advances to employees	61,000	76,000
Advance income-tax [(net of provision for tax of ₹ 172,189,800) (P.Y. ₹147,852,800)]	28,141,295	31,200,183
MAT Credit Entitlement	-	5,120,615

FINANCIAL STATEMENTS – STANDALONE

Others (Refer note 43)	-	24,859
Subtotal B	49,504,295	57,723,657
Total (A+B)	62,199,355	70,393,960

15. Other non-current assets

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

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

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

17. Trade receivables

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

Footnote:

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

FINANCIAL STATEMENTS – STANDALONE

18. Cash and bank balances

Particulars	(Figures in ₹)			
	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and cash equivalents				
Balances with banks:				
- on current accounts	-	-	68,482,619	54,355,176
Cheques/ drafts on hand	-	-	4,095,211	4,486,231
Cash on hand	-	-	3,580,634	3,955,709
	-	-	76,158,464	62,797,116
Other bank balances				
- in unpaid dividend account	-	-	26,355	17,075
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	-	-	2,392,109	2,592,505
- Margin money deposits and under lien deposits (Refer footnote i)	112,030,033	112,412,249	1,333,620	47,927,955
	112,030,033	112,412,249	79,910,548	113,334,651
Amount disclosed under other non-current assets (Refer note 15)	(112,030,033)	(112,412,249)	-	-
	-	-	9,910,548	113,334,651

Footnote: i

"Current deposits include:

- Deposits of ₹ 1,333,620 (Previous year ₹ 1,837,750) for issue of guarantees in favor of Northern Eastern Council Secretariat, Shilong,
- Deposits of ₹ Nil (Previous year ₹ 750,600) in favour of for the purpose of paper purchase,
- Deposits of ₹ Nil (Previous year ₹ 339,605) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD," Deposits of ₹ Nil (Previous year ₹ 45,000,000) submitted in bank against overdraft facility

"Non-current deposits include:

- Deposits of ₹ 75,000 (Previous year ₹ 99,518) for issue of guarantees in favor of value added tax authorities,
- Deposits of ₹ 1,684,764 (Previous year ₹ 2,003,429) for issue of guarantees in favor of Development Support Agency of Gujarat- TDD Project,
- Deposits of ₹ 200,000 (Previous year ₹ 239,033) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,

FINANCIAL STATEMENTS – STANDALONE

- Deposits aggregating to ₹ 110,000,000 (Previous year ₹110,000,000) pledged with banks for overall loan facility (Refer footnote ii of note 6).
- Deposits of ₹ 70,269 (Previous year ₹ 70,269) submitted in bank against consumer court case appeal"

19. Short term loans and advances

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
Security deposits		
Unsecured, considered good, unless otherwise stated		
- Considered good	17,809,298	15,980,156
- Considered doubtful	1,386,266	636,266
	19,195,564	16,616,422
Less: provision for doubtful balance	1,386,266	636,266
Subtotal (A)	17,809,298	15,980,156
Loans and advance to related parties (Refer note 43)		
- Considered good	137,827,344	128,965,794
- Considered doubtful	1,404,371	1,404,371
	139,231,715	130,370,165
Less: Provision for doubtful advances	1,404,371	1,404,371
Subtotal (B)	137,827,344	128,965,794
Other receivables from related parties (Refer note 43)		
Considered good		
- on account of transfer of fixed assets	1,393,621	1,393,621
- others	57,744,385	2,000,217
Subtotal (C)	59,138,006	3,393,838
Other loans and advances		
Loans and advances to employees	7,210,838	3,818,377
Balance with government authorities		
- Service tax credit receivable available for adjustment	-	1,317,111
Other advances recoverable in cash or in kind		
- Prepaid expenses	111,139,373	94,532,329
- Loan and advances to franchisees	-	70,000
- Advance to suppliers	4,798	2,967,201
- Receivable from others considered good	57,840,682	31,964,386
- Receivable from others considered doubtful	39,949,409	40,224,409
	216,145,100	174,893,813
- Less: Provision for doubtful loans and advances	39,949,409	40,224,409
Subtotal (D)	176,195,691	134,669,404
Total (A+B+C+D)	390,970,339	283,009,192

FINANCIAL STATEMENTS – STANDALONE

During the year, the Company had given unsecured loan to their group companies/parties for meeting their working capital requirement.

Details of the same are as below:

<i>(Figures in ₹)</i>				
Company/ Party Name	Amount given	Rate of Interest	March 31, 2016	March 31, 2015
Kestone Asia Educational Hub Pte Ltd. (formally known as Career Launcher Asia Educational Hub Pte. Ltd.)	-	Nil	8,570,231	7,956,186
Career Launcher Education Foundation	10,000	Nil	52,902,571,	52,892,571
Nalanda Foundation	21,688,869	14.50%	46,452,720	24,763,851
CL Media Private Limited	36,821,031	14.50%	10,821,561	30,481,827
GK Publications Private Limited	1,758,903	14.50%	10,934,632	14,275,730
Total	60,278,803		129,681,715	130,370,165

20. Other current assets

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

Footnote:

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

FINANCIAL STATEMENTS – STANDALONE

* 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).

21. Revenue from operations

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

22. Other Income

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

FINANCIAL STATEMENTS – STANDALONE

Footnotes

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

ii. Rent income (net of expense)

Rent income on building classified as Investment property	1,125,000	1,525,588
Less: Depreciation on building classified as investment property	207,445	206,878
	917,555	1,318,710

23. Purchase of traded goods

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

Footnotes

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

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

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

25. Cost of services

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

FINANCIAL STATEMENTS – STANDALONE

Footnotes:

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

26. Employee benefits expense

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

27. Finance costs

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

28. Depreciation and amortisation expenses

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Depreciation of tangible assets (Refer note 11)	34,743,497	28,263,319
Amortisation of intangible assets (Refer note 12)	27,451,783	22,578,509
	62,195,280	50,841,828

FINANCIAL STATEMENTS – STANDALONE

29. Other expenses

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Rent expenses (Refer note 37)	99,508,154	70,572,676
Office expenses	32,948,189	23,722,303
Travelling and conveyance expenses	26,508,425	23,881,297
Communication expenses	18,074,735	16,933,777
Water and electricity expenses	13,952,415	11,973,684
Legal and professional expenses (Refer note 35)	14,139,446	11,399,464
Repairs and maintenance expenses		
-Building	15,939,831	11,685,492
-Others	4,976,417	5,420,413
Marketing research	10,418,441	11,911,125
Advertisement, publicity and sales promotion	69,346,950	74,447,985
Freight and cartage expenses	4,799,446	4,012,727
Printing and stationery expenses	3,576,863	2,995,048
Rates and taxes expenses	1,799,984	3,125,955
Provision for obsolescence of inventory	-	584,094
Newspaper, books and periodicals expenses	1,352,570	889,245
Insurance expenses	1,564,432	1,295,190
Recruitment, training and development expenses	1,899,743	1,771,466
Donations	-	10,055
Bank charges (other than finance cost)	4,454,629	4,571,184
Business promotion expenses	15,964,265	9,155,003
Sales Incentive	4,514,000	3,893,130
Commission to non executive directors	372,500	498,258
Bad debts written off	69,566,398	60,006,567
Doubtful advances written-off	629,863	1,238,946
Miscellaneous balances written-off	291,948	1,271,188
Provision for doubtful advance	750,000	200,000
Provision for doubtful debts	935,332	1,178,286
Loss on Sales of Assets	5,252,963	4,883,393
Fixed assets written off	-	325,048
Miscellaneous expenses	3,705,182	2,941,908
	427,243,121	366,794,907

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.

FINANCIAL STATEMENTS – STANDALONE

(Figures in ₹)

Particulars	Reference	Units	March 31, 2016	March 31, 2015
Profit after tax	A	₹	44,167,101	65,756,319
Weighted average numbers of equity shares	B	Numbers	11,802,697	10,708,949
Add: Dilutive potential equity shares (Refer footnote i)	C	Numbers	70,372	161,790
Number of equity shares for dilutive EPS	D = B + C	Numbers	11,873,069	10,870,739
Basic earnings per share	A/B	₹	3.74	6.14
Diluted earnings per share	A/D	₹	3.72	6.05

Footnotes:

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

(Figures in numbers)

Particulars	March 31, 2016	March 31, 2015
Weighted average number of shares		
Employee stock option outstanding (Refer footnote a)	70,372	88,301
Class-II shares-CCPS (Refer footnote b)	-	60,415
Class-III shares-OCPS (Refer footnote b)	-	13,074
	70,372	161,790

- 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.
- During the previous year, the Company had issued equity shares of CL Educate Limited to GPE (India) Limited and Gaja Trustee Company Private Limited for Class- III shares-OCPS as per terms mentioned in Share Subscription and Amendment Agreement dated August 12, 2014. Therefore, such shares have been treated as dilutive till the date of conversion.

FINANCIAL STATEMENTS – STANDALONE

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

31. Contingent liabilities (to the extent not provided for)

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
Claims against the Company not acknowledged as debt [Refer footnote (i)]	311,137,187	319,293,266
Corporate guarantees [Refer footnote (ii)]	386,500,000	355,000,000
	697,637,187	674,293,266

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

Particulars	Year Pertaining	(Figures in ₹)	
		March 31, 2016	March 31, 2015
Service Tax (a)	July 2003 to September 2008	142,013,412	142,013,412
Service Tax (a)	October 2008 to March 2009	7,372,308	7,372,308
Service Tax (a)	April 2009 to September 2009	10,664,476	10,664,476
Service Tax (a)	October 2009 to September 2010	71,756,945	71,756,945
Service Tax (b)	October 2010 to September 2011	16,635,768	16,635,768
Service Tax (b)	October 2011 to June 2012	12,553,238	12,553,238
Cenvat credit reversal (c)	September 2004 to March 2007	4,648,826	4,648,826
Cenvat credit reversal (c)	October 2007 to March 2008	1,569,481	1,569,481
Cenvat credit reversal (d)	April 2008 to March 2012	40,097,178	40,097,178
Other cases (e)	Various years	3,825,555	11,981,634
Total		311,137,187	319,293,266

Amount above includes:

- Demand for service tax aggregating ₹ 160,784,835 (previous year ₹ 160,784,835) for the period July 1, 2003 to September 30, 2010 is disputed by the Company. Penalty of ₹ 71,022,306 (previous year ₹ 71,022,306) has also been imposed under Section 78 of the Finance Act, 1994. The Company has preferred an appeal with CESTAT against these orders of the Commissioner of Service tax. The Company has paid ₹ 21,302,000 (previous year ₹ 21,302,000) against the said demand.

FINANCIAL STATEMENTS – STANDALONE

- b. Demand for service tax aggregating ₹ 29,189,006 (previous year ₹ 29,189,006) for the period October 2010 to June 2012 is disputed by the Company and against which the Company has filed an appeal before Commissioner (Appeals) of Service tax.
- c. Demand for service tax aggregating ₹ 3,118,307 (previous year ₹ 3,118,307) for the period 2004-05 to 2007-08 due to incorrect availment of service tax cenvat credit is disputed by the Company. Penalty, aggregating ₹ 3,100,000 (previous year ₹ 3,100,000) has also been levied under Section 15 read with Rule 15 of Cenvat Credit Rules, 2004. During the year, the Company has received an order passed by Commissioner (Appeals) of Service tax. The Company has preferred an appeal with CESTAT against the order of the Commissioner (Appeals) of Service tax.
- d. The Company had received a demand for service tax in earlier years aggregating ₹ 40,097,178 (previous year ₹ 40,097,178) for the period 2008-09 to 2011-12 due to incorrect availment of service tax cenvat credit. The Company has disputed the demand and has filed a reply with Commissioner (Appeals) of Service tax and preferred an appeal before CESTAT against the order of Commissioner (Appeals) of Service tax.

e. Other cases

The Company had been allotted a land located at Faridabad (Haryana) in an auction by Hon'ble High Court of Jharkhand. When the Company applied for transfer of ownership in the records of Haryana Urban Development Authority (HUDA), the transfer permission was granted with levy of extension fee of ₹ 6,700,000 on account of various dues not paid by the erstwhile owner. The Company has disputed the demand and has preferred an appeal with the Administrator, HUDA. During the year, no dues certificate has been issued by the HUDA, Faridabad to erstwhile owner and the land has been transferred in the name of the Company. Since the matter is settled and accordingly there is no liability on part of the Company.

Rashtriya advertising & Prabhatam Advertising Pvt Ltd, a service provider has filed a claim against the Company for recovery of an amount of ₹ 1,456,079 with interest as balance of amounts due. The Company has disputed the demand and the case is under trial in the court of law. During the year, the parties have amicably settled all disputes against each other towards full and final settlement. The plaintiff has withdrawn the suit and parties have left with no claim against each other in respect of the present matter in dispute. Since the matter is settled in mediation, Plaintiff is entitled to get refund of court fee under section 16 of Court Fee Act.

Triangle Education, a franchisee of the Company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The Company has filed a statement of claim before the sole Arbitrator amounting ₹ 19,000,000 (previous year ₹ 19,000,000) against triangle education. Triangle Education also filed a counter claim against the Company amounting ₹ 3,205,961 (previous year ₹ 3,205,961).

FINANCIAL STATEMENTS – STANDALONE

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

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

Footnote ii: Corporate guarantees

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

32. Commitments

			(Figures in ₹)	
Particulars			March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for				

FINANCIAL STATEMENTS – STANDALONE

- to related party [Net of advances of ₹ Nil (previous year ₹ Nil)]	6,000,000	8,400,000
- to others [Net of advances of ₹ Nil (previous year ₹ 1,095,163)]	388,290	69,757
Total capital commitments (A)	6,388,290	8,469,757
Other material Commitment		
Commitment for maintenance of contents to related party	6,000,000	8,400,000
Commitment for purchase of study material to related party	7,252,040	-
Total other material commitments (B)	13,252,040	8,400,000
Total commitments (A+B)	19,640,330	16,869,757

33. Employee benefits obligations

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

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

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

Defined benefit plans and other long term employee benefits:

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

I. Actuarial assumptions

					(Figures in ₹)
Particulars	Earned Leave (unfunded)		Gratuity (funded)		
	March 31, 2016	March 31, 2015	March 31, 2016	Mar 31, 2015	
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%	
Expected rate of increase in compensation levels	8.00%	8.00%	8.00%	8.00%	

FINANCIAL STATEMENTS – STANDALONE

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

Note:

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

II. Present value of obligation

Particulars	(Figures in ₹)			
	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation at the beginning of the year	10,509,661	7,377,071	10,946,746	7,792,400
Acquisition adjustment : Transfer In	170,363		282,692	
Transfer Out	(4,268)		(3,347)	
Current service cost	3,288,963	2,055,412	2,715,738	2,485,673
Interest cost	840,773	669,100	875,740	706,771
Past service cost	-	-	-	-
Benefit paid	(1,577,800)	(1,448,113)	(831,346)	(591,086)
Actuarial (gain)/loss on obligation	(650,769)	1,856,191	(1,791,291)	552,988
Present value of obligation at the end of the year	12,576,923	10,509,661	12,194,932	10,946,746

III. Fair value of plan assets

(Figures in ₹)

FINANCIAL STATEMENTS – STANDALONE

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

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

Particulars	(Figures in ₹)			
	Earned leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current service cost	3,288,963	2,055,412	2,715,738	2,485,673
Interest cost	840,773	669,100	875,740	706,771
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(133,421)	(99,019)
Net actuarial (gain) loss to be recognized	(650,769)	1,856,191	(1,787,748)	566,290
Expense recognised in Statement of Profit and Loss	3,478,967	4,580,703	1,670,309	3,659,715

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

Particulars	(Figures in ₹)			
	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the end of the year(A)	12,576,923	10,509,661	12,194,932	10,946,746

FINANCIAL STATEMENTS – STANDALONE

Fair Value of plan assets as at the end of the year (B)	-	-	1,247,867	1,524,814
Net liability recognized in Balance Sheet as at year end (A-B)	12,576,923	10,509,661	10,947,065	9,421,932
Amount classified as:				
Short term provision (Refer note 7)	402,916	340,342	193,420	162,679
Long term provision (Refer note 7)	12,174,007	10,169,319	10,753,645	9,259,253

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

(a) Gratuity (Funded)

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

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

FINANCIAL STATEMENTS – STANDALONE

(b) Earned Leave (unfunded)

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

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

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

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

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

34. Employees share based payment plan

Pursuant to shareholder resolution dated March 6, 2008, the Company introduced "Employee Stock Option Plan 2008 (CL ESOP -2008)" which provides for the issue of 250,000 stock options to directors and employees of the Company and its subsidiaries companies. The plan entitles directors and employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. The vesting period for the share options is 3 years from the grant date. All exercised options shall be settled by physical delivery of equity shares. As per the plan

FINANCIAL STATEMENTS – STANDALONE

holders of vesting options are entitled to purchase one equity share for each option. Till date 272,468 (previous year 272,468) stock options have been granted under this scheme.

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

(Figures in ₹)		
Share based payment expenses	March 31, 2016	March 31, 2015
CL ESOP -2008 (Refer footnote)	(6,026,151)	7,016,855

Footnote:

Includes expenses of amounting ₹ Nil in current year and reversal of liability amounting ₹ 1,279,308 in previous year on account of stock options of CLEIS, a subsidiary of the Company, to employees of the Company.

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

ESOP to directors of the Company

(Figures in ₹)				
Particulars	March 31, 2016		March 31, 2015	
	Number of Stock Options	Weighted average exercise Price (₹)	Number of Stock Options	Weighted average exercise Price (₹)
Employees Stock Option Plan 2008				
Outstanding at the beginning of the year	7,200	300.00	9,600	300.00
Granted during the year	-	-	-	-
Exercised during the year	2,400	300.00	2,400	300.00
Forfeited during the year	-	-	-	-
Expired during the year	-	300.00	-	-
Outstanding at the end of year	4,800	300.00	7,200	300.00
Exercisable at year end	4,800	300.00	7,200	300.00
Vested during the year	-	-	-	-
Weighted average grant date fair value per option for option granted during the year at less than fair value	-	-	-	-

FINANCIAL STATEMENTS – STANDALONE

ESOP to person other than directors of the Company

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

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

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	-	-
Expected volatility (%)*	0.00%	76.65%
Risk-free interest rate (%)	8.00%	8.00%
Weighted average share price (in ₹)	495.00	488.00
Exercise price (in ₹)	210-430	175-300

*Expected volatility has been determined using historical fluctuation in share issue prices of the Company.

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

(Figures in ₹)			
Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)

FINANCIAL STATEMENTS – STANDALONE

Directors of the Company (and its subsidiaries)	4,800	3 years' service from the grant date	0.58
Employees	160,178	3 years' service from the grant date	1.99

35. Payment to auditors (excluding service tax)

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

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

36. Segment reporting

Primary segment

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

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

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

Financial information about the primary segments is given below:

For the year ended March 31, 2016

				(Figures in ₹)
Particulars	Education and training programme (including sale of study material)	Vocational Training	Total	
Revenue				

FINANCIAL STATEMENTS – STANDALONE

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
<u>As at March 31, 2016</u>			
Segment assets	624,708,416	658,836,083	1,283,544,449
Unallocable assets			2,468,235,391
Total assets			3,751,779,890
Segment liabilities			382,147,430
Unallocable liabilities			483,977,557
Total liabilities			1,175,724,321
Other information			
Capital expenditure-allocable	14,236,486	26,875,000	41,111,486
Capital expenditure-unallocable	-	-	3,832,947
Depreciation and amortisation- Allocable	33,692,605	21,081,827	54,774,432
Depreciation and amortisation- unallocable	-	-	7,420,848
Other significant non-cash expenses (net)-allocable	52,282,678	10,043,783	62,326,461
Other significant non-cash expenses (net)-unallocable	-	-	-

Secondary segment

The Company has identified Geographical Segment as Secondary Segment.

FINANCIAL STATEMENTS – STANDALONE

Financial information about the geographic segment is given below:

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

FINANCIAL STATEMENTS – STANDALONE

For the year ended March 31, 2015

Particulars	(Figures in ₹)		
	Education and training programme (including sale of study material)	Vocational Training	Total
Revenue			
External revenue	1,183,140,463	313,126,332	1,496,266,795
Total revenue	1,183,140,463	313,126,332	1,496,266,795
Results			
Segment results	157,375,868	66,800,625	224,176,493
Unallocated expenses			141,344,195
Operating profit			82,832,298
Finance costs			(47,165,885)
Other income including finance income	17,830,969	-	17,830,969
Unallocated other income			35,491,536
Profit before tax			88,988,918
Income taxes			(23,232,599)
Net profit			65,756,319
As at March 31, 2015			
Segment assets	549,813,505	485,889,376	1,035,702,881
Unallocable assets			2,186,143,848
Total assets			3,221,846,729
Segment liabilities	336,222,066	149,612,424	485,834,490
Unallocable liabilities			356,494,649
Total liabilities			842,329,139
Other information			
Capital expenditure-allocable	39,112,545	35,350,000	74,462,545
Capital expenditure-unallocable	-	-	2,031,535
Depreciation and amortisation-allocable	28,778,419	11,207,843	39,986,262
Depreciation and amortisation-unallocable	-	-	10,855,566
Other significant non-cash expenses	51,242,290	18,001,527	69,243,817

FINANCIAL STATEMENTS – STANDALONE

(net)-allocable

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:

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

37. Leases

As lessee

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

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

As lessor

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

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

FINANCIAL STATEMENTS – STANDALONE

38. Expenditure in foreign currency

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

39. Earnings in foreign currency

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

40. Un-hedged foreign currency exposure

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

Receivables in foreign currency

Particulars	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Amount in ₹	Amount in ₹	Amount in Original Currency	Amount in Original Currency
- Trade receivables	39,333,602	26,661,672	AED2,185,256	AED1,465,765 QAR 100,000
- Trade payable	2,489,939	-	AED187,740	-
- Payable for expenses	3,519,197	691,080.00	AED 138,330	AED 40,604
- Short term loans and advances	62,044,452	48,533,092	SGD 174,867	SGD 174,867
			USD 768,589	USD 768,589
			AED 609,778	AED 36,853
- Cash and bank balances	1,254,947	1,483,235	AED 69,719	AED 87,147

FINANCIAL STATEMENTS – STANDALONE

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

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

Accordingly, the board of directors approved CSR Policy of the Company at its meeting held on February 16, 2015. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 1,675,633 (previous year 224,239) on prescribed CSR activities. The Company is yet to undertake CSR activities and in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.

