

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CL Educate Limited

Report on the Audit of the Standalone Financial Results

### Opinion

We have audited the accompanying standalone annual financial results of CL Educate Limited ("the Company") for the year ended March 31, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to the following matters in the notes to the accompanying Statement:

1. Note 6 to the Statement, wherein the Management has described the reasons for considering old vocational outstanding trade receivables as recoverable.
2. Note 12 to the Statement, which explains the Management's evaluation of the financial impact on the Company due to lockdown and other restrictions imposed on account of COVID-19 pandemic situation. The assessment of the impact in the subsequent period is highly subjective and is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

### Board of Directors' Responsibility for the Standalone Financial Results

This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that



give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of



our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

Due to COVID-19 related lockdown restrictions imposed by the government, management was able to perform physical verification of cash and inventory at the year end and/or subsequent to year end. However, we were unable to physically observe the verification of cash and inventory that was carried out by the management. Consequently, we have performed alternate audit procedures and relied upon internal controls to obtain comfort over the existence and condition of cash and inventory at year end, as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items", and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this Statement.

Our opinion is not modified in respect of this matter.

The Statement includes the results for the quarter ended March 31, 2020, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co.LLP  
Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Manoj Daga

Partner

Membership No.: 048523



UDIN: 20048523AAAAAG1476

Place: Mumbai

Date: June 29, 2020

STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT MARCH 31, 2020

(Rs. in Lacs)

Particulars	March 31, 2020	March 31, 2019
	Audited	Audited
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
Property, plant and equipment	3,121.73	3,434.27
Right of Use Assets	755.92	-
Investment property	299.91	305.67
Goodwill	212.38	212.38
Other intangible assets	1,997.78	1,950.77
Intangibles under development	102.81	174.45
Investment in subsidiaries and associates	15,696.22	19,655.87
Financial assets		
(i) Loans	116.42	100.80
(ii) Other financial assets	401.92	1,476.47
Non-current tax assets	900.59	1,151.01
Deferred tax assets (net)	290.30	376.69
Other non-current assets	45.79	55.43
<b>Total Non-current assets</b>	<b>23,941.77</b>	<b>28,893.81</b>
<b>2 Current assets</b>		
Inventories	540.69	493.99
Financial assets		
(i) Investments	3,716.34	2,743.09
(ii) Trade receivables	3,553.85	4,835.88
(iii) Cash and cash equivalents	434.79	691.03
(iv) Bank balances other than (iii) above	19.20	30.55
(v) Loans	4,957.00	4,923.43
(vi) Other financial assets	519.66	284.51
Other current assets	2,468.47	1,843.81
<b>Total current assets</b>	<b>16,210.00</b>	<b>15,846.29</b>
<b>Total Assets</b>	<b>40,151.77</b>	<b>44,740.10</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	1,416.57	1,416.57
Other equity	28,310.18	33,786.56
<b>Total equity</b>	<b>29,726.75</b>	<b>35,203.13</b>
<b>2 LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	83.58	278.86
(ii) Lease Liability	391.54	-
Provisions	317.88	258.00
Other non-current liabilities	37.25	208.88
<b>Total Non-current liabilities</b>	<b>830.25</b>	<b>745.74</b>
<b>3 Current liabilities</b>		
Financial liabilities		
(i) Borrowings	3,433.39	3,041.45
(ii) Trade payables		
- total outstanding dues of micro and small enterprises; and	636.77	787.97
- total outstanding dues of creditors other than micro and small enterprises	2,901.93	2,938.72
(iii) Lease Liability	286.92	-
(iv) Other financial liabilities	898.65	1,009.08
Other current liabilities	1,428.84	551.94
Provisions	8.27	15.34
Current tax liabilities (net)	-	446.73
<b>Total current liabilities</b>	<b>9,594.77</b>	<b>8,791.23</b>
<b>Total liabilities</b>	<b>10,425.02</b>	<b>9,536.97</b>
<b>Total Equity and Liabilities</b>	<b>40,151.77</b>	<b>44,740.10</b>



*Nikhil Mahajan*



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

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. in lacs, except per share data)

