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# CL Educate Limited

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Consolidated for the year  
ended March 31, 2020

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**INDEPENDENT AUDITOR'S REPORT****To the Members of CL Educate Limited****Report on the Audit of the Consolidated Ind AS Financial Statements****Opinion**

We have audited the accompanying consolidated Ind AS financial statements of CL Educate Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group and its associates as at March 31, 2020, their consolidated loss (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its associates 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 consolidated Ind AS financial statements under the provisions of the Act and 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 on the consolidated Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter   | How our audit addressed the key audit matter |
|--|--|
| <b>Revenue Recognition - Holding Company (Refer Note 2(ii) and Note 38 to the accompanying consolidated Ind AS financial statements)</b> |  |



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|--|---|
| <p>Revenue is one of the key profit driver and is therefore susceptible to misstatement. Cut off is the key assertion in so far as revenue recognition is concerned. The revenue is also deferred for part of services which have not been rendered.</p> <p>Revenue from the sale of services and products is measured at the fair value of the consideration received or receivable, net of discounts and taxes.</p> <p>Considering the significant risk and judgment involved in revenue recognition and estimating accruals relating to discounts recognised in relation to services provided during the year, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.</li> <li>Understood, evaluated and tested the key controls implemented by the Company in relation to revenue recognition and discounts.</li> <li>Performed sample tests of individual service transaction and verified services invoices and other related documents of such samples. Further, in respect of such samples checked that the revenue has been recognized as per the accounting policy.</li> <li>Performed cut off procedures on sample basis for revenue transactions made to ensure correctness of period of revenue recognition.</li> <li>Tested the calculations related to discounts and other supporting documents on test check basis.</li> <li>Verified the relevant disclosures made in the standalone Ind AS financial statements in accordance with Ind AS 115.</li> </ul> |
| <p><b>Impairment testing of Trade Receivables - Holding Company (Refer Note 2(x)(v) and Note 17 to the accompanying consolidated Ind AS financial statements)</b></p>  |   |
| <p>For the purpose of impairment assessment of trade receivables, significant judgments and assumptions, including the timing and amount of realization of these receivables, are required for the determination of the impairment charge.</p> <p>We have identified valuation of trade receivables as a key audit matter on account of the significant management judgment involved with respect to the realisation of trade receivables and the provisions for impairment of receivables.</p>  | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management.</li> <li>Testing the accuracy of ageing of trade receivables at year end on sample basis.</li> <li>Obtained a list of outstanding receivables, identified significant long outstanding receivables and discussed plan of recovery with management.</li> <li>Verified the appropriateness of judgments regarding provisions for trade receivables and assess as to whether these provisions were calculated in accordance with the Company's provisioning policies.</li> <li>Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, as applicable.</li> </ul>   |
| <p><b>Recoverability of carrying value of investments (Refer Note 64(b) to the accompanying consolidated Ind AS financial statements)</b></p>  |   |
| <p>The Group has investments in associates as at March 31, 2020. The management assesses annually the existence of impairment indicators of each shareholdings in such associates.</p>   | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We obtained understanding of the Group's policy on assessment of impairment of investment in associates including design and implementation of controls.</li> </ul>  |



|  |   |
|--|---|
| <p>The processes for assessing and determining the recoverable amount of each investments are based on certain assumptions that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows, long-term growth and discount rates applied to such forecasted cash flows.</p> | <ul style="list-style-type: none"> <li>• We assessed the process used by management to estimate the recoverable value of each investment and consistency with accounting standards.</li> <li>• We compared the carrying values of the Group's investment in these associates with their respective net asset values.</li> <li>• With respect to cases where indicators of impairments were identified by management, we obtained and read the projections / future cash flows along with sensitivity analysis thereof with respect to the relevant investments.</li> <li>• We evaluated valuer's / management's methodology, assumptions and estimates used in the calculations.</li> <li>• We evaluated the accounting and disclosure of investment impairments in the financial statements of the Group.</li> </ul> |
| <p>Considering the judgment required for estimating the cash flows and the assumptions used, this is considered as a key audit matter.</p>   |   |

**Emphasis of Matter**

We draw attention to the following matters in the notes to the consolidated Ind AS financial statements:

- (a) Note 58, wherein the Management has described the reasons for considering old vocational outstanding trade receivables as recoverable.
- (b) Note 59, with regard to Business Transfer Agreement with I-Take Care Private Limited (the 'Buyer') for sale of infrastructure services business (the 'Assets'), carried on by Career Launcher Infrastructure Private Limited ("CLIP") a step down subsidiary of the Holding Company, on a slump sale basis. As on reporting 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 disposal of the Assets.

As further stated in the said Note, the delay is caused by the events and circumstances beyond CLIP's control and that the Management remains committed to its plan to sell the Asset. As a result, CLIP continues to disclose such Assets as "Disposal group-Assets held for sale" as on the Balance sheet date.

- (c) Note 70(a), which describes that the Group has initiated a legal action against B&S Strategy Services Private Limited before the Honourable High Court of Delhi and an arbitrator has been appointed. Further as stated in said note, based on its assessment of the merits of the case, the Management is confident of recovering the outstanding cash consideration of Rs. 400 lacs and receivables from Nalanda Foundation amounting Rs. 500 lacs in full and hence, no provision is required or made.
- (d) Note 70(e), wherein the Management has described that during the quarter and year ended March 31, 2020, Career Launcher Education Infrastructure and Services Limited (CLEIS), a subsidiary of the Holding Company, ceased to exercise significant influence over B&S Strategy Services Private Limited (B&S), though it continues to hold 44.18% equity share capital in B&S. On account of the reason mentioned in the aforesaid note, cessation of significant influence from December 31, 2019 and in absence of the required financial information from B&S for the quarter ended March





31, 2020, the Holding Company has consolidated the Group's share of profit/ loss from the said associate in terms of Ind AS 28 only till the date of influence i.e. December 31, 2019.

- (e) Note 72, which explains the Management's evaluation of the financial impact on the Group and its associates 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.
- (f) Note 69, regarding preparation of the financial statements by Career Launcher Infrastructure Private Limited (CLIP), a step-down subsidiary on a going concern basis. As detailed in the said note, CLIP has not generated any revenue (except from the discontinued business) during the year ended March 31, 2020 and, as of that date, CLIP's current liabilities exceeded its current assets by Rs. 1,640.79 Lacs. These events or conditions, along with other matters as set forth in the said note, indicate that a material uncertainty exists that may cast significant doubt on its ability to continue as a going concern. However, the Management has stated that the publishing business already running in one of the fellow subsidiary will hence forth be part of CLIP's business and the same will generate profit and cash flows to sustain the operations in the near future together with the other particulars in the said note. Accordingly, the Management has prepared the financial statements of CLIP on a going concern basis.

Our opinion is not modified in respect of these matters.

#### **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements 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 these consolidated Ind AS financial statements. 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 consolidated Ind AS financial statements, 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 Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have 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 management.
- Conclude on the appropriateness of management's 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 ability of the Group and its associates 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 consolidated Ind AS financial statements 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 Group and its associates to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) Due to COVID-19 related lockdown restrictions imposed by the government, Management was able to perform physical verification of cash and inventory at the yearend, close to yearend 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 consolidated Ind AS financial statements.
- (b) We did not audit the Ind AS financial statements of two subsidiaries, whose Ind AS financial statements reflects total assets of Rs. 739.78 Lacs and net assets of Rs. 44.56 Lacs as at March 31, 2020, total revenues of Rs. 1628.52 lacs, total net loss after tax of Rs. (9.74) Lacs and net cash inflows amounting to Rs.11.53 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.