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

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

FINANCIAL STATEMENTS – STANDALONE

43. Related party disclosure

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

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

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

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

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
1. Other income		
a. Interest on loans and advances		
- Career Launcher Education Infrastructure and Services Limited	-	1,139,541
- G K Publications Private Limited	1,954,337	2,754,305
- CL Media Private Limited	5,538,659	448,362
- Nalanda Foundation	4,912,735	9,835
	12,405,732	4,352,043
b. Infrastructure Fees		
- CL Media Private Limited	6,000,000	900,000
- Career Launcher Education Infrastructure & Services Limited	1,380,000	1,380,000
	7,380,000	2,280,000

FINANCIAL STATEMENTS – STANDALONE

c. Rent income-others		
- Career Launcher Education Infrastructure and Services Limited	180,000	180,000
d. Advertising Income		
- CL Media Private Limited	19,672,417	12,322,445
2. Purchase of traded goods		
- CL Media Private Limited	108,963,595	113,975,616
- G.K. Publications Private Limited	14,205,618	11,899,619
	123,169,213	125,875,235
3. Cost of services		
a. Material development and printing expenses		
- CL Media Private Limited	9,478,880	20,560,000
- Kestone Integrated Marketing Services Private Limited	398,656	-
	9,877,536	20,560,000

(Figures in ₹)

Particulars	March 31, 2016	March 31, 2015
b. Equipment hiring charges		
- Kestone Integrated Marketing Services Private Limited	76,951,184	27,416,219
c. Mobilisation expenses		
- Kestone Integrated Marketing Services Private Limited	8,340,277	5,366,314
c. Placement support expenses		
- Kestone Integrated Marketing Services Private Limited	4,401,640	-
4. Other expenses		
a. Marketing expenses		
- Kestone Integrated Marketing Services Private Limited	1,267,361	5,275,009
b. Legal and professional charges		
- Kestone Integrated Marketing Services Private Limited	87,773	794,570
c. Recruitment, training and development expenses		
- Kestone Integrated Marketing Services Private Limited	203,724	-

FINANCIAL STATEMENTS – STANDALONE

5. Employee benefit expenses

a. Managerial remuneration*

- Mr. Gautam Puri	6,814,356	8,840,000
- Mr. Satya Narayanan R.	6,814,356	8,840,000
- Mr. Nikhil Mahajan	6,786,120	8,668,000
	20,414,832	26,348,000

*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.

6. Reimbursement of expense from related parties

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
- Career Launcher Education Infrastructure and Services Limited	5,153,421	140,000
- Kestone Integrated Marketing Services Private Limited	9,840,871	844,056
- Nalanda Foundation	-	697,641
- CL Media Private Limited	11,076,638	80,000
- G K Publications Private Limited	160,000	80,000
	26,230,930	1,841,697
7. Reimbursement of expense to related parties		
- CL Media Private Limited	-	63,500
- Career Launcher Infrastructure Private Limited	695,720	-
	695,720	63,500
8. Amount paid by related party for purchase of fixed assets		
- Kestone Integrated Marketing Services Private Limited	170,540	1,010,991
- Career Launcher Infrastructure Private Limited	-	225,359
	170,540	1,236,350
9. Advance given for Services		
- Bilakes Consulting Private Limited	9,550,000	-
10. Loans given to related party		
- Career Launcher Education Infrastructure and Services Limited	-	21,600,000
- Career Launcher Education Foundation	10,000	555,000
- CL Media Private Limited	31,836,238	41,578,301
- Nalanda Foundation	17,267,406	24,755,000
- CL Higher Education Services Private Limited	-	100,000
	49,113,644	88,588,301

FINANCIAL STATEMENTS – STANDALONE

11. Liability taken over from and converted into loan		
- CL Higher Education Services Limited	-	105,810

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

FINANCIAL STATEMENTS – STANDALONE

- Nalanda Foundation	382,382	
	484,630	-
19. Liability transferred to		
- Career Launcher Education Infrastructure and Services Limited	7,615	-
20. Shares issued during the year		
- Bilakes Consulting Private Limited	47,066,660	-
21. Investment written off		
- CL Higher Education Services Private Limited	65,760	-

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

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
1. Long term loans and advances		
- Career Launcher Employee Group Gratuity Trust	-	24,859
2. Trade receivable		
- CL Media Private Limited	6,921,218	6,921,218
3. Short-term loans and advances		
a. Loans and advance to related parties		
- Kestone Asia Educational Hub Pte. Ltd. (formally known as Career Launcher Asia Educational Hub Pte. Ltd)*	8,570,231	7,956,186
- Career Launcher Education Foundation	52,902,571	52,892,571
- Nalanda Foundation	46,452,720	24,763,851
- CL Media Private Limited	10,821,561	30,481,827
- GK Publications Private Limited	10,934,632	14,275,730
	129,681,715	130,370,165
*including restatement of foreign exchange		
b. Receivables on account of transfer of fixed assets		
- Career Launcher Infrastructure Private Limited	1,393,621	1,393,621
	1,393,621	1,393,621
c. Other dues from related parties:		
- Career Launcher Education Infrastructure and Services Limited	7,124,754	140,000
- GK Publications Private Limited	398,521	238,521
- Kestone Integrated Marketing Services Private Limited	10,684,914	844,056
- CL Media Private Limited	38,456,173	80,000

FINANCIAL STATEMENTS – STANDALONE

- Nalanda Foundation	1,080,023	697,640
- Bilakes Consulting Private Limited	9,550,000	-
	67,249,385	2,000,217
4. Other current assets		
a. ESOP expenses to be recovered from subsidiary		
- Career Launcher Education Infrastructure and Services Limited	18,742,409	22,841,122
5. Provisions		
a. Career Launcher Higher Education Services Private Limited		
- Provision for Impairment of investment	-	65,760
b. Kestone Asia Educational Hub Pte. Ltd.		
- Provision for doubtful loans and advances	1,404,371	1,404,371
6. Trade payable		
- CL Media Private Limited	161,533,873	78,231,480
- GK Publications Private Limited	27,741,831	13,536,140
- Kestone Integrated Marketing Services Private Limited	142,195,137	66,742,518
	331,470,841	158,510,138
7. Other current liabilities		
a. Payable for expenses		
- Kestone Integrated Marketing Services Private Limited	392,556	392,556
- Career Launcher Infrastructure Private Limited	214,547	-
	607,103	392,556
b. Payable for Fixed assets		
- Kestone Integrated Marketing Services Private Limited	1,181,531	1,010,991
c. Payable for Investments		
- Bilakes Consulting Private Limited	1,507,733	-
d. Employee related payables		
- Mr.Gautam Puri	3,099,116	2,766,569
- Mr. Satya Narayanan R	3,209,481	2,766,569
- Mr. Nikhil Mahajan	3,245,109	2,756,491
	9,553,706	8,289,629
8. Guarantees given on behalf of (Refer note 31):		
Kestone Integrated Marketing Services Private Limited (Guarantee for loan taken by the related party)	95,000,000	75,000,000

FINANCIAL STATEMENTS – STANDALONE

Career Launcher Infrastructure Private Limited (Guarantee for loan taken by the related party)	280,000,000	280,000,000
- Career Launcher Education Infrastructure and Services Limited (Guarantee for loan taken by the related party)	11,500,000	-
Total	386,500,000	355,000,000
9. Guarantees given to Company		
Bilakes Consulting Private Limited (Guarantee against loans given to Career Launcher Education Foundation)	45,758,320	45,758,320
Total	45,758,320	45,758,320

44. In the financial year 2009-10, the Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the Company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute were AED 1,019,842 (₹ 15,088,052) and AED 261,318 (₹ 3,866,069) respectively. The details of the amount recoverable are as follows:

1. An amount of AED 625,775 on account of short deposit of fee collected by Monica Oli in the name of the Company from the students;
2. An amount of AED 1,392,200 on account of fee collected by 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 (₹ 3,866,069) against the amounts payable to AED 261,318 (₹ 3,866,069) on account of its share in the books of account.

In the financial year 2013-14, the Company had initiated legal actions against Monica Oli to recover the said amounts. The Company had sent legal notice dated November 6, 2013 to Monica Oli asking her to pay the following amounts to the Company.

- 1) An amount of AED 2,040,395 as mentioned above;
- 2) An amount of AED 50,000 on account of losses suffered by the Company due to non-communication by Monika Oli regarding termination of agreement;

FINANCIAL STATEMENTS – STANDALONE

- 3) An amount of AED 1,000,000 on account of damages for starting a same/similar business in violation of terms of the agreement and unauthorizedly using data/information, manuals etc. pertaining to the Company;

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

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

During the current year, the Company has filed execution petition to Delhi High Court for execution of award passed by Hon'ble Arbitrator and matter is listed for further proceedings.

45. The Company has filed legal cases against its debtors for recovery of outstanding receivables amounting ₹ 13,930,740 (previous year ₹ 13,172,289). The Company is of the view that all such balances are fully recoverable and no provision is required. Further, the Company has also filed cases against certain parties for recovery of damages amounting ₹ 51,460,794 (previous year ₹ 52,038,864 arising from fraudulent use of Company's brand name, violation of terms and conditions of employment etc. The Company is hopeful of favorable outcome of such cases. However, the amount likely to be realized on settlement of such cases is currently not ascertainable realistically. The Company does not expect any adverse impact on the financial position as a consequence of these legal cases. The Company has recorded all expenses pertaining to legal & professional charges in respect of all such cases.

46 (a). During the year the management became aware of inappropriate actions by the finance manager of the Company involving unauthorized payment of personal utility bills like electricity, water, telephone etc. Consequently, the management appointed a consultant to investigate the matter and since the finance manager was one of the joint signatories for payment from banks, the scope of investigation was extended to include review of transactions and bank payments for last 4 years.

During the investigation it was found that finance manager had been paying his personal utility bills from the Company's bank account for the last 3 years by including his personal bills during the batch processing of payments of Company's genuine utility bills.

During the investigation, it was also found that large amounts of cash were transferred to various bank accounts which were in the name of the finance manager and his family members. The matter was discussed with the finance manager and he failed to provide any proper justification. From a detailed scrutiny of the bank statements and RTGS/NEFT details it was found that a total of ₹ 4,700,000 was transferred in various bank accounts operated by the finance manager and/ or his family members. The modus operandi was to affect these payments during Batch processing of payments through RTGS/NEFT and adjusting these against the following:

- Unclaimed credits lying in the Company's vendor accounts;
- Putting fake invoices in the vendors, customers, employees, franchisees accounts;
- Showing as funds transfer to other Bank accounts and later reversed and put it in other ledgers;

FINANCIAL STATEMENTS – STANDALONE

The total amount misappropriated by the finance manager either through fraudulent transfer to personal bank accounts or through payment of his personal bills aggregate to ₹ 4,764,402. The company has recovered ₹ 4,700,000 from the finance manager and his services have been terminated with immediate effect.

46 (b). During the year, while following up for outstanding fees payable by the students at one of the centre operated by the Company, the Company became aware that the center manager in collusion with 3 other employees had been misappropriating funds by either issuing temporary receipts to the students, entering lesser or no amount in the ERP against the fees collected from students. Upon a detailed investigation, it was found that such employees had misappropriated funds aggregating ₹ 1,487,651. All such employees were issued show cause notices and were terminated after due processes. The Company has been able to recover ₹ 900,000 from such employees.

The management of the Company has initiated the process of further strengthening the controls and put such checks in place as necessary to prevent such instances of fraud in the future.

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

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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: New Delhi
Date : July 28, 2016

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

Sd/-
Gautam Puri
Managing Director
DIN: 00033548

Sd/-
Nikhil Mahajan
Director and CFO
DIN: 00033404

Sd/-
Rachna Sharma
Company Secretary
ICSI M. No.: A17780

Place: New Delhi
Date : July 28, 2016

Financial Statements - Consolidated

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of CL Educate Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

AGM NOTICE 2016

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Other Matter

(a) We did not audit the financial statements of two (2) subsidiaries whose financial statements reflects total assets of ₹ 5,863,290 as at March 31, 2016, total revenues of ₹ 13,040,737 and net cash flows amounting to ₹ 2,614,567 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

AGM NOTICE 2016

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- e. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies incorporated in India, none of the directors of the Group companies in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 31 to the consolidated financial statements in respect of contingent liability and note 47 in respect of other pending litigation;
 - (ii) The Group did not have any long-term contracts including derivative contracts Hence, the question of any material foreseeable losses does not arise;;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Sd/-

Pranav Jain

Partner

Membership No.098308

Date: July 28, 2016

Place: New Delhi

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated financial statements for the year ended March 31, 2016]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Group which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified opinion

I. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified on the adequacy (and therefore operating effectiveness) of the Group's Internal Financial Controls Over Financial Reporting as at March 31, 2016:

- a) In case of the Company and one of the subsidiary Kestone Integrated Marketing Services Private Limited, comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid companies procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices
- b) In case of one of the subsidiary, Kestone Integrated Marketing Services Private Limited, it has not maintained adequate documentation for 'incomplete event management services' at any given point of time. This could potentially result in incorrect recording of provisional revenue and corresponding provisional expenses in respect of such incomplete services as at the reporting date.
- c) In case of one of the subsidiary, Career Launcher Education Infrastructure and Services Limited, comprehensive policy for periodical review and reconciliation of students and fee income recorded in the books of account has not been documented. This could potentially result in incorrect recording of revenue
- d) In case of one of the subsidiary G.K. Publications Private Limited, it has not maintain adequate records related to employees' master data and there is no policy to review and update master data at reasonable intervals. This could potentially result in incorrect salary processing and/ or incorrect provision for employee benefits.

AGM NOTICE 2016

II. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Group's internal financial controls over financial reporting as at March 31, 2016:

A) In case of one of the subsidiary, cl media private limited, the procurement policy implemented for purchase of goods and services was not operating effectively, which could potentially result in the company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at unreasonable prices.

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

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial

controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Group, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Group.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two (2) subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Sd/-

Pranav Jain

Partner

Membership No.098308

Place: New Delhi

Date: July 28, 2016

AGM NOTICE 2016

CL Educate Limited

Consolidated Balance Sheet as at March 31, 2016

(FIGURES IN ₹)			
Particulars	Notes	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	119,395,880	116,451,550
Reserves and surplus	4	2,286,409,717	1,961,581,733
		2,405,805,597	2,078,033,283
Minority interest		-	13,621,171
Non-current liabilities			
Long-term borrowings	5	254,876,723	249,000,209
Deferred tax liabilities (net)	6	14,547,172	18,548,855
Other long-term liabilities	7	3,023,500	2,590,000
Long-term provisions	8	34,902,915	29,067,346
		307,350,310	299,206,410
Current liabilities			
Short-term borrowings	9	376,204,632	309,428,079
Trade payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		246,843,384	200,181,872
Other current liabilities	11	516,466,746	478,073,482
Short-term provisions	8	22,464,709	25,030,548
		1,161,979,471	1,012,713,981
Total		3,875,135,378	3,403,574,845

Contd. on next page...

AGM NOTICE 2016

Continued from previous page...

ASSETS

Non-current assets

Fixed assets

-Tangible assets	12	764,134,068	781,526,763
-Intangible assets	13	105,337,112	126,246,290
-Capital work-in-progress	44	6,312,785	6,312,785
Goodwill on consolidation	43	331,093,118	195,959,853
Non-current investments	14	16,791,487	16,998,932
Deferred tax assets (net)	6	8,276,153	3,279,534
Long-term loans and advances	15	219,704,564	214,146,518
Other non-current assets	16	112,030,033	114,868,774
		1,563,679,320	1,459,339,449
Current assets			
Inventories	17	65,341,698	88,147,827
Trade receivables	18	1,189,164,318	865,998,275
Cash and cash equivalents	19	158,685,837	193,495,794
Short-term loans and advances	15	739,407,931	630,714,792
Other current assets	20	158,856,274	165,878,708
		2,311,456,058	1,944,235,396
		3,875,135,378	3,403,574,845

Summary of significant accounting policies 2

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

As per our report of even date

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.:103523W/W100048

Sd/-

Pranav Jain

Partner

Membership No.:098308

For and on behalf of the Board of Directors of

CL Educate Limited

Sd/-

Sd/-

Gautam Puri

Managing Director

DIN: 00033548

Nikhil Mahajan

Director and CFO

DIN: 00033404

Sd/-

Rachna Sharma

Company Secretary

ICSI M. No.: A17780

Place: New Delhi

Date :July 28, 2016

AGM NOTICE 2016

CL Educate Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

				(FIGURES IN ₹)
Particulars	Notes	March 31, 2016	March 31, 2015	
Income				
Revenue from operations	21	2,826,413,136	2,735,285,754	
Other income	22	121,076,153	96,162,307	
Total revenue (I)		2,947,489,289	2,831,448,061	
Expenses				
Cost of raw material and components consumed	23A	64,959,689	62,160,690	
Cost of services	23B	1,179,870,446	1,055,984,000	
Purchases of traded goods	24	34,371,451	19,811,383	
Decrease/(increase) in inventories of finished goods,	25	18,437,394	23,433,778	
Employee benefit expenses	26	626,229,475	749,693,992	
Finance costs	27	101,565,602	93,568,132	
Depreciation and amortisation expense	28	90,006,200	77,394,268	
Other expenses	29	542,326,178	456,714,885	
Total expenses (II)		2,657,766,435	2,538,761,128	
Profit before exceptional items, tax and minority		289,722,854	292,686,933	
Exceptional items (net)	45	-	22,841,122	
Profit before tax and minority interest		289,722,854	269,845,811	
Income tax expense:				
For current period:				
-Current tax		97,236,849	83,795,196	
-Minimum alternate tax ('MAT') credit		(15,491,034)	(15,167,132)	
-Deferred tax charge/(benefit)		(8,998,302)	(8,131,708)	
For earlier years:				
-Tax adjustment/expenses		2,361,424	(274,487)	
-MAT credit			-	
-Deferred tax (benefit)	7		-	
Total tax expenses		75,108,937	60,221,869	
Profit after tax before minority interest		214,613,917	209,623,942	
Share of minority in (loss)/profit for the period		-	(221,572)	
Profit after tax		214,613,917	209,845,514	
Earnings per equity share (Nominal value ₹10 per	30			
-Basic before exceptional expenses		18.18	21.73	
-Basic after exceptional expenses		18.08	19.60	
-Diluted before exceptional expenses		18.18	21.40	
-Diluted after exceptional expenses		18.08	19.30	
Summary of significant accounting policies	2			

AGM NOTICE 2016

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

As per our report of even date

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

Sd/-
Pranav Jain
Partner
Membership No.:098308

Place: New Delhi
Date :July 28, 2016

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

Sd/-
Gautam Puri
Managing Director
DIN: 00033548

Sd/-
Rachna Sharma
Company Secretary
ICSI M. No.: A17780

Place: New Delhi
Date :July 28, 2016

Sd/-
Nikhil Mahajan
Director and CFO
DIN: 00033404

AGM NOTICE 2016

CL Educate Limited

Consolidated Cash Flow Statement for the year ended March 31, 2016

		(FIGURES IN ₹)	
Particulars	March 31, 2016	March 31, 2015	
A			
Cash flow from operating activities			
Net profit before tax and minority interest and after prior period items	289,722,854	269,845,811	
Adjustments for:			
Depreciation and amortisation	90,006,200	77,394,268	
Depreciation and amortisation on investment property	207,445	206,878	
Interest expense	92,422,696	84,992,428	
Loan processing charges	4,322,085	3,294,926	
Interest income	(71,543,940)	(62,844,766)	
Dividend Paid	-	2,747	
Fixed assets written off	-	1,158,942	
Loss on sale of fixed assets (net)	5,274,525	4,852,105	
Transfer to employee stock option outstanding	(10,124,864)	7,016,855	
Advances and deposits written off	70,306,583	2,182,440	
Bad debts written off	3,506,800	67,722,932	
Rent on investment properties	(1,125,000)	(1,525,588)	
Bad debts recovered	(2,528,428)	(950,587)	
Liability no longer required written back	(17,725,254)	(24,559,770)	
Provision for doubtful advances	1,685,332	1,975,329	
Provision no longer required written back	(21,860)	(2,585,347)	
Provision for slow moving inventory	1,931,225	-	
Provision for obsolescence of inventory	-	584,094	
<i>Exceptional non-cash items:</i>			
- Expense on employee stock option (ESOP) scheme	-	22,841,122	
Unrealised foreign exchange gain	141,924	(228,191)	
Operating profit before working capital changes	456,458,323	451,376,628	
Adjustments for (increase)/decrease in operating assets			
Trade receivables	(323,802,553)	(284,201,064)	
Other non-current assets	2,456,525	17,543,475	
Other current assets	11,451,818	(5,801,084)	
Long term loans and advances	(6,742,244)	(1,822,966)	
Short term loans and advances	(111,354,995)	(35,706,163)	
Inventories	20,874,904	16,984,927	

AGM NOTICE 2016

ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Other current liabilities	43,196,752	79,222,640
Non current liabilities	433,500	1,400,000
Long term provisions	5,835,569	8,675,175
Short term provisions	(824,911)	600,239
Trade payables	46,113,147	29,994,861
Cash generated from operations	134,545,835	278,266,668
Taxes paid (net of refund including interest on refund)	(85,651,369)	(74,892,536)
Net cash generated from operating activities	48,894,466	203,374,132
B	Cash flow from investing activities:	
Purchase of fixed assets (including capital advances and fixed assets related payable)	(76,716,641)	(125,921,157)
Proceeds from sale of fixed assets	4,665,525	1,663,002
Purchase of investment in subsidiaries	(164,206,360)	(1,072,777,393)
Inter-corporate deposits (net)	-	121,634
Realisation from fixed deposits (net)	57,798,751	(64,019,179)
Loan given	(123,779,535)	(126,790,968)
Proceeds from realisation of loan given	64,079,150	89,200,978
Rental income	1,125,000	1,525,588
Interest received	67,114,556	54,899,221
Net cash used in Investing activities	(169,919,554)	(1,242,098,274)
C	Cash flow from financing activities:	
Proceeds from issue of equity shares of subsidiary company (net of minority adjustments)	(568,175)	75,000
Proceeds from issue of equity shares of holding company	2,944,330	17,273,450
Security premium	163,032,580	1,157,745,590
Share application money received (utilised) (net)	-	(13,856,563)
Proceeds from long-term borrowings (including current maturities)	77,314,924	50,000,000
Repayment of long-term borrowings	(69,530,576)	(26,435,113)
Proceeds from short-term borrowings (net)	66,776,553	(31,375,414)
Loan processing fee paid	(4,322,085)	(3,294,926)
Dividend paid	(9,280)	(2,747)
Share issue expenses	(165,817)	(11,220,468)
Interest paid (include interest capitalised)	(91,865,406)	(84,692,079)
Net cash flow from financing activities	143,607,048	1,054,216,730
Net increase/(decrease) in cash and cash equivalents	22,591,240	15,492,588
Unrealised foreign exchange gain on cash and cash equivalents	15,338	35,730

AGM NOTICE 2016

Cash and cash equivalents at beginning of the period	69,341,387	53,813,069
Adjustment on account of acquisition of subsidiary		-
Cash and cash equivalents at end of the period	91,947,965	69,341,387
Cash and cash equivalents comprise		
Balances with banks:		
- on current accounts	84,271,547	60,861,703
Cheques/ drafts on hand	4,095,211	4,486,231
Cash on hand	3,581,207	3,993,453
	91,947,965	69,341,387
<i>Add:</i>		
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	65,377,897	76,209,377
- On unpaid dividend account	26,355	17,075
Current restricted cash (Margin Money deposit and under Lien deposits)	1,333,620	47,927,955
Total cash and bank balances at end of the period	158,685,837	193,495,794

Notes:

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

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

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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: New Delhi
Date :July 28, 2016

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

Sd/-	Sd/-
Gautam Puri	Nikhil Mahajan
Managing Director	Director and CFO
DIN: 00033548	DIN: 00033404

Sd/-
Rachna Sharma
Company Secretary
ICSI M. No.: A17780
Place: New Delhi
Date : July 28, 2016

AGM NOTICE 2016

1. Background

CL Educate Limited ('the Company' or 'the Holding Company') was incorporated in India on April 25, 1996 under the Companies Act, 1956 to conduct various educational and consulting programs. 64.88 % (previous year 65.05%) of the shares are being held by the promoters / directors of the Company and their relatives and the balance 35.12 % (previous year 34.95%) of the shares are being held by other individuals and companies.

