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Independent Auditor's Review Report on Standalone 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 standalone unaudited financial results ('the Statement') of CL Educate Limited ('the Company') for the quarter ended 31 December 2022 and the year to date results for the period 01 April 2022 to 31 December 2022, 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. The 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 ('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 Listing Regulations. 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.
4. Based on our review conducted as 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.



Walker Chandiook & Co LLP

Independent Auditor's Review Report on Standalone 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)

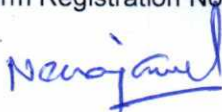
5. We draw attention to the following matters in the notes to the accompanying statement:
- Note 5 of the accompanying Statement in respect of the scheme of arrangement ('the Scheme') under sections 230 to 232 of the Companies Act, 2013 between the Company and five of its wholly-owned Indian subsidiaries 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. Accordingly, the accompanying financial results of the Company have been adjusted to give effect to the aforesaid business combination in accordance with the accounting treatment prescribed in the Scheme which however is 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.
 - Note 7 of the accompanying Statement which describes the uncertainties relating to a legal action pursued by the Company against B&S Strategy Services Private Limited ('B&S') before the Arbitral Tribunal for recovery of outstanding cash consideration of Rs.400 lacs from sale of a school business vertical by an erstwhile subsidiary now merged with the Company. Based on favorable order dated 04 July 2022 awarded by the Arbitral Tribunal, entitling the Company of its outstanding receivable of Rs 400 lacs, the management is of the view that the aforesaid receivable balances are good and recoverable and hence, no adjustment is required in the accompanying Statement/standalone financial results as at 31 December 2022.

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Neeraj Goel
Partner

Membership No. 099514

UDIN: 23099514BGSCMF2472



Place: New Delhi

Date: 30th January 2023

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs. in lacs, except per share data)

Particulars	For the quarter ended			For the nine months ended		For the year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
I Revenue from operations	5,815.84	8,470.75	4,494.42	20,949.60	14,292.45	19,553.00
II Other income	177.43	197.07	316.09	539.60	547.34	931.81
III Total income (I+II)	5,993.27	8,667.82	4,810.51	21,489.20	14,839.79	20,484.81
IV Expenses						
(a) Purchases of stock-in-trade	349.82	511.66	324.37	1,268.87	1,040.82	1,393.70
(b) Changes in inventories of finished goods and work-in-progress	(60.56)	(89.97)	(20.92)	(58.95)	56.11	(88.34)
(c) Employee benefits expense	1,016.62	1,098.68	898.30	3,110.93	2,611.43	3,394.99
(d) Finance costs	23.32	63.55	70.53	133.60	304.07	345.42
(e) Depreciation and amortization expense	256.33	215.67	203.12	675.16	571.98	751.71
(f) Service delivery expenses	2,854.30	4,772.79	2,321.40	11,100.54	6,995.15	9,984.21
(g) Sales and marketing expenses	470.06	617.15	278.79	1,507.28	944.63	1,277.29
(h) Other expenses	701.02	925.35	577.52	2,351.38	1,725.89	2,216.48
Total expenses (IV)	5,610.91	8,114.88	4,653.11	20,088.81	14,250.08	19,275.46
V Profit before exceptional items and tax (III-IV)	382.36	552.94	157.40	1,400.39	589.71	1,209.35
VI Exceptional items (refer note 6)	(578.89)	-	-	603.17	-	-
VII Profit/(loss) before tax (V-VI)	(196.53)	552.94	157.40	2,003.56	589.71	1,209.35
VIII Tax expense	(488.09)	135.83	21.07	238.25	204.26	280.97
IX Profit for the period/year (VII-VIII)	291.56	417.11	136.33	1,765.31	385.45	928.38
X Other comprehensive income						
(i) Items that will not be reclassified to profit or loss	7.80	7.73	5.37	23.23	16.11	31.06
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.04)	(2.02)	(1.38)	(6.08)	(4.14)	(8.13)
XI Total comprehensive income for the period/year (IX+X)	297.32	422.82	140.32	1,782.46	397.42	951.31
XII Paid-up equity share capital (face value of Rs. 5 each)	2,753.42	1,376.71	1,416.57	2,753.42	1,416.57	1,416.57
XIII Other equity						25,274.71
XIV Earnings per equity share* :						
(a) Basic	0.53	1.13	0.24	3.19	0.69	1.66
(b) Diluted	0.53	1.13	0.24	3.19	0.69	1.66

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



Nikhil Mahapatra

Notes:

1. The standalone financial results for the quarter and nine-month period ended December 31, 2022, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on January 30, 2023.
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 review of the Standalone financial results of the Company for the quarter and nine-month period ended December 31, 2022. There are no qualifications in the Auditor's limited review report on these financial results.
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 and accordingly the comparative periods were re-casted to give effect to the merger in the standalone financial statements for the year ended 31 March 2022. However, the accounting prescribed in the approved scheme is 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 existing goodwill for the same amount which was appearing in the consolidated financial statements of the Company in respect of the aforesaid wholly owned subsidiaries prior to such merger.
6. Exceptional item includes (a) gain on Sale of Asset-held-for-Sale situated at Greater NOIDA of Rs. 2,396.66 Lacs, (b) expense on account of write-off of Loan given to CLEF of Rs. 1,214.60 Lacs which pertains to the Greater NOIDA property which have been sold and (c) Loss on Sale of Investment (B&S Strategy Services Pvt Ltd.) to Career Launcher Private Limited for Rs. 20 Lacs. The total net loss of Rs. 578.89 Lacs has been recognized in the exceptional items. The net impact of all these transactions for the nine-month period ended December 31, 2022, is a gain of Rs. 603.17 Lacs which is recorded in the exceptional items.
7. During the financial year 2017-18, Career Launcher Education Infrastructure and Services Limited, then a wholly owned subsidiary (Pursuant to the Merger Order, the subsidiary was merged with the company) 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 Lacs comprising Rs. 600 Lacs payable in cash and remaining Rs. 4,050 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 is held through Career Launcher Private Limited, a subsidiary of the Company. Further, an overdue amount of Rs. 400 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 Company had 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



Nehal Mahajan

Court. The Honourable Delhi High Court on June 22, 2020 appointed a retired High Court Judge as an arbitrator to hear the dispute. The arbitrator has rejected the counter claim of the respondent (B&S Strategy Services Private Limited). The arbitrator has given an award in favour of CL Educate Limited of Rs 400 Lacs along with 8% per annum interest from the date of statement of claim till the date of award along with proportionate costs of arbitration.

B&S Strategy Services has appealed the Arbitral Award in the High Court.

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. 1000 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.
- 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.
 - The Shareholders of the Company approved the issue of Bonus Equity Shares via Postal Ballot on December 04, 2022.
 - 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.
 - Earnings Per Share have been adjusted for all the respective periods as increased for issuance of bonus shares.
10. Figures for the previous period have been regrouped / reclassified wherever necessary to conform to the current period's classification.



Place: New Delhi
Date: January 30, 2023

For and on behalf of the Board


Nikhil Mahajan

Executive Director and
Group CEO Enterprise Business