- (c) We did not audit the Ind AS financial statements of two subsidiaries, whose Ind AS financial statements reflects total assets of Rs. 1,029.92 Lacs and net assets of Rs. 421.74 Lacs as at March 31, 2020, total revenues of Rs. 1,385.93 Lacs, total net profit after tax of Rs. 81.73 Lacs and net cash inflows amounting to Rs. 465.58 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include Group's share of net loss of Rs. (14.71) Lacs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the management, these Ind AS financial statements are not material to the Group including its associates (Also refer para (d) under Emphasis of Matter paragraph above).

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements and financial information certified by the management.

#### **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor(s) on separate Ind AS financial statements and the other financial information of subsidiaries and an associate, as noted in the Other Matters section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matters described in the Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Group including its associates;
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, the reports of the statutory auditors of its subsidiary companies, and information



provided by the management of Holding Company in respect of an associate, incorporated in India, none of the directors of the Group companies and its associate company incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary companies and the information provided by the management of Holding Company in respect of an associate company incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company, subsidiary companies and an associate company incorporated in India is in accordance with the provisions of section 197 of the Act;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates- Refer Note 49 to the consolidated Ind AS financial statements;

(ii) The Group and its associates did not have any long term contracts including derivative contracts. Hence the question of any material foreseeable losses does not arise; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies, incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Manoj Daga

Partner

Membership No. 048523

UDIN:20048523AAAAAL8871

Place: Mumbai

Date : June 29, 2020



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated Ind AS financial statements for the year ended March 31, 2020]

**Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of CL Educate Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies.



**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified opinion**

According to the information and explanations given to us and based on our audit and the report issued by other auditors, the following material weaknesses have been identified as at March 31, 2020:

- a) The Holding Company's internal financial control in respect of obtaining periodic balance confirmations and preparation of reconciliations of trade payables were not operating effectively during the year, which may result in unwarranted disputes and over/understatement of party balances.
- b) In case of one of the subsidiary, Kestone Intgerated Marketing Services Private Limited, comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid subsidiary procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at higher prices.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described in (b) above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained, in all material respects, adequate internal financial controls with reference to financial statements as at March 31, 2020, and except for the possible effects of the material weakness described in (a) above on the achievement of the objectives of the control criteria, such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.





We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 consolidated Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated Ind AS financial statements of the Company.

## Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Manoj Daga

Partner

Membership No. 048523

UDIN:20048523AAAAAL8871

Place: Mumbai

Date : June 29, 2020





CL Educate Limited  
Consolidated Balance Sheet as at March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

| Particulars   | Notes | As at            | As at            |
|---|-------|------------------|------------------|
|   |       | March 31, 2020   | March 31, 2019   |
| <b>Assets</b>   |       |                  |                  |
| <b>Non-current assets</b>                                 |       |                  |                  |
| Property, plant and equipment                             | 3     | 3,977.03         | 4,326.27         |
| Right to use assets                                       | 4     | 947.85           | -                |
| Investment property                                       | 5     | 299.91           | 305.67           |
| Goodwill  | 6     | 3,273.42         | 3,345.05         |
| Other intangible assets                                   | 7     | 2,263.17         | 2,089.88         |
| Intangible assets under development                       | 9     | 342.64           | 174.45           |
| Investment in associates accounted by using equity method | 64    | 1,378.34         | 5,430.68         |
| <b>Financial assets</b>                                   |       |                  |                  |
| (i) Loans   | 10    | 167.66           | 175.88           |
| (ii) Other financial assets                               | 11    | 956.61           | 1,651.47         |
| Non-current tax assets (net)                              | 12    | 2,748.95         | 3,166.04         |
| Deferred tax assets (net)                                 | 13    | 1,325.88         | 1,179.44         |
| Other non-current assets                                  | 14    | 69.60            | 202.95           |
| <b>Total non-current assets</b>                           |       | <b>17,751.07</b> | <b>22,047.78</b> |
| <b>Current assets</b>                                     |       |                  |                  |
| Inventories   | 15    | 1,450.24         | 980.64           |
| <b>Financial assets</b>                                   |       |                  |                  |
| (i) Investments   | 16    | 3,716.34         | 2,743.09         |
| (ii) Trade receivables                                    | 17    | 9,470.01         | 12,992.13        |
| (iii) Cash and cash equivalents                           | 18    | 1,159.28         | 1,041.10         |
| (iv) Bank balances other than (iii) above                 | 19    | 260.02           | 980.20           |
| (v) Loans   | 20    | 1,550.20         | 2,117.88         |
| (vi) Other financial assets                               | 21    | 732.92           | 1,238.13         |
| Other current assets                                      | 22    | 3,132.49         | 2,328.94         |
|   |       | <b>21,471.50</b> | <b>24,422.11</b> |
| Assets classified as held for sale                        | 23    | 2,923.31         | 2,923.21         |
| <b>Total current assets</b>                               |       | <b>24,394.81</b> | <b>27,345.32</b> |
| <b>Total assets</b>                                       |       | <b>42,145.87</b> | <b>49,393.10</b> |
| <b>Equity and liabilities</b>                             |       |                  |                  |
| <b>Equity</b>   |       |                  |                  |
| Equity share capital                                      | 24    | 1,416.57         | 1,416.57         |
| Other equity  | 25    | 26,922.30        | 32,410.73        |
| <b>Equity attributable to owners of the company</b>       |       | <b>28,338.87</b> | <b>33,827.30</b> |
| Non-controlling interest                                  | 64 c  | 26.90            | 15.42            |
| <b>Total equity</b>                                       |       | <b>28,365.77</b> | <b>33,842.72</b> |
| <b>Liabilities</b>  |       |                  |                  |
| <b>Non-current liabilities</b>                            |       |                  |                  |
| <b>Financial liabilities</b>                              |       |                  |                  |
| (i) Borrowings  | 26    | 358.37           | 804.73           |
| (ii) Lease liability                                      | 27    | 448.25           | -                |
| Provisions  | 28    | 562.36           | 482.71           |
| Deferred tax liabilities (net)                            | 29    | 3.36             | 71.62            |
| Other non-current liabilities                             | 30    | 71.29            | 373.08           |
| <b>Total non-current liabilities</b>                      |       | <b>1,443.63</b>  | <b>1,732.14</b>  |



CL Educate Limited  
 Consolidated Balance Sheet as at March 31, 2020  
 (All amounts are in Rupees lacs, unless otherwise stated)

| Particulars  | Notes | As at            | As at            |
|--|-------|------------------|------------------|
|  |       | March 31, 2020   | March 31, 2019   |
| <b>Current liabilities</b>   |       |                  |                  |
| <b>Financial liabilities</b>   |       |                  |                  |
| (i) Borrowings   | 31    | 3,918.08         | 4,450.30         |
| (ii) Lease liability   | 32    | 435.74           | -                |
| (ii) Trade payables  | 33    |                  |                  |
| - total outstanding dues of micro enterprises and small enterprises; and                 |       | 802.68           | 787.97           |
| - total outstanding dues of creditors other than micro enterprises and small enterprises |       | 3,263.66         | 4,020.68         |
| (iii) Other financial liabilities  | 34    | 1,361.84         | 1,898.73         |
| Other current liabilities  | 35    | 2,530.08         | 1,848.59         |
| Provisions   | 36    | 12.21            | 18.21            |
| Current tax liabilities (net)  | 37    | 12.18            | 793.76           |
| <b>Total current liabilities</b>   |       | <b>12,336.47</b> | <b>13,818.24</b> |
| <b>Total liabilities</b>   |       | <b>13,780.10</b> | <b>15,550.38</b> |
| <b>Total equity and liabilities</b>  |       | <b>42,145.87</b> | <b>49,393.10</b> |

Summary of significant accounting policies 2  
 The accompanying notes 1 to 73 are an integral part of these financial statements.

