

## Independent Auditor's Report on Standalone Annual Financial 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

#### Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of CL Educate Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 23.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.



# Walker Chandiook & Co LLP

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### **Emphasis of Matter**

4. We draw attention to Note 5 of the accompanying Statement in respect of the scheme of arrangement ('the Scheme') under sections 230 to 232 of the Companies Act, 2013 between the Company and five of its wholly-owned Indian subsidiaries approved by the National Company Law Tribunal, Chandigarh Bench, vide its order date 7 February 2022, as per which such wholly-owned subsidiaries have been merged with the Company, on a going concern basis, with effect from the appointed date of 1 April 2019. The Scheme was given effect in the previous year ending 31 March 2022 in accordance with the accounting treatment prescribed therein which however was not in accordance with Appendix C to the Indian Accounting Standard 103, Business Combinations prescribed under Section 133 of the Companies Act, 2013, read with relevant rules and interpretations issued thereunder, as further described in the aforesaid note.

Our Conclusion is not modified in respect of the above matter.

### **Responsibilities of Management and Those Charged with Governance for the Statement**

5. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is 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.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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.
9. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, 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



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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 in place an adequate internal financial controls with reference to financial statements 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 represents the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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

12. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the 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 Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Neeraj Goel**

Partner

Membership No. 099514

UDIN: 23099514BGSCNB8912

**Place:** New Delhi

**Date:** 10 May 2023

CL Educate Limited  
CIN No:- L74899HR1996PLC076897  
Registered Office: Plot No. 9A, Sector 27A, Mathura Road, Faridabad, Haryana, India -121003  
Corporate Office: A-45, First Floor, Mohan Co-operative Industrial Estate, New Delhi -110044

STATEMENT OF AUDITED STANDALONE ASSETS AND LIABILITIES AS AT MARCH 31, 2023

		(Rs. In lacs)	
	Particulars	As at March 31, 2023	As at March 31, 2022
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant and equipment	516.38	486.56
	Righ-of-use assets	524.80	424.70
	Investment property	282.66	288.41
	Goodwill	212.38	212.38
	Other intangible assets	3,199.91	2,426.69
	Intangibles under development	337.09	387.51
	Financial assets		
	(i) Investments in subsidiaries and associate	4,617.97	5,250.23
	(ii) Investments	40.00	628.73
	(ii) Other financial assets	4,592.26	424.53
	Non-current tax assets (net)	1,914.54	1,495.30
	Deferred tax assets (net)	1,353.38	1,040.78
	Other non-current assets	9.50	102.62
	<b>Total non-current assets</b>	<b>17,600.87</b>	<b>13,168.44</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	1,481.48	1,428.13
	Financial assets		
	(i) Investments	-	3,986.50
	(ii) Trade receivables	6,230.22	5,010.34
	(iii) Cash and cash equivalents	701.92	474.25
	(iv) Bank balances other than (iii) above	3,865.78	584.35
	(v) Loans	469.45	2,507.15
	(vi) Other financial assets	1,623.28	2,188.08
	Other current assets	3,244.48	2,836.29
	<b>Total current assets</b>	<b>17,616.61</b>	<b>19,015.09</b>
	<b>Disposal group - Assets held for sale</b>	<b>-</b>	<b>2,271.33</b>
	<b>Total assets</b>	<b>35,217.48</b>	<b>34,454.86</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity share capital	2,753.42	1,416.57
	Equity attributable to the share holders of the Company	24,098.77	25,274.71
	<b>Total equity</b>	<b>26,852.19</b>	<b>26,691.28</b>
<b>2</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	(i) Borrowings	69.52	292.39
	(ia) Lease liabilities	336.24	352.41
	Provisions	482.94	440.24
	Other non-current liabilities	186.73	189.12
	<b>Total non-current liabilities</b>	<b>1,075.43</b>	<b>1,274.16</b>
<b>4</b>	<b>Current liabilities</b>		
	Financial liabilities		
	(i) Borrowings	934.96	1,386.24
	(ia) Lease liabilities	285.07	163.12
	(ii) Trade payables		
	- total outstanding dues of micro and small enterprises; and	85.15	60.04
	- total outstanding dues of creditors other than micro and small enterprises	3,056.83	2,449.75
	(iii) Other financial liabilities	779.75	592.08
	Other current liabilities	2,077.94	1,776.78
	Provisions	70.16	61.41
	<b>Total current liabilities</b>	<b>7,289.86</b>	<b>6,489.42</b>
	<b>Total equity and liabilities</b>	<b>35,217.48</b>	<b>34,454.86</b>