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

The accompanying Consolidated Financial Statements reflect results of activities undertaken by the Company and its subsidiaries (collectively referred to as 'the Group') during the period April 1, 2015 to March 31, 2016.

2. Significant accounting policies

a. Basis of preparation of Consolidated Financial Statements

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

b. Principles of consolidation

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

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

- i. Consolidated Financial Statements include Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and notes to Consolidated Financial Statements, other statements and explanatory material that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as adapted by the Company for its standalone financial statements.
- ii. The Consolidated Financial Statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Company and its share in the post-acquisition increase/ (decrease) in the relevant reserves of the entity to be consolidated. This procedure has been performed using the audited Standalone Financial Statements of CL Educate Limited and its subsidiaries.

AGM NOTICE 2016

iii. As per Accounting Standard 21 on Consolidated Financial Statements, notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the Consolidated Financial Statements.

iv. The Consolidated Financial Statements have been drawn to keep all the information as contained in the Audited Financial Statements of the Company for the year ended March 31, 2016 on standalone basis.

c. Basis for Consolidation

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

(FIGURES IN ₹)

Subsidiaries	Effective shareholding	
	March 31, 2016	March 31, 2015
Kestone Integrated Marketing Services Private Limited (Kestone) (India)	100.00%	100.00%
Kestone Asia Hub Pte. Ltd (Singapore)	99.99%	99.99%
G. K. Publications Private Limited (GKP) (India)	100.00%	100.00%
CL Media Private Limited (CLM) (India)	100.00%	100.00%
CL Higher Education Services Private Limited (CLHES) (India) (Refer footnote i)	-	65.76%
Career Launcher Education Infrastructure and Services Limited (India) (CLEIS) (Refer footnote ii)	100.00%	97.94%
Career Launcher Infrastructure Private Limited (CLIP) (India) (Refer footnote iii)	100.00%	97.94%
Accendere Knowledge Management Services Private Limited (AKMS) (India) (Refer footnote iv)	51.00%	-

- (i) During the year, CLHES has wind up its operations and accordingly investment has been written off in the books of Holding Company (CL Educate Limited).
- (ii) During the year, the Company purchased additional shares of this subsidiary from other shareholders, resultantly, the share of Company further increased from 97.94% to 100.00%.
- (iii) This Company is a wholly owned subsidiary company of “CLEIS” and accordingly shareholding has increased in CLIP, due to increase in shareholding in CLEIS.
- (iv) During the year, the Company has acquired 51% shares of AKMS held by its promoters.

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

d. Use of estimates

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

e. Revenue recognition

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

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

- Revenue from services

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

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

- Revenue from sale of text books

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

Advertisement income

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

Infrastructure fees and soft skill fees

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

Event management service income

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

AGM NOTICE 2016

Manpower resourcing service income

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

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

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

Other operating revenues

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

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

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

License fee

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

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

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

Royalty income

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

Content development income

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

Subscription fee

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

Unbilled revenue

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

Unearned revenue

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

Other Income

Interest income

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

Dividend income

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

f. Grant

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

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

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

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

g. Fixed Assets

Tangible Assets

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

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

AGM NOTICE 2016

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

Intangible Assets

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

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

h. Depreciation and amortisation

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

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

The useful lives of the assets are as under:

(Figures in ₹)

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

AGM NOTICE 2016

Leasehold improvements and building improvements	Lesser of 3 years and period of lease
--	---------------------------------------

Intangible assets:

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

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

i. Impairment of assets

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

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

j. Borrowing costs

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

k. Leases

Where the Group is lessee

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease

payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Consolidated Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

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

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

Where the Group is lessor

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

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

I. Investment property

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

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

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

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

m. Investments other than investments property

Accounting treatment

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

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

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

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

Classification in the financial statements as per requirements of Schedule III

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

n. Inventories

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

AGM NOTICE 2016

- iv. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

o. Employee Benefits

- i) Short term employee benefits:

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

- ii) Long term employee benefits:

- (a) Defined contribution plan: Provident Fund

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

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

- (b) Defined Benefit Plan: Gratuity

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

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

- (c) Other long-term benefits: Leave encashment

Benefits under the company's and certain subsidiaries' leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an

actuarial valuation done by an independent actuary as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

iii) Employee stock option scheme

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

p. Foreign currency transactions

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

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

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

Statement of Profit and Loss items at branch offices located outside India are translated at daily average rates. Monetary Balance Sheet items at branch offices at the Balance Sheet date are translated using the year-end rates. Non monetary Balance Sheet items are recorded at the rates prevailing on the date of the transaction.

q. Integral and non-integral foreign operations

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

- Non-monetary Balance Sheet items, other than inventories, are translated using the exchange rate at the date of transaction i.e., the date when they were acquired.
- Monetary Balance Sheet items and inventory are translated using year-end rates.
- Profit and Loss items, except opening and closing inventories and depreciation, are translated at the respective monthly average rates. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the

- accounting period. Depreciation is translated at the rates used for the translation of the values of the assets on which depreciation is calculated.
- Contingent liabilities are translated at the closing rate.
 - The net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognised as income or expense for the year.

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

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

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

r. Taxation

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

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 period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the entity has a

legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax

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

s. Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

Contingent assets

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

t. Cash and cash equivalents

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

u. Exceptional items

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

v. Earnings per share

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

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

For calculating diluted earnings per share, the net profit or loss for the period 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 as of the beginning of the period, unless they have been issued at a later date.

w. Segment reporting

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

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

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

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

X. Share issue expenses

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

y. Material events

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

AGM NOTICE 2016

3. Share capital

a) The Company has one class of shares i.e. Equity Shares [previous year three classes of shares i.e. Equity shares (Class-I), Compulsorily convertible 0.01% non-cumulative preference shares (CCPS) (Class -II) and Optionally convertible 0.01% non-cumulative preference shares (OCPS) (Class- III)], having a par value of ₹10 per share.

PARTICULARS	MARCH 31, 2016		MARCH 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised				
Equity shares of ₹10 each (previous year ₹10) with equal voting rights	16,000,000	160,000,000	16,000,000	160,000,000
	16,000,000	160,000,000	16,000,000	160,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹10 each (previous year ₹10) with equal voting rights (Class -I)	11,939,588	119,395,880	11,645,155	116,451,550
	11,939,588	119,395,880	11,645,155	116,451,550

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

1) Class-I shares-Equity shares

PARTICULARS	MARCH 31, 2016		MARCH 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of period	11,645,155	116,451,550	9,417,810	94,178,100
Add: Share issued during the period by way of:				
-Allotment of share for a consideration in cash (Refer footnote i)	-	-	1,061,526	10,615,260
- Employee stock option plan	28,829	288,290	2,900	29,000
-Allotment of share for a consideration other than in cash (Refer footnote ii, iii and iv)	265,604	2,656,040	1,162,919	11,629,190
Outstanding at the end of the period	11,939,588	119,395,880	11,645,155	116,451,550

AGM NOTICE 2016

Footnote i:

During the previous year, pursuant to a Share Subscription and Amendment Agreement dated August 12, 2014 between the Company, individual promoters and a shareholder GPE (India) Limited, Mauritius, the Company had issued 467,293 equity shares of ₹10 each at a price of ₹590 per share to GPE (India) Limited, Mauritius in two tranches of 230,000 equity shares and 237,293 equity shares on September 05, 2014 and September 16, 2014 respectively.

During the previous year, pursuant to the Share Subscription Agreement dated September 05, 2014 between the Company, individual promoters and a shareholder Housing Development Finance Corporation Limited (HDFC Limited), the Company had issued 594,233 equity shares of ₹10 each at a price of ₹590 per share to HDFC Limited on September 05, 2014.

Footnote ii:

For the year ended March 31, 2016

The Company on September 7, 2015 entered into an agreement with the promoters of Accendere Knowledge Management Services Private Limited (hereinafter referred as "AKMS") to acquire 51% of share capital of AKMS held by them for a consideration of ₹134,639,700. The Company has issued 185,830 equity shares of ₹10 each at a price of ₹590 per share and balance consideration amounting ₹25,000,000 to be paid in cash in three tranches as per the share purchase agreement dated September 7, 2015.

The Board of Directors of the Company at its meeting held on August 3, 2015 approved further investment in equity shares of Career Launcher Education and Infrastructure Services ("CLEIS"), by making an offer to purchase 199,553 equity shares of CLEIS held by Bilakes Consulting Private Limited (hereinafter referred as "Bilakes") at a consideration of ₹56,066,660. The Company has issued 79,774 equity shares of ₹10 each at a price of ₹590 per share to Bilakes and balance consideration amounting ₹9,000,000 is to be paid in cash. Consequent to such investment, the Company now holds 100% share in CLEIS.

For the year ended March 31, 2015

During the previous year, the Board of Directors of the Company at its meeting held on August 11, 2014 had proposed a scheme wherein eligible domestic shareholders of a subsidiary company CLEIS holding equity shares of CLEIS were given a "share swap option" to swap shares of CLEIS with shares of CL Educate Limited at an agreed share swap ratio. This share swap option was proposed with an objective to consolidate Company's shareholding in CLEIS.

Pursuant to such share option swap, the Board of Directors of the Company at its meeting held on September 05, 2014 had approved to allot 1 equity share of the Company of ₹10 each for 2.10 equity shares of CLEIS held by the eligible CLEIS investors subject to adjustment and rounding up. Such swap ratio had been determined in accordance with the Relative Valuation Report obtained by the Company from a Category-1 Merchant Banker.

AGM NOTICE 2016

Pursuant to the resolutions passed by the Board of Directors at its meetings held on August 11 and September 05, 2014 and pursuant to the shareholders' approval to the scheme at the Annual General Meeting of the Company held on September 05, 2014, the Company had issued 904,139 equity shares of ₹10 each at an effective price of ₹590 to CLEIS investors in lieu of 1,898,684 shares of CLEIS. Consequent to share swap, the Company's holding in CLEIS increased to 97.99% shares in CLEIS as against 57.55% shares prior to the share swap.

Footnote iii:

For the year ended March 31, 2015

The Company had acquired third and last tranche of shares in GKP by payment of cash consideration and balance consideration amounting ₹13,856,863 is settled by issue of 23,486 equity shares at the price of ₹590 per share.

2) Class-II shares-CCPS

PARTICULARS	MARCH 31, 2016		MARCH 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the period	-	-	411,045	4,110,450
Add: Share issued during the period	-	-	-	-
Less: conversion into equity shares (refer footnote iv)	-	-	411,045	4,110,450
Outstanding at the end of the period	-	-	-	-

3) Class-III shares-OCPS

PARTICULARS	MARCH 31, 2016		MARCH 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the period	-	-	88,955	889,550
Add: Share issued during the period	-	-	-	-
Less: conversion into equity shares (refer footnote iv)	-	-	88,955	889,550
Outstanding at the end of the period	-	-	-	-

AGM NOTICE 2016

Footnote iv:

For the year ended March 31, 2015

During the financial year 2012-13, the Company had issued 411,045, 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹10 each at a price of ₹200 per share termed as Class II and 88,955, 0.01% Non-Cumulative Optionally Convertible Preference Shares (OCPS) of ₹10 each issued at a price of ₹200 per share termed as Class III to GPE (India) Limited and Gaja Trustee Company Private Limited respectively.

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

Each holder of OCPS had either to get his shares converted into equity shares or redeemed in cash as per the terms of conversion stipulated in the addendum number 3 to the Share Subscription and Shareholders Agreement dated November 02, 2012 at any time.

The Board of Directors at its meeting dated July 22, 2014 approved of the conversion of such CCPS and OCPS into equity shares of ₹10 each at a price of ₹425 per share. The details of the equity shares issued are as given below:

(FIGURES IN ₹)			
Name of the Shareholder	Nature of Preference Shares held	No. of Preference Shares held	No. of Equity Share Issued
GPE (India) Limited	OCPS	88,955	41,861
Gaja Trustee Company Private Limited	CCPS	411,045	193,433

c) Terms/rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current period 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.

AGM NOTICE 2016

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*

(FIGURES IN ₹)				
Name of share holders	March 31, 2016		March 31, 2015	
	Numbers	% held	Numbers	% held
Mr. Gautum Puri	2,562,579	21.46%	2,562,579	22.01%
Mr. Satya Narayanan R	2,562,579	21.46%	2,562,579	22.01%
GPE (India) Limited	1,426,473	11.95%	1,426,473	12.25%
Bilakes Consulting Private Limited	1,253,090	10.50%	1,245,193	10.69%
HDFC Limited	594,233	4.98%	594,233	5.10%
	8,398,954	70.35%	8,391,057	72.06%

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

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

1) *Class-I shares-Equity shares*

(FIGURES IN ₹)		
Particulars	March 31,	March 31,
	2016	2015
	Numbers	Numbers
	In aggregate	In aggregate
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	2,092,555	1,826,951
	2,092,555	1,826,951

In addition, the Company has issued 9,575 equity shares of ₹10 each fully paid up (as on March 31, 20157,675 of ₹10 each fully paid up)during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

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

Shares reserved for issue under options

h) **Employees stock option schemes (ESOP) (refer note 40)**

The Group has two stock option plans. Employee stock options are convertible into equity shares in accordance with the respective employees' stock option plans.

CL Educate Limited

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 September 30, 2015 and March 31, 2015 the Company had 34,768 and 34,768 number of shares reserved for issue under the scheme respectively.

Pursuant to the resolution passed by the Board of Directors at its meeting held on January 28, 2014 and special resolution passed by the members in the Extraordinary general meeting held on May 29, 2014, the Company renewed "Career Launcher Employee Stock Options Plan 2008" for a further period of one year i.e. from April 01, 2014 upto March 31, 2015 by Board and from May 30, 2014 upto May 29, 2015 by shareholders respectively. Subsequently, the Company has approved and adopted the amended "Career Launcher Employee Stock Options Plan 2008" in its Annual General Meeting held on September 5, 2014 and the same is valid for a period of 3 years.

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

AGM NOTICE 2016

4. Reserves and Surplus

Particulars	(FIGURES IN ₹)	
	March 31, 2016	March 31, 2015
4.1. Securities premium		
Opening balance	1,845,642,909	913,417,025
(+) Securities premium received/(adjusted)		
-on issue of equity shares in cash	-	617,076,080
-on issue of equity shares for consideration other than cash	154,050,720	540,669,510
-on issue of ESOP	8,981,860	-
(-) Adjustment for reclassification of capital reserve into goodwill/change in minority interest	-	(220,175,950)
(-) Share issue/ swap expenses	(165,817)	(11,220,468)
(+) Transfer from Class-II shares-CCPS conversion reserve	-	4,831,186
(+) Transfer from Class-III shares-OCPS redemption/conversion reserve	-	1,045,526
Closing balance (A)	2,008,509,672	1,845,642,909
4.2. Class-II shares-CCPS conversion reserve (B)		
Opening balance	-	4,831,186
(-) Transferred to securities premium during the period	-	(4,831,186)
Closing balance (B)	-	-
4.3. Class-III shares-OCPS redemption/conversion reserve (C)		
Opening balance	-	1,045,526
(-) Transferred to securities premium during the period	-	(1,045,526)
Closing balance (C)	-	-
4.4. Capital reserves (Others) (D)	19,939	19,939
4.5. General reserves (E)		
Opening balance	5,784,256	5,784,256
Add: Transferred from ESOP reserves	685,322	-
Closing balance	6,469,578	5,784,256
4.6. Employee stock option outstanding		
Gross employee stock compensation for options granted in earlier years	39,185,183	9,327,206
(+) Gross compensation for options for the period	(6,026,151)	7,016,855
(+) Gross compensation for options granted to employees of subsidiary (Refer footnote i of note 45)	(4,098,713)	22,841,122
(-) Less: Transferred to general reserve	(685,322)	-
Closing balance (F)	28,374,997	39,185,183

AGM NOTICE 2016

4.7. Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	70,949,446	453,867,543
(+) Net profit for the period	214,613,917	209,845,514
(-) Adjustment on account of change in minority interest	(42,527,832)	(580,772,529)
(-) Adjustment for depreciation on account of schedule II (refer footnote a)	-	(10,291,918)
(-) Schedule II adjustment of deferred tax (refer footnote a)	-	(1,699,164)
Closing balance (G)	243,035,531	70,949,446
Total reserves and surplus (A+B+C+D+E+F+G)	2,286,409,717	1,961,581,733

Footnote a:

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

5. Long-term borrowings

Particulars	(FIGURES IN ₹)			
	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loans (secured)				
-From banks				
a) Vehicle loans (Refer footnote i)	2,853,554	561,649	2,133,835	1,203,832
b) Other term loans (Refer footnote ii)	24,536,846	44,439,184	19,612,033	51,738,842
-From financial institutions				
a) Term loan (Refer footnote iii)	181,857,989	203,310,735	21,452,746	9,538,914
b) Vehicle loans (Refer footnote iv)	962,280	688,641	899,829	489,162
Unsecured loans				
a) Term Loan from bank (Refer footnote v)	-	-	-	1,128,541
b) Term Loan from financial institutions (Refer footnote vi)	19,745,797	-	8,717,169	-
c) Working Loan from bank (Refer footnote vii)	2,841,886	-	1,504,128	-
d) Working Loan from	21,073,371	-	11,687,385	-

AGM NOTICE 2016

Financial Institutions (Refer footnote viii)

e) From others (Refer footnote ix)	1,005,000	-	-	-
	254,876,723	249,000,209	66,007,125	64,099,291
The above amount includes				
Amount disclosed under the head "Other current liabilities" (Refer note 11)	-	-	(66,007,125)	(64,099,291)
Net amount	254,876,723	249,000,209	-	-

Footnotes:

i. Vehicle loans from banks are secured against hypothecation of concerned vehicles.

The repayment terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2016

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

For amount outstanding as at March 31, 2015

(FIGURES IN ₹)				
Loan	Outstanding Amount	Equal monthly installment (EMI)	Rate of Interest	Date of Last EMI
Loan 1	429,473	33,030	11.99%	May 7, 2016
Loan 2	287,488	22,140	12.24%	May 7, 2016
Loan 3	402,871	24,618	12.27%	September 7, 2016
Loan 4	645,649	32,700	11.53%	January 5, 2017
	1,765,481			

ii. Secured term loans from Bank-other term loans

The Company had entered into a finance facility agreement with limit amounting ₹510,000,000 (previous year ₹465,000,000) with Kotak Mahindra Bank, under which various term loans and overdrafts have been availed at different times during the current and previous year.

The term loans so availed comprises five loans ₹83,558,732, ₹12,000,000, ₹35,000,000, ₹50,000,000 and ₹44,000,000. Year end balances of these loans are ₹Nil, ₹Nil, ₹Nil, ₹9,140,256, ₹35,008,625 (previous year ₹Nil, ₹3,126,045, ₹14,274,445, ₹34,777,536 ₹44,000,000) respectively.

Interest rate:

These loans carry interest at Bank's base rate + 3.75% (previous year Bank's base rate + 4.25%) per annum ranging from 13.25% to 14.25% (previous year 14.00% to 14.25%).

Repayment schedule:

The loan of ₹12,000,000 is repayable in 36 equal monthly installments of ₹410,132 (inclusive of interest) for which November 10, 2015 was the last installment date.

The loan of ₹35,000,000 is repayable in 24 equal monthly installments of ₹1,684,587 (inclusive of interest) for which December 25, 2015 was the last installment date.

