

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of CL Educate Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (the 'Statement') of CL Educate Limited (the 'Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') and its associate (refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter ended 31 December 2020 and the consolidated year to date results for the period 01 April 2020 to 31 December 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding 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 ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Chartered Accountants



Walker Chandiook & Co LLP

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of CL Educate Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

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 Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements 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 the following matters in the notes to the accompanying Statement:
 - a) Note 4 to the Statement, with regard to Business Transfer Agreement with I-Take Care Private Limited (the "Buyer") for the sale of infrastructure services business (the "Assets") on slump sale basis. As on date, the transaction is pending closure as the Buyer has not been able to arrange the requisite funds to close the transactions. As detailed in said note, the Management is also in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As further stated in the said Note, the delay is caused by the events and circumstances beyond Career Launcher Infrastructure Private Limited ("CLIP")'s control and that Management remains committed to its plan to sell the assets. As a result, CLIP continues to disclose such Assets as "Disposal group-Assets held for sale" as on the reporting date.
 - b) Note 5 to the Statement, relating to recoverability of long outstanding vocational trade receivables aggregating to Rs. 1,326.44 lacs (net of provision: Rs. 381.15 lacs) outstanding as at 31 December 2020, which represent amounts recoverable for various Central and State Government/ Agencies projects in education/ skill development sector. Based on internal assessment of the management which includes considering the progress of the discussions with the relevant government parties, past trends, contractual rights and evidence of service delivery, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 31 December 2020 are good and recoverable.
 - c) Note 6 to the Statement, which describes that the group has initiated a legal action against B&S Strategy Services Private Limited ('B&S') before the Honorable High Court for recovery of outstanding cash consideration of Rs. 400 lacs from sale of its school business vertical. Further, as stated in Note 9, the Group has receivables from Nalanda Foundation amounting to Rs 500 lacs which are long outstanding.

Based on legal advice and its assessment of the merits of the cases, the Management is of the view that the aforesaid receivable balances are good and recoverable as at 31 December 2020.

- d) Note 10 to the Statement, which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations of the Group and the accompanying Statement as at for the period ended 31 December 2020, the extent of which is significantly dependent on future developments as they evolve.

Our report is not modified in respect of these matters.

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Walker Chandiook & Co LLP

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of CL Educate Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

6. The Statement includes the interim financial information of four subsidiaries, which have not been reviewed/ audited by their auditors, whose interim financial information reflect total revenues of Rs. 515.19 lacs and Rs. 1,207.38 lacs, net profit after tax of Rs. 93.07 lacs and Rs. 109.46 lacs, total comprehensive income of Rs. 103.14 lacs and Rs. 119.53 lacs for the quarter and year-to-date period ended 31 December 2020 respectively, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 0.58 lacs and Rs. 1.94 lacs, and total comprehensive loss of Rs. 0.58 lacs and Rs. 1.94 lacs for the quarter and nine months period ended on 31 December 2020 respectively, in respect of one associate, based on their interim financial information, which have not been reviewed/ audited by their auditor, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

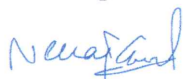
Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

7. The review of unaudited consolidated quarterly and year-to-date financial results for the period ended 31 December 2019 and audit of consolidated financial results for the year ended 31 March 2020 included in the Statement was carried out and reported by Haribhakti & Co. LLP who have expressed unmodified conclusion vide their review report dated 10 February 2020 and unmodified opinion vide their audit report dated 29 June 2020, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Neeraj Goel

Partner

Membership No.099514

UDIN : 21099514AAAAAV2165

Place: New Delhi

Date: 13 February 2021

Chartered Accountants



Walker ChandioK & Co LLP

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of CL Educate Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Annexure 1

List of entities included in the Statement

Subsidiaries

1. CL Media Private Limited;
2. G. K. Publications Private Limited;
3. Career Launcher Education Infrastructure and Services Limited;
4. Career Launcher Infrastructure Private Limited (step down subsidiary);
5. Accendere Knowledge Management Services Private Limited;
6. Ice Gate Educational Institute Private Limited;
7. Kestone Integrated Marketing Services Private Limited;
8. Kestone CL Asia Hub Pte. Limited (step down subsidiary);
9. Kestone CL US Limited (step down subsidiary of Kestone Integrated Marketing Services Private Limited); and
10. CL Educate (Africa) Limited (w.e.f 1 December 2020) (step down subsidiary of Kestone Integrated Marketing Services Private Limited)