Nikhil Mahapatra



CL Educate Limited  
CIN No:- L74899HR1996PLC076897  
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**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023**

(Rs. in lacs, except per share data)

Particulars	For the quarter ended			For the year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited (Refer note 3)	Unaudited	Audited (Refer note 3)	Audited	Audited
<b>Income</b>					
<b>I</b> Revenue from operations	6,108.65	5,966.70	5,331.85	27,289.09	19,723.96
<b>II</b> Other income	131.63	177.43	379.02	671.23	931.81
<b>III Total income (I+II)</b>	<b>6,240.28</b>	<b>6,144.13</b>	<b>5,710.87</b>	<b>27,960.32</b>	<b>20,655.77</b>
<b>IV Expenses</b>					
(a) Purchases of stock-in-trade	414.56	349.82	352.88	1,683.43	1,393.70
(b) Changes in inventories of finished goods and work-in-progress	17.75	(60.56)	(144.45)	(41.20)	(88.34)
(c) Employee benefits expense	1,053.25	1,016.62	783.56	4,164.18	3,394.99
(d) Finance costs	23.37	23.32	41.35	156.97	345.42
(e) Depreciation and amortization expense	254.16	256.33	179.73	929.32	751.71
(f) Service delivery expenses	3,252.87	3,083.09	3,103.97	14,833.19	10,247.41
(g) Sales and marketing expenses	570.01	470.06	332.66	2,077.29	1,277.29
(h) Other expenses	690.50	623.09	441.53	2,792.94	2,124.24
<b>Total expenses (IV)</b>	<b>6,276.47</b>	<b>5,761.77</b>	<b>5,091.23</b>	<b>26,596.12</b>	<b>19,446.42</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>(36.19)</b>	<b>382.36</b>	<b>619.64</b>	<b>1,364.20</b>	<b>1,209.35</b>
<b>VI Exceptional items (refer note 6)</b>	<b>(645.82)</b>	<b>(578.89)</b>	<b>-</b>	<b>(42.65)</b>	<b>-</b>
<b>VII Profit/(loss) before tax (V-VI)</b>	<b>(682.01)</b>	<b>(196.53)</b>	<b>619.64</b>	<b>1,321.55</b>	<b>1,209.35</b>
<b>VIII Tax expense</b>	<b>(247.45)</b>	<b>(488.09)</b>	<b>76.71</b>	<b>(9.20)</b>	<b>280.97</b>
<b>IX Profit/(loss) for the period/year (VII-VIII)</b>	<b>(434.56)</b>	<b>291.56</b>	<b>542.93</b>	<b>1,330.74</b>	<b>928.38</b>
<b>X Other comprehensive income</b>					
(i) Items that will not be reclassified to profit or loss	(27.11)	7.80	14.95	(3.88)	31.06
(ii) Income tax relating to items that will not be reclassified to profit or loss	7.02	(2.04)	(3.99)	0.94	(8.13)
<b>X1 Total comprehensive income for the period/year (IX+X)</b>	<b>(454.65)</b>	<b>297.32</b>	<b>553.89</b>	<b>1,327.81</b>	<b>951.31</b>
<b>X11 Paid-up equity share capital (face value of Rs. 5 each)</b>	<b>2,753.42</b>	<b>2,753.42</b>	<b>1,416.57</b>	<b>2,753.42</b>	<b>1,416.57</b>
<b>X1II Other equity</b>				<b>24,098.77</b>	<b>25,274.71</b>
<b>X1V Earnings per equity share* :</b>					
(a) Basic	(0.79)	0.53	0.97	2.41	1.66
(b) Diluted	(0.79)	0.53	0.97	2.41	1.66

