

Independent Auditor's Review Report on quarterly and year to date Unaudited Standalone Financial Results of CL Educate Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To,
The Board of Directors
CL Educate Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of CL Educate Limited ("the Company") for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

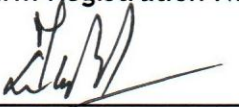


4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 5 to the Statement wherein the management has explained reasons for considering old vocational outstanding receivables as recoverable. Our report is not modified in respect of this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Raj Kumar Agarwal

Partner

Membership No.: 074715

UDIN: 20074715AAAAAM1446



Place: New Delhi

Date: February 10, 2020

CL Educate Limited

CIN No:- L74899HR1996PLC076897

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs.in lacs, except per share data)

| Particulars | For the quarter ended | | | For the nine month ended | | For the year ended |
|--|-----------------------|--------------------|-------------------|--------------------------|-------------------|--------------------|
| | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| Income | | | | | | |
| I (a) Revenue From operations | 2,966.81 | 4,877.77 | 2,832.93 | 12,881.05 | 12,971.67 | 17,000.96 |
| II (b) Other income | 322.00 | 348.51 | 296.09 | 1,083.66 | 1,128.94 | 1,510.84 |
| III Total income (I+II) | 3,288.81 | 5,226.28 | 3,129.02 | 13,964.71 | 14,100.61 | 18,511.80 |
| IV Expenses | | | | | | |
| (a) Purchases of Stock-in-Trade | 152.59 | 391.38 | 218.87 | 860.78 | 860.16 | 1,107.21 |
| (b) Changes in inventories of Stock-in-Trade | 3.85 | (59.84) | (81.27) | (67.28) | (83.68) | (8.93) |
| (c) Employee benefits expense | 542.81 | 582.58 | 381.57 | 1,722.86 | 1,962.19 | 2,569.72 |
| (d) Finance costs | 180.00 | 123.98 | 115.40 | 429.83 | 327.20 | 428.74 |
| (e) Depreciation and amortization expense | 284.35 | 282.42 | 200.12 | 835.31 | 598.65 | 808.16 |
| (f) Franchisee expenses | 1,197.62 | 2,011.25 | 891.82 | 5,119.93 | 4,430.37 | 6,088.99 |
| (g) Other expenses | 1,305.04 | 1,459.32 | 1,109.69 | 4,336.92 | 4,698.41 | 6,309.84 |
| Total expenses (IV) | 3,666.26 | 4,791.09 | 2,836.20 | 13,238.35 | 12,793.30 | 17,303.73 |
| V Profit/(Loss) before exceptional items and tax (III-IV) | (377.45) | 435.19 | 292.82 | 726.36 | 1,307.31 | 1,208.07 |
| VI Exceptional items | - | - | - | - | - | - |
| VII Profit /(Loss) before tax (V-VI) | (377.45) | 435.19 | 292.82 | 726.36 | 1,307.31 | 1,208.07 |
| VIII Tax expense | (123.83) | 79.34 | 4.74 | 109.85 | 221.10 | 227.95 |
| IX Profit /(Loss) for the period (VII-VIII) | (253.62) | 355.85 | 288.08 | 616.51 | 1,086.21 | 980.12 |
| X Other Comprehensive Income | | | | | | |
| (i) Items that will not be reclassified to profit or loss | 2.46 | 1.05 | 3.00 | 7.38 | 11.61 | 9.84 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.68) | (0.29) | (1.04) | (2.05) | (4.02) | (2.74) |
| XI Total Comprehensive Income/(Loss) for the period (Comprising Profit and Other comprehensive Income for the period) (IX+X) | (251.84) | 356.61 | 290.04 | 621.84 | 1,093.80 | 987.22 |
| XII Paid-up Equity Share Capital (face value of Rs. 10 each) | 1,416.57 | 1,416.57 | 1,416.57 | 1,416.57 | 1,416.57 | 1,416.57 |
| XIII Earnings per equity share | | | | | | |
| (a) Basic | (1.79) | 2.51 | 2.03 | 4.35 | 7.67 | 6.92 |
| (b) Diluted | (1.79) | 2.51 | 2.03 | 4.35 | 7.67 | 6.92 |



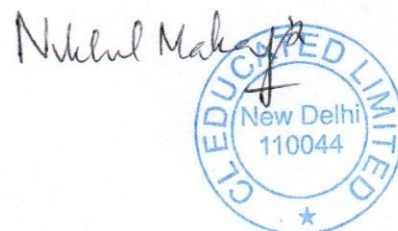
Nikhil Mahajan



UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31 , 2019
STANDALONE SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. In Lacs, except per share data)