Associate

1. Threesixtyone Degree Minds Consulting Private Limited

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(Rs. in lacs, except per share data)

Particulars	For the quarter ended			For the nine months ended		For the year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Income						
I Revenue from operations	4,389.39	4,577.54	6,662.75	13,869.43	25,453.68	30,868.33
II Other income	86.81	137.86	267.47	595.14	753.52	1,523.94
III Total income (I+II)	4,476.20	4,715.40	6,930.22	14,464.57	26,207.20	32,392.27
IV Expenses						
(a) Cost of material consumed	43.46	57.41	204.23	190.84	823.93	941.34
(b) Purchases of Stock-in-Trade	45.77	37.41	4.21	98.73	73.93	81.06
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(28.20)	150.76	(97.25)	186.89	(254.86)	(557.26)
(d) Employee benefits expense	936.32	851.90	1,383.60	2,784.95	4,147.34	5,303.93
(e) Finance costs	133.23	155.36	270.67	459.26	683.17	830.96
(f) Depreciation and amortization expense	168.86	222.06	369.99	689.24	1,059.60	1,395.74
(g) Franchisee expenses	797.59	656.02	1,255.41	2,382.74	5,544.11	7,142.51
(h) Service delivery expenses	1,419.16	1,323.49	1,990.85	3,717.09	6,611.43	7,782.16
(i) Other expenses	1,074.99	1,469.57	1,591.97	3,788.87	6,121.71	10,834.75
Total expenses (IV)	4,582.18	4,923.98	6,973.68	14,289.61	24,810.36	33,755.19
V Profit/(loss) before share of profit/(loss) of equity accounted investees, exceptional items and tax (III-IV)	94.02	(188.58)	(43.46)	174.96	1,396.84	(1,362.92)
VI Exceptional items	-	-	-	-	-	4,150.05
VII Profit/(loss) before share of profit/(loss) of equity accounted investees and tax (V-VI)	94.02	(188.58)	(43.46)	174.96	1,396.84	(5,512.97)
Share of profit/(loss) of equity accounted investees	(0.57)	1.72	(4.05)	(1.94)	(20.73)	(14.71)
VIII Profit/(loss) before tax	93.45	(186.86)	(47.51)	173.02	1,376.11	(5,527.68)
IX Tax expense	132.68	(73.04)	24.98	174.25	461.43	(102.96)
X Profit/(loss) for the period from continuing operations (VIII-IX)	(39.23)	(113.82)	(72.49)	(1.23)	914.68	(5,424.73)
XI Profit/(loss) for the period from discontinued operations	(1.36)	4.17	35.90	(0.79)	107.53	118.92
XII Tax expenses of discontinued operations	-	-	-	-	-	-
XIII Profit/(loss) for the period from discontinued operations (after tax) (XI-XII)	(1.36)	4.17	35.90	(0.79)	107.53	118.92
XIV Net Profit/(loss) for the period (X+XIII)	(40.59)	(109.65)	(36.59)	(2.02)	1,022.21	(5,305.80)
XV Profit/(loss) from continuing operations for the period attributable to						
(a) Owners of the Company	(41.62)	(107.48)	(74.28)	2.86	893.19	(5,434.99)
(b) Non-controlling interest	2.39	(6.34)	1.79	(4.09)	21.49	19.27
XVI Profit/(loss) from discontinued operations for the period attributable to						
(a) Owners of the Company	(1.36)	4.17	35.90	(0.79)	107.53	118.92
(b) Non-controlling interest	-	-	-	-	-	-
XVII Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss	10.87	10.61	6.51	31.89	19.50	47.93
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.78)	(2.71)	(1.80)	(8.13)	(5.40)	(12.32)
B (i) Items that will be reclassified to profit or loss	6.69	(3.90)	12.03	13.46	16.82	9.75
(ii) Income tax relating to items that will be reclassified to profit or loss	(1.68)	0.98	(4.02)	(3.39)	(4.57)	(2.47)
Total Other Comprehensive Income	13.10	4.98	12.72	33.74	26.35	42.89
Other comprehensive income for the year attributable to						
(a) Owners of the Company	13.10	4.98	12.72	33.74	26.35	42.89
(b) Non-controlling interest	-	-	-	-	-	1.21
XVIII Total Comprehensive Income for the period (Comprising Profit/(loss) and Other comprehensive income for the period) (XIV+XVII)	(27.49)	(104.67)	(23.87)	31.72	1,048.56	(5,262.91)
Total comprehensive income for the year attributable to						
(a) Owners of the Company	(29.88)	(98.33)	(25.66)	35.81	1,027.07	(5,274.39)
(b) Non-controlling interest	2.39	(6.34)	1.79	(4.09)	21.49	11.48
XIX 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
XX Other equity						
XXI Earnings per equity share (for continuing operation)*						
(a) Basic	(0.28)	(0.80)	(0.51)	(0.01)	6.46	(38.29)
(b) Diluted	(0.28)	(0.80)	(0.51)	(0.01)	6.46	(38.29)
XXII Earnings per equity share (for discontinued operation)*						
(a) Basic	(0.01)	0.03	0.25	(0.01)	0.76	0.84
(b) Diluted	(0.01)	0.03	0.25	(0.01)	0.76	0.84