\*Earning per equity share for the quarters ended have not been annualised



*Nikhil Mahapatra*



**AUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
	Audited	Audited
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before tax :</b>	1,321.55	1,209.35
<b>Adjustment for :</b>		
Depreciation and amortisation expense	929.32	751.71
Gain on sale of property, plant and equipment	(2,412.81)	(194.24)
Loans and advances written off	1,214.60	47.18
Loss on sale of investments	568.69	-
Property, plant and equipment discarded	14.99	-
Receivables written off	361.18	-
Provision for impairment of investments in subsidiary	296.00	-
Provision for slow-moving inventory	10.00	5.54
Finance costs	156.97	345.42
Advances written off	18.65	-
Rental income on investment property	(18.00)	(9.60)
Employee share-based payment expense	35.00	-
Liabilities no longer required written back	(82.88)	(181.10)
Unwinding of interest on security deposits	(16.81)	-
Unrealised foreign exchange gain (net)	(51.94)	(22.94)
Gain on sale of investment in mutual funds	(91.30)	(133.59)
Interest income	(379.71)	(362.14)
Finance income on financial guarantees	-	(1.85)
Gain on lease modification	-	(16.52)
Expected credit loss and bad debts written off	491.12	163.04
<b>Operating profit before working capital changes</b>	<b>2,364.62</b>	<b>1,600.26</b>
<b>Movements in working capital</b>		
- (Increase)/Decrease in trade receivables	(2,498.12)	371.61
- (Increase) in inventories	(63.35)	(72.96)
- Decrease in loans	823.10	587.31
- (Increase)/Decrease in financial assets	258.43	(1,213.06)
- (Increase)/Decrease in current and non-current assets	(407.12)	45.16
- Increase in other current and non-current liabilities	298.77	485.69
- Increase/(Decrease) in trade payables	715.08	(59.22)
- Increase/(Decrease) in provisions	51.45	(69.74)
- Increase in current and non-current financial liabilities	524.78	550.39
<b>Cash Generated from operations</b>	<b>2,067.64</b>	<b>2,225.44</b>
Less: Income tax paid (net of refunds)	(722.64)	716.28
<b>Net Cash generated from operating activities (A)</b>	<b>1,345.00</b>	<b>2,941.72</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(2,120.44)	(1,543.53)
Proceeds from sale of property, plant and equipment	5,086.71	988.86
Sale of investments	20.00	(218.29)
Proceeds from redemption of investments in preference share in subsidiary	1,175.32	324.68
Sale/(purchase) of investments in mutual funds	4,077.80	(40.00)
Investments in bank deposits	(8,716.91)	(273.00)
Maturity of bank deposits	1,394.56	675.50
Interest received	176.07	363.84
Rental income on investment property	18.00	9.60
<b>Net Cash generated from investing activities (B)</b>	<b>1,111.11</b>	<b>287.66</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of borrowings (net)	(671.26)	(2,420.90)
Buy back of equity shares	(960.01)	-
Buy back tax paid	(202.03)	-
Payment of lease liabilities (net)	(289.48)	(532.45)
Interest paid	(105.66)	(485.72)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(2,228.44)</b>	<b>(3,439.07)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>227.67</b>	<b>(209.69)</b>
<b>Balance at the beginning of the year</b>		
Cash and cash equivalents at the beginning of the year	474.25	683.94
<b>Balance at the end of the year</b>	<b>701.92</b>	<b>474.25</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks		
- on current account	450.45	330.76
Cheques/ drafts on hand	-	2.70
Cash on hand	251.47	140.79
	<b>701.92</b>	<b>474.25</b>



