

Independent Auditor's Review Report on quarterly 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 June 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirements 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 Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder 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 Engagements (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 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.

HARIBHAKTI & CO. LLP

Chartered Accountants

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

- (i) Note 6 to the Statement, wherein the Management has described the reasons for considering old vocational outstanding trade receivables as recoverable.
- (ii) Note 8 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 report is not modified in respect of these matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W /W100048

MANOJ
OMPRAKASH DAGA

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Manoj Daga

Partner

Membership No.: 048523

UDIN: 20048523AAAAV5159

Place: Mumbai

Date: August 22, 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 ENDED JUNE 30,2020

(Rs.in lacs, except per share data)

Particulars	For the quarter ended			For the year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Reviewed	Audited	Reviewed	Audited
INCOME				
I (a) Revenue From Operations	2,657.41	3,453.68	5,036.47	16,334.73
II (b) Other Income	246.30	338.41	413.15	1,422.07
III Total income (I+II)	2,903.71	3,792.09	5,449.62	17,756.80
IV EXPENSES				
(a) Purchases of Stock-in-Trade	61.94	234.53	316.81	1,095.31
(b) Changes in inventories of Stock-in-Trade	10.54	10.52	(11.29)	(56.76)
(c) Employee benefits expense	390.77	612.29	597.47	2,335.15
(d) Finance costs	105.02	98.41	125.85	528.24
(e) Depreciation and amortization expense	214.99	271.65	268.54	1,106.96
(f) Franchisee expenses	883.06	1,513.37	1,911.06	6,633.30
(g) Other expenses	952.09	2,911.15	1,572.56	7,248.07
Total expenses (IV)	2,618.41	5,651.92	4,781.00	18,890.27
V Profit/(loss) before exceptional items and tax (III-IV)	285.30	(1,859.83)	668.62	(1,133.47)
VI Exceptional Items	-	4,150.05	-	4,150.05
VII Profit /(loss) before tax (V-VI)	285.30	(6,009.88)	668.62	(5,283.52)
VIII Tax expense:	97.40	(76.02)	154.34	33.83
IX Profit /(Loss) for the year (VII-VIII)	187.90	(5,933.86)	514.28	(5,317.35)
X Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss	1.69	1.63	3.87	9.01
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.47)	(0.46)	(1.08)	(2.51)
XI Total Comprehensive Income/(Loss) for the period (Comprising Profit and Other comprehensive Income for the year) (IX+X)	189.12	(5,932.69)	517.07	(5,310.85)
XII Paid-up Equity Share Capital (face value of Rs. 10 each)	1,416.57	1,416.57	1,416.57	1,416.57
XIII Earnings per equity share:				
(a) Basic	1.33	(41.89)	3.63	(37.54)
(b) Diluted	1.33	(41.89)	3.63	(37.54)



Nikhil Mahajan

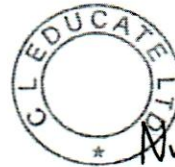
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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020
STANDALONE SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. In Lacs, except per share data)

Segment Wise Performance	For the quarter ended			For the year ended
	Reviewed	Audited	Reviewed	Audited
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Segment Revenue				
Consumer Test Prep	2,657.41	3,453.68	5,036.47	16,334.73
Others - Vocational	-	-	-	-
Total Segment Revenue from Operations (Gross)	2,657.41	3,453.68	5,036.47	16,334.73
Segment Results				
Consumer Test Prep	395.05	(632.18)	936.45	1,092.30
Others - Vocational	(50.96)	(753.31)	(214.47)	(1,378.93)
Total Segment Results	344.09	(1,385.49)	721.98	(286.63)
Add: Other Income	246.30	338.41	413.15	1,422.07
Less:- Finance Cost	105.02	98.41	125.85	528.24
Less:- Unallocated expenses	200.07	714.34	340.64	1,740.67
Profit/(Loss) before tax	285.30	(1,859.83)	668.62	(1,133.47)
Less: Exceptional items	-	4,150.05	-	4,150.05
Profit/(Loss) before tax after exceptional items	285.30	(6,009.88)	668.62	(5,283.52)
Less: Tax Expenses	97.40	(76.02)	154.34	33.83
Net Profit / (Loss) for the period	187.90	(5,933.86)	514.28	(5,317.35)
Other Comprehensive Income	1.22	1.17	2.79	6.50
Total Comprehensive Income	189.12	(5,932.69)	517.07	(5,310.85)
Segment Assets				
Consumer Test Prep	7,717.81	9,445.77	9,509.78	9,445.77
Others - Vocational	1,616.29	1,613.92	2,701.36	1,613.92
Unallocated	29,024.85	29,092.08	33,808.60	29,092.08
Total	38,358.95	40,151.77	46,019.74	40,151.77
Segment Liabilities				
Consumer Test Prep	3,677.96	5,396.21	3,909.75	5,396.21
Others - Vocational	1,004.04	1,015.52	1,312.52	1,015.52
Unallocated	3,760.36	4,013.29	5,075.08	4,013.29
Total	8,442.36	10,425.02	10,297.35	10,425.02



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New Delhi- 110044

**Notes to the Unaudited Standalone Financial Results ("financial results") for the
quarter ended June 30, 2020**

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 August 22, 2020.
2. The financial results for the quarter ended June 30, 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, 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". The segment "Others" 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 :



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Nature of balance	Total Amount outstanding as on June 30, 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 June 30, 2020 (Rs. in lacs)	Amount of write off considered in the quarter ended June 30, 2020 (Rs. In lacs)
Vocational Trade Receivables	1,807.59	1,807.59	381.15	Nil

7. 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 previous year 2019-20, 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.
8. The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the education sector as well, as all of the Company's study centers across India continued to remain shut right through the quarter ended June 30, 2020. The Management had however, made necessary adjustments to its service and customer acquisition processes, moving to a largely Digital model, thereby minimizing the business impact of the pandemic.

During the current quarter, the Management has re-evaluated the likely impact of COVID-19 on its business operations, demand for its products/services, profitability, capital and financial resources, liquidity position, ability to service debt arrangements and financial and non-financial assets etc.

Based on the projected cash flows drawn for the current financial year, the Management has concluded that the Company will have sufficient liquidity to continue its operations in an uninterrupted manner. Also, the Management is of the view that there is no material impact assets and confident of recovering the carrying amount of all the assets. Any possibilities of delays in collection from customers are covered by the Expected Credit Loss Model.

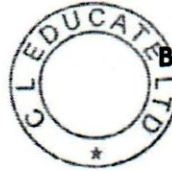
For the aforesaid evaluation, the Management has considered internal and external source of information up to the date of approval of these financial results. The actual impact of the pandemic may however, differ from that estimated as at the date of approval of these financial results and the Management will continue to closely monitor any material changes to future economic conditions.



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

Place: New Delhi
Date: August 22, 2020



By the order of the Board

Nikhil Mahajan

Nikhil Mahajan
Executive Director & Group CEO
Enterprise Business