* (Earning per equity share for the quarters and nine months ended is not normalised)



Nikhil Mahajan

CL Educare Limited
CIN No.- L74899HR1996PLC076897
Registered Office: Plot No. 9A, Sector 27A, Mathura Road, Faridabad, Haryana, India 121003
Corporate Office: A-45, First Floor, Mohan Cooperative Industrial Area, Main Mathura Road, Delhi 110044
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020
CONSOLIDATED SEGMENT REVENUE, RESULT, ASSETS AND LIABILITIES

(Rs. In Lacs)

Particulars	For the quarter ended			For the nine months ended		For the year ended
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
Segment Revenue						
Premium	1,391.74	986.18	2,656.09	3,790.85	11,700.05	14,711.16
Digital	1,046.22	1,420.33	491.35	3,851.86	2,079.39	2,747.42
Vocational	-	-	-	-	-	-
Consumer Publishing	(130.24)	83.85	(101.91)	54.63	412.66	(156.28)
Enterprise Corporate	2,154.39	1,964.32	2,887.42	5,658.83	9,609.93	11,535.06
Enterprise Institutional	127.28	122.86	720.31	513.26	1,628.75	2,001.78
Others	-	-	9.49	-	22.90	29.19
Inter-segment	-	-	-	-	-	-
Total	4,589.39	4,577.54	6,662.75	13,869.43	25,453.68	30,868.33
Segment Result - Continuing						
Premium	254.38	(99.99)	(334.65)	157.68	906.45	82.59
Digital	241.45	463.64	428.15	1,137.85	1,509.72	2,222.01
Vocational	(132.73)	(24.85)	(176.19)	(208.54)	(625.62)	(1,378.93)
Consumer Publishing	(29.70)	(132.24)	79.36	(182.03)	447.62	(67.57)
Enterprise Corporate	143.69	140.59	5.57	200.89	175.35	170.98
Enterprise Institutional	24.21	(176.85)	396.14	(78.18)	608.34	540.02
Others	(25.17)	(31.00)	(161.39)	(91.76)	(581.91)	(1,736.50)
Inter-segment	-	-	-	-	-	-
Total	476.11	159.30	236.99	935.91	2,439.95	(167.40)
Less: Unallocated expenses	335.67	350.58	277.25	896.83	1,113.46	1,888.50
Operating Profit/(Loss)	140.44	(191.08)	(40.26)	39.08	1,326.49	(2,085.90)
Add: Other income	86.81	157.86	267.47	595.14	753.52	1,523.94
Less: Finance costs	133.23	155.36	270.67	459.26	683.17	830.96
Profit/(Loss) before share of profit/(loss) of equity accounted investees, exceptional items and tax	94.02	(188.58)	(43.46)	174.96	1,396.84	(1,362.92)
Less: Exceptional items	-	-	-	-	-	4,150.05
Profit/(Loss) before share of profit/(loss) of equity accounted investees and tax (V-VI)	94.02	(188.58)	(43.46)	174.96	1,396.84	(5,122.97)
Share of profit/(loss) of associates accounted for using equity method	(0.57)	1.72	(4.05)	(1.94)	(20.73)	(14.71)
Profit/(Loss) before tax	93.45	(186.86)	(47.51)	173.02	1,376.11	(5,527.68)
Income taxes	132.68	(73.04)	24.98	174.25	461.43	(102.96)
Net Profit/(Loss) from continuing operations	(39.23)	(113.82)	(72.49)	(1.23)	914.68	(5,424.72)
Profit/(Loss) from discontinued operations (net of taxes)	(1.36)	4.17	35.90	(0.79)	107.53	118.92
Net Profit/(Loss) including discontinued operations	(40.59)	(109.65)	(36.59)	(2.02)	1,022.21	(5,305.80)
Other Comprehensive Income	13.10	4.98	12.72	33.74	26.35	42.89