As per our report of even date.

For Haribhakti & Co. LLP  
 Chartered Accountants  
 ICAI Firm registration No. 103523W/W100048

*Manoj Daga*

Manoj Daga  
 Partner  
 Membership No.:048523



Place: Mumbai  
 Date: June 29, 2020

For and on behalf of the Board of Directors of  
 CL Educate Limited

*Gautam Puri*

Gautam Puri  
 Director  
 DIN: 00033548

*Nikhil Mahajan*

Nikhil Mahajan  
 Executive Director &  
 Group CEO Enterprise  
 Business  
 DIN: 00033404



*Rachna Sharma*

Rachna Sharma  
 Company Secretary  
 ICSI M. No.: A17780

*Arjun Wadhwa*

Arjun Wadhwa  
 Chief Financial Officer

Place: New Delhi  
 Date: June 29, 2020

CL Educate Limited  
Consolidated statement of profit and loss for the year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

|   | Notes | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|-------|------------------------------|------------------------------|
| <b>Continuing Operations</b>  |       |                              |                              |
| <b>Income</b>   |       |                              |                              |
| Revenue from operations   | 38    | 30,868.33                    | 33,925.95                    |
| Other income  | 39    | 1,523.94                     | 1,323.66                     |
| <b>Total Income</b>   |       | <b>32,392.27</b>             | <b>35,249.61</b>             |
| <b>Expenses</b>   |       |                              |                              |
| Cost of material consumed   | 40    | 941.34                       | 1,172.61                     |
| Purchase of stock in trade  | 41    | 81.06                        | 32.90                        |
| Changes in inventories of stock-in-trade  | 42    | (557.26)                     | (98.07)                      |
| Employee benefit expense  | 43    | 5,303.93                     | 5,813.21                     |
| Finance costs   | 44    | 830.96                       | 619.88                       |
| Depreciation and amortisation expense   | 45    | 1,395.74                     | 948.33                       |
| Franchisee expenses   |       | 7,142.51                     | 6,944.48                     |
| Other expenses  | 46    | 18,616.91                    | 17,371.88                    |
| <b>Total expenses</b>   |       | <b>33,755.19</b>             | <b>32,805.22</b>             |
| <b>(Loss)/Profit before tax before exceptional expenses</b>   |       | <b>(1,362.92)</b>            | <b>2,444.39</b>              |
| Exceptional Expenses  | 47    | 4,150.05                     | -                            |
| <b>(Loss)/Profit from continuing operation before share of net profits of investments accounted for using equity method and tax</b> |       | <b>(5,512.97)</b>            | <b>2,444.39</b>              |
| Share of net (loss)/profit of associates accounted for using the equity method  | 64    | (14.71)                      | 4.58                         |
| <b>(Loss)/Profit before tax from continuing operations</b>  |       | <b>(5,527.68)</b>            | <b>2,448.97</b>              |
| <b>Tax expense:</b>   |       |                              |                              |
| Current tax   |       | 164.30                       | 637.86                       |
| Deferred tax  | 65    | (168.44)                     | 40.23                        |
| Tax related to prior years  |       | (98.82)                      | -                            |
| <b>(Loss)/Profit from continuing operations</b>   |       | <b>(5,424.72)</b>            | <b>1,770.88</b>              |
| <b>Discontinuing Operations</b>   |       |                              |                              |
| Profit from discontinued operation before tax   | 59    | 118.92                       | 226.75                       |
| <b>Tax expense:</b>   |       |                              |                              |
| Current tax   | 65    | -                            | -                            |
| Deferred tax  |       | -                            | -                            |
| <b>Profit from discontinuing operation</b>  |       | <b>118.92</b>                | <b>226.75</b>                |
| <b>(Loss)/Profit for the year</b>   |       | <b>(5,305.80)</b>            | <b>1,997.63</b>              |
| <b>Other comprehensive (loss)/income</b>  |       |                              |                              |
| <b>Items that may be subsequently reclassified to statement of profit and loss</b>  |       |                              |                              |
| Exchange difference on translation of foreign operation   |       | 9.75                         | (5.30)                       |
| Income tax relating to above  |       | (2.47)                       | 1.47                         |
| <b>Items that will not be reclassified to statement of profit and loss</b>  |       |                              |                              |
| Remeasurement of defined benefit plans  |       | 47.93                        | 26.07                        |
| Income tax relating to these items  |       | (12.32)                      | (7.21)                       |
| <b>Other comprehensive income for the year, net of tax</b>  |       | <b>42.89</b>                 | <b>15.03</b>                 |
| <b>Total comprehensive (loss)/income for the year</b>   |       | <b>(5,262.91)</b>            | <b>2,012.66</b>              |



CL Educate Limited  
 Consolidated statement of profit and loss for the year ended March 31, 2020  
 (All amounts are in Rupees lacs, unless otherwise stated)

| Notes   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>(Loss)/Profit attributable from continuing operations to:</b>            |                              |                              |
| Owners of the company   | (5,434.99)                   | 1,767.91                     |
| Non-controlling interests   | 10.27                        | 2.97                         |
|   | <u>(5,424.72)</u>            | <u>1,770.88</u>              |
| <b>Profit attributable from discontinuing operations to:</b>                |                              |                              |
| Owners of the company   | 118.92                       | 226.75                       |
| Non-controlling interests   | -                            | -                            |
|   | <u>118.92</u>                | <u>226.75</u>                |
| <b>Other comprehensive income attributable to:</b>                          |                              |                              |
| Owners of the company   | 41.68                        | 15.03                        |
| Non-controlling interests   | 1.21                         | -                            |
|   | <u>42.89</u>                 | <u>15.03</u>                 |
| <b>Total comprehensive (loss)/income attributable to:</b>                   |                              |                              |
| Owners of the company   | (5,274.39)                   | 2,009.69                     |
| Non-controlling interests   | 11.48                        | 2.97                         |
|   | <u>(5,262.91)</u>            | <u>2,012.66</u>              |
| <b>(Loss)/Earnings Per Share - continuing operations</b>                    |                              |                              |
| 48  |                              |                              |
| Basic   | (38.29)                      | 12.50                        |
| Diluted   | (38.29)                      | 12.50                        |
| <b>Earnings Per Share - discontinuing operations</b>                        |                              |                              |
| Basic   | 0.84                         | 1.60                         |
| Diluted   | 0.84                         | 1.60                         |
| <b>(Loss)/Earnings Per Share - continued &amp; discontinuing operations</b> |                              |                              |
| Basic   | (37.45)                      | 14.10                        |
| Diluted   | (37.45)                      | 14.10                        |

Summary of significant accounting policies 2  
 The accompanying notes 1 to 73 are an integral part of these financial statements.

As per our report of even date.