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

The loan of ₹44,000,000 is repayable in 48 equal monthly installments of ₹1,207,890 (inclusive of interest) for which March 01, 2019 is the last installment date.

iii. Secured term loans- from others

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

The secured loans are secured by way of:

- a) First equitable mortgage of land and building of projects
 1. Indus World School (IWS), off. Bypass Road, Near County Walk Township, Jhalaria, Indore.
 2. IWS - PlanetCity, Vill. Mujgahan, Old Dhamtari Road, Raipur.
 3. IWS - Village Yeolawadi, Taluka Haveli, District Pune and construction thereon, present and future.
- b) First charge on all receivables, present and future, arising from the above mentioned projects, from Indus world school, located at 9, Sanyogitaganj, Near Mission Hospital, Chhawani, Indore and all other schools that are being run by Nalanda Foundation.

AGM NOTICE 2016

- c) First charge on all bank accounts of CLIP, including without limitation to the project account/trust and retention account/escrow accounts, debt service reserve account and any other accounts wherever mentioned.
- d) First charge on all receivables of CLIP via an escrow mechanism.
- e) First charge on all bank accounts of Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company, including without limitation to Project account/Trust and retention account/Escrow account Debt service reserve account and any other accounts wherever mentioned.
- f) First charge on all receivables of CLEIS, the holding company, via an escrow mechanism.
- g) First charge on bank accounts of Nalanda Foundation related to all schools under Nalanda Foundation.
- h) First charge on all receivables of Nalanda Foundation, via an escrow mechanism.
- i) Pledge of 51% shares of CLIP held by CLEIS, the holding company.
- j) Corporate guarantee from CL Educate Limited (CL), the ultimate holding company, and CLEIS, the holding company.
- k) Personal guarantees of Mr. Satya Narayanan R., Mr. Gautam Puri, Mr. Sujit Bhattacharyya, Mr. Sreenivasan R., Mr. Shiv Kumar Ramachandran and Mr. Nikhil Mahajan.
- l) Undertaking from CLEIS, the holding company to the effect that: 1.) they will continue to hold at least 51% of equity share capital of CLIP throughout the tenor of the loan 2.) to provide funds by way of additional equity/unsecured loans to CLIP for project completion and meeting cost overruns of the project if any including interest and principal repayments.
- m) Undertaking from CL, the ultimate holding company, to the effect that: 1.) they will continue to hold at least 51% of equity share capital of CLEIS, the holding company, throughout the tenor of the loan 2.) to provide funds by way of additional equity/unsecured loans to CLIP for project completion and meeting cost overruns of the project if any including interest and principal repayments.
- n) Undertaking from Nalanda Foundation that payment to CLIP towards payment of loans will be made prior to any other payments after day to day expenses are met.
- o) Any other security of equivalent or higher amount that may be acceptable to the lender, HDFC Limited. There is no other security demanded by the lenders as at March 31, 2016 & March 31, 2015.

Rate of interest

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

AGM NOTICE 2016

Terms of repayment

The loan shall be repaid by way of 32 unequal quarterly installments with the first installment falling due on February 28, 2015.

Aggregate amount of loans guaranteed by directors of the Company ₹633,295,177 (previous year ₹599,605,885) [Includes amount of ₹49,781,948 (previous year ₹61,277,756) disclosed under other current liabilities as current maturities of long term borrowing (Refer note 11)] and short term borrowings amounting ₹357,372,597 (previous year ₹290,578,210) (Refer note 9).

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

The repayment terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2016

(FIGURES IN ₹)				
Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
Loan 1	671,816	49,218	10.59%	June 10, 2017
Loan 2	1,190,293	45,050	17.74%	January 1, 2019
	1,862,109			

For amount outstanding as at March 31, 2015

(FIGURES IN ₹)				
Loan	Outstanding Amount	Equal monthly installment (EMI)	Rate of Interest	Date of Last EMI
Loan 1	1,177,803	49,218	10.59%	June 10, 2017
	1,177,803			

v. Unsecured term loans- from banks

It further includes the term loans of ₹4,000,000 availed by Kestone Integrated Marketing Services Private Limited. Year end balance of the loan is Nil (previous year ₹1,128,541).

Interest rate:

These loans carry interest at Bank's base rate + 7.75% per annum i.e. 17.50% (previous year 17.50%).

Repayment schedule:

The loan is repayable in 36 equal monthly installments of ₹143,608 (inclusive of interest) for which January 5, 2016 is the last installment date.

AGM NOTICE 2016

vi. Term Loan from financial institutions

Interest rate: These loans carry interest at 16.00% per annum.

Repayment schedule:

The loan of ₹30,000,000 is repayable in 36 equal monthly installments of ₹1,054,711 (inclusive of interest) for which January 5, 2019 is the last installment date.

Collateral security:

- The loan is secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Company.
- Registered mortgage of agricultural land in Amritsar capitalised in the books of subsidiary named Career Launcher Infrastructure Private Limited.
- 125,000 shares held by Bilakes Consulting Private Limited of the Company.

vii. Unsecured working capital loans - from banks

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

(FIGURES IN ₹)				
Name of Bank	Loan taken (₹)	Rate of Interest	Date of first EMI	EMI (₹)
IndusInd Bank	2,500,000	18.50%	4-Oct-15	91,009
Deutsche Bank	2,500,000	19.00%	5-Oct-15	91,640

Guarantees:

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

viii. Unsecured working loans- from financial institutions

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

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

AGM NOTICE 2016

Guarantees:

The loan from Magma Fincorp Limited is secured by guarantee of CL Educate Limited.

ix. Unsecured working loans - from others

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

6. Deferred tax (liabilities)/ assets

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' net decrease in Deferred Tax Liability of ₹8,998,302 for the current period has been recognised as benefit in the Consolidated Statement of Profit and Loss. The tax effect of significant timing differences as at March 31, 2015 that reverse in one or more subsequent years gave rise to the following net Deferred Tax Liability as at March 31, 2016.

(FIGURES IN ₹)			
Particulars	March 31, 2016	(Charge)/benefit	March 31, 2015
Deferred tax assets On account of			
Unabsorbed Losses	40,526,611	776,256	39,750,355
Provision for gratuity	6,670,500	1,413,000	5,257,500
Provision for bonus	1,980,721	808,201	1,172,520
Provision for leave encashment	5,053,699	1,377,819	3,675,880
Provision for investment impairment	-	(21,742)	21,742
Provision for loans and advances	14,131,141	157,049	13,974,092
Provision for incentive	5,970,883	2,199,853	3,771,030
Provision for Slow Moving Inventory	596,749	596,749	-
Provision for obsolete inventory	137,928	(55,191)	193,119
Provision for doubtful debts & Advance	444,080	(272,895)	716,975
Provision for Sales Incentive	369,944	269,357	100,587
Provision for sales return	293,311	(259,412)	552,723
Unrealised foreign exchange loss	-	(110,786)	110,786
Total deferred tax assets	76,175,567	6,878,258	69,297,309
Deferred tax liabilities			
On account of depreciation	82,446,586	2,120,044	84,566,630
Total deferred tax liabilities	82,446,586	2,120,044	84,566,630
Net deferred tax (liabilities)	(6,271,019)	8,998,302	(15,269,321)

AGM NOTICE 2016

Presentation in the financial statements as per tax jurisdictions:

Particulars	(FIGURES IN ₹)	
	March 31, 2016	March 31, 2015
Total deferred tax assets of net deferred tax assets jurisdiction entities	8,276,153	3,279,534
Total deferred tax liabilities of net deferred tax liabilities jurisdiction entities	(14,547,172)	(18,548,855)
Net deferred tax liability shown in the balance sheet	(6,271,019)	(15,269,321)

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

7. Other long-term liabilities

Particulars	(FIGURES IN ₹)	
	March 31, 2016	March 31, 2015
Security deposit received	3,023,500	2,590,000
	3,023,500	2,590,000

8. Provisions

Particulars	(FIGURES IN ₹)			
	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for taxes				
-for Income tax [net of advance tax and tax deducted at source of ₹ 18,092,382 (previous year ₹ 19,115,544)]	-	-	20,743,538	22,484,466
Total	A	-	20,743,538	22,484,466
Provision for sales return (Refer footnote i)	B	-	949,228	1,788,747
Provision for employees benefit				
Gratuity (Refer note 42)	19,904,705	18,101,534	323,381	400,514
Leave encashment (Refer note 42)	14,998,210	10,965,812	448,562	356,821
Total	C	34,902,915	29,067,346	771,943
Total (A+B+C)		34,902,915	29,067,346	22,464,709
			22,464,709	25,030,548

AGM NOTICE 2016

Footnote:

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

(FIGURES IN ₹)		
Particulars	March 31, 2016	March 31, 2015
Opening balance	1,788,747	1,350,000
(+) Additions during the period	949,228	1,788,747
(-) Utilised/reversed during the period	(1,788,747)	(1,350,000)
Closing balance	949,228	1,788,747

9. Short-term borrowings

(FIGURES IN ₹)		
Particulars	March 31, 2016	March 31, 2015
Secured, from bank, repayable on demand		
- Cash credit (Refer footnote i)	376,204,632	309,428,079
Net amount	376,204,632	309,428,079

Footnotes:

i. Details of these loans are as follows:

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

Cash credit from Kotak Mahindra Bank- loan 1

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

Cash credit from Kotak Mahindra Bank- loan 2

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

Primary security

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

AGM NOTICE 2016

Collateral Security

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

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

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

This loan is repayable on demand

Cash credit from IndusInd Bank - loan 1

1. It carried interest rate as follows:
 - a. 13.60% p.a (Base rate of 10.60% + Margin of 3%) from October 19, 2015
 - b. 13.85% p.a (Base rate of 10.85% + Margin of 3%) from June 15, 2015 to October 18, 2015
 - c. 14.00% p.a (Base rate of 11.00% + Margin of 3%) from November 8, 2013 to June 14, 2015
2. **Security details:**

Primary Security

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

Collateral Security

- a. First and exclusive charge on movable fixed assets of Kestone both present and future.
- b. Corporate guarantee of CL Educate Limited (Holding Company) amounting ₹95,000,000 (March 31, 2015 ₹75,000,000).
- c. Lien on fixed deposits amounting to ₹19,000,000 (Previous year ₹15,000,000).

Cash credit from IndusInd Bank- loan 2

1. This loan represents over draft facility from IndusInd Bank. The above amount represents the limit availed out of the total fund limit of ₹19,000,000 (previous year ₹19,000,000).
2. Kestone Integrated Marketing Services Private Limited has pledged its fixed deposits amounting ₹20,000,000 (previous year ₹20,000,000) as security for the above over draft facility from IndusInd Bank Limited.
3. The facility carries an interest rate of 10.75% (Bank fixed deposits rate i.e., 9.25% + 1.50%) per annum payable on monthly basis.
4. The above loan is repayable by February 20, 2017 or maturity date of underlying fixed deposits, whichever is earlier.

AGM NOTICE 2016

10. Trade payables

(FIGURES IN ₹)		
Particulars	March 31, 2016	March 31, 2015
Trade payable (refer footnote i and note 41)		
- Related party	892,027	892,027
- Others	245,951,357	199,289,845
	246,843,384	200,181,872

Footnote i:

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

11. Other current liabilities

(FIGURES IN ₹)		
Particulars	March 31, 2016	March 31, 2015
Current maturities of long term borrowing (Refer note 5)	66,007,125	64,099,291
Interest accrued but not due on borrowings	1,243,680	686,390
Unearned revenue	198,787,648	197,548,609
Payables for expenses (Refer note 41)		
-To related party (Refer note 38)	5,750	5,000
-To others	91,804,636	69,454,232
Employees related payables	81,442,664	86,327,539
Payable for fixed assets (Refer note 41)	6,476,072	17,185,736
Payables for purchase of investments		
-To related party (Refer note 38)	1,507,733	-
-To others	25,000,000	-
Advance from customers	24,014,276	16,019,073
Advance received against sale of fixed assets	-	5,350,000
Statutory dues payable	20,177,162	21,397,612
	516,466,746	478,073,482

AGM NOTICE 2016

12. Fixed assets- Tangible assets*

Current period

(Figures in ₹)

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

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

Footnote:

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

AGM NOTICE 2016

Previous year*#

(Figures in ₹)

Particulars	Gross block (at cost)			Accumulated depreciation					Net block	
	As at April 1, 2014	Additions during the year	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Depreciation for the year	Disposals/ Adjustments	Adjustment as per Schedule II	As at March 31, 2015	As at March 31, 2015
Land - freehold	105,323,520	-	-	105,323,520	-	-	-	-	-	105,323,520
Land - Leasehold (Refer footnote ii)	20,043,350	-	-	20,043,350	2,158,973	222,481	-	-	2,381,454	17,661,896
Buildings (Refer footnote i)	585,607,047	-	-	585,607,047	34,144,187	9,249,981	-	-	43,394,168	542,212,879
Building Improvements	9,072,717	-	-	9,072,717	8,132,667	433,863	-	349,318	8,915,848	156,869
Plant and machineries	12,329,595	1,964,563	-	14,294,158	5,955,259	991,127	-	-	6,946,386	7,347,772
Leasehold Improvement	25,044,158	5,832,046	1,250,171	29,626,033	17,554,724	5,137,895	1,250,171	-	21,442,448	8,183,585
Furniture and fixtures	27,200,340	16,208,177	2,109,884	41,298,633	14,491,179	3,318,889	2,070,989	60,561	15,799,640	25,498,993
Office equipments	37,587,692	12,307,071	4,986,291	44,908,472	14,665,774	6,602,595	4,609,795	7,635,198	24,293,772	20,614,700
Computers	59,595,813	56,683,420	20,904,499	95,374,734	40,057,641	22,521,962	13,648,319	1,986,367	50,917,651	44,457,083
Vehicles	20,634,788	1,737,089	240,730	22,131,147	9,412,352	2,627,107	238,252	260,474	12,061,681	10,069,466
Total	902,439,020	94,732,366	29,491,575	967,679,811	146,572,756	51,105,900	21,817,526	10,291,918	186,153,048	781,526,763

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

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

Footnote:

- Building includes 5 shares of ₹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 holding company had classified freehold land of ₹51,864,647 located at Faridabad, as fixed assets held for sale under other current assets. Further, fixed assets aggregating ₹800,000 are also classified as held for sale in current year. During the FY 2012-13, CLIP, a subsidiary company has entered into agreements with various parties to sale lands located at Faridabad and Amritsar. The same have been shown as "Assets held for sale" under the head "Other Current Assets". (Refer note 20).

AGM NOTICE 2016

13. Fixed assets- Intangible assets*

Current period

(Figures in ₹)

Particular	Gross block (at cost)				Accumulated amortisation			Net block	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation	Disposals	As at March 31, 2016	As at March 31, 2016
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	81,219,434	13,663,848	-	94,883,282	71,264,713
Computer softwares	16,177,885	2,669,763	-	18,847,648	12,992,740	1,249,524	-	14,242,264	4,605,384
License fees	29,435,258	-	-	29,435,258	16,016,207	4,690,370	-	20,706,577	8,728,681
Content development	22,222,707	5,503,075	-	27,725,782	3,138,194	4,741,005	-	7,879,199	19,846,583
CAT Online Module	7,641,070	1,052,000	-	8,693,070	3,522,077	4,783,259	-	8,305,336	387,734
Web Site	3,584,770	-	-	3,584,770	3,574,743	6,010	-	3,580,753	4,017
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	-	2,750,000	-
Non-compete fees	5,000,000	-	-	5,000,000	3,500,000	1,000,000	-	4,500,000	500,000
Total	252,959,685	9,224,838	-	262,184,523	126,713,395	30,134,016	-	156,847,411	105,337,112

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

Previous year*

(Figures in ₹)

Particular	Gross block (at cost)				Accumulated amortization			Net block	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Amortisation	Disposals	As at March 31, 2015	As at March 31, 2015
Intellectual property rights and trademarks	166,147,995	-	-	166,147,995	67,557,786	13,661,648	-	81,219,434	84,928,561
Computer softwares	15,201,192	976,693	-	16,177,885	11,902,684	1,090,056	-	12,992,740	3,185,145
License fees	14,436,000	14,999,258	-	29,435,258	10,280,492	5,735,715	-	16,016,207	13,419,051
Content development	1,722,707	20,500,000	-	22,222,707	35,172	3,103,022	-	3,138,194	19,084,513
CAT Online Module	1,830,150	5,810,920	-	7,641,070	1,830,150	1,691,927	-	3,522,077	4,118,993
Web Site	3,584,770	-	-	3,584,770	3,568,743	6,000	-	3,574,743	10,027
Education Manual	2,750,000	-	-	2,750,000	2,750,000	-	-	2,750,000	-
Non-compete fees	5,000,000	-	-	5,000,000	2,500,000	1,000,000	-	3,500,000	1,500,000
Total	210,672,814	42,286,871	-	252,959,685	100,425,027	26,288,368	-	126,713,395	126,246,290

AGM NOTICE 2016

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

14. Non-current investments

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Investment property (Non-trade, valued at cost less accumulated depreciation)		
Cost of building	13,113,500	13,113,500
Less: Accumulated depreciation	1,822,013	1,614,568
	11,291,487	11,498,932
Equity shares in companies (Non-trade, un-quoted, at cost)		
909 (Previous year 909) fully paid up equity shares of ₹10 each of Three sixty one Degree Minds Consulting Private Limited	5,000,000	5,000,000
50,000 (Previous year 50,000) shares of ₹10 each fully paid up in Investment in Energy Plantation Project Private Limited	500,000	500,000
	5,500,000	5,500,000
	16,791,487	16,998,932

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

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Aggregate book value of unquoted non-current investment	5,500,000	5,500,000

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

15. Loans and advances

(Figures in ₹)					
Particulars		Long-term		Short-term	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good, unless otherwise stated					
Capital advances	A	12,414,740	13,402,140	-	-
Advance to suppliers	B	-	-	7,777,894	9,875,131
Loans and advances to related parties (Refer note 38)	C	-	-	526,166,762	456,916,377
Security deposits					
-Considered good		23,282,290	16,086,950	21,219,163	25,936,331
-Considered doubtful		-	-	1,386,266	636,266

AGM NOTICE 2016

Less: Provision for doubtful balances		-	-	(1,386,266)	(636,266)
Sub Total	D	23,282,290	16,086,950	21,219,163	25,936,331
Balances recoverable from government authorities					
-Considered good	E	21,302,000	21,302,000	149,746	2,379,422
Advance income-tax [(net of provision for tax of ₹ 340,123,991) (Previous year ₹ 262,540,460)]	F	101,985,029	110,464,864	-	-
MAT credit entitlement	G	60,659,505	52,376,468	-	-
Prepaid expenses	H	-	-	113,394,979	97,335,549
Loans and advances to employees	I	61,000	76,000	10,566,255	5,526,305
Loans and advances to franchisees	J	-	-	-	70,000
Others					
-Gratuity Assets (Including balances of Trust)		-	413,237	12,427	2,183
- Other dues from related party (good)		-	-	1,080,023	697,640
- Receivable from others (good)		-	24,859	59,040,682	31,975,854
- Receivable from others (doubtful)		-	-	39,949,409	40,224,409
		-	438,096	100,082,541	72,900,086
Less: Provision for doubtful balances			-	(39,949,409)	(40,224,409)
Sub Total	K	-	438,096	60,133,132	32,675,677
Total (A+B+C+D+E+F+G+H+I+J)+K)		219,704,564	214,146,518	739,407,931	630,714,792

AGM NOTICE 2016

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

<i>(Figures in ₹)</i>				
<i>Company/ Party Name</i>	<i>Amount given</i>	<i>Rate of Interest</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>
Career Launcher Education Foundation	10,000	Nil	132,673,251	132,663,251
Nalanda Foundation	121,507,063	14.50% to 15.05%	365,564,664	308,136,751
CLEF – AP	2,262,472	14.00%	18,378,847	16,116,375
Total	123,779,535		516,616,762	456,916,377

16. Other non-current assets

<i>(Figures in ₹)</i>		
<i>Particulars</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>
Unsecured, considered good, unless otherwise stated		
Non-current bank balances (Deposits with maturity for more than 12 months from reporting date) (Refer note 19)		
Other receivables	112,030,033	112,412,249
	-	2,456,525
	112,030,033	114,868,774

AGM NOTICE 2016

17. Inventories (Refer footnote a)

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
(Valued at lower of costs and net realisable value)		
Raw materials (Refer footnote b)	7,081,705	9,686,141
Work-in-progress (Refer footnote c)	2,722,881	2,696,299
Finished goods produced	57,885,505	76,349,481
Less: Provision for slow moving/obsolete inventory	2,348,393	584,094
	65,341,698	88,147,827

Footnote a: All inventories categories represent text books

Footnote b: Includes raw materials lying with third parties ₹7,081,705 (Previous year ₹9,686,481)

Footnote c: Includes work-in-progress lying with third parties ₹2,722,881 (Previous year ₹2,696,299)

18. Trade receivables

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good (refer footnote i and ii)	586,793,444	332,395,032
- Considered doubtful	935,332	1,178,286
	587,728,776	333,573,318
Less: Provision for doubtful trade receivables	935,332	1,178,286
	586,793,444	332,395,032
Others (refer footnote ii)	602,370,874	533,603,243
	1,189,164,318	865,998,275

Footnote:

- i. The above includes ₹13,930,740 (Previous year ₹13,172,289) recoverable from a debtor. (Refer note 46)
- ii. Includes receivables from related party (refer note 38)

AGM NOTICE 2016

19. Cash and bank balances

Particulars	(Figures in ₹)			
	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and cash equivalents				
Balances with banks:				
- on current accounts	-	-	84,271,547	60,861,703
Cheques/ drafts on hand	-	-	4,095,211	4,486,231
Cash on hand	-	-	3,581,207	3,993,453
Sub Total (A)	-	-	91,947,965	69,341,387
Other bank balances				
- on unpaid dividend account	-	-	26,355	17,075
- Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	-	-	65,377,897	76,209,377
- Margin money deposits (Refer footnote i)	112,030,033	112,412,249	1,333,620	47,927,955
	112,030,033	112,412,249	158,685,837	193,495,794
Sub Total (B)	112,030,033	112,412,249	66,737,872	124,154,407
Amount disclosed under other non-current assets (Refer note 16)	(112,030,033)	(112,412,249)		-
Sub Total (A+B)	-	-	158,685,837	193,495,794

Footnotes i:

Current deposits include:

- Deposits of ₹1,333,620 (Previous year ₹1,837,750) for issue of guarantees in favor of Northern Eastern Council Secretariat, Shilong,
- Deposits of ₹Nil (Previous year ₹750,600) in favour of for the purpose of paper purchase,
- Deposits of ₹Nil (Previous year ₹339,605) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits of ₹Nil (Previous year ₹45,000,000) pledged with banks for overdraft facility (refer footnote ii of note 6).
- Fixed deposits amounting ₹39,000,000 (March 31, 2015 ₹35,000,000) are under lien, out of which fixed deposits amounting ₹19,000,000 (March 31, 2015 ₹15,000,000) are under lien

AGM NOTICE 2016

towards cash credit facility from IndusInd Bank and fixed deposits amounting ₹20,000,000 (March 31, 2015 ₹20,000,000) are under lien towards overdraft facility from Indusind Bank to GK Publication Private Limited.