*Nikhil Mahays*



**Notes:**

1. The standalone financial results of CL Educate Limited (the 'Company') for the quarter and year ended March 31, 2023, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on May 10, 2023, and audited by the statutory auditors of the Company.
2. The above standalone financial 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. The Statutory Auditors have carried out the audit of the Standalone results of the Company for the year ended March 31, 2023. There are no qualifications in the Auditor's report on these financial results. The figures for the quarter ended March 31, 2023, and March 31, 2022, are the balancing figures between the audited figures for the full financial year and the reviewed figures up to the nine months ended December 31, 2022, and December 31, 2021, respectively.
4. Information in respect of operating segments have been disclosed in the consolidated financial results of the Group.
5. On 27 November 2018, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of five of its wholly owned Indian subsidiaries, with the Company with an appointed date of 1 April 2019. The merger became effective on 05 March 2022 on filing the certified copies of the orders sanctioning the scheme with the National Company Law Tribunal. This merger was accounted as per approved scheme of arrangement however, the accounting prescribed in the approved scheme was not in accordance with the accounting treatment as per applicable Appendix C to Indian Accounting Standard (Ind AS) 103 prescribed under prescribed under Section 133 of the Companies Act, 2013, read with relevant rules and interpretations issued thereunder. The Company followed basic principles of consolidation and performed line by line consolidation which resulted in recognition of amalgamation adjustment deficit account by Rs. 2,264.54 Lacs in the standalone financial statements instead of goodwill for the same amount which existed in the consolidated financial statements of the Company as at 31 March 2021 in respect of the aforesaid wholly owned subsidiaries prior to such merger.
6. Exceptional item for the year ended 31 March 2023 includes:

S No.	Particulars	Amount (In Rs. Lacs)
1.	Net Gain on sale of Asset – Greater NOIDA property	Rs. 2,365.48
2.	Write-Off Loan given to CLEF	(Rs. 1,214.60)
3.	Net Loss on Sale of Investments (B&S Strategy Services Pvt Ltd) to Career Launcher Private Limited*	(Rs. 568.69)
3a.	Net Write-Off of related receivables*	(Rs. 361.17)
4.	Provision for Impairment of Subsidiary – ICE GATE Educational Institute Pvt Ltd.	(Rs. 296.00)
5.	Gain on Sale of Intangibles	Rs. 32.35
	<b>Total Exceptional Loss</b>	<b>(Rs. 42.65)</b>

\*Although the company has prudently written off the amount, it does not relinquish its right to pursue legal action against B&S Strategy Services Pvt Ltd



*Nikhil Mahajan*



7. The company has granted 129,828 ESOPs to its employees during the year post necessary approvals as disclosed with SEBI. The ESOPs will vest over a period of 3 years. Accordingly, the company has recorded a net cost of Rs. 35.00 Lacs during the year ended March 31, 2023.
8. The Board of Directors of the Company at its meeting held on May 19, 2022, approved the Buyback of fully paid-up equity shares of face value of Rs. 5/- each from its shareholders / beneficial owners (Other than those who are promoters, members of the promoter group or persons in control) from the open market through stock exchange mechanism for an aggregate amount not exceeding Rs. 1,000 Lacs (Indian Rupees One Thousand Lacs only).

The buyback started on May 27, 2022, and was concluded on July 29, 2022. The Company completed the buyback of 797,200 Equity shares at an average price of Rs 125.42.

The buyback tax and other related expenses of buyback have been adjusted against the Other Equity as per applicable sections of the Company's Act 2013.

9. The Board of Directors of the Company at its meeting held on November 02, 2022, had approved and recommended a Bonus Issue of Equity Shares in the Ratio of 1:1 i.e. 1 (one) Equity Share of Rs. 5/- (Rs. Five only) each be issued for every 1 (one) existing Equity Share of Rs. 5/- (Rs. Five only) each held by the Shareholders of the Company, as on the Record Date.
  - a. The Company has increased its Authorized Share capital from Rs. 2,728 Lacs consisting of 54,560,000 Equity Shares of Rs. 5 each to Rs. 4,000 Lacs consisting of 80,000,000 Equity Shares of Rs. 5 each.
  - b. The Shareholders of the Company approved the issue of Bonus Equity Shares via Postal Ballot on December 04, 2022.
  - c. On December 19, 2022, the management committee allotted 27,534,156 equity shares of face value Rs 5 each as bonus shares in proportion of one bonus equity share of face value Rs. 5 each for every one equity share of face value of Rs 5 each held on record date. The Bonus Shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. December 30, 2022.
  - d. Earnings Per Share have been adjusted for all the respective periods as increased for issuance of bonus shares.
10. Figures for the previous period/year have been regrouped / reclassified wherever necessary to conform to the current period's/year's classification.

For and on behalf of the Board



Place: New Delhi  
Date: May 10, 2023



**Nikhil Mahajan**

Executive Director and  
Group CEO Enterprise Business