For Haribhakti & Co. LLP  
 Chartered Accountants  
 ICAI Firm registration No. 103523W/W100048

*Manoj Daga*

Manoj Daga  
 Partner  
 Membership No.: 048523



Place: Mumbai  
 Date: June 29, 2020

For and on behalf of the Board of Directors of  
 CL Educate Limited

*Gautam Puri*

Gautam Puri  
 Director  
 DIN: 00033548

*Nikhil Mahajan*

Nikhil Mahajan  
 Executive Director &  
 Group CEO Enterprise  
 Business  
 DIN: 00033404

*Rachna Sharma*

Rachna Sharma  
 Company Secretary  
 ICSI M. No.: A17780



*Arjun Wadhwa*

Arjun Wadhwa  
 Chief Financial Officer

Place: New Delhi  
 Date: June 29, 2020



CL Educate Limited  
 Consolidated statement of cash flow statement for the year ended March 31, 2020  
 (All amounts are in Rupees lacs, unless otherwise stated)

| Particulars   | Year ended      | Year ended        |
|---|-----------------|-------------------|
|   | March 31, 2020  | March 31, 2019    |
| <b>A. Cash flow from operating activities</b>                           |                 |                   |
| Net (loss)/Profit before tax from:                                      |                 |                   |
| Continuing operation  | (5,527.68)      | 2,448.98          |
| Discontinued operation  | 118.92          | 226.75            |
| Profit before tax including discontinued operation                      | (5,408.76)      | 2,675.73          |
| Adjustment for:   |                 |                   |
| Depreciation and amortisation   | 1,395.74        | 948.33            |
| Depreciation on investment property                                     | 5.76            | 5.96              |
| (Gain) on sale of property, plant and equipment                         | (14.82)         | (8.15)            |
| Provision for slow moving inventory                                     | 85.64           | -                 |
| Finance cost  | 830.96          | 619.88            |
| Lease equalisation reserve  | -               | 4.84              |
| (Gain) on fair value changes in investments                             | (116.31)        | (124.56)          |
| Share of profits/(loss) of associates                                   | 14.71           | (4.58)            |
| Advances written off  | 499.19          | 187.23            |
| Rent income on investment property                                      | (26.49)         | (24.62)           |
| Liability no longer required written back                               | (374.56)        | (332.25)          |
| Unwinding of interest on security deposits                              | (27.20)         | (27.47)           |
| Transfer to stock options outstanding                                   | -               | (5.26)            |
| Employee share based payment expense                                    | 2.16            | -                 |
| Unrealised foreign exchange (gain) / loss (net)                         | (63.24)         | (9.90)            |
| (Gain) on Mutual fund   | (225.23)        | (211.09)          |
| Movement in financial guarantee   | 0.67            | 3.14              |
| Other comprehensive income  | 42.89           | 15.03             |
| Interest Income   | (174.85)        | (216.95)          |
| Reversal of goodwill  | 71.63           | -                 |
| Provision/(Reversal) of loss allowance on doubtful debtors              | 235.00          | (267.02)          |
| Loss allowance on advances  | 176.31          | 75.00             |
| Exceptional expense   | 4,150.05        | -                 |
| Bad debts written off   | 3,016.35        | 1,445.29          |
| <b>Operating profit before working capital changes</b>                  | <b>4,095.60</b> | <b>4,748.58</b>   |
| <b>Movements in working capital</b>                                     |                 |                   |
| - (Increase)/Decrease in trade receivables                              | 276.34          | (2,684.47)        |
| - (Increase)/Decrease in inventories                                    | (555.24)        | (180.97)          |
| - (Increase)/Decrease in loans  | 523.43          | 7.96              |
| - (Increase)/Decrease in financial assets                               | (143.36)        | 244.00            |
| - (Increase)/Decrease in current & non current assets                   | (671.91)        | 208.47            |
| - Increase/(Decrease) in other current & non-current liabilities        | 766.93          | (72.79)           |
| - Increase/(Decrease) in Trade payables                                 | (742.31)        | 166.80            |
| - Increase/(Decrease) in Provisions                                     | 73.65           | 25.25             |
| - Increase/(Decrease) in current & non current financial liabilities    | (284.58)        | 147.96            |
| <b>Cash Generated from operations</b>                                   | <b>3,338.55</b> | <b>2,610.79</b>   |
| Less: Income Tax Paid (net of refunds)                                  | (476.23)        | (955.97)          |
| <b>Net Cash generated from operating activities (A)</b>                 | <b>2,862.32</b> | <b>1,654.82</b>   |
| <b>B. Cash flow from investing activities</b>                           |                 |                   |
| Purchase of property, plant and equipment                               | (143.06)        | (178.64)          |
| Purchase of other intangible assets                                     | (696.09)        | (488.74)          |
| Intangible assets under development                                     | (424.04)        | (174.45)          |
| Disposal of intangible asset under development                          | 81.40           | 86.05             |
| Purchase of investment in subsidiaries & associates                     | (65.68)         | (248.05)          |
| Proceeds from sale of Mutual fund                                       | 1,156.98        | 1,370.00          |
| Purchase of investment of in mutual funds                               | (1,905.00)      | (3,902.00)        |
| Assets classified as held for sale                                      | (0.10)          | 0.03              |
| Loan given to related parties   | (72.58)         | (26.95)           |
| Proceeds from realisation of loan given                                 | 152.24          | 17.50             |
| Proceeds from term deposits not considered as cash and cash equivalents | 1,415.04        | 1,927.70          |
| Non controlling interest  | 11.48           | (345.98)          |
| Interest received   | 205.59          | 294.31            |
| Rent income on investment property                                      | 26.49           | 24.62             |
| <b>Net Cash (Used in) Investing Activities (B)</b>                      | <b>(257.32)</b> | <b>(1,644.60)</b> |

Continued to next page....



CL Educate Limited  
 Consolidated statement of cash flow statement for the year ended March 31, 2020  
 (All amounts are in Rupees lacs, unless otherwise stated)

| Particulars   | Year ended     | Year ended      |
|---|----------------|-----------------|
|   | March 31, 2020 | March 31, 2019  |
| ....Continued from previous page                                    |                |                 |
| <b>C. Cash Flow from Financing Activities</b>                       |                |                 |
| Proceeds from long-term borrowings                                  | -              | 750.00          |
| Repayment of long-term borrowings                                   | (437.43)       | (509.65)        |
| Net increase in working capital borrowings                          | (532.22)       | 213.51          |
| Payment of lease liabilities (net)                                  | (611.43)       | -               |
| Interest Expense Paid   | (734.97)       | (618.11)        |
| Dividend paid including tax   | (170.77)       | (170.77)        |
| Net Cash (used in) Financing Activities (C)                         | (2,486.82)     | (335.02)        |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>118.18</b>  | <b>(324.80)</b> |
| Balance at the beginning of the year                                |                |                 |
| Cash and cash equivalents at the beginning of the year              | 1,041.10       | 1,365.90        |
| Balance at the end of the year                                      | 1,159.28       | 1,041.10        |
| <b>Components of cash &amp; cash equivalent</b>                     |                |                 |
| Balances with banks   |                |                 |
| - on current account  | 1,040.27       | 791.85          |
| Cheques/ drafts on hand   | 2.33           | 74.38           |
| Cash on hand  | 116.68         | 174.87          |
|   | 1,159.28       | 1,041.10        |

(ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

| Particulars  | Non-current borrowings (Including current maturities) | Current borrowings | Interest on borrowings |
|--|---|--------------------|------------------------|
| <b>For the year ended March 31, 2020</b>                 |   |                    |                        |
| Balance as at April 1, 2019                              | 1,291.98  | 4,450.30           | (73.08)                |
| Loan drawals (in cash) /Interest accrued during the year | -   | -                  | 356.60                 |
| Loan repayments/interest payment during the year         | (437.43)  | (532.22)           | (734.97)               |
| Other non cash changes                                   | -   | -                  | (2.65)                 |
| Balance as at March 31, 2020                             | 854.55  | 3,918.08           | (454.10)               |

| Particulars  | Non-current borrowings (Including current maturities) | Current borrowings | Interest on borrowings |
|--|---|--------------------|------------------------|
| <b>For the year ended March 31, 2019</b>                 |   |                    |                        |
| Balance as at April 1, 2018                              | 1,028.78  | 4,236.79           | 3.96                   |
| Loan drawals (in cash) /Interest accrued during the year | 750.00  | 213.51             | 519.57                 |
| Adjustment for processing fee                            | (3.02)  | -                  | -                      |
| Loan repayments/interest payment during the year         | (509.65)  | -                  | (593.07)               |
| Other non cash changes                                   | 25.87   | -                  | (3.53)                 |
| Balance as at March 31, 2019                             | 1,291.98  | 4,450.30           | (73.08)                |

There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

(iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, as applicable.

