

**REPORT OF THE AUDIT COMMITTEE OF CL EDUCATE LIMITED RECOMMENDING
THE DRAFT COMPOSITE SCHEME OF AMALGAMATION**

Present:

Mr. Girish Shivani : Chairman
Ms. Madhumita Ganguli : Member (Present through Video Conferencing facility)

In Attendance

Mr. Nikhil Mahajan : Executive Director & Group CEO Enterprise
Business (Permanent Invitee to the Committee)
Mr. Arjun Wadhwa : CFO
Mr. Rakesh Sehgal : Tax Consultant
Ms. Rachna Sharma : Company Secretary and Compliance officer
Mr. Sachin Jain : Senior Executive, Secretarial Department (Kestone)

1. Background:

The Audit Committee of the Company at the meeting held on November 27, 2018, has considered and reviewed the Draft Composite Scheme of Amalgamation ("Scheme") proposed between Career Launcher Education Infrastructure & Services Limited ("Amalgamating Company 1"), CL Media Private Limited ("Amalgamating Company 2"), Accendere Knowledge Management Services Private Limited ("Amalgamating Company 3"), G.K. Publications Private Limited ("Amalgamating Company 4"), Kestone Integrated Marketing Services Private Limited ("Amalgamating Company 5") (hereinafter collectively referred to as ("Amalgamating Companies") and CL Educate Limited ("Amalgamated Company" or "Company") and their respective shareholders and creditors under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, as amended or re-substituted or re-enacted from time to time, including the rules made thereunder (the "Act").

The Securities and Exchange Board of India vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), as amended, has, amongst other requirements, sought a report from the Audit Committee of the Listed Company recommending the Draft Scheme. This report of the Audit Committee is made in order to comply with such provisions of the said Circular.

Draft Scheme, duly initialed by the Chairperson of the Audit Committee for the purpose of identification, was placed before the Audit Committee.

2. Proposed Scheme of Amalgamation:

- a) The Audit Committee noted the rationale of the proposed Scheme, which inter alia, is as follows:
- Elimination of multiple entities;
 - Reducing the multiplicities of legal and regulatory compliances;
 - Reducing time and efforts for coordination of financials at group level;
 - Elimination of duplicative communication and coordination efforts; and
 - Rationalization of administrative and compliance costs.

CL EDUCATE LIMITED

Registered Office: Plot No. 9A, Sector-27A, Mathura Road, Faridabad, Haryana- 121003

Corporate Office: A-45, First Floor, Mohan Co-operative Industrial Estate, New Delhi- 110044

CIN: L74899HR1996PLC076897, Email id: compliance@cleducate.com

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b) The salient features of the Scheme are:

- i. As the Amalgamated Company holds 100% shares of Amalgamating Companies, there would be no consideration for amalgamation of Amalgamating Companies with the Amalgamated Company;
- ii. The capital reduction under the Scheme is by way of adjustment of Capital Reserve, arising pursuant to the amalgamation of Amalgamating Company with the Amalgamated Company, against the Securities Premium of the Amalgamated Company as per Section 66 read with Section 52 of the Companies Act, 2013;
- iii. There would be no change in the issued share capital and shareholding pattern of the Amalgamated Company pursuant to the amalgamation and capital reduction under the proposed Scheme; and
- iv. That the Scheme shall be effective from April 01, 2019 or such other date as may be approved by the NCLT and / or the Appropriate Authority ("Appointed Date").

3. Recommendation of the Audit Committee:

After taking into account the aforesaid points, the Audit Committee recommends the Scheme providing for the transfer and vesting of Amalgamating Companies into the Amalgamated Company and capital reduction of Amalgamated Company to the Board for its approval and for favorable consideration by the stock exchange(s), Securities and Exchange Board of India (SEBI) and other regulatory authorities.

**By order of the Audit Committee
For and on behalf of CL Educate Limited**


**Girish Shivani
Chairperson
Audit Committee**



Date: November 27, 2018
Place: New Delhi

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