Particulars	For the quarter ended			For the year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Reviewed	Reviewed	Reviewed	Audited	Audited
<b>INCOME</b>					
I (a) Revenue From Operations	3,453.68	2,966.81	4,029.29	16,334.73	17,000.96
II (b) Other Income	338.41	322.00	381.90	1,422.07	1,510.84
<b>III Total Income (I+II)</b>	<b>3,792.09</b>	<b>3,288.81</b>	<b>4,411.19</b>	<b>17,756.80</b>	<b>18,511.80</b>
<b>IV EXPENSES</b>					
(a) Purchases of Stock-in-Trade	234.53	152.59	247.05	1,095.31	1,107.21
(b) Changes in inventories of Stock-in-Trade	10.52	3.85	74.75	(56.76)	(8.93)
(c) Employee benefits expense	612.29	542.81	607.53	2,335.15	2,569.72
(d) Finance costs	98.41	180.00	101.54	528.24	428.74
(e) Depreciation and amortization expense	271.65	284.35	209.51	1,106.96	808.16
(f) Franchisee expenses	1,513.37	1,197.62	1,718.62	6,633.30	6,088.99
(g) Other expenses	2,911.15	1,305.04	1,551.43	7,248.07	6,309.84
<b>Total expenses (IV)</b>	<b>5,651.92</b>	<b>3,666.26</b>	<b>4,510.43</b>	<b>18,890.27</b>	<b>17,303.73</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>(1,859.83)</b>	<b>(377.45)</b>	<b>(99.24)</b>	<b>(1,133.47)</b>	<b>1,208.07</b>
VI Exceptional Items	4,150.05	-	-	4,150.05	-
<b>VII Profit/(loss) before tax (V-VI)</b>	<b>(6,009.88)</b>	<b>(377.45)</b>	<b>(99.24)</b>	<b>(5,283.52)</b>	<b>1,208.07</b>
<b>VIII Tax expense:</b>	<b>(76.02)</b>	<b>(123.83)</b>	<b>6.85</b>	<b>33.83</b>	<b>227.95</b>
<b>IX Profit/(Loss) for the year (VI-VII)</b>	<b>(5,933.86)</b>	<b>(253.62)</b>	<b>(106.09)</b>	<b>(5,317.35)</b>	<b>980.12</b>
<b>X Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss	1.63	2.46	(1.77)	9.01	9.84
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.46)	(0.68)	1.28	(2.51)	(2.74)
<b>XI Total Comprehensive Income/(Loss) for the period (Comprising Profit and Other comprehensive Income for the year) (IX+X)</b>	<b>(5,932.69)</b>	<b>(251.84)</b>	<b>(106.58)</b>	<b>(5,310.85)</b>	<b>987.22</b>
<b>XII Paid-up Equity Share Capital (face value of Rs. 10 each)</b>	<b>1,416.57</b>	<b>1,416.57</b>	<b>1,416.57</b>	<b>1,416.57</b>	<b>1,416.57</b>
<b>XIII Earnings per equity share:</b>					
(a) Basic	(41.89)	(1.79)	(0.75)	(37.54)	6.92
(b) Diluted	(41.89)	(1.79)	(0.75)	(37.54)	6.92



*Nikhil Mahajan*



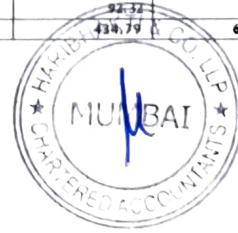
CL Educate Limited  
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**AUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. In Lacs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities</b>	Audited	Audited
<b>Net Profit before tax</b>	(5,283.53)	1,208.07
Adjustment For:		
Depreciation and amortisation	1,106.96	808.16
Depreciation on investment property	5.76	5.96
Gain on sale of property, plant and equipment	-	(8.08)
Provision for obsolescence of inventory	-	(22.15)
Finance cost	528.24	428.74
Rent income on investments property	(26.49)	(18.66)
Advances written off	418.32	153.53
Liability no longer required written back	(126.78)	(214.87)
Unwinding of interest on security deposits	(19.16)	(20.42)
Transfer to stock options outstanding	-	(5.26)
Employee share-based payment expenses	2.16	-
Unrealised foreign exchange gain (net)	(57.67)	(16.39)
Commission income on financial guarantee	(1.65)	(4.76)
Interest income	(499.61)	(564.52)
Loss allowance on doubtful debtors	-	(454.97)
Bad debts written off	2,397.94	1,574.15
Gain on mutual fund	(225.23)	(211.09)
Net gain on fair value change	(112.42)	(124.56)
Exceptional items	4,150.05	-
<b>Operating profit before working capital changes</b>	<b>2,256.89</b>	<b>2,512.88</b>
Adjustment for (increase)/decrease in assets		
-Inventories	(46.70)	(8.93)
-Trade receivables	(1,115.91)	(12.08)
-Current and non current loans	(18.27)	(47.66)
-Other current financial assets	(195.86)	490.90
-Other non current and current assets	(620.98)	(625.98)
Adjustment for increase/(decrease) in liabilities		
-Non-current and current provisions	61.83	(5.51)
-Other non current and current liabilities	705.27	(785.32)
-Trade payables	(61.22)	21.02
-Other current financial liabilities	(84.43)	(163.03)
<b>Cash Generated from operations</b>	<b>880.62</b>	<b>1,376.29</b>
Less: Income tax paid (net of refunds)	(146.26)	(219.83)
<b>Net cash generated from operating activities (A)</b>	<b>734.36</b>	<b>1,156.46</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(65.45)	(253.43)
Purchase/development of other intangible assets	(496.31)	(519.60)
Intangibles under development	(102.81)	(56.72)
Sale of property, plant & equipment	-	17.93
Purchase of investment of in subsidiaries/associates and businesses	(76.32)	(107.97)
Purchase of investment (mutual fund)	(1,905.00)	(3,902.00)
Sale of investment (mutual fund)	931.75	1,158.91
Gain on mutual fund	225.23	211.09
Rent income on investments property	26.49	18.66
Loans given to subsidiaries	(184.54)	(657.14)
Proceeds from realisation of loan given to subsidiaries	175.66	246.18
Term deposits not considered as cash and cash equivalents	1,085.90	2,582.95
Interest received	96.81	672.72
<b>Net cash used in investing activities (B)</b>	<b>(288.59)</b>	<b>(588.42)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from long-term borrowings	-	31.39
Repayment of long-term borrowings	(159.89)	(365.29)
Net decrease/(increase) in working capital borrowings	391.94	(107.46)
Payment of lease liabilities	(243.23)	-
Net increase in finance lease liabilities	-	6.38
Interest expense Paid	(520.06)	(430.18)
Dividend paid	(170.77)	(170.77)
<b>Net cash used in financing activities (C)</b>	<b>(702.01)</b>	<b>(1,035.93)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(256.24)</b>	<b>(467.89)</b>
<b>Balance at the beginning of the year</b>		
Cash and cash equivalents at the beginning of the year	691.03	1,158.92
<b>Balance at the end of the year</b>	<b>434.79</b>	<b>691.03</b>
<b>Notes to cash flow statement</b>		
Components of cash and cash equivalents		
Balances with banks		
Current account	340.14	555.49
Cheques/drafts in hand	2.33	27.92
Cash in hand	92.32	107.62
	<b>434.79</b>	<b>691.03</b>