Total Comprehensive Income	(27.49)	(104.67)	(23.87)	31.72	1,048.56	(5,262.91)
Segment Assets						
Premium	5,979.11	8,145.08	8,133.39	5,979.11	8,133.39	7,269.09
Digital	879.20	783.81	1,088.34	879.20	1,088.34	914.99
Vocational	1,409.47	1,490.73	2,172.89	1,409.47	2,172.89	1,493.22
Consumer Publishing	4,732.43	4,580.63	5,624.60	4,732.43	5,624.60	5,382.97
Enterprise Corporate	6,733.99	6,511.16	8,306.27	6,733.99	8,306.27	7,121.86
Enterprise Institutional	3,107.99	2,974.88	3,203.27	3,107.99	3,203.27	3,005.69
Others	2,008.53	1,075.32	9,688.66	2,008.53	9,688.66	4,537.08
Unallocated	12,859.07	11,783.39	11,200.90	12,859.07	11,200.90	9,497.66
Assets held for sale	2,923.34	2,923.34	2,922.62	2,923.34	2,922.62	2,923.31
Total	40,632.93	40,268.34	52,340.94	40,632.93	52,340.94	42,145.87
Segment Liabilities						
Premium	2,906.58	3,568.91	4,464.05	2,906.58	4,464.05	5,040.95
Digital	1,018.30	634.20	748.92	1,018.30	748.92	603.57
Vocational	847.70	844.77	1,053.07	847.70	1,053.07	1,015.29
Consumer Publishing	163.99	290.39	668.73	163.99	668.73	579.27
Enterprise Corporate	2,556.90	2,386.40	6,316.28	2,556.90	6,316.28	3,108.37
Enterprise Institutional	667.82	556.22	1,117.88	667.82	1,117.88	1,035.78
Others	830.20	844.98	1,270.98	830.20	1,270.98	1,402.66
Unallocated	3,243.36	2,717.17	2,021.87	3,243.36	2,021.87	994.21
Total	12,234.85	11,843.04	17,661.78	12,234.85	17,661.78	13,780.10



Nikhil Mahajan

Notes:

1. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on February 13, 2021 and have undergone 'Limited Review' by the statutory auditors of the Group.
2. The above results have been prepared in accordance with the Indian Accounting Standards ('Ind-AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), specified under section 133 of the Companies Act, 2013.
3. In accordance with Ind AS-108 "Operating Segments" and based on "Management Evaluation", the Chief Operating Decision Maker ("CODM) evaluates the Group's performance and allocates resources based on the analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in preparation of financial results are constantly applied to record revenue and expenditure in individual segments.

Previously, consumer business comprised of "Consumer Test Prep" and "Consumer publishing" as the only reportable segments. During the quarter, based on the increasing growth and focus on Digital delivery of services and the consequent changes to the nature of internal reporting provided to the CODM, the management has reassessed the Company's segments. Accordingly, Consumer Test Prep segment have been reclassified into "Premium" and "Digital". "Premium" segment includes our classroom delivery, whilst our "Digital" segment includes services rendered through online mode. Accordingly, segment information provided in these results, including in respect of comparative periods, is based on such operating segments as described above. The reportable segments represent:

- (i) Consumer business comprising of Consumer Test Prep (Premium and Digital) and Consumer Publishing,
 - (ii) Enterprise business comprising of Enterprise Corporate and Enterprise Institutional,
 - (iii) Others which comprise primarily the discontinued K-12 business (up to March 2020) and scaled down vocational training business.
4. In March 2017, Career Launcher Infrastructure Private Limited ("CLIP"), a step-down subsidiary entered into a Business Transfer Agreement ("BTA") to sell its Infrastructure Services business (the "Assets") on a slump sale basis. The proposed sale of business is consistent with the Group's long-term strategy to discontinue its K-12 business. As on date, the transaction is pending for closure and the Management is taking appropriate action to ensure that its rights and interests are protected. Also, the Management is in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As the delay is caused by events and circumstances beyond CLIP's control and given that the Management remains committed to its plan to sell the Assets, CLIP continues to disclose such Assets as "Disposal Group-Assets held for sale" in accordance with Ind AS-105 "Non-Current Assets held for Sale and Discontinued Operations".
 5. The Group in the past has undertaken 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 processes. 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

Notes (cont'd)

Nature of Balance	Total amount outstanding as on December 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 December 31, 2020 (Rs. in lacs)	Amount of write-off considered in the nine months ended December 31, 2020 (Rs. in lacs)
Vocational Trade Receivables	1,707.59	1,707.59	381.15	100.00

6. During the financial year 2017-18, Career Launcher Education Infrastructure and Services Limited, a wholly owned subsidiary ("CLEIS" or "Wholly Owned Subsidiary/WOS") entered into an agreement to sell its School Business vertical (K-12 Business) to B&S Strategy Services Private Limited (B&S) for a total consideration of Rs. 4,650.00 lacs comprising Rs. 600.00 lacs payable in cash and remaining Rs. 4,050.00 lacs by way of equity shares in B&S. Presently the shareholding in B&S, is 8,817 equity shares of Rs. 10 each, being 44.18% of total equity of B&S. Further, an overdue amount of Rs. 400.00 lacs is recoverable from B&S towards cash consideration as per the aforesaid agreement, with the amount now being considerably overdue despite repeated reminders to the B&S Management.

Further there were consistent delays on part of B&S Management in providing required financial updates and other important business information.

The Group has taken legal advice and initiated legal proceedings before the Honourable Delhi High Court, to protect its interests, including recovery of Rs. 400.00 lacs of the cash consideration. A section 9 petition on the matter of CLEIS vs B&S was heard by Delhi High Court on June 22, 2020 with the Judge appointing a retired High Court judge as arbitrator to hear the dispute.

7. The Board of Directors of the Holding Company has approved a scheme of arrangement of amalgamation of its subsidiary companies into the Holding Company ("the Scheme") in its meeting held on November 27, 2018. The scheme has been approved by the National Stock Exchange of India Limited ("the NSE") and BSE Limited ("the 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 date by the Holding Company is April 1, 2019.
8. Career Launcher Infrastructure Private Limited ("CLIP"), one of the subsidiary, has started a publishing business in the current financial year. The current liabilities as on December 31, 2020 were in excess of current assets by Rs. 1656.60 lacs which primarily consists of current borrowings of Rs. 1,785.16 lacs (March 31, 2020: Rs. 1,955.56 lacs) are from the ultimate holding company and the group will support the same in terms of repayments. In view of the management, this new business will generate sufficient profit and cash flows to sustain the operations in the future. Further, the subsidiary has assets which are held for sale which the management believes to be realized in near future. Accordingly, the Management has prepared the financial statements on a going concern basis.



Nikhil Mahajan

Notes (cont'd)

9. There is a trade receivable due to Career Launcher Infrastructure Private Limited ("CLIP") from the Nalanda Foundation, who had licensed school infrastructure from CLIP in Indore and Raipur, but failed to meet its payment obligations. Due to a considerable delay by the Nalanda Foundation in meetings its obligations, despite repeated reminders, CLIP has initiated legal proceedings against them for recovery of dues and return of assets, with the Honourable Delhi High Court. The Honourable Delhi High Court has instructed Nalanda Foundation to return the assets to CLIP and Appointed a retired High Court judge as arbitrator to hear the dispute.
10. The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the sectors/ businesses that the Group operates. 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 period, 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 Group 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 and confident of recovering the carrying amount of all the assets. Any possibilities of delays in collection 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 date of approval of these financial results and the Management will continue to closely monitor any material changes to future economic conditions.

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

Place: New Delhi
Date: February 13, 2021



For and on behalf of the Board

Nikhil Mahajan

Nikhil Mahajan
Executive Director & Group CEO
Enterprise Business