(iv) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 73.

As per our report of even date.

For Haribhakti & Co. LLP  
 Chartered Accountants  
 ICAI Firm registration No. 103523W/W100048

*Manoj Daga*

Manoj Daga  
 Partner  
 Membership No.:048523



For and on behalf of the Board of Directors of  
 CL Educate Limited

*Gautam Puri*

Gautam Puri  
 Director  
 DIN: 00032548

*Rachna Sharma*  
 Rachna Sharma  
 Company Secretary  
 ICSI M. No.: A17780



*Nikhil Mahajan*

Nikhil Mahajan  
 Executive Director &  
 Group CEO Enterprise  
 Business  
 DIN: 00033404

*Arjun Wadhwa*

Arjun Wadhwa  
 Chief Financial Officer

Place: Mumbai  
 Date: June 29, 2020

Place: New Delhi  
 Date: June 29, 2020

CL Educate Limited  
Statement of Changes in Equity for year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

| Particulars                                    | Amount   |
|--|----------|
| Balance as at April 1, 2018                    | 1,416.57 |
| Change in equity share capital during the year | -        |
| Balance as at March 31, 2019                   | 1,416.57 |
| Change in equity share capital during the year | -        |
| Balance as at March 31, 2020                   | 1,416.57 |

(a) Equity share capital

| Particulars                                     | Attributable to owners of the company |                          |                                  |                 |  |               |                 |  |              |  | Non-controlling interests | Total      |
|---|---------------------------------------|--------------------------|----------------------------------|-----------------|--|---------------|-----------------|--|--------------|--|---------------------------|------------|
|   | Reserves and Surplus                  |                          |                                  |                 |  | Items of OCI  |                 |  |              |  |                           |            |
|   | Retained earnings                     | Security premium reserve | Share options outstanding amount | General reserve | Equity component of compound financial instruments | Deemed equity | Capital reserve | Exchange differences on translation of foreign operation | Items of OCI | Remeasurement of defined benefit plans |                           |            |
| Adjusted balance as at April 1, 2018            | 2,746.30                              | 29,853.45                | 176.73                           | 64.70           | 4.85   | 32.78         | 0.20            | (3.13)   | 43.57        | 32,919.45                              | (1,984.44)                | 30,935.01  |
| Profit for the year                             | 1,994.66                              | -                        | -                                | -               | -  | -             | -               | -  | -            | 1,994.66                               | 2.97                      | 1,997.63   |
| Addition during the year                        | -                                     | -                        | -                                | -               | -  | 0.49          | -               | -  | -            | 0.49                                   | -                         | 0.49       |
| Gross compensation for the year                 | -                                     | -                        | (5.26)                           | -               | -  | -             | -               | -  | -            | (5.26)                                 | -                         | (5.26)     |
| Transfer to general reserve                     | -                                     | -                        | (136.67)                         | 136.67          | -  | -             | -               | -  | -            | -                                      | -                         | -          |
| Dividend & tax on dividend paid during the year | -                                     | -                        | -                                | (170.77)        | -  | -             | -               | -  | -            | (170.77)                               | -                         | (170.77)   |
| Transaction with NCI                            | -                                     | -                        | -                                | -               | -  | -             | -               | -  | -            | -                                      | (345.98)                  | (345.98)   |
| Other comprehensive income for the year         | -                                     | -                        | -                                | -               | -  | -             | -               | (3.82)   | 18.85        | 15.03                                  | -                         | 15.03      |
| Total comprehensive income for the year         | 1,994.66                              | -                        | (141.93)                         | (34.10)         | -  | 0.49          | -               | (3.82)   | 18.85        | 1,834.15                               | (343.01)                  | 1,491.14   |
| Balance as at March 31, 2019                    | 4,740.95                              | 29,853.45                | 34.80                            | 30.60           | 4.85   | 33.27         | 0.20            | (6.95)   | 62.42        | 34,753.60                              | (2,327.45)                | 32,426.15  |
| Profit for the year                             | (5,305.80)                            | -                        | -                                | -               | -  | -             | -               | -  | -            | (5,305.80)                             | 10.27                     | (5,295.53) |
| Addition during the year                        | -                                     | -                        | -                                | -               | -  | 18.24         | -               | -  | -            | 18.24                                  | -                         | 18.24      |
| Gross compensation for the year                 | -                                     | -                        | 2.15                             | -               | -  | -             | -               | -  | -            | 2.15                                   | -                         | 2.15       |
| Transfer to general reserve                     | (140.18)                              | -                        | (36.95)                          | 177.13          | -  | -             | -               | -  | -            | (170.77)                               | -                         | (170.77)   |
| Dividend & tax on dividend paid during the year | -                                     | -                        | -                                | (170.77)        | -  | -             | -               | -  | -            | -                                      | -                         | -          |
| Transaction with NCI                            | -                                     | -                        | -                                | -               | -  | -             | -               | -  | -            | -                                      | -                         | -          |
| Lease adjustment                                | (86.57)                               | -                        | -                                | -               | -  | -             | -               | -  | -            | (86.57)                                | -                         | (86.57)    |
| Other comprehensive income for the year         | 12.66                                 | -                        | -                                | -               | -  | -             | -               | 7.27   | 35.61        | 42.88                                  | -                         | 42.88      |
| Total comprehensive income for the year         | (5,519.89)                            | -                        | (34.80)                          | 6.36            | -  | 18.24         | -               | 7.27   | 35.61        | (5,487.21)                             | 10.27                     | (5,476.94) |
| Balance as at March 31, 2020                    | (778.93)                              | 29,853.45                | -                                | 36.96           | 4.85   | 51.51         | 0.20            | 0.32   | 98.03        | 29,266.39                              | (2,317.18)                | 26,949.20  |

The accompanying notes 1 to 73 an integral part of these financial statements.  
As per our report of even date.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm registration No. 103523W/W100048

*Manoj Daga*  
Manoj Daga  
Partner  
Membership No.: 0468523



Place: Mumbai  
Date: June 29, 2020

For and on behalf of the Board of Directors of  
CL Educate Limited

*Nikhil Mahajan*  
Nikhil Mahajan  
Executive Director and Group  
CEO Enterprise Business  
DIN: 000335404

*Rachna Sharma*  
Rachna Sharma  
Company Secretary  
ICSI M. No.: A17780



Place: New Delhi  
Date: June 29, 2020



## Reporting Entity

CL Educate Limited ('the Company') is a company domiciled in India, with its registered office situated at Plot No. 9A, Sector-27A, Mathura Road, Faridabad, Haryana- 121003. The Company was incorporated in India on April 25, 1996 to conduct various educational and consulting programmes. The Company is providing education and test preparation training programmes which include tuitions to school students and coaching to aspirants for a variety of entrance examinations both at the school i.e. 10+2 level and graduate / post graduate levels, education infrastructure service, event management, manpower resourcing and publication of books through formation/acquisition of various subsidiaries.