- Deposits of ₹15,000,000 (Previous year ₹15,000,000) pledged against Cash Credit facility from Kotak mahindra Bank (refer footnote i of note 5 in regard to loan 2)

"Non current deposits include:

- Deposits of ₹75,000 (Previous year ₹99,518) for issue of guarantees in favor of value added tax authorities,
- Deposits of ₹1,684,764 (Previous year ₹2,003,429) for issue of guarantees in favor of Development Support Agency of Gujarat- TDD Project,
- Deposits of ₹200,000 (Previous year ₹239,033) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits aggregating to ₹110,000,000 (Previous year ₹110,000,000) pledged with banks for overall loan facility (Refer footnote ii of note 6).
- Deposits of ₹70,269 (Previous year ₹70,269) submitted in bank against consumer court case appeal

20. Other current assets

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Unbilled revenue	38,412,718	48,931,908
Interest accrued but not due on fixed deposits	1,332,576	2,094,465
Interest accrued and due on fixed deposits	1,050,823	1,331,369
Interest accrued but not due on loans and advances		
- From related parties (Refer note 38)	23,613,320	18,141,501
Receivables on account of transfer of fixed assets	-	132,628
Fixed assets held for sale (Refer footnote (iii) of note 12)	94,446,837	95,246,837
	158,856,274	165,878,708

21. Revenue from operations

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Revenue from operations		
Sale of products (Refer footnote i)	425,231,482	418,945,259
Sale of services (Refer footnote ii)	2,233,305,874	2,117,283,907
Other operating revenue		
Start up fees from franchisees	18,365,484	27,458,743
Licence fees (Refer footnote iii)	15,138,889	3,250,000
Advertising Income	52,720,698	37,949,288
Infrastructure fees (Refer footnote iii)	22,029,670	19,705,801

AGM NOTICE 2016

Sale of scrap	591,874	368,660
Bus fees	2,094,551	2,127,750
Income from day Care center	2,770,583	2,808,907
Grant income	54,147,330	105,380,219
Other miscellaneous operating Income	16,701	7,220
	2,826,413,136	2,735,285,754

Footnote i: Detail of products sold

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
-Sale of text books	425,231,482	418,945,259
	425,231,482	418,945,259

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

Footnote ii: Detail of services provided

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
-Education and training programmes income	932,010,145	857,931,241
- Online Education Services	184,621,862	45,915,656
-Vocational training services income	306,809,367	207,746,113
-Manpower services income	268,611,094	450,038,443
-Event management services income	495,741,494	510,959,450
-Soft skills fees (Refer footnote iii)	28,389,966	25,572,852
-School tuition fees	17,121,946	19,120,152
	2,233,305,874	2,117,283,907

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

22. Other Income

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Interest income on		
-Fixed deposits	18,765,738	20,056,691
-Income tax	2,478,325	332,210
-Loans and advances (Refer footnote i)	50,299,877	42,455,865
Liability no longer required written back	17,725,254	24,559,770
Rent income on investment property [net of depreciation on investment property of ₹207,445 (previous year ₹206,878)]	917,555	1,318,710
Provision written back	21,860	2,585,347
Sale of scrap	745,010	931,108
Insurance Claim Received	804,720	-
Amount forfeited against sale of land	5,350,000	-
Income on employee stock option (ESOP) scheme	10,124,864	-

AGM NOTICE 2016

Notice period recovery	998,631	2,367,135
Net gain on foreign currency transactions and translations	195,070	99,692
Bad debts recovered	2,528,428	950,587
Miscellaneous income	10,120,821	505,192
	121,076,153	96,162,307

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

23A. Cost of raw material and components consumed

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Inventory at the beginning of the period	9,686,141	3,237,290
Add: Purchases during the period	62,355,253	68,609,541
	72,041,394	71,846,831
Less: Inventory at the end of the period	7,081,705	9,686,141
Cost of raw material and components consumed	64,959,689	62,160,690

Details of raw material and components consumed

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2016
Paper	63,866,730	61,111,745
Lamination material	570,845	724,815
Binding and packaging material	522,114	324,130
	64,959,689	62,160,690

Details of closing stock of raw materials and components

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2016
Paper	7,081,705	9,686,141
	7,081,705	9,686,141

23B. Cost of Services

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Printing cost	47,819,646	50,986,385
Binding and cover pasting charges	1,643,644	3,119,732
Packing material consumed	785,339	641,920
Content development cost	854,732	17,647,757
Material printing cost	4,106,462	2,316,724
Other test prep related consumables	821,564	1,962,651
Labour cost	256,581	523,123
Placement support expenses	11,441,615	15,468,500
Faculty expenses	103,307,852	85,629,297
Franchisee expenses	429,015,491	397,810,512

AGM NOTICE 2016

Hostel expenses	57,996,361	39,121,224
Mobilization expenses	7,083,097	11,688,592
Equipment hire expenses	70,443,373	50,847,048
Royalty charges	450,664	395,069
Giveways	142,412,928	114,128,680
Event consultancy	92,863,766	77,546,906
Banquet and hotel charges	70,822,323	57,386,638
Travelling and conveyance	39,675,995	42,709,204
Temporary manpower resources	31,958,975	25,667,516
Business promotion	8,107,670	23,097,228
Sponsorship fee	29,507,235	15,233,691
Communication	20,527,963	13,926,888
Subscription	223,591	1,321,835
Photography charges	2,302,768	1,202,672
Recruitment expenses	8,458	1,046,593
Insurance	1,008,377	1,715,229
Rent	3,536,450	1,532,480
Miscellaneous expense	887,526	1,309,906
	1,179,870,446	1,055,984,000

24. Purchase of traded goods

(Figures in ₹)		
Particular	March 31, 2016	March 31, 2015
Text books	34,371,451	19,811,383
	34,371,451	19,811,383

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

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Inventories at the beginning of the period (A)		
-Finished goods produced	76,349,481	86,152,074
-Work-in-progress	2,696,299	16,327,484
	79,045,780	102,479,558
Less: Inventories at the end of the period (B)		
-Finished goods produced	57,885,505	76,349,481
-Work-in-progress	2,722,881	2,696,299
	60,608,386	79,045,780
Net decrease/(increase) (A-B)	18,437,494	23,433,778

AGM NOTICE 2016

Details of Inventory of finished goods produced

(Figures in ₹)		
Particular	March 31, 2016	March 31, 2015
Text books	57,885,505	76,349,481
	57,885,505	76,349,481

26. Employee benefit expenses

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Salary, wages, bonus and other benefits	572,654,763	681,401,304
Contribution to provident and other funds (net of EDLI charges recovered from employees)(Refer note 42)	25,649,112	33,946,591
Gratuity expense (Refer note 42 and footnote i)	5,989,717	7,660,004
Leave encashment expense (Refer note 42 and footnote ii)	5,448,864	5,110,585
Expense on employee stock option (ESOP) scheme (Refer note 40)	-	7,016,855
Staff welfare expenses	16,487,019	14,558,653
	626,229,475	749,693,992

Footnote i:

During the year ended March 31, 2015, gratuity liability for project employees 2,456,525 was recorded with a corresponding recoverable under other non current assets. The same has been expended off during the year

Footnote ii:

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

AGM NOTICE 2016

27. Finance costs

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Interest on vehicle loans	150,884	231,374
Interest on short term borrowings	81,866,127	73,413,648
Interest on other term loans	10,405,685	11,347,406
Loan processing charges	4,322,085	3,294,926
Interest on delayed payment of statutory dues	4,820,821	5,280,778
Interest on vehicle loans	101,565,602	93,568,132

28. Depreciation and amortisation expenses

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Depreciation of tangible assets (Refer note 12)	59,872,183	51,105,900
Amortisation of intangible assets (Refer note 13)	30,134,016	26,288,368
	90,006,199	77,394,268

29. Other expenses

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Banquet and event material expenses	1,675,461	683,050
Advertisement, publicity and sales promotion expenses	103,290,024	90,581,946
Travelling, conveyance and vehicle maintenance expenses	41,654,885	39,671,085
Rent expense (Refer note 34)	113,840,275	83,250,031
Communication expenses	23,509,262	22,206,905
Equipment hire charges	113,998	13,577
Office expenses	43,352,069	34,218,443
Legal and professional (Refer note 33)	29,346,988	18,975,943
Retainership fees and temporary manpower resources expenses	8,065,922	6,144,395
Printing and stationery expenses	5,081,842	4,203,984
Power and fuel	16,718,668	14,360,916
Commission to non-executive directors	372,500	498,258
Directors' Fee	-	-
Repairs to building	16,058,248	12,029,727
Repairs to machinery	92,038	-
Repairs to other	11,241,449	9,156,805
Freight outward and forwarding	13,524,604	11,347,442
Bank charges (other than loan processing charges)	4,624,425	4,815,088
Rates, taxes and fees	3,418,977	3,918,609

AGM NOTICE 2016

Insurance	3,700,207	4,347,868
Content development expenses	24,500	181,818
Rebates and discounts	5,566,771	1,785,633
Recruitment, training and development expenses	1,719,743	1,771,466
Newspaper, books and periodicals and subscriptions expenses	2,010,173	889,245
Fixed assets written off	-	1,158,942
Loss on sale of fixed assets (net)	5,274,525	4,852,105
Consumption of packing materials	1,969,890	2,428,365
Business service fee	1,659,799	1,725,919
Provision for sales return	949,228	1,788,747
Charity and donations	-	10,055
Miscellaneous balances written-off	291,948	1,271,188
Bad debts written off	3,506,800	67,722,932
Provision for doubtful debts and advances	1,685,332	1,975,329
Advances written off	70,306,583	2,182,440
Provision for slow moving inventory	1,931,225	-
Provision for obsolescence of inventory	-	584,094
Miscellaneous expenses	5,747,819	5,962,535
	542,326,178	456,714,885

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.

(Figures in ₹)				
Particulars	Reference	Units	March 31, 2016	March 31, 2015
Profit after tax	A	₹	214,613,917	209,845,514
Add: Exceptional expenses			-	22,841,122
Profit after tax but before exceptional expenses	B	₹	214,613,917	232,686,636
Weighted average numbers of equity shares	C	Numbers	11,802,697	10,708,949
Add: Dilutive potential equity shares (Refer footnote i)	D	Numbers	70,372	161,790
Number of equity shares for dilutive EPS	E=C+D	Numbers	11,873,069	10,870,739
Basic earnings per share before exceptional expenses	B/C	₹	18.18	21.73
Diluted earnings per share before exceptional expenses	B/E	₹	18.08	21.40
Basic earnings per share after exceptional expenses	A/C	₹	18.18	19.60
Diluted earnings per share after exceptional expenses	A/E	₹	18.08	19.30

AGM NOTICE 2016

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:

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Weighted average number of shares	In numbers	In numbers
Employee stock option outstanding (Refer footnote a)	70,372	88,301
Class-II shares-CCPS (Refer footnote b)	-	60,415
Class-III shares-OCPS (Refer footnote b)	-	13,074
	70,372	161,790

- a. The Company has Employee Stock Option Plan outstanding as on balance sheet date and shares which are outstanding and will be issued at a price lower consideration than its fair value. Such equity shares generate lesser proceeds and have no effect on the net profit attributable to equity shares outstanding. Therefore, value of such differential (fair value per share less exercise price per share) in respect of ESOP outstanding are considered dilutive and equalised number of ESOP outstanding derived by dividing such differential value with fair value per share is added to the number of equity shares outstanding in the computation of diluted earnings per share.
- b. During the previous year, the Company had issued equity shares of CL Educate Limited to GPE (India) Limited and Gaja Trustee Company Private Limited for Class- III shares-OCPS as per terms mentioned in Share Subscription and Amendment Agreement dated August 12, 2014. Therefore, such shares have been treated as dilutive till the date of conversion.

31. Contingent liabilities (to the extent not provided for)

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Claims against the Company not acknowledged as debt [Refer footnote (i)]	311,137,187	319,293,266
Corporate guarantees [Refer footnote (ii)]	15,000,000	15,000,000
	326,137,187	334,293,266

AGM NOTICE 2016

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

(Figures in ₹)			
Particulars	Year Pertaining	March 31, 2016	March 31, 2015
Service Tax (a)	July 2003 to September 2008	142,013,412	142,013,412
Service Tax (a)	October 2008 to March 2009	7,372,308	7,372,308
Service Tax (a)	April 2009 to September 2009	10,664,476	10,664,476
Service Tax (a)	October 2009 to September 2010	71,756,945	71,756,945
Service Tax (b)	October 2010 to September 2011	16,635,768	16,635,768
Service Tax (b)	October 2011 to June 2012	12,553,238	12,553,238
Cenvat credit reversal (c)	September 2004 to March 2007	4,648,826	4,648,826
Cenvat credit reversal (c)	October 2007 to March 2008	1,569,481	1,569,481
Cenvat credit reversal (d)	April 2008 to March 2012	40,097,178	40,097,178
Other cases (f)	Various years	3,825,555	11,981,634
	Total	311,137,187	319,293,266

Amount above includes:

- Demand for service tax aggregating ₹160,784,835 (previous year ₹160,784,835) for the period July 1, 2003 to September 30, 2010 is disputed by the Company. Penalty of ₹71,022,306 (previous year ₹71,022,306 has also been imposed under Section 78 of the Finance Act, 1994. The Company has preferred an appeal with CESTAT against these orders of the Commissioner of Service tax. The Company has paid ₹21,302,000 (previous year ₹21,302,000) against the said demand under protest.
- Demand for service tax aggregating ₹29,189,006 (previous year ₹29,189,006) for the period October 2010 to June 2012 is disputed by the Company and against which the Company has filed an appeal before Commissioner (Appeals) of Service tax.
- Demand for service tax aggregating ₹3,118,307 (previous year ₹3,118,307) for the period 2004-05 to 2007-08 due to incorrect availment of service tax cenvat credit is disputed by the Company. Penalty, aggregating ₹3,100,000 (previous year ₹3,100,000) has also been levied under Section 15 read with Rule 15 of Cenvat Credit Rules, 2004. During the year, the Company has received an order passed by Commissioner (Appeals) of Service tax. The Company has preferred an appeal with CESTAT against the order of the Commissioner (Appeals) of Service tax.
- The Company had received a demand for service tax in earlier years aggregating ₹40,097,178 (previous year ₹40,097,178) for the period 2008-09 to 2011-12 due to incorrect availment of service tax cenvat credit. The Company has disputed the demand and has filed a reply with Commissioner (Appeals) of Service tax and preferred an appeal before CESTAT against the order of Commissioner (Appeals) of Service tax.

AGM NOTICE 2016

e. Other cases

The Company had been allotted a land located at Faridabad (Haryana) in an auction by Hon'ble High Court of Jharkhand. When the Company applied for transfer of ownership in the records of Haryana Urban Development Authority (HUDA), the transfer permission was granted with levy of extension fee of ₹6,700,000 on account of various dues not paid by the erstwhile owner. The Company has disputed the demand and has preferred an appeal with the Administrator, HUDA. Subsequent to the reporting date, no dues certificate has been issued by the HUDA, Faridabad to erstwhile owner and the land has been transferred in the name of the Company. Since the matter is settled and accordingly there is no liability on part of the Company.

Rashtriya advertising & Prabhatam Advertising Pvt. Ltd, a service provider has filed a claim against the Company for recovery of an amount of ₹1,456,079 with interest as balance of amounts due. The Company has disputed the demand and the case is under trial in the court of law. During the period, the parties have amicably settled all disputes against each other towards full and final settlement. The plaintiff has withdrawn the suit and parties has left with no claim against each other in respect of the present matter in dispute. Since the matter is settled in mediation, Plaintiff is entitled to get refund of court fee under section 16 of Court Fee Act.

Triangle Education, a franchisee of the Company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The Company has filed a statement of claim before the sole Arbitrator amounting ₹19,000,000 (previous year ₹19,000,000) against triangle education. Triangle Education also filed a counter claim against the Company amounting ₹3,205,961 (previous year ₹3,205,961).

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

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

Footnote ii: Corporate guarantees

(Figures in ₹)				
Bank Name	Name of the guaranter	Name of the borrower	March 31, 2016	March 31, 2015
HDFC Bank Limited	CLEIS	Nalanda Foundation	15,000,000	15,000,000
Total			15,000,000	15,000,000

AGM NOTICE 2016

32. Commitments

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	53,014,139	52,469,757
Total capital commitments	53,014,139	52,469,757

33. Payment to auditors (excluding service tax)

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Statutory audit	5,900,000	5,225,000
Other matters [including fee for Initial Public Offerings ('IPO')]*	9,200,000	9,975,000
Reimbursement of expenses	105,000	298,933
Total	15,205,000	15,498,933

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

34. Leases

As lessee

The Group is a lessee under various operating leases. The lease terms of these premises range from 1 to 5 years and accordingly are short term leases. Rental expense for operating lease for the year ended March 31, 2016 and March 31, 2015 was ₹117,376,725 and ₹84,782,511 respectively. Expected future minimum commitments for non-cancellable leases are as follows:

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Not later than one year	11,881,086	16,786,096
Later than one year but not later than 5 years	37,429	14,821,533
Total	11,918,515	31,607,629

As lessor

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

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

AGM NOTICE 2016

35. Expenditure in foreign currency

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Banquet and event material expenses	3,751,640	203,386
Bank charges (other than loan processing charges)	122,318	105,434
Equipment hire charges	3,355,159	10,581,055
Travelling & conveyance Expenses	1,655,757	1,193,576
Rent	4,047,809	1,431,749
Salary, wages, bonus and other benefits	2,597,486	1,562,316
Giveways	4,907,782	1,340,181
Faculty expense	952,119	10,604,173
Legal and professional	8,349,628	1,338,295
Office Expenses	27,747	142,106
Director's Fee	414,313	-
Telephone Expenses	26,327	-
Miscellaneous	31,992,674	6,922,042
Total	62,200,759	35,424,313

36. Earnings in foreign currency

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Education and training programmes income	19,436,164	10,255,213
Sale of study material	20,319,944	5,823,798
Manpower management services	4,843,867	2,870,434
Marketing and sales services	2,729,110	1,186,738
Total	47,329,085	20,136,183

AGM NOTICE 2016

37. Un-hedged foreign currency exposure

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

Receivables in foreign currency

(Figures in ₹)				
Particulars	March 31,	March 31,	March 31,	March 31,
	2016	2015	2016	2015
	Amount in ₹	Amount in ₹	Original Currency (FC)	Original Currency (FC)
Receivables in foreign currency				
- Trade receivable	40,718,669	26,942,640	AED 2,185,256 USD 20,930	AED 1,465,765 QAR 100,000 USD 4,507
- Short term loans and advances	53,501,538	40,576,906	SGD 769,001 AED 609,778	USD 768,589 AED 36,853
- Cash and bank balances	2,902,424	1,586,070	AED 69,719 SGD 33,519	AED 87,147 SGD 2,260
- Security Deposit	80,865	74,875	SGD 1,645	SGD 1,646
Payables in foreign currency				
- Trade Payable	11,923,559	8,392,763	USD 142,555 AED 187,740	UDS 134,420 SGD 300
- Payable for expenses	4,934,773	1,154,892	AED 138,330 SGD 28,801	AED 40,604 SGD 10,194

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

AGM NOTICE 2016

38. Related party disclosure

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

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

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

(b) Transactions during the period:

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2016
1. Revenue from operations		
a. Soft skill fees		
- Nalanda Foundation	28,389,966	24,210,934
	28,389,966	24,210,934
b. License fees		
- Nalanda Foundation	2,750,000	2,750,000
	2,750,000	2,750,000
c. Infrastructure Fees		
- Nalanda Foundation	22,029,670	19,705,801
	22,029,670	19,705,801
2. Other income		
a. Interest on loans and advances		
- Career launcher education foundation	651,200	651,200
- CLEF AP Trust	2,262,475	1,979,204
- Nalanda Foundation	47,386,202	39,825,461
	50,299,877	42,455,865
b. Liability written back		
- Career launcher education foundation	-	25,062
c. Interest income on gratuity fund		
- CL Media Employee Gratuity Trust	94,345	92,142

AGM NOTICE 2016

	94,345	92,142
3. Managerial remuneration		
Mr. Gautam Puri	6,814,356	8,840,000
Mr. Satya Narayana R	6,814,356	8,840,000
Mr. Nikhil Mahajan	6,786,120	8,668,000
	20,414,832	26,348,000
4. Reimbursement of expense from related parties		
-Nalanda foundation	-	736,394
	-	736,394
5. Reimbursement of expenses to		
- Nalanda Foundation	-	234,700
	-	234,700
6. Transfer of security deposit from		
Nalanda Foundation	20,000	-
	20,000	-
7. Loans given to related party		
-Career Launcher Education Foundation	10,000	555,000
-Nalanda foundation	37,514,252	55,705,000
	37,524,252	56,260,000
8. Advances given for Services		
- Bilakes Consulting Private Limited	9,550,000	-
9. Conversion of account receivable into unsecured loan		
- Nalanda Foundation	46,230,963	39,405,655
	46,230,963	39,405,655
10. Conversion of other receivable to unsecured loan		
- Nalanda Foundation	-	146,812
11. Conversion of interest into unsecured loan		
- Nalanda Foundation	37,761,845	28,999,297
-CLEF- AP	2,262,475	1,979,204
	40,024,320	30,978,501
12. Repayment of loan given		
-Nalanda Foundation	64,079,150	89,150,980
	64,079,150	89,150,980
13. Adjustment of other payable with loans and advances		
- Nalanda Foundation	-	50,000
14. Adjustment of other payable to trade receivable		
- Nalanda Foundation	-	701,889