*Nikhil Mahajan*



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**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31 , 2020**  
**STANDALONE SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES**

(Rs. In Lacs )

Segment Wise Performance	For the quarter ended			For the year ended	
	Reviewed	Reviewed	Reviewed	Audited	Audited
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
<b>Segment Revenue</b>					
Consumer Test Prep	3,453.68	2,966.81	4,029.29	16,334.73	17,000.96
Vocational	-	-	-	-	-
<b>Total Segment Revenue from Operations (Gross)</b>	<b>3,453.68</b>	<b>2,966.81</b>	<b>4,029.29</b>	<b>16,334.73</b>	<b>17,000.96</b>
<b>Segment Results</b>					
Consumer Test Prep	(632.18)	(95.25)	205.83	1,092.30	2,406.86
Vocational	(753.31)	(176.19)	(242.19)	(1,378.93)	(830.67)
<b>Total Segment Results</b>	<b>(1,385.49)</b>	<b>(271.44)</b>	<b>(36.36)</b>	<b>(286.63)</b>	<b>1,576.19</b>
Add: Other Income	338.41	322.00	381.90	1,422.07	1,510.84
Less:- Finance Cost	98.41	180.00	101.54	528.24	428.74
Less:- Unallocated expenses	714.34	248.01	343.24	1,740.67	1,450.22
<b>Profit/(Loss) before tax</b>	<b>(1,859.83)</b>	<b>(377.45)</b>	<b>(99.24)</b>	<b>(1,133.47)</b>	<b>1,208.07</b>
Less:Exceptional Items	4,150.05	-	-	4,150.05	-
<b>Profit/(Loss) before tax after exceptional items</b>	<b>(6,009.88)</b>	<b>(377.45)</b>	<b>(99.24)</b>	<b>(5,283.52)</b>	<b>1,208.07</b>
Less: Tax Expenses	(76.02)	(123.83)	6.85	33.83	227.95
<b>Net Profit / (Loss) for the period</b>	<b>(5,933.86)</b>	<b>(253.62)</b>	<b>(106.09)</b>	<b>(5,317.35)</b>	<b>980.12</b>
Other Comprehensive Income	1.17	1.78	(0.49)	6.50	7.10
<b>Total Comprehensive Income</b>	<b>(5,932.69)</b>	<b>(251.84)</b>	<b>(106.58)</b>	<b>(5,310.85)</b>	<b>987.22</b>
<b>Segment Assets</b>					
Consumer Test Prep	9,445.77	10,889.09	8,920.30	9,445.77	8,920.30
Vocational	1,613.92	2,363.56	2,827.31	1,613.92	2,827.31
Unallocated	29,092.08	32,911.73	32,992.49	29,092.08	32,992.49
<b>Total</b>	<b>40,151.77</b>	<b>46,164.38</b>	<b>44,740.10</b>	<b>40,151.77</b>	<b>44,740.10</b>
<b>Segment Liabilities</b>					
Consumer Test Prep	5,396.21	4,819.07	3,812.78	5,396.21	3,812.78
Vocational	1,015.52	1,052.52	1,329.44	1,015.52	1,329.44
Unallocated	4,013.29	4,634.63	4,394.75	4,013.29	4,394.75
<b>Total</b>	<b>10,425.02</b>	<b>10,506.22</b>	<b>9,536.97</b>	<b>10,425.02</b>	<b>9,536.97</b>