The company's equity shares are listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE) in India.

The Company along with its subsidiaries its associates and its joint venture has been collectively hereinafter referred to as "the Group".

### 1. Basis of preparation.

#### (i) Statement of compliance:

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Board of Directors on June 29, 2020.

The significant accounting policies adopted in the preparation of these consolidated financial statements are included in note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (ii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the nature of services, the operating cycle of the Group cannot be ascertained as it typically ranges from 1 month to 2 years given the wide range of various tuitions and test preparation coaching programmes being offered by the Group. In absence of any ascertainable operating cycle, the same has been taken as 12 months for the purpose of current and non-current classification of assets and liabilities except in case of trade receivables, unearned revenue, trade payables related to franchisee fees and prepaid franchisee fees which in view of the management are directly linked to revenue from coaching and hence have been treated as current for the purpose of classification.

#### (iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

#### (iv) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:





| Items  | Measurement basis   |
|--|---|
| Certain financial assets and liabilities         | Fair value  |
| Net defined benefit (asset)/ liability           | Fair value of plan assets less present value of defined benefit obligations |
| Contingent consideration in business combination | Fair value  |
| Share based payments                             | Fair value  |
| Assets held for sale                             | Lower of carrying amount and fair value less cost to sell.                  |

**(v) Use of estimates and judgements**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note no45: leases: whether an arrangement contains a lease;
- Note no 45: lease classification.
- Note no 58: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.;
- Note no 55: assets held for sale: availability of the asset for immediate sale, management's commitment for the sale and probability of sale to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 is included in the following notes:

- Note no 46: measurement of defined benefit obligations and plan assets: key actuarial assumptions;
- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 6: measurement of useful lives of intangible assets;
- Note no 58: fair value measurement of financial instruments;
- Note no 44: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no 61: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.



- Note no 5 and 6: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note no 58: impairment of financial assets.
- Note no 5: impairment of goodwill.
- Note 57: acquisition of subsidiary and associates: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis; and

(vi) **Measurement of fair value**

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Group measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date. The same are disclosed in Note 58.

**2. Significant accounting policies**

(i) **Basis of consolidation:**

a) **Subsidiaries:**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The acquisition method of accounting is used to account for business combinations by the group.





The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gain on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

**b) Associates:**

The Group's interests in equity accounted investees comprise interests in associates. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

**c) Loss of control:**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transaction with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the equity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**(ii) Revenue**

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

Educational and training business of the Group includes revenue from services and sales of textbooks.



Revenue from services

Revenue in respect of educational and training programme received from students is recognised in profit and loss over the period of contract in proportion to the stage of completion of the services at the reporting date. The stage of completion is assessed by reference to the curriculum. Fee is recorded at invoice value, net of discounts and taxes, if any.

Revenue in respect of vocational training is recognised over the period of the training duration, after taking into account the uncertainty involved in conditions to be fulfilled under the terms of the contract.

Revenue for marketing & sales service, online marketing support services is recognised in profit & loss statement over the period of time in proportion to stage of completion of the service at the reporting date. The stage of completion is assessed as per terms of respective agreement.

Revenue for manpower management services is recognised at the point in time on an accrual basis, in accordance with the terms of the respective contract.

Revenue from advertising income is recognized on stage of completion basis as per the terms of the agreement over period of time.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

Revenue as an agent

The Group derives its revenue from event & managed manpower services. When the Group determines that the nature of its promise, is a performance obligation to provide the specified goods or services itself (i.e. entity is the principal), then it recognises the revenue earned as the gross amount of consideration. However, where the Group promise, is to arrange, for the customer to provide goods/services as an agent then revenue is recognised only to extent of commission/markup/charges earned by it. In such cases the Group does not control the goods and services provided to a customer. The indicators evaluated by the Group to conclude if it is an agent are the following:

- (a) That another party is primarily responsible for fulfilling the contract;
- (b) The Group does not have any inventory risk
- (c) The Group does not have discretion in establishing prices for the other party's goods or services and, therefore, the benefit that the Company can receive from those goods or services is limited;
- (d) the Group's consideration is in the form of a commission / service charge or markup; and
- (e) the Group is not exposed to credit risk for the amount receivable from a customer in exchange for the other party's goods or services.

Revenue from sale of text -books

Revenue from Sale of Textbooks is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.





Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. In case of test preparation services, sale of text books is recognised at the time of receipt of payment on account of education and training program provided by the Company and is recorded net of discounts and taxes, if any.

#### Variable Consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which change occurs. Some contracts for the sale of goods provide customers with volume rebates and right to returns which give rise to variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer

#### Other operating income

- Revenue in respect of start-up fees from franchisees is recognised on performing a contractually agreed assignment over a period of time, whether during a single period or over more than one period as per agreed terms of the franchise agreement.
- Income from content development is recognized as and when services are rendered, as specified in the agreement entered or any amendments thereto.
- Revenue from advertising income is recognized on stage of completion basis as per the terms of the agreement over period of time. The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

#### **Contract Balances**

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (x) in financial instruments.

##### Contract Liabilities (Unearned Revenue)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Amounts billed and received or recoverable prior to the reporting date for services and such services or part of such services are to be performed after the reporting date are recorded as contract liabilities as per the provisions of the Ind AS-115 and shown in other current liabilities.



Contract Assets (Unbilled Revenue)

Contract Assets is an entity's right to consideration in exchange of goods or service that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. This is recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

**Use of significant judgements in revenue recognition: -**

- The performance obligation is satisfied upon delivery of the books and study material. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint. Accordingly, refund liability towards expected return has been created.
- At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company delivers services as per the tenure and terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract Liability has been created towards unsatisfied or partially satisfied performance obligations.
- Contract fulfilment costs are generally expensed as incurred except for certain incentive costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of contract whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Other income

- Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.
- Income from infrastructure fees is recognised on straight line basis over the period of contract.

Interest income

Interest income on time deposits and inter corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Dividend

Dividend income is recognised in profit and loss on the date on which the company's right to receive payment is established.





**(iii) Property, plant and equipment**Recognition and measurement

Items of property, plant and equipment are measured at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

The useful lives of the assets are as under:

| Particulars                  | Useful lives (in years)              |
|------------------------------|--------------------------------------|
| <b>Tangible assets:</b>      |                                      |
| Leasehold land               | 90 (period of lease)                 |
| Building                     | 60                                   |
| Furniture and fixtures       | 8-10                                 |
| Plant & Machinery            | 10-15                                |
| Office equipment             | 5                                    |
| Vehicle                      | 8-10                                 |
| Computer equipment,          | 3-5                                  |
| Computer server and networks | 6                                    |
| Leasehold improvements       | Lesser of 3 years or period of lease |



Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

(iv) **Goodwill and other intangible assets**

Goodwill

For measurement of goodwill that arises on a business combination see Note 5 and 56. Subsequent measurement is at cost less any accumulated impairment losses.

Other intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Internally generated intangible assets

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets including those acquired by the Group in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.





Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The useful lives of intangible assets are as follows:

**Intangible assets: Useful lives (in years)**

|                                 |                               |
|---------------------------------|-------------------------------|
| Brand                           | 10                            |
| Software                        | 5                             |
| Non-compete fee                 | 3-4                           |
| Content development             | 5                             |
| License fees                    | Over the period of<br>license |
| Website                         | 5                             |
| Intellectual property<br>rights | 5-10                          |
| CAT online module               | 1-3                           |
| Melting Pot                     | 10                            |
| IQM                             | 10                            |

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

**(v) Business combinations**

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred except to the extent of issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit and loss or OCI, as appropriate.



**(vi) Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**(vii) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and category of the investment property being valued.

Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management, which are equal to useful lives specified as per Schedule II to the Act.

| Particulars | Useful lives (in years) |
|-------------|-------------------------|
| Building    | 60                      |

Any gain or loss on disposal of an investment property is recognised in the statement of profit and loss.

**(viii) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.





(ix) **Investment in associates**

Investment in associates are accounted for using equity method of accounting, after initially being recognised at cost less impairment, if any.

(x) **Financial instruments**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

**ii. Classification and subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (OCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.



All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially





represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

**iii. Offsetting**

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**iv. Derecognition**

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*



The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

**v. Impairment of financial instruments:**

The Group recognises loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Group considers a financial asset to be in default when:





- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**(xi) Discontinued operation**

A discontinued operation is a sub-component of the group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the sub-component of group and which represents a separate major line of business or geographical area of operations; and:

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when operations meet the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

**(xii) Non-current assets held for sale**

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that the carrying value will be recovered primarily through sale rather than through continuing use.

Such asset or disposal group are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the statement of profit and loss.

Once classified as held-for-sale the related assets are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

The gain or loss arising from de-recognition of an item of property, plant and equipment, classified as held for sale, shall be included in profit or loss when the item is derecognised; which is determined as



the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(xiii) **Leases:**

The Group has adopted the new accounting standard Ind AS 116 "Leases" w.e.f April 1, 2019 as per Companies (Indian Accounting Standards) amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets (ROU), and finance cost for interest accrued on lease liability.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

*As a lessee*

At the commencement date of the lease the Group recognizes a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments included in the measurement of the lease liability consist of the payments for the right of use the underlying assets during the lease term that are not paid at the commencement date of the lease.

The payments included in the measurement of the lease liability include fixed payments less any lease incentives receivable variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes a right-of-use asset from a lease contract at the commencement date of the lease, which is the date that the underlying asset is made available for use.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date of the lease less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any and adjusted for any re measurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. It also considers possible asset retirement obligations in the cost of the right-of-use asset.

Right-of-use assets are subject to impairment testing in future periods. On date of transition, the Company has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard and accordingly not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Group has also applied the following practical expedient provided by the standard when applying Ind AS 116.

- a) By measuring the assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment recognized immediately before the date of initial applications.
- b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment, consequently, the Company has recorded the lease liability at the present





- value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- c) not to reassess whether a contract is or contains a lease, accordingly the definition of lease in accordance with Ind AS 17 will continue to be applied to those leases entered or modified before April 1, 2019.
  - d) excluded the initial direct costs from measurement of the ROU asset.
  - e) Not to recognize ROU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

This first time adoption of Ind AS 116 has resulted in recognizing a Right-of-Use asset and a corresponding Lease Liability of INR 1,192.79 Lacs as at March 31, 2020 increase in retained earnings by Rs. 12.66 Lacs (net of tax) as at April 01, 2019 and a corresponding impact on total expenses of INR 58.04 Lacs during the year ended March 31, 2020.

*As a lessor*

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(xiv) Inventories**

Raw materials are valued at lower of cost and net realisable value. The cost of inventories is based on the first in, first out formula.

The comparison of cost and net realisable value is made on an item by item basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Inventories comprising of traded goods are measured at the lower of cost and net realisable value.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on the first in first out basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item by item basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

**(xv) Employee Benefits**



**Short term employee benefits:**

Short term employee benefit obligations are measured on an undiscounted basis and are expenses off as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

**Long term employee benefits*****Defined contribution plan: Provident fund***

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Group has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expenses in statement of profit and loss in the period during which the related services are rendered by the employees.

***Defined Benefit Plan: Gratuity***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group provides for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the other comprehensive income. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group's determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Plan assets of the Group are managed by Life Insurance Corporation of India and others insurance companies.

***Other long-term benefits: Compensated absences***



Benefits under the Group's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the statement of profit and loss.

#### **Share based payments**

The Employee Stock Option Scheme ('the Scheme') provides for the grant of equity shares of the Group to its employees. The Scheme provides that employees are granted an option to acquire equity shares of the Group that vests in a graded manner. The options may be exercised within a specified period. The Group uses the grant date fair value to account for its equity settled share based payment plans granted to employee, with a corresponding increase in equity over the period that the employees unconditionally become entitled to the awards. Compensation cost is measured using independent valuation by Black-Scholes model. Compensation cost, if any is amortised over the vesting period.

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. There is no impact on these consolidated Ind AS financial statement due to this amendment.

#### **(xvi) Foreign exchange transactions and translations**

##### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount of exchange rate between the reporting currency and foreign currency at the date of transaction.

##### Conversion

Foreign currency monetary assets and liabilities outstanding as at balance sheet date are restated/translated using the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities which are measured in terms of historical cost denomination in foreign currency, are reported using the exchange rate at the date of transaction except for non-monetary item measured at fair value which are translated using the exchange rates at the date when fair value is determined.

Exchange difference arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they initially recorded during the year or reported in previous financial statement (other than those relating to fixed assets and other long term monetary assets) are recognised as income or expenses in the year in which they arise.

##### **Foreign operations:**

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

#### **(xvii) Income tax**



Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

On March 30, 2019, Ministry of Corporate Affairs has notified, Appendix C to Ind AS 12 which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is





uncertainty over income tax treatments under Ind AS 12. The Group has adopted this amendment and there is no impact on financial statement due to adoption of Appendix C to Ind AS 12.

The Group has also adopted the other amendments to "Ind AS 12" Income Tax w.e.f April 01, 2019, in connection with accounting for dividend distribution tax and there is no impact on consolidated Ind AS financial statement due to this amendment.

Minimum alternate tax

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

(xviii) **Contingent Liability, Contingent Asset and Provisions**

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Provisions

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(xix) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(xx) **Earnings per share**





Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

**(xxi) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 - Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

The Board of Directors are collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 55 for segment information.