AGM NOTICE 2016

15. Conversion of other receivable to trade receivable		
- Nalanda Foundation	-	122,732
16. Conversion of payable for fixed assets into trade receivable		
- Nalanda Foundation	-	8,011,540
17. Amount received on behalf of		
- Nalanda Foundation	-	327,981
18. Amount received by		
- Nalanda Foundation	-	3,780,058
19. Transfer of assets from related party		
- Nalanda Foundation	-	8,011,540
20. Liability transferred to (on account of gratuity and leave encashment)		
- Nalanda Foundation	-	86,822
21. Transfer of other current liability from		
Nalanda Foundation	13,500	-
22. Share issued during the year		
- Bilakes consulting Pvt Ltd	47,066,660	-
23. Transfer of Advance		
- Bilakes consulting Pvt Ltd	1,600,000	-
24. Liability transferred from		
- Nalanda Foundation	382,382	-
25. Purchase of additional shares in subsidiary company from		
- Bilakes Consulting Private Limited	56,074,393	270,417,060

(Figures in ₹)

Particulars	March 31, 2016	March 31, 2015
Balance outstanding with or from related parties as at the period end:		
1. Short-term loans and advances		
- Career Launcher Education Foundation	132,673,251	132,663,251
- Nalanda Foundation	365,564,664	308,136,751
- CLEF – AP	18,378,847	16,116,375
	516,616,762	456,916,377
2. Long Term loans and advances		

AGM NOTICE 2016

-Bilakes consulting Pvt Ltd	1,600,000	-
	1,600,000	-
3. Other current assets		
a. Interest accrued on loans and advances		
- Nalanda Foundation	21,686,302	16,800,563
- Career Launcher Education Foundation	1,927,018	1,340,938
	23,613,320	18,141,501
b. Other dues from Related parties		
- Bilakes Consulting Private Limited	9,550,000	-
- Nalanda Foundation	1,080,023	697,641
	10,630,023	697,641
4. Trade Receivable		
- Career Launcher Education Foundation	7,527,875	7,527,875
- Nalanda Foundation	27,678,146	21,478,121
	35,206,021	29,005,996
5. Trade payable		
- Career Launcher Education Foundation	892,027	892,027
	892,027	892,027
6. Other current liabilities		
a. Payable for expenses		
- Career Launcher Education Infrastructure and Services Limited Employee Group Gratuity Trust	5,750	5,000
	5,750	5,000
b. Salary payable to KMPs		
- Mr.Gautam Puri	3,099,116	2,766,569
- Mr. Satya Narayanan R	3,209,481	2,766,569
- Mr. Nikhil Mahajan	3,245,109	2,756,491
	9,553,706	8,289,629
c. Payable for purchase of Investments		
- Bilakes Consulting Pvt Ltd	1,507,733	-
	1,507,733	-
7. Guarantees given on behalf of		
- Nalanda Foundation	15,000,000	15,000,000
	15,000,000	15,000,000
8. Guarantees given by		
- Bilakes Consulting Private Limited (Guarantee against loans given to Career Launcher Education Foundation)	45,758,320	45,758,320

39. Section 135 of the Companies Act, 2013, which came into effect on April 1, 2014, requires the some entities of the Group 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 ₹ 5,710,047 (March 31, 2015 ₹ 1,303,354) on prescribed CSR activities. However, as the policy was approved towards the end of the financial year, the Company could not implement the same and thus neither any CSR activity was undertaken nor any amount was spent towards CSR during the year and the company expects to spend the same in next financial year. Further, in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.

40. Employees share based payment plan

Pursuant to shareholder resolution dated March 6, 2008, the Company introduced “Employee Stock Option Plan 2008 (CL ESOP-2008)” which provides for the issue of 250,000 stock options to directors and employees of the Company and its subsidiaries companies. The plan entitles directors and employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. The vesting period for the share options is 3 years from the grant date. All exercised options shall be settled by physical delivery of equity shares. As per the plan holders of vesting options are entitle to purchase one equity share for each option. Till date 272,468 (previous year 272,468) stock options have been granted under this scheme.

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

AGM NOTICE 2016

The terms and conditions related to grant of the share options are as follows:

				(Figures in ₹)
Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)	
Directors of the Company	4,800	3 years' service from the grant date	0.58	
Employees	160,178	3 years' service from the grant date	1.99	
Share based payment expenses			March 31, 2016	March 31, 2015
CL ESOP-2008 (Refer footnote)			(6,026,151)	7,016,855

Footnote:

Includes expenses of amounting ₹ Nil in current year and reversal of liability amounting ₹1,279,308 in previous year on account of stock options of CLEIS, a subsidiary of the Company, to employees of the Company.

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

ESOP to directors of the Company

					(Figures in ₹)
Particulars	March 31, 2016		March 31, 2015		
	"Number of Stock Options"	"Weighted average exercise Price (₹)"	"Number of Stock Options"	"Weighted average exercise Price (₹)"	
Employees Stock Option Plan 2008					
Outstanding at the beginning of the period	7,200	300.00	9,600	300.00	
Granted during the period	-	-	-	-	
Exercised during the period	2,400	300.00	2,400	300	
Forfeited during the period	-	-	-	-	
Expired during the period	-	-	-	-	
Outstanding at the end of period	4,800	300.00	7,200	300.00	
Exercisable at period end	4,800	300.00	7,200	300.00	
Vested during the period	-	-	-	-	
Weighted average grant date fair value per option for option granted during the period at less than fair value	-	-	-	-	

AGM NOTICE 2016

ESOP to person other than directors of the Company

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

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

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	-	-
Expected volatility	0.00%	76.65%
Risk-free interest rate	8.00%	8.00%
Weighted average share price (in ₹)	495.00	488.00
Exercise price (in ₹)	210-430	175-300

*Expected volatility has been determined using historical fluctuation in share issue prices of the Company.

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

Pursuant to shareholder resolution dated September 30, 2008, the Company had introduced "CLEIS Employee Stock Options Plan 2008" which provides for the issue of 100,000 stock options to employees of the Company and its group companies/entities. The plan entitled employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options had been settled by physical delivery of equity shares. As per

AGM NOTICE 2016

the plan, holders of vesting options were entitled to purchase one equity share for each option. Till date, 29,000 (previous year 29,000) stock options have been granted under this scheme.

The terms and conditions related to grant of the share options are as follows:

Employees entitled	No. of options	Vesting conditions	Contractual life of options (in years)
Employees	25,000	3 years' service from the grant date	-

Expenses pertaining to employee stock option plan had been booked in CL Educate Limited, holding company, as stock options have been granted to employees of CL Educate Limited.

* Pursuant to the resolution passed by the Board of Directors at its meeting held on June 23, 2015 the Company terminated "CLEIS Employee Stock Options Plan 2008" and accordingly the options which are lying unvested/ unexercised under the said Plan shall stand cancelled and extinguished.

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

Particulars	(Figures in ₹)			
	March 31, 2016		March 31, 2015	
	"Number of Stock Options"	"Weighted average exercise ₹"	"Number of Stock Options"	"Weighted average exercise ₹"
Employees Stock Option Plan 2008				
Outstanding at the beginning of the period	12,500	101.00	20,000	97.50
Granted during the period	-	-	-	-
Exercised during the period	5,000	80.00	7,500	91.67
Forfeited/Extinhuished during the period*	7,500	115.00	-	-
Expired during the period	-	-	-	-
Outstanding at the end of period	-	-	12,500	101.00
Exercisable at period end	-	-	-	-
Vested during the period	-	-	-	-
Option to employees of the holding company	-	-	12,500	101.00
Weighted average grant date fair value per option for option granted during the period at less than fair value	-	-	-	-

*The Career Launcher Education Infrastructure and Services Limited (CLEIS) Employee Stock Options Plan (2008) terminated and the options which are lying unvested/unexercised under the plan shall stand cancelled and extinguished.

AGM NOTICE 2016

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

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
Dividend yield (%)	-	-
Expected volatility	-	48.54%
Risk-free interest rate	-	7.88%
Weighted average share price (in ₹)	-	222.89
Exercise price (in ₹)	-	80-115

*Expected volatility has been determined using historical fluctuation in share issue prices of the Company.

41. In terms of the clause 22 of chapter V micro, small and Medium enterprises development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier as at March 31, 2016 are as follows:

Particulars	(Figures in ₹)	
	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period included in		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day during each accounting period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

AGM NOTICE 2016

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

A. Defined contribution Plan

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

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Employers contribution to provident fund	20,995,820	23,675,475
Employers contribution to EDLI	424,339	284,484
Total	21,420,159	23,959,959

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

I. Actuarial assumptions

(Figures in ₹)				
Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount rate (per annum)	8.00%-8.13%	7.80%-8.00%	8.00%-8.13%	7.80%-8.00%
Expected rate of increase in compensation levels	8.00%-8.25%	4.88%-8.00%	8.00%-8.25%	4.88%-8.00%
Expected rate of return on plan assets	NA	NA	8.35%	8.00%-9.00%
Expected average remaining working lives of employees (years)	22.13-26.42	23.57-26.90	24.53-26.99	25.08-30.44
Retirement age (Years)	58	58	58	58
Mortality table	IALM (2006-08)		IALM (2006-08)	
Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
Up to 30 Years	1.28-3.00	1.28- 3.00	2.08-3.00	1.70 -3.81
From 31 to 44 years	2.00-2.09	2.00-2.09	1.77-2.00	0.75-2.00
Above 44 years	0.00-1.00	0.00- 1.00	0.00-1.00	0.01-1.00

Note:

The discount rate has been assumed at 8.00%- 8.13% (previous year 7.80%-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.

AGM NOTICE 2016

II. Present value of obligation

(Figures in ₹)				
Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation at the beginning of the period	11,322,633	8,749,408	21,939,127	14,628,837
Acquisition adjustment	440,550	(33,168)	639,000	(53,654)
Current service cost	4,420,129	2,524,320	6,035,398	6,044,305
Interest cost	905,601	793,790	1,737,755	1,327,522
Benefit paid	(1,765,275)	(2,484,451)	(3,405,652)	(2,957,493)
Actuarial (gain)/loss on obligation	123,134	1,772,734	(3,938,182)	2,949,610
Present value of obligation at the end of the period	15,446,772	11,322,633	23,007,446	21,939,127

III. Fair value of plan assets

(Figures in ₹)		
Particulars	Employees Gratuity Fund	
	March 31, 2016	March 31, 2015
Fair value of plan assets at the beginning of the period	3,852,499	2,990,730
Expected return on plan assets	323,018	250,542
Administrative expenses	(98,779)	(5,024)
Contributions	2,905,659	2,180,487
Received from LIC against payment made through provision	(1,013,431)	-
Benefits paid	(3,168,367)	(1,595,457)
Actuarial gain/(loss) on plan assets	(21,239)	11,648
Adjustment on account of difference in opening balance	-	19,573
Fair value of plan assets at the end of the period	2,779,360	3,852,499

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

(Figures in ₹)				
Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current service cost	4,420,129	2,524,320	6,035,398	6,044,305
Interest cost	905,601	793,790	1,737,755	1,327,522
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(323,018)	(250,542)
Net actuarial (gain)/ loss to be recognized	123,134	1,772,734	(3,916,943)	2,937,962
Expense recognised in statement of Profit and Loss	5,448,864	5,090,844	3,533,192	10,059,247

AGM NOTICE 2016

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

(Figures in ₹)

Particulars	Earned Leave (unfunded)		Gratuity (funded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the end of the period	15,446,772	11,322,633	23,007,446	21,939,127
Above amount comprises of:				
Short term present value of obligation	448,562	356,821	323,381	844,672
Long term provision	14,998,210	10,965,812	22,684,065	21,094,455
Total (A)	15,446,772	11,322,633	23,007,446	21,939,127
Fair Value of plan assets as at the end of the period	-	-	2,779,360	3,852,499
Above amount comprises of:				
Short term fair value of plan assets	-	-	-	446,340
Long term fair value of plan assets	-	-	2,779,360	3,406,159
Total (B)	-	-	2,779,360	3,852,499
Net (Asset)/ liability recognized in Balance Sheet as at period end	15,446,772	11,322,633	20,228,086	18,502,048
Amount classified as:				
Short term provision	448,562	356,821	323,381	400,514
Long term provision	14,998,210	10,965,812	19,904,705	18,101,534
Net asset recognized in Balance Sheet as at period end				
Amount classified as:	-	-	-	415,420
Short term loans and advances	-	-	-	2,183
Long term loans and advances	-	-	-	413,237

AGM NOTICE 2016

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

(a) Employees Gratuity Fund

(Figures in ₹)			
Particulars	March 31, 2016	March 31, 2015	March 31, 2014
PBO	23,007,446	21,939,127	14,671,668
Plan assets	2,779,360	3,852,499	3,095,311
Net assets/(liability)	(20,228,086)	(18,086,628)	(11,576,357)
Experience gain/(loss) on PBO	7,218,090	(266,646)	1,562,687
Experience gain/(loss) on plan assets	(21,239)	37,683	(113,343)
		March 31, 2013	March 31, 2012
PBO		13,713,690	9,566,128
Plan assets		4,536,534	4,902,114
Net assets/(liability)		(9,177,156)	(4,664,014)
Experience gain/(loss) on PBO		912,031	1,294,277
Experience gain/(loss) on plan assets		(22,809)	44,982

(b) Earned Leave (unfunded)

(Figures in ₹)			
Particulars	March 31, 2016	March 31, 2015	March 31, 2014
PBO	15,446,772	11,322,633	8,804,567
Plan assets	-	-	-
Net assets/(liability)	(15,446,772)	(11,322,633)	(8,804,567)
Experience gain/(loss) on PBO	(51,505)	500,349	(22,781)
Experience gain/(loss) on plan assets	-	-	-
		March 31, 2013	March 31, 2012
PBO		7,316,555	6,040,968
Plan assets		-	-
Net assets/(liability)		(7,316,555)	(6,040,968)
Experience gain/(loss) on PBO		(459,295)	(215,990)
Experience gain/(loss) on plan assets		-	-

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

AGM NOTICE 2016

Employer's best estimate for contribution during next year'

(Figures in ₹)	
Particulars	
Employees Gratuity Fund	10,586,491
Earned leave	2,970,840

43. Goodwill on consolidation

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Kestone Integrated Management Services Private Limited	37,438,602	37,438,602
G.K. Publications Private Limited	140,292,256	140,292,256
Career Launcher Education Infrastructure Services Private Limited	6,848,234	6,848,234
Kestone Asia Hub Pte Ltd	11,380,761	11,380,761
Accendere Knowledge Management Services Private Limited	135,133,265	-
	331,093,118	195,959,853

44. Capital work in progress

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
Opening balance	6,312,785	6,312,785
Balance at year end	6,312,785	6,312,785

45. Exceptional expenses

(Figures in ₹)		
Particulars	March 31, 2016	March 31, 2015
- Expense on employee stock option (ESOP) scheme (Refer footnote i)	-	22,841,122

Footnote:

- (i) Pursuant to the Career Launcher Employee Stock Options Plan 2008, in the financial year 2008-09 CL Educate Limited, the holding company, had granted 142,857 options of CL Educate Limited to Mr. Shantanu Prakash, director in CLEIS. These options were to be settled in equity in four tranches commencing from financial year 2013-14.

Mr. Shantanu Prakash in earlier years had communicated his unwillingness to exercise the options to the Board of CL Educate Limited. However at the Board meeting of the holding company held on September 22, 2014, Mr. Shantanu Prakash expressed his willingness to exercise the options granted to him and requested the Board to extend the exercise period. Shares shall be allotted in accordance with the ESOP plan and having regard to conditions prevailing at the time of exercise.

Accordingly, during the year ending on March 31, 2015 the Company had made a provision of ₹ 22,841,122 against the said options using the fair value method to account for the said stock-based employee compensation costs. Compensation cost is measured using independent valuation by a firm of Chartered Accountants using Black-Scholes model in accordance with the guidance note issued by the Institute of Chartered Accountants of India.

46. In the financial year 2009-10, the Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the Company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute were AED 1,019,842 (₹15,088,052) and AED 261,318 (₹3,866,069) respectively. The details of the amount recoverable are as follows:

1. An amount of AED 625,775 on account of short deposit of fee collected by Monica Oli in the name of the Company from the students;
2. An amount of AED 1,392,200 on account of fee collected by 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 (₹ 3,866,069) against the amounts payable to AED 261,318 (₹ 3,866,069) on account of its share in the books of account

AGM NOTICE 2016

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 Monika Oli regarding termination of agreement;
- 3) An amount of AED 1,000,000 on account of damages for starting a same/similar business in violation of terms of the agreement and unauthorizedly using data/information, manuals etc. pertaining to the Company;

The company had preferred arbitration in the matter and Hon'ble Arbitrator had issued notices to parties for appearance. During the financial year 2014-15, on March 16, 2015 the Hon'ble Arbitrator has passed an award amounting AED 2,063,267 (equivalent to ₹35,137,437) in favour of the Company.

During the current period, 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.

47. The Company has filed legal cases against its debtors for recovery of outstanding receivables amounting ₹38,899,653 (previous year ₹38,141,202). The Company is of the view that all such balances are fully recoverable and no provision is required. Further, the Company has also filed cases against certain parties for recovery of damages amounting ₹51,460,794 (previous year ₹52,038,864 arising from fraudulent use of Company's brand name, violation of terms and conditions of employment etc. The Company is hopeful of favorable outcome of such cases. However, the amount likely to be realized on settlement of such cases is currently not ascertainable realistically. The Company does not expect any adverse impact on the financial position as a consequence of these legal cases. The Company has recorded all expenses pertaining to legal & professional charges in respect of all such cases.

48. Statement of Net Assets and Profit of Loss Attributable to Owners and Minority Interest

Name of the Entity	(Figures in ₹)			
	Net Assets i.e. Total assets minus total liabilities		Share in Profit or Loss	
	As a %age of consolidated net assets	Amounts in ₹	As a %age of consolidated profit or loss	Amounts in ₹
CL Educate Limited	106.47%	2,561,513,179	20.58%	44,167,102
Indian Subsidiary				
Kestone Integrated Marketing Services Private Limited	9.51%	228,732,956	31.17%	66,889,344
CL Media Private Limited	11.05%	265,808,976	39.21%	84,140,368
G.K. Publications Private	0.20%	4,735,661	(4.92%)	(10,564,992)

AGM NOTICE 2016

Limited

Accendere Knowledge Management Services Private Limited	(0.13%)	(3,128,234)	(1.24%)	(2,654,024)
Career Launcher Education Infrastructure and Services Limited	(27.10%)	(651,856,941)	15.21%	32,636,119
	100.00%	2,405,805,597	100.00%	214,613,917

49. A) During the year the management became aware of inappropriate actions by the finance manager of the Company involving unauthorized payment of personal utility bills like electricity, water, telephone etc. Consequently, the management appointed a consultant to investigate the matter and since the finance manager was one of the joint signatories for payment from banks, the scope of investigation was extended to include review of transactions and bank payments for last 4 years.

During the investigation it was found that finance manager had been paying his personal utility bills from the Company's bank account for the last 3 years by including his personal bills during the batch processing of payments of Company's genuine utility payments.

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 ₹4,700,000 was transferred in various bank accounts operated by the finance manager and/ or his family members. The modus operandi was to affect these payments during Batch processing of payments through RTGS/NEFT and adjusting these against the following:

- Unclaimed credits lying in the Company's vendor accounts;
- Putting fake invoices in the vendors, customers, employees, franchisees accounts;
- Showing as funds transfer to other Bank accounts and later reversed and put it in other ledgers;

The total amount appropriated by the finance manager either through fraudulent transfer to personal bank accounts or through payment of his personal bills aggregate to ₹4,764,402. The company has recovered ₹4,700,000 from the finance manager and his services have been terminated with immediate effect.

B) During the year, while following up for outstanding fees payable by the students at one of the centre operated by the Company, the Company became aware that the center manager in collusion with 3 other employees had been misappropriating funds by either issuing temporary receipts to the students, entering lesser or no amount in the ERP against the fees collected from students. Upon a detailed investigation, it was found that such employees had misappropriated funds aggregating ₹1,487,651. All such employees were issued show cause notices and were terminated after due processes. The Company has been able to recover ₹900,000 from such employees.

The management of the Company has initiated the process of further strengthening the controls and put such checks in place as necessary to prevent such instances of fraud in the future.