*Nikhil Mahajan*



**CL Educate Limited**

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

**Notes to the Audited Standalone Financial Results ("financial results") for the quarter and year ended March 31, 2020**

1. The above standalone 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 June 29, 2020.
2. The standalone financial results for the quarter and year ended March 31, 2020 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. The figures for the quarter ended March 31, 2020 and the corresponding quarter ended in the previous year, as reported in these financial results, are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial years. Also, the figures upto the end of third quarter had only been reviewed and not subject to audit.
4. 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.
5. The basic and diluted earnings per share have been calculated in accordance with the Ind AS-33 "Earnings per Share".
6. The Company has in the past undertaken various Central and State Government / Agencies projects in education/skill development sector. Most of these projects are complete, however the dues from the concerned department / agency have not been realized mainly on account of delays and long process. The details of such vocational trade receivables which are outstanding for a considerable period of time are given below. In the opinion of the management, it has made the necessary provision, wherever required and such balances are fully recoverable. The details of amount recoverable are as under :



*Nikhil Mahajan*





Nature of balance	Total Amount outstanding as on March 31, 2020 (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 March 31, 2020 (Rs. in lacs)	Amount of write off considered in the year ended March 31, 2020 (Rs. In lacs)
Vocational Trade Receivables	1,807.59	1,807.59	381.15	1025.00

7. The Company has an investment in Career Launcher Education Infrastructure and Services Limited, a wholly owned subsidiary (hereinafter referred as 'CLEIS' or the 'Wholly Owned Subsidiary'). The Wholly owned Subsidiary was set up to provide various infrastructure facilities, soft skills, educational and consulting programs. During 2017-18, CLEIS entered into an agreement with B&S Services Private Limited (B&S), an Associate, to manage its School Business vertical (K 12 Business). CLEIS holds a 44.18% in equity share of B&S at an investment amounting to Rs.4,745 Lacs. Further, an overdue amount of Rs. 400 Lacs is recoverable from B&S towards cash consideration as per aforesaid agreement.

Over the period, the number of admissions has declined in the school and with insufficient cash being generated by the business, the Management does not intend to make further investments. The situation has been accentuated by the onset of COVID-19, forcing schools to shut early and the present management failing to collect final term fees of FY'20 and for the first quarter of the new Academic Year. In view of the aforesaid factors and based on an independent valuers' report, CLEIS fair valued its investment in B&S at Rs. 595 Lacs as at March 31, 2020 thereby resulting in an impairment of Rs. 4,150 Lacs.

The Company has also taken the impact of impairment amounting to Rs. 4,150 Lacs on its investment in CLIES and has disclosed it as an exceptional item in the financial result.

8. 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 year, 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, which is pending as on date. The appointed date as proposed by the Company is April 1, 2019.
9. 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 year ended March 31, 2019 had not been adjusted. This has



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resulted in recognizing right to use assets and corresponding lease liability of Rs 856.62 Lacs as at April 01, 2020 and a corresponding impact on total expenses of Rs 44.44 Lacs during the year ended March 31, 2020.

10. 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 states that there is no changes in tax rate for this year and the Company will evaluate the same in future.
11. 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.
12. Due to spread of 'COVID-19' pandemic the Government imposed a nationwide lockdown and other restrictions on movement with effect from March 25, 2020. Consequently, the Company's offices were closed and operations temporarily suspended since then.

The Company has drawn projected cash flow for the next one year, based on certain assumptions and has concluded that the Company will have sufficient liquidity to continue its operations. There are possibilities of delays in case of customers which are taken care by Expected Credit Loss Model (ECL).

In assessing the recoverability of its current assets including trade receivables, loan and advances, the Company has considered internal and external information up to the date of approval of these financial statements, has performed sensitivity analysis on the assumptions based on current indicators of the future economic conditions and considered the same in preparing these financial results. The Company is confident of recovering the carrying amount of these assets.

However, the impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions.

Place: New Delhi  
Date: June 29, 2020



By the order of the Board

*Nikhil Mahajan*

**Nikhil Mahajan**  
Executive Director & Group CEO Enterprise  
Business