| Segment Wise Performance | For the Quarter Ended | | | For the Nine Months Ended | | For the Year Ended |
|--|-----------------------|--------------------|-------------------|---------------------------|-------------------|--------------------|
| | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| Segment Revenue | | | | | | |
| Consumer Test Prep | 2,966.81 | 4,877.77 | 2,832.93 | 12,881.05 | 12,971.67 | 17,000.96 |
| Vocational | - | - | - | - | - | - |
| Total Segment Revenue from Operations (Gross) | 2,966.81 | 4,877.77 | 2,832.93 | 12,881.05 | 12,971.67 | 17,000.96 |
| Segment Results | | | | | | |
| Consumer Test Prep | (95.25) | 883.28 | 481.21 | 1,724.48 | 2,201.03 | 2,406.86 |
| Vocational | (176.19) | (234.96) | (170.89) | (625.62) | (588.48) | (830.67) |
| Total Segment Results | (271.44) | 648.32 | 310.32 | 1,098.86 | 1,612.55 | 1,576.19 |
| Add: Other Income | 322.00 | 348.51 | 296.09 | 1,083.66 | 1,128.94 | 1,510.84 |
| Less:- Finance Cost | 180.00 | 123.98 | 115.40 | 429.83 | 327.20 | 428.74 |
| Less:- Unallocated expenses | 248.01 | 437.66 | 198.19 | 1,026.33 | 1,106.98 | 1,450.22 |
| Profit/(Loss) before tax | (377.45) | 435.19 | 292.82 | 726.36 | 1,307.31 | 1,208.07 |
| Less: Tax Expenses | (123.83) | 79.34 | 4.74 | 109.85 | 221.10 | 227.95 |
| Net Profit / (Loss) for the period | (253.62) | 355.85 | 288.08 | 616.51 | 1,086.21 | 980.12 |
| Other Comprehensive Income | 1.78 | 0.76 | 1.96 | 5.33 | 7.59 | 7.10 |
| Total Comprehensive Income | (251.84) | 356.61 | 290.04 | 621.84 | 1,093.80 | 987.22 |
| Segment Assets | | | | | | |
| Consumer Test Prep | 10,889.09 | 10,813.99 | 8,335.00 | 10,889.09 | 8,335.00 | 8,920.30 |
| Vocational | 2,363.56 | 2,551.60 | 2,982.27 | 2,363.56 | 2,982.27 | 2,827.31 |
| Unallocated | 32,911.73 | 34,675.20 | 32,859.37 | 32,911.73 | 32,859.37 | 32,992.49 |
| Total | 46,164.38 | 48,040.79 | 44,176.64 | 46,164.38 | 44,176.64 | 44,740.10 |
| Segment Liabilities | | | | | | |
| Consumer Test Prep | 4,819.07 | 5,732.22 | 3,266.29 | 4,819.07 | 3,266.29 | 3,812.78 |
| Vocational | 1,052.52 | 1,109.35 | 1,381.71 | 1,052.52 | 1,381.71 | 1,329.44 |
| Unallocated | 4,634.63 | 5,119.62 | 4,343.03 | 4,634.63 | 4,343.03 | 4,394.75 |
| Total | 10,506.22 | 11,961.19 | 8,991.03 | 10,506.22 | 8,991.03 | 9,536.97 |



CL Educate Limited

CIN No: - L74899HR1996PLC076897

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

Notes to the Unaudited Standalone Financial Results ("financial results") for the quarter and nine months ended December 31, 2019

1. The above financial results of CL Educate Limited ("the Company") have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on February 10, 2020.
2. The financial results for the quarter and nine months ended December 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies, to the extent applicable.
3. In accordance with Ind AS -108 "Operating Segments" and based on "Management Evaluation", the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in preparing financial statements are consistently applied to record revenue and expenditure in individual segments. The reportable segments comprising of "Consumer Test Prep" and "Others", which comprises primarily scaled down vocational training businesses.
4. The basic and diluted earnings per share have been calculated in accordance with the Ind AS-33 "Earnings Per Share".
5. The Company has in the past undertaken various Central and State Government / Agencies projects in the education / skill development sector. Most of these projects are complete, however the dues from the concerned department / agency has not been realized mainly on account of delays and long process. The details of such vocational trade receivables which are outstanding for a considerable period of time are given below. In the opinion of the management it has made the necessary provision/ taken write off, wherever required and net balances, are fully recoverable. The details are as under:

| Nature of balance | Total Amount outstanding as on December 31, 2019 (Rs. in lacs) | Amount outstanding for more than 3 years (Out of total outstanding) (Rs. in lacs) | Expected Credit Loss (ECL) provision on amount outstanding as on December 31, 2019 (Rs. in lacs) | Amount of write off considered in the nine months ended December 31, 2019 (Rs. In lacs) |
|------------------------------|--|---|--|---|
| Vocational Trade Receivables | 2,457.59 | 2,457.59 | 369.46 | 375.00 |



Nikhil Mahajan

6. The Board of Directors of the Company has approved a scheme of arrangement for amalgamation of its subsidiary companies into the Company ("the Scheme") in its meeting held on November 27, 2018. The Scheme has been approved by National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). During the quarter ended September 30, 2019, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Company Law Tribunal (NCLT), for the proposed amalgamation of Career Launcher Education Infrastructure and Services Limited, CL Media Private Limited, Accendere Knowledge Management Services Private Limited, G.K. Publications Private Limited and Kestone Integrated Marketing Services Private Limited ("Amalgamating Company") with CL Educate Limited ("Amalgamated Company"). The Scheme will be effective upon approval from NCLT. The appointed date as proposed by the Company is April 1, 2019.
7. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the Standard to all lease contracts existing as on April 1, 2019 using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been adjusted. This has resulted in recognizing a Right-to-Use asset and a corresponding Lease Liability of Rs. 856.62 lacs as at April 1, 2019 and a corresponding impact on total expenses of Rs. 10.37 lacs during current quarter and Rs. 36.37 lacs for the current period.
8. On September 20, 2019, vide the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act'), the Government of India inserted Section 115BAB in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain condition. The Company is currently in the process of evaluating this option. Pending evaluation, the Company has not provided any effect as per the Amendment Act in these financial results.
9. The Board of Directors of the Company at its meeting held on November 13, 2019 has approved an interim dividend of Re. 1 per equity share and same has been paid by the Company.
10. Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to the current period's classification.



Place: New Delhi

Date: February 10, 2020

By the order of the Board

Nikhil Mahajan

Executive Director & Group CEO Enterprise
Business