50. Segment Reporting

Primary Segment

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

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

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

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

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

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

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

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

AGM NOTICE 2016

For the year ended March 31, 2016

(Figures in ₹)

Particulars	Education & training programme (including sale of study material)	Vocational Training	K – 12	Sale of educational books	Manpower management services	Marketing and sales services	Others	Eliminations	Total
Revenue									
External revenue	1,287,672,639	360,956,697	87,545,605	159,876,819	268,611,094	609,012,884	52,737,398	-	2,826,413,136
Intersegment revenue	-	-	-	219,602,844	235,260	13,602,236	78,551,611	(311,991,951)	-
Total revenue without Elimination	1,287,672,639	360,956,697	87,545,605	379,479,663	268,846,354	622,615,120	131,289,009	311,991,951	2,826,413,136
Allocable Expenses									
Allocable Expenses (without eliminations)	1,109,917,612	407,786,708	43,586,492	282,702,571	246,332,017	472,053,189	63,198,325	333,534,501	2,292,042,413
Results									
Segment results	177,755,027	(46,830,011)	43,959,113	96,777,092	22,514,337	150,561,931	68,090,684	(21,542,550)	534,370,723
Unallocated expenses									264,158,420
Operating profit									270,212,303
Finance costs									101,565,602
Other income including finance income	25,780,838	7,170,018	-	-	-	-	88,125,297	-	121,076,153
Profit before tax									289,722,854
Income taxes									75,108,937
Net profit									214,613,917

AGM NOTICE 2016

As at March 31, 2016

(Figures in ₹)

Segment assets (excluding goodwill on consolidation)									
Segment assets	628,843,364	658,836,163	969,536,647	638,499,072	45,088,354	125,174,937	203,111,518	616,425,731	2,652,664,324
Unallocable assets									891,377,936
Total assets									3,544,042,260
Segment liabilities (excluding minority interest)									
Segment liabilities	389,904,177	309,599,334	275,399,034	302,933,939	22,458,892	159,561,341	60,868,519	576,810,675	943,914,561
Unallocable liabilities									525,415,220
Total liabilities									1,469,329,781
Other information									
Capital expenditure – allocable	14,347,960	26,875,000	2,129,569	143,735	-	-	8,276,313	4,030,000	47,742,577
Capital expenditure - unallocable									13,901,800
Depreciation and amortisation – allocable	33,721,911	21,081,827	13,270,121	2,949,460	-	13,261	5,066,317	4,168,902	71,933,995
Depreciation and amortisation – unallocable									18,072,205
Other significant non-cash expenses (net) - allocable	52,282,678	10,043,783	199,694	3,518,939	-	53,320	3,371,593	-	69,470,007
Other significant non-cash expenses (net) - unallocable									560,148

AGM NOTICE 2016

For the period ended March 31, 2015

(Figures in ₹)

Particulars	Education & training programme (including sale of study material)	Vocational Training	K - 12	Sale of educational books	Manpower management services	Marketing and sales services	Others	Eliminations	Total
Revenue									
External revenue	1,183,140,463	313,126,332	72,585,462	167,479,098	450,038,443	510,959,450	37,956,506	-	2,735,285,754
Intersegment revenue				240,541,236	1,109,562	9,803,000	45,607,402	(297,061,200)	-
Total revenue without Elimination	1,183,140,463	313,126,332	72,585,462	408,020,334	451,148,005	520,762,450	83,563,908	297,061,200	2,735,285,754
Results									
Allocable Expenses	-	-	-	-	-	-	-	-	-
Allocable Expenses (without eliminations)	1,025,764,595	246,325,707	54,556,892	305,173,694	426,385,057	402,581,837	39,566,151	297,382,250	2,202,971,683
Segment results	157,375,868	66,800,625	18,028,570	102,846,640	24,762,948	118,180,613	43,997,757	(321,050)	532,314,071
Unallocated expenses									242,221,313
Operating profit									290,092,758
Finance costs									93,568,132
Other income including finance income	17,830,969	-	-	-	-	-	78,331,338		96,162,307
Exceptional expenses									22,841,122
Profit before tax									269,845,811
Income taxes									(60,221,869)
Net profit									209,623,942

AGM NOTICE 2016

As at March 31, 2015

(Figures in ₹)

Segment assets (excluding goodwill on consolidation)

Segment assets	549,813,505	485,889,376	925,999,402	506,554,733	110,416,390	88,672,861	142,047,279	406,436,690	2,402,956,856
Unallocable assets									804,658,136
Total assets									3,207,614,992

Segment liabilities (excluding minority interest)

Segment liabilities	336,222,066	149,612,424	264,897,546	257,068,817	57,039,408	128,592,621	37,424,066	338,144,849	892,712,099
Unallocable liabilities									419,208,292
Total liabilities									1,311,920,391

Other information

Capital expenditure - allocable	39,112,545	35,350,000	18,319,146	519,971	-	-	29,337,984	2,400,000	120,239,646
Capital expenditure - unallocable									16,779,591
Depreciation and amortisation - allocable	28,778,419	11,207,843	16,896,040	2,996,752	-	101,002	7,127,440	4,143,109	62,964,387
Depreciation and amortisation - unallocable									14,429,881
Other significant non-cash expenses (net) - allocable	51,242,290	18,001,527	22,841,122	3,933,709	-	-	5,881,562	22,841,122	79,059,088
Other significant non-cash expenses (net) - unallocable									3,352,944

AGM NOTICE 2016

Secondary Segment

The group has identified geographical segment as secondary segment.

Financial information about the geographic segment is given below:

For the year ended March 31, 2016

(Figures in ₹)			
Particulars	Within India	Overseas	Total
Segment revenue	2,788,058,094	38,355,042	2,826,413,136
Segment assets	3,516,543,234	27,499,026	3,544,042,260
Segment liabilities	1,444,824,901	24,504,880	1,469,329,781
Capital expenditures	61,644,377	-	61,644,377

For the period ended March 31, 2015

(Figures in ₹)			
Particulars	Within India	Overseas	Total
Segment revenue	2,719,206,743	16,079,011	2,735,285,754
Segment assets	3,207,141,318	473,674	3,207,614,992
Segment liabilities	1,306,235,729	5,684,662	1,311,920,391
Capital expenditures	136,681,587	337,651	137,019,237

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

As per our report of even date

For and on behalf of the Board of Directors of

CL Educate Limited

Sd/-

Gautam Puri

Managing Director

DIN: 00033548

Sd/-

Nikhil Mahajan

Director and CFO

DIN: 00033404

Sd/-

Rachna Sharma

Company Secretary

ICSI M. No.: A17780

Place: New Delhi

Date : July 28, 2016

AGM Notice 2016



CL EDUCATE LIMITED

CIN: U74899DL1996PLC078481

Registered & Corporate Office: A-41, Espire Building, Lower Ground Floor, Mohan Co-operative Industrial Area

Main Mathura Road, New Delhi – 110 044

Tel.: 011-4128 1100, Fax: 011-4128 1101

Website: www.cleducate.com, E-mail: rachna@careerlauncher.com

Notice

NOTICE is hereby given that the **20th ANNUAL GENERAL MEETING** of the members of CL Educate Limited (formerly known as Career Launcher (India) Limited) will be held on Wednesday, the 21st day of September, 2016 at 5.00 P.M at **‘The Park Hotel, 10th Floor, Board Room, 15, Parliament Street, Connaught Place , New Delhi – 110 001’** to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Annual Accounts - To receive, consider and adopt;

- a. the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016, and the reports of the Board of Directors and Auditors thereon;
- b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016, and the report of Auditors thereon;

Item No. 2 –Retirement by Rotation- To appoint a Director in place of Mr. Nikhil Mahajan (DIN: 00033404), Executive Director and Chief Financial Officer of the Company, who retires by rotation at the ensuing Annual General Meeting, and who, being eligible, offers himself for re-appointment.

Item No. 3 – Ratification of the Appointment of Statutory Auditors

To ratify the appointment of statutory auditors of the Company, and to fix their remuneration and to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendation of the Audit Committee as well as of the Board of Directors, and pursuant to the confirmation of the appointment of the Auditors for a period of 5 years by the members of the Company at the Annual General Meeting held on September 05, 2014, the members hereby ratify the appointment of M/s Haribhakti & Co,

Chartered Accountants, LLP (Firm Registration No. – 103523W), as the Statutory Auditors of the Company for the Financial Year 2016-17.

AGM NOTICE 2016

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix such remuneration as may be agreed upon between the Auditors and the Board of Directors.”

SPECIAL BUSINESS:

Item No. 4- Re-appointment of Mr. Satya Narayanan .R (DIN: 00307326) as the Chairman, Whole Time Director of the Company for a period of 3 (Three) years commencing from April 1, 2017, being the last date of his current tenure;

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT the approval of the Shareholders of the Company, by way of a special resolution, be and is hereby accorded in terms of Sections 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), for re-appointment of Mr. Satya Narayanan .R as the Chairman, Whole Time Director of the Company, for a period of 3 (three) years beginning April 1, 2017, being the last date of his current tenure, i.e. from April 1, 2017 till March 31, 2020, at such remuneration payable by way of monthly salary, commission and other perquisites as may be approved by the members of the Company by way of a Special Resolution.

RESOLVED FURTHER THAT Mr. Gautam Puri, Managing Director, Mr. Nikhil Mahajan, Executive Director & CFO, as well as Ms. Rachna Sharma, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to file the necessary e-Forms and papers with the Registrar of Companies, NCT of Delhi & Haryana and also to sign all such papers, documents etc. and to do all such acts, deeds etc. for and on behalf of the Company as may be required in order to give effect to the above resolution.”

Item No. 5 - Re-appointment of Mr. Gautam Puri (DIN: 00033548) as the Vice-Chairman, Managing Director of the Company for a period of 3 (Three) years commencing from April 1, 2017, being the last date of his current tenure;

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT the approval of the Shareholders of the Company by way of a special resolution be and is hereby accorded in terms of Sections 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), for re-appointment of Mr. Gautam Puri as the Vice-Chairman, Managing Director of the Company, for a period of 3 (three) years beginning April 1, 2017, being the last date of his current tenure, i.e. from April 1, 2017 till March 31, 2020, at such remuneration payable by way of monthly salary, commission and other perquisites as may be approved by the members of the Company by way of a Special Resolution.

AGM NOTICE 2016

RESOLVED FURTHER THAT Mr. Nikhil Mahajan, Executive Director & CFO, and Ms. Rachna Sharma, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to file the necessary e-Forms and papers with the Registrar of Companies, NCT of Delhi & Haryana and also to sign all such papers, documents etc. and to do all such acts, deeds etc. for and on behalf of the Company as may be required in order to give effect to the above resolution.”

Item No. 6 – Re-appointment of Mr. Nikhil Mahajan (DIN: 00033404) as a Whole Time Director & Chief Financial Officer of the Company for a period of 3 (Three) years commencing from April 1, 2017, being the last date of his current tenure:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT the approval of the Shareholders of the Company, by way of a special resolution, be and is hereby accorded in terms of Sections 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), for re-appointment of Mr. Nikhil Mahajan as a Whole Time Director & Chief Financial Officer of the Company, for a period of 3 (three) years beginning April 1, 2017, being the last date of his current tenure, i.e. from April 1, 2017 till March 31, 2020, at such remuneration payable by way of monthly salary, commission and other perquisites as may be approved by the members of the Company by way of a Special Resolution.

RESOLVED FURTHER THAT Mr. Gautam Puri, Managing Director and Ms. Rachna Sharma, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to file the necessary e-Forms and papers with the Registrar of Companies, NCT of Delhi & Haryana and also to sign all such papers, documents etc. and to do all such acts, deeds etc. for and on behalf of the Company as may be required in order to give effect to the above resolution.”

Item No. 7 – Approval to the Overall Maximum Managerial Remuneration that may be paid to the Executive Director(s) of the Company over a period of 3 years, commencing from April 1, 2017, i.e. for FY 2017-18 till FY 2019-2020:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors of the Company to fix and pay the remuneration to its Managing Director, as well as the other Whole Time Director(s), either by way of a monthly payment, or at a specified percentage of the net profits of the Company, or partly by one way, and partly by the other, in case of the Company making profits in a financial year, provided that such remuneration shall not exceed 10% (or such other maximum permissible limits under Section 197 as may be amended or corresponding re-enacted provisions of the Companies Act 2013 that may become applicable from time to time) of the net profits of the year

AGM NOTICE 2016

computed in accordance with the provisions contained in Section 198 of the Companies Act, 2013, for all of them together.

RESOLVED FURTHER THAT within the afore-mentioned overall range, the actual payout may be decided internally by the Board or the Company's Management, in consultation with and keeping in view the recommendations of the Nomination, Remuneration and Compensation Committee, in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT in addition to the above, the Director(s) may be paid remuneration by way of a sitting fee for attending meetings of the Board, or committees thereof, or for any other purpose whatsoever as may be decided by the Board.

RESOLVED FURTHER THAT notwithstanding anything contained in the above resolution, where, in any financial year, the Company has no profits or the profits are inadequate, it would pay remuneration to its Managerial Personnel as under:

Particulars	Satya Narayanan .R	Gautam Puri	Nikhil Mahajan
Basic Salary	Upto Rs. 5 lakhs per month	Upto Rs. 5 lakhs per month	Upto Rs, 5 lakhs per month
HRA	Upto 50% of Basic Salary	Upto 50% of Basic Salary	Upto 50% of Basic Salary
City Compensatory Allowance	Upto 25% of Basic Salary	Upto 25% of Basic Salary	Upto 25% of Basic Salary
Cost of Living Allowance	Upto 25% of Basic Salary	Upto 25% of Basic Salary	Upto 25% of Basic Salary
Special Allowance	Upto 33.33% of Basic Salary	Upto 33.33% of Basic Salary	Upto 33.33% of Basic Salary
LTA	60,000 per annum	60,000 per annum	60,000 per annum
Medical Reimbursement	15,000 per annum	15,000 per annum	15,000 per annum
Food Coupons	18,000 per annum	18,000 per annum	18,000 per annum
Performance Linked Incentive	Upto 12 months' basic salary	Upto 12 months' basic salary	Upto 12 months' basic salary
Other Payables	1. Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961	1. Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961	1. Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
	2. Gratuity payable at a rate not exceeding half a	2. Gratuity payable at a rate not exceeding half a	2. Gratuity payable at a rate not exceeding half a

AGM NOTICE 2016

month's salary for each completed year of service	month's salary for each completed year of service	month's salary for each completed year of service
---	---	---

3. Encashment of leave at the end of tenure	3. Encashment of leave at the end of tenure	3. Encashment of leave at the end of tenure
---	---	---

4. Provision of Car for official purposes, as well as provision of telephone at residence	4. Provision of Car for official purposes, as well as provision of telephone at residence	4. Provision of Car for official purposes, as well as provision of telephone at residence
---	---	---

5. Personal accident insurance premium at a rate to be determined by the Board	5. Personal accident insurance premium at a rate to be determined by the Board	5. Personal accident insurance premium at a rate to be determined by the Board
--	--	--

RESOLVED FURTHER THAT within the afore-mentioned basic salary range, as well as the Performance linked incentive, the actual payout may be decided internally by the Board, in consultation with and keeping in view the recommendations of the Nomination, Remuneration and Compensation Committee, in accordance with the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the salaries of the Managerial Personnel for 3 (three) years, i.e. 2017-18, 2018-19, and 2019-20 shall be guided by the above resolutions.

RESOLVED FURTHER THAT Mr. Gautam Puri, Managing Director, Mr. Nikhil Mahajan, Executive Director & CFO, as well as Ms. Rachna Sharma, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to file the necessary e-Forms and papers with the Registrar of Companies, NCT of Delhi & Haryana and also to sign all such papers, documents etc. and to do all such acts, deeds etc. for and on behalf of the Company as may be required in order to give effect to the above resolution.”

Item No. 8 – GRANT AUTHORISATION TO THE BOARD TO GRANT OPTIONS UNDER THE ‘AMENDED AND RESTATED CAREER LAUNCHER EMPLOYEE STOCK OPTIONS PLAN 2014’ TO IDENTIFIED EMPLOYEES OF THE COMPANY’S SUBSIDIARY COMPANIES;

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 62 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company be and are hereby empowered and authorized to grant options under the ‘Amended And Restated Career Launcher Employee Stock Options Plan 2014’ (“**CL ESOP Plan 2014**”), to the employees* of the subsidiary companies, as well as of the associate companies (if and whenever applicable), of CL Educate Limited,

AGM NOTICE 2016

working in India or abroad, provided that the grants shall otherwise be in accordance with the provisions contained in the said ESOP Plan.”

“**RESOLVED FURTHER THAT** all grants made under the extant ESOP Plan to any employee* of the subsidiary or associate companies of CL Educate Limited in the past are also hereby approved and ratified.”

*(The definition of the term ‘employee’ shall be taken from the CL Amended & Restated ESOP Plan 2014)

By Order of the Board

For CL Educate Limited

Sd/-

Nikhil Mahajan

DIN No. : 00033404

Designation: Whole – Time Director & CFO

Address: H. No. 457, Sector – 30,

Faridabad – 121003, Haryana

New Delhi

July 28, 2016

AGM NOTICE 2016

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxy in order to be effective must be deposited at the Company's Registered Office not less than 48 (Forty Eight) hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. In the case of Corporate Member, it is requested to send a certified copy of the Board Resolution authorizing the representative to attend and vote on its behalf at the meeting.
3. Members desirous of any further information regarding the special business matters to be transacted may write to the Company at its registered office at least seven days before the date of the meeting so as to enable the management to keep the information ready.
4. An Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 containing details and explanations with respect of the special business to be transacted at the meeting, enumerated under Item Nos. 04 to 08 of the Notice, is annexed hereto.
5. Electronic copy of the Annual Report for the Financial Year 2015-16 is also being sent to all the members whose email IDs are registered with the Company for communication purposes. Members may note that the Notice of the 20th Annual General Meeting of the Company, along with the Annual Report 2015-16 shall be made available on the Company's website www.cleducate.com.
6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
7. The Register of Members and the Share Transfer books of the Company will remain closed from September 12, 2016 to September 21st, 2016 (both days inclusive) for annual closing.

AGM NOTICE 2016

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING, PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

ITEM NO. 4

The Board of Directors of the Company at its meeting held on July 28, 2016, considered the matter of re-appointment of Mr. Satya Narayanan .R as Chairman and Whole Time Director of the Company, for a further term of 3 years. The Board appreciated the valuable contribution made by him towards the overall achievement of organizational goals and the objectives of CL Educate Limited, while acknowledging his wide expertise and vast knowledge of the Education Segment. The Board approved of the said re-appointment at the Meeting.

As per the provisions of Sections 197 and 198 read with Schedule V of the Companies Act, 2013, the appointment and payment of remuneration to the Whole Time Directors requires approval of the general body of Shareholders by way of a special resolution, at a General Meeting.

The Board recommends the appointment of Mr. Satya Narayanan .R as the Chairman, Whole Time Director of the Company for a period of 3 (three) years, commencing April 1, 2017, being the last day of his current tenure i.e. from 01.04.2017 to 31.03.2020.

The information as required under Schedule V to the Companies Act, 2013 is enumerated as under:-

I. GENERAL INFORMATION:

(1) Nature of Industry: Education and Training

(2) Date of commencement of commercial operation: The Company is already Operational and it is a running Company since 1996.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial Performance:

(Amount in ₹)

S. No.	Particulars	2015-16	2014-15
1.	Total Income	1,729,513,557	1,549,589,300
2.	Total Expenditure	1,664,924,805	1,460,600,382
3.	Profit/(Loss) before Tax	64,588,752	88,988,918
4.	Profit/(Loss) after Tax	44,167,102	65,756,319

AGM NOTICE 2016

(5) Foreign investments or collaborators, if any:

a. Details of the investments made by foreign entities in the share capital of the Company as on 31.03.2016;

S. No.	Particulars	2015-16
1.	GPE India Limited	1,426,473
2.	GHIOF Mauritius	59,952
3.	Indu Bhushan Sehra	5393
4.	Anup Prasad	2250
	Total	1,494,068

b. Details of the foreign investments made by the Company as on 31.03.2016;

In the past The Company had 2 foreign subsidiaries, in whose share capital it had invested. As on date, the Company has divested from both of these subsidiaries by effecting share transfers.

II. INFORMATION ABOUT THE APPOINTEE:

Name of the appointee	Mr. Satya Narayanan .R
Education Qualification details	PGDM IIM, (Bangalore), BSc.
Past Remuneration	Mr. Satya is entitled to a remuneration of Rs. 104.4 Lakhs, which is his latest remuneration. Out of this total entitlement, he received Rs. 6,814,356 as remuneration during the financial year 2015-16. Variable part of his entitlement, pertaining to 2015-16 has not yet been paid.
Recognition or awards	He has received various awards, including the Karamveer Puraskar in 2009-10 by iCONGO and the Most Promising Entrepreneur Award in the Asia Pacific Entrepreneurship Awards 2009.
Job Profile and his suitability	Mr. Satya Narayanan .R, who is also the Chairman of the Company is engaged into marketing function and Strategy Formulation of Company as well as of the group Companies.
Remuneration Proposed	<p>The proposed overall Remuneration which can be paid out to Mr. Satya Narayanan .R over the next 3 years is as is contained in the same AGM notice at point no. 7.</p> <p>Within this overall limit, the actual remuneration is initially determined by the Nomination, Remuneration and Compensation Committee. The remuneration so determined is then sent as a recommendation to the Board for its approval. It is ensured that the actual payout is within the limits of the Companies Act.</p>

AGM NOTICE 2016

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

Taking in to consideration the size of the Company, profile of Mr. Satya Narayanan .R, and the responsibilities shouldered by him, the aforesaid remuneration package is reasonable, and commensurate with the remuneration package held by managerial position in other companies in the same/ similar industry.

Pecuniary relationship directly and Indirectly with the Company, or relationship with the Management Personnel, if any

Mr. Sreenivasan R., one of the key employees of the CL Group, and one of the Promoters of the Company, is the brother of Mr. Satya Narayanan .R.

Mr. Shiva Kumar Ramachandran, one of the key employees of CL Group, and one of the Promoters of the Company, is the brother-in-law of Mr. Satya Narayanan .R.

Ms. Uma Ramchandran, W/o Mr. Satya Narayanan .R, is an employee of Nalanda Foundation, one of the group entities of CL.

All of them have been associated with the Company since its inception, in some way or the other.

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Incentives (Rs.)	Total (Rs.)
Mr. Satya Narayanan .R	Chairman and Whole Time Director	Proposed Remuneration is as contained in the draft Resolution contained in the AGM Notice Item No. 7			

III. **OTHER INFORMATION:**

1) **Reasons of loss or inadequate profit (If any):**

Keen Competition among the services providers, overall economic slowdown, expansion phase, and lower margins of profits in the Industry.

2) **Steps taken or proposed to be taken for improvement:**

By enlarging its areas of operations, and opening up new avenues, while pursuing its main object of imparting education.

3) **Expected increase in profitability: The Company expects good profitability over the years to come.**

IV. **DISCLOSURES:**

(1) The disclosure on remuneration package proposed to be paid to the Whole Time Directors over the next 3 years is contained in this Notice for convening the Annual General Meeting of the Company (Agenda Item No. 7).

AGM NOTICE 2016

(2) The Board of Directors recommends appointment of Mr. Satya Narayanan .R as Chairman, Whole Time Director for a period of 3 (three) years at a total remuneration as mentioned elsewhere in this notice, and seeks your approval to the same by way of a Special Resolution.

Except Mr. Satya Narayanan .R, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are members of the Company. However, Mr. Sreenivasan .R, one of the key employees of the CL Group, and one of the Promoters of the Company, is the brother of Mr. Satya Narayanan .R. Mr. Shiva Kumar Ramachandran, one of the key employees of CL Group, and one of the Promoters of the Company, is the brother-in-law of Mr. Satya Narayanan .R. Ms. Uma Ramchandran, W/o Mr. Satya Narayanan .R is an employee of Nalanda Foundation, one of the group entities of CL Educate Limited.

All of them may be taken to be interested to the extent of their relation with Mr. Satya Narayanan .R.

Nature of Interest	Mr. Satya Narayanan .R holds shares in CL Educate Limited, a Company in which he is proposed to be re-appointed as a Whole Time Director for a period of 3 years w.e.f. 01.04.2017 to 31.03.2020.
No. of securities held	2,562,579
Class	Equity
Shareholding (in %)	21.46%

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum of interest for the terms of appointment and remuneration of Mr. Satya Narayanan .R, as Chairman, Whole Time Director of the Company under the Companies Act, 2013.

ITEM NO. 5

The Board of Directors of the Company at its meeting held on July 28, 2016, considered the matter of re-appointment of Mr. Gautam Puri as Vice Chairman and Managing Director for a further term of 3 years. The Board appreciated the valuable contribution made by him towards the overall achievement of organizational goals and the objectives of CL Educate Limited, while acknowledging his wide expertise and vast knowledge of the Education Segment. The Board approved of the said re-appointment at the Meeting.

As per the provisions of Sections 197 and 198 read with Schedule V of the Companies Act, 2013, the appointment and payment of remuneration to the Managing Director & Whole Time Directors requires approval of the general body of Shareholders by way of a special resolution, at a General Meeting.

The Board recommends the appointment of Mr. Gautam Puri as Vice Chairman and Managing Director of the Company for a period of 3 (three) years, commencing April 1, 2017, being the last day of his current tenure i.e. from 01.04.2017 to 31.03.2020.

AGM NOTICE 2016

The information as required under Schedule V to the Companies Act, 2013 is enumerated as under:-

I. GENERAL INFORMATION:

1) **Nature of Industry:** Education and Training

2) **Date of commencement of commercial operation:** The Company is already Operational and it is a running Company since 1996.

3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

(4) Financial Performance:

(Amount in ₹)

S. No.	Particulars	2015-16	2014-15
1.	Total Income	1,729,513,557	1,549,589,300
2.	Total Expenditure	1,664,924,805	1,460,600,382
3.	Profit/(Loss) before Tax	64,588,752	88,988,918
4.	Profit/(Loss) after Tax	44,167,102	65,756,319

(5) Foreign investments or collaborators, if any:

a. Details of the investments made by foreign entities in the share capital of the Company as on 31.03.2016;

S. No.	Particulars	2015-16
1.	GPE India Limited	1,426,473
2.	GHIOF Mauritius	59,952
3.	Indu Bhushan Sehra	5393
4.	Anup Prasad	2250
	Total	1,494,068

b. Details of the foreign investments made by the Company as on 31.03.2016;

In the past The Company had 2 foreign subsidiaries, in whose share capital it had invested. As on date, the Company has divested from both of these subsidiaries by effecting share transfers.

AGM NOTICE 2016

II. INFORMATION ABOUT THE APPOINTEE:

Name of the appointee	Mr. Gautam Puri
Education Qualification details	PGDM IIM, (Bangalore), B.Tech
Past Remuneration	Mr. Gautam Puri is entitled to a remuneration of Rs. 104.4 Lakhs, which is his latest remuneration. Out of this total entitlement, he received Rs. 6,814,356 as remuneration during the financial year 2015-16. Variable part of his entitlement, pertaining to 2015-16 has not yet been paid.
Recognition or awards	None
Job Profile and his suitability	Subject to Superintendence, direction and control of the Board, the day to day management and administration of the Company is vested with Mr. Gautam Puri, who is also the Vice Chairman of the Company.
Remuneration Proposed	<p>The proposed overall Remuneration which can be paid out to Mr. Gautam Puri over the next 3 years is as is contained in the same AGM notice at point no. 7.</p> <p>Within this overall limit, the actual remuneration is initially determined by the Nomination, Remuneration and Compensation Committee. The remuneration so determined is then sent as a recommendation to the Board for its approval. . It is ensured that the actual pay out is within the limits of the Companies Act.</p>
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Taking in to consideration the size of the Company, profile of Mr. Gautam Puri, and the responsibilities shouldered by him, the aforesaid remuneration package is reasonable, and commensurate with the remuneration package held by managerial position in other companies in the same/ similar industry.
Pecuniary relationship directly and Indirectly with the Company, or relationship with the Management Personnel, if any	<p>Ms. Sapna Puri, one of the employees of the Company, is the Wife of Mr. Gautam Puri.</p> <p>She is associated with the Company since 2003.</p>

AGM NOTICE 2016

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Incentives (Rs.)	Total (Rs.)
Mr. Gautam Puri	Vice Chairman & Managing Director	Proposed Remuneration is as contained in the draft Resolution contained in the AGM Notice Item No. 7			

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profit (If any):

Keen Competition among the services providers, overall economic slowdown, expansion phase, and lower margins of profits in the Industry.

2) Steps taken or proposed to be taken for improvement:

By enlarging its areas of operations, and opening up new avenues, while pursuing its main object of imparting education.

3) Expected increase in profitability: The Company expects good profitability over the years to come.

IV. DISCLOSURES:

1) The disclosure on remuneration package proposed to be paid to the Managing Director & Whole Time Directors over the next 3 years is contained in this Notice for convening the Annual General Meeting of the Company (Agenda Item No. 7).

2) The Board of Directors recommends appointment of Mr. Gautam Puri as Vice Chairman & Managing Director for a period of 3 (three) years at a total remuneration as mentioned elsewhere in this notice, and seek your approval to the same by way of a Special Resolution.

Except Mr. Gautam Puri, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are members of the Company. However, Ms. Sapna Puri, one of the employees of the Company, is the Wife of Mr. Gautam Puri. She may be taken to be interested to the extent of her relation with Mr. Gautam Puri.

Nature of Interest	Mr. Gautam Puri holds shares in CL Educate Limited, a Company in which he is proposed to be re-appointed as a Managing Director for a period of 3 years w.e.f. 01.04.2017 to 31.03.2020.
---------------------------	--

No. of securities held	2,562,579
-------------------------------	-----------

Class	Equity
--------------	--------

Shareholding (in %)	21.46%
----------------------------	--------

AGM NOTICE 2016

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum of interest for the terms of appointment and remuneration of Mr. Gautam Puri, as Vice Chairman & Managing Director of the Company under the Companies Act, 2013.

ITEM NO. 6

The Board of Directors of the Company at its meeting held on July 28, 2016, considered the matter of re-appointment of Mr. Nikhil Mahajan as a Whole Time Director & CFO of the Company, for a further term of 3 years. The Board appreciated the valuable contribution made by him towards the overall achievement of organizational goals and the objectives of CL Educate Limited, while acknowledging his wide expertise and vast knowledge of the Education Segment. The Board approved of the said re-appointment at the Meeting.

As per the provisions of Sections 197 and 198 read with Schedule V of the Companies Act, 2013, the appointment and payment of remuneration to the Whole Time Directors requires approval of the general body of Shareholders by way of a special resolution, at a General Meeting.

The Board recommends the appointment of Mr. Nikhil Mahajan as Whole Time Director & CFO for a period of 3 (three) years, commencing April 1, 2017, being the last day of his current tenure i.e. from 01.04.2017 to 31.03.2020.

The information as required under Schedule V to the Companies Act, 2013 is enumerated as under:-

I. GENERAL INFORMATION:

(1) Nature of Industry: Education and Training

(2) Date of commencement of commercial operation: The Company is already Operational and it is a running Company since 1996.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial Performance:

(In Rupees)

S. No.	Particulars	2015-16	2014-15
1.	Total Income	1,729,513,557	1,549,589,300
2.	Total Expenditure	1,664,924,805	1,460,600,382
3.	Profit/(Loss) before Tax	64,588,752	88,988,918
4.	Profit/(Loss) after Tax	44,167,102	65,756,319

(5) Foreign investments or collaborators, if any:

a. Details of the investments made by foreign entities in the share capital of the Company as on 31.03.2016;

AGM NOTICE 2016

S. No.	Particulars	2015-16
1.	GPE India Limited	1,426,473
2.	GHIOF Mauritius	59,952
3.	Indu Bhushan Sehra	5393
4.	Anup Prasad	2250
	Total	1,494,068

b . Details of the foreign investments made by the Company as on 31.03.2016;

In the past The Company had 2 foreign subsidiaries, in whose share capital it had invested. As on date, the Company has divested from both of these subsidiaries by effecting share transfers.

II. INFORMATION ABOUT THE APPOINTEE:

Name of the appointee	Mr. Nikhil Mahajan
Education Qualification details	PGDM IIM, (Bangalore), B.Tech, IIT-BHU
Past Remuneration	Mr. Nikhil Mahajan is entitled to a remuneration of Rs. 101.4 lakhs, which is his latest remuneration. Out of this total entitlement, he received Rs. 67.86 Lakhs as remuneration during the financial year 2015-16. Variable part of his entitlement, pertaining to 2015-16 has not yet been paid.
Recognition or awards	None
Job Profile and his suitability	Subject to Superintendence, direction and control of the Board, the day to day management, finance and administration of the Company is vested with Mr. Nikhil Mahajan, who is also the Chief Financial Officer of the Company.
Remuneration Proposed	The proposed overall Remuneration which can be paid out to Mr. Nikhil Mahajan over the next 3 years is as is contained in the same AGM notice at point no. 7. Within this overall limit, the actual remuneration is initially determined by the Nomination, Remuneration and Compensation Committee. The remuneration so determined is then sent as a recommendation to the Board for its approval. . It is ensured that the actual pay out is within the limits of the Companies Act.
Comparative remuneration profile	Taking in to consideration the size of the Company, profile of

AGM NOTICE 2016

with respect to industry, size of the Company, profile of the position and person

Mr. Nikhil Mahajan, and the responsibilities shouldered by him, the aforesaid remuneration package is reasonable, and commensurate with the remuneration package held by managerial position in other companies in the same/ similar industry.

Pecuniary relationship directly and Indirectly with the Company, or relationship with the Management Personnel, if any

None

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Incentives (Rs.)	Total (Rs.)
Mr. Nikhil Mahajan	Whole Time Director & Chief Financial Officer	Proposed Remuneration is as contained in the draft Resolution contained in the AGM Notice Item No. 7			

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profit (If any):

Keen Competition among the services providers, overall economic slowdown, expansion phase, and lower margins of profits in the Industry.

2) Steps taken or proposed to be taken for improvement:

By enlarging its areas of operations, and opening up new avenues, while pursuing its main object of imparting education.

3) Expected increase in profitability: The Company expects good profitability over the years to come.

IV. DISCLOSURES:

1) The disclosure on remuneration package proposed to be paid to the Whole Time Directors over the next 3 years is contained in this Notice for convening the Annual General Meeting of the Company (Agenda Item No. 7).

2) The Board of Directors recommends appointment of Mr. Nikhil Mahajan as Whole Time Director & CFO, for a period of 3 (three) years at a total remuneration as mentioned elsewhere in this notice and seek your approval to the same by way of a Special Resolution.

Except Mr. Nikhil Mahajan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are members of the Company.

Nature of Interest

Mr. Nikhil Mahajan holds shares in CL Educate Limited, a Company in which he is proposed to be re-appointed as a Whole Time Director for a period of 3 years w.e.f. 01.04.2017 to 31.03.2020.

AGM NOTICE 2016

No. of securities held 69,817

Class Equity

Shareholding (in %) 0.58%

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum of interest for the terms of appointment and remuneration of Mr. Nikhil Mahajan, as Whole Time Director & CFO of the Company under the Companies Act, 2013.

ITEM NO. 7

At the Extra Ordinary General Meeting (EGM) of the Company held on 24th February, 2014, the Shareholders had approved of the re-appointment and terms of remuneration of Mr. Gautam Puri as the Managing Director and Mr. Satya Narayanan .R & Mr. Nikhil Mahajan as Whole Time Director(s) of the Company for a period of 3 (three) years with effect from 01.04.2014 to 31.03.2017.

The Board now intends to seek the approval of the shareholders, by way of a special resolution, to the overall maximum managerial remuneration that may be paid to the Executive Directors over a period of 3 years commencing from April 1, 2017. Within the overall range approved by the shareholders, the actual payout shall be approved by the Board, keeping in view the recommendation of the Nomination, Remuneration and Compensation Committee, on a year to year basis. Within the overall variable component of the remuneration approved by the Board, the actual payout (of variable component) is again determined by the Nomination, Remuneration and Compensation Committee, based broadly upon the financial performance of the Company, among other considerations.

Particulars	Satya Narayanan .R	Gautam Puri	Nikhil Mahajan
Basic Salary	Upto Rs. 5 lakhs per month	Upto Rs. 5 lakhs per month	Upto Rs, 5 lakhs per month
HRA	Upto 50% of Basic Salary	Upto 50% of Basic Salary	Upto 50% of Basic Salary
City Compensatory Allowance	Upto 25% of Basic Salary	Upto 25% of Basic Salary	Upto 25% of Basic Salary
Cost of Living Allowance	Upto 25% of Basic Salary	Upto 25% of Basic Salary	Upto 25% of Basic Salary
Special Allowance	Upto 33.33% of Basic Salary	Upto 33.33% of Basic Salary	Upto 33.33% of Basic Salary
LTA	60,000 per annum	60,000 per annum	60,000 per annum
Medical Reimbursement	15,000 per annum	15,000 per annum	15,000 per annum
Food Coupons	18,000 per annum	18,000 per annum	18,000 per annum
Performance Linked Incentive	Upto 12 months' basic salary	Upto 12 months' basic salary	Upto 12 months' basic salary
Other Payables	1. Contribution to Provident Fund, Superannuation Fund or	1. Contribution to Provident Fund, Superannuation Fund or	1. Contribution to Provident Fund, Superannuation Fund or

AGM NOTICE 2016

annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961	annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961	annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service	2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service	2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service
3. Encashment of leave at the end of tenure	3. Encashment of leave at the end of tenure	3. Encashment of leave at the end of tenure
4. Provision of Car for official purposes, as well as provision of telephone at residence	4. Provision of Car for official purposes, as well as provision of telephone at residence	4. Provision of Car for official purposes, as well as provision of telephone at residence
5. Personal accident insurance premium at a rate to be determined by the Board	5. Personal accident insurance premium at a rate to be determined by the Board	5. Personal accident insurance premium at a rate to be determined by the Board

- **Mr. Satya Narayanan .R** aged 46 years, is our Chairman and Executive Director. He holds a bachelor's degree in computer sciences from St. Stephen's College, University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Bangalore. The said remuneration is justified to Mr. Satya Narayanan .R having regard to the nature of service required from him and the responsibility which he is called upon to bear as Whole Time Director of the Company. He has over 19 years of experience in the education sector and has been a Director on our Board since incorporation. So, it will be in the interest of the Company to avail of the experience of Mr. Satya Narayanan .R and his appointment will be a benefit for the Company. The Board recommends passing of the resolution.

- **Mr. Gautam Puri** aged 51 years, is our Vice Chairman and Managing Director. He holds a bachelor's degree in chemical engineering from Punjab Engineering College, Chandigarh and a post graduate diploma in management administration from the Indian Institute of Management, Bangalore. The said remuneration is justified to Mr. Gautam Puri having regard to the nature of service required from him and the responsibility which he is called upon to bear as Managing Director of the Company. He has over 19 years of experience in the education sector and has been a Director on our Board since incorporation, so it will be in the interest of the Company to avail the experience of Mr. Gautam Puri and his appointment will be a benefit for the Company. The Board recommends passing of the resolution.

- **Mr. Nikhil Mahajan** aged 45 years, is our Executive Director and Chief Financial Officer. He holds a bachelor's degree in electrical engineering from Banaras Hindu University, Varanasi and a post graduate diploma in management administration from the Indian Institute of Management, Bangalore. The said remuneration is justified to Mr. Nikhil Mahajan having regard to the nature of service required from him and the responsibility which he is called upon to bear as Whole Time

AGM NOTICE 2016

Director of the Company. He has over 18 years of experience in the education sector and has been a Director on our Board since 2001, so it will be in the interest of the Company to avail the experience

of Mr. Nikhil Mahajan and his appointment will be a benefit for the Company. The Board recommends passing of the resolution.

Except Mr. Satya Narayanan .R, Mr. Gautam Puri and Mr. Nikhil Mahajan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are members of the Company.

However, Mr. Sreenivasan .R, one of the key employees of the CL Group, and one of the Promoters of the Company, is the brother of Mr. Satya Narayanan .R. Mr. Shiva Kumar Ramachandran, one of the key employees of CL Group, and one of the Promoters of the Company, is the brother-in-law of Mr. Satya Narayanan .R. Ms. Uma Ramachandran is the wife of Mr. Satya Narayanan .R, and she is an employee at Nalanda Foundation, one of the group entities of CL Educate Ltd. All of them may be taken to be interested to the extent of their relation with Mr. Satya Narayanan .R, and Ms. Sapna Puri, one of the employees of the Company, is the Wife of Mr. Gautam Puri. She may be taken to be interested to the extent of her relation with Mr. Gautam Puri.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract and memorandum of interest for the terms of remuneration of Managing Director & Whole Time Directors of the Company under the Companies Act, 2013.

ITEM NO. 8

Stock options are an effective instrument to align interests of employees with those of the Company and provide an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands. This also helps the Company to attract, retain and motivate the best available talent in a competitive environment.

As per the definition of “employee” as mentioned in CL ESOP Plan 2014, present and future, permanent employees and Directors (whether Whole Time Director or not but excluding Independent Directors) of the Company, its holding and subsidiary Company(ies) as may be specifically determined by the Management Committee from time to time, are eligible to participate in the CL ESOP Plan 2014.

As per the rule 12 of **Companies (Share Capital and Debentures) Rules, 2014**, Company requires a separate approval of members, by way of an ordinary resolution to grant stock options to the employees of holding and/or subsidiary companies. Looking at the fact that CL Educate Limited has several subsidiaries, and considering that CL ESOP Plan is the only extant Plan in force throughout the CL Group, there might be frequent cases of grants (of options) made to the employees of the subsidiaries. In order to obviate the procedural hardships involved in getting an approval from the shareholders at each such occurrence, it is proposed that the members delegate this authority to the Board, so that the Board, on the recommendation of the Compensation Committee, shall be empowered to grant options to the employees of the subsidiary (including associate Companies, if and when applicable in future) without having to have the separate shareholders' approval each time. The said plan has already been approved by the shareholders by way of a special resolution.

AGM NOTICE 2016

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are members of the Company, or may be grantees/beneficiaries under the said ESOP Plan.

By Order of the Board

For CL Educate Limited

Sd/-

Nikhil Mahajan

DIN No. : 00033404

Designation: Whole - Time Director & CFO

Address: H. No. 457, Sector - 30,

Faridabad - 121003, Haryana

New Delhi

July 28, 2016

AGM NOTICE 2016



CL EDUCATE LIMITED

ATTENDANCE SLIP

Registered Office: A-41, Espire Building, Lower Ground Floor, Mohan Co-operative Industrial Area, Main Mathura Road, New Delhi - 110 044

PLEASE FILL THIS ATTENDANCE SLIP AND HANDOVER THE SAME AT THE VENUE OF THE MEETING

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

Full name of the Shareholder/Proxy.....

I hereby record my presence at the 20th Annual General Meeting of the Company at 5:00 P.M. at '**The Park Hotel, 10th Floor, Board Room, 15, Parliament Street, Connaught Place , New Delhi - 110 001**', on Wednesday, the 21st day of September, 2016.

.....

Signature of Shareholder/Proxy

*Note. * Applicable for shareholders holding shares in electronic/demat form*

AGM NOTICE 2016

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CL EDUCATE LIMITED

CIN: U74899DL1996PLC078481

Registered Office: A-41, Espire Building, Lower Ground Floor, Mohan Co-Operative Industrial Area,
Main Mathura Road, New Delhi – 110 044

Website: www.cleducate.com.com **Email ID.:** rachna@careerlauncher.com

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named Company, hereby appoint

1. Name:.....Address:.....
E-mail Id:.....Signature:.....or failing him;

2. Name:.....Address:.....
E-mail Id:.....Signature:.....or failing him;

3. Name:.....Address:.....
E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the Wednesday, the 21st day of September, 2016 at 5.00 P.M. at **'The Park Hotel, 10th Floor, Board Room, 15, Parliament Street, Connaught Place, New Delhi – 110 001'** and at any adjournment thereof in respect of such resolutions as are indicated below:

AGM NOTICE 2016

Resolution

Ordinary Business	For	Against
1. Adoption of Annual Accounts		
2. Re-appointment of Mr. Nikhil Mahajan		
3. To ratify the appointment of Statutory Auditors		
Special Business		
4. Re-appointment of Mr. Satya Narayanan .R (DIN: 00307326) as Chairman and Whole Time Director of the Company for a further period of 3 (three) years i.e. from 01.04.2017 till 31.03.2020		
5. Re-appointment of Mr. Gautam Puri (DIN: 00033548) as Vice Chairman & Managing Director of the Company for a further period of 3 (three) years i.e. from 01.04.2017 till 31.03.2020		
6. Re-appointment of Mr. Nikhil Mahajan (DIN: 00033404) as Whole Time Director & CFO of the Company for a further period of 3 (three) years i.e. from 01.04.2017 till 31.03.2020		
7. Approval of the shareholders to the Overall Maximum Managerial Remuneration that may be paid to the Executive Director(s) of the Company over a period of 3 years i.e. FY 2017-18 till FY 2019-2020;		
8. Grant authorization to the Board to grant options under the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' to identified employees of the company's subsidiaries;		

Signed this.....day of.....2016

Signature of Shareholder.....

Signature of Proxy holder(s).....

Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. Any alteration or correction made to this Proxy form must be initialed by the signatory/signatories.

If you wish to vote for a Resolution, place a tick in the corresponding box under column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/she thinks fit.

Affix Stamp than Rs. 0.15	Revenue not less than Rs. 0.15
---------------------------------	--------------------------------------