**(xxii) Dividends paid**

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends, if any, declared by the Board of directors, which does not need shareholder's approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

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CL Educate Limited  
Notes to consolidated financial statements for year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

3. Property, plant and equipment

| Reconciliation of carrying amount              | Freehold land | Leasehold land (refer note iii) | Buildings | Building improvements | Plant and machinery | Leasehold improvement | Furniture and fixtures | Office equipments | Computers | Vehicles | Printing Negative Films | Total    |
|--|---------------|---------------------------------|-----------|-----------------------|---------------------|-----------------------|------------------------|-------------------|-----------|----------|-------------------------|----------|
| Cost or deemed cost (Gross carrying amount)    |               |                                 |           |                       |                     |                       |                        |                   |           |          |                         |          |
| Balance as at 1 April 2018                     | 1,072.39      | 196.78                          | 2,736.50  | 7.89                  | 51.00               | 205.32                | 223.51                 | 335.16            | 546.16    | 113.31   | -                       | 5,488.02 |
| Additions during the year                      | -             | -                               | -         | -                     | -                   | 20.16                 | 30.49                  | 38.09             | 46.11     | 30.48    | 9.44                    | 174.77   |
| Transfer to investment property                | -             | -                               | 210.63    | -                     | -                   | -                     | -                      | -                 | -         | -        | -                       | 210.63   |
| Disposals during the year                      | -             | -                               | -         | -                     | -                   | 2.94                  | 0.40                   | 6.69              | 1.37      | -        | -                       | 22.92    |
| Balance as at March 31, 2019                   | 1,072.39      | 196.78                          | 2,525.87  | 7.89                  | 50.34               | 222.54                | 253.60                 | 366.56            | 590.90    | 132.93   | 9.44                    | 5,429.24 |
| Balance as at 1 April 2019                     | 1,072.39      | 196.78                          | 2,525.87  | 7.89                  | 50.34               | 222.54                | 253.60                 | 366.56            | 590.90    | 132.93   | 9.44                    | 5,429.24 |
| Additions during the year                      | -             | -                               | -         | -                     | 2.69                | 15.65                 | 10.15                  | 15.34             | 61.60     | 17.65    | 12.03                   | 135.11   |
| Reclassification on account of IND AS 116      | -             | 196.78                          | -         | -                     | -                   | -                     | -                      | -                 | (0.89)    | -        | -                       | 196.78   |
| Disposals during the year                      | -             | -                               | -         | -                     | -                   | -                     | -                      | -                 | -         | -        | -                       | (0.89)   |
| Balance as at March 31, 2020                   | 1,072.39      | -                               | 2,525.87  | 7.89                  | 53.03               | 238.19                | 263.75                 | 381.90            | 651.61    | 150.58   | 21.47                   | 5,366.68 |
| Accumulated depreciation and impairment losses |               |                                 |           |                       |                     |                       |                        |                   |           |          |                         |          |
| Balance as at April 1, 2018                    | -             | 5.02                            | 95.98     | 1.02                  | 12.43               | 106.96                | 47.48                  | 127.84            | 334.73    | 36.80    | -                       | 768.26   |
| Depreciation for the year                      | -             | 2.53                            | 43.57     | 1.50                  | 4.48                | 55.90                 | 29.00                  | 80.13             | 119.25    | 18.52    | 0.70                    | 355.58   |
| Transfer to investment property                | -             | -                               | 7.78      | -                     | -                   | -                     | -                      | -                 | -         | -        | -                       | 7.78     |
| Disposals during the year                      | -             | -                               | -         | -                     | 0.46                | 2.28                  | 0.12                   | 2.76              | 1.03      | 6.44     | -                       | 13.09    |
| Balance as at March 31, 2019                   | -             | 7.55                            | 131.77    | 2.52                  | 16.45               | 160.58                | 76.36                  | 205.21            | 452.95    | 48.88    | 0.70                    | 1,102.97 |
| Balance at 1 April 2019                        | -             | 7.55                            | 131.77    | 2.52                  | 16.45               | 160.58                | 76.36                  | 205.21            | 452.95    | 48.88    | 0.70                    | 1,102.97 |
| Depreciation for the year                      | -             | 2.27                            | 44.29     | 1.51                  | 4.27                | 40.15                 | 31.00                  | 77.94             | 73.70     | 16.57    | 5.60                    | 297.30   |
| Disposals during the year                      | -             | -                               | -         | -                     | -                   | -                     | -                      | -                 | (0.81)    | -        | -                       | (0.81)   |
| Reclassification on account of IND AS 116      | -             | 9.81                            | -         | -                     | -                   | -                     | -                      | -                 | -         | -        | -                       | 9.81     |
| Balance as at March 31, 2020                   | -             | -                               | 176.06    | 4.03                  | 20.72               | 200.73                | 107.36                 | 283.15            | 525.84    | 65.45    | 6.30                    | 1,389.65 |
| Carrying amount (net)                          |               |                                 |           |                       |                     |                       |                        |                   |           |          |                         |          |
| As at March 31, 2019                           | 1,072.39      | 189.23                          | 2,394.10  | 5.37                  | 33.89               | 61.96                 | 177.24                 | 161.35            | 137.95    | 84.05    | 8.74                    | 4,326.27 |
| As at March 31, 2020                           | 1,072.39      | -                               | 2,349.81  | 3.86                  | 32.31               | 37.46                 | 156.39                 | 98.75             | 125.77    | 85.13    | 15.17                   | 3,977.03 |

Notes:

- For details related to assets identified for slump sale (discontinued operations) (Refer note 5)
- Please refer note 50 for details of assets held under finance lease
- Please refer note 49 for capital commitments.
- The Group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2020 and March 31, 2019.
- Certain property, plant and equipment, are subject to charge against secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts. (Refer note 24 and 28).
- There are no impairment losses recognised during the year.
- There are no exchange differences adjusted in property, plant & equipment.
- During the year Leasehold land at Greater Noida have been reclassified from PPE to Right of Use Assets in accordance with IND AS- 116: Leases (refer note 4).
- During the previous year, building at pune have been reclassified from PPE to investment property (refer note 5)



CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2020

(All amounts are in Rupees lacs, unless otherwise stated)

4. Right of Use Assets

| Particulars                                     | As at<br>March 31, 2020 |
|---|-------------------------|
| <b>Gross carrying amount</b>                    |                         |
| Opening Gross carrying amount                   | 1,192.79                |
| Additon during the year                         | -                       |
| Reclassification from Leasehold Land            | 186.97                  |
| <b>Balance as at March 31, 2020</b>             | <b>1,379.76</b>         |
| <b>Accumulated Depreciation</b>                 |                         |
| Balance as at April 1, 2019                     | -                       |
| Depreciation for the year                       | 431.91                  |
| <b>Balance as at March 31, 2020</b>             | <b>431.91</b>           |
| <b>Net Carrying amount as at March 31, 2020</b> | <b>947.85</b>           |

Note :

During the year, the Group recognised right of use assets as per Ind AS 116 "Leases" (Refer note 50)

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5. Investment property

A. Reconciliation of carrying amount  
Cost or deemed cost

|                              | Amount |
|------------------------------|--------|
| Balance as at April 1, 2018  | 112.91 |
| Additions during the year    | 210.63 |
| Balance as at March 31, 2019 | 323.54 |
| Additions during the year    | -      |
| Balance as at March 31, 2020 | 323.54 |

Accumulated depreciation

|  |         |
|--|---------|
| Balance as at April 1, 2018                    | (4.13)  |
| Additions during the year                      | (7.78)  |
| Depreciation for the year ended March 31, 2019 | (5.96)  |
| Balance as at March 31, 2019                   | (17.87) |
| Additions during the year                      | -       |
| Depreciation for the year ended March 31, 2020 | (5.76)  |
| Balance as at March 31, 2020                   | (23.63) |

Carrying amounts

|                      |        |
|----------------------|--------|
| As at March 31, 2019 | 305.67 |
| As at March 31, 2020 | 299.91 |

B. Amounts recognised in statement of profit or loss for investment property

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Rental income   | 26.49                   | 24.62                   |
| Profit from investment properties before depreciation | 26.49                   | 24.62                   |
| Depreciation expense                                  | (5.76)                  | (5.96)                  |
| Profit from investment property                       | 20.73                   | 18.66                   |

C. Measurement of fair value

|                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------|-------------------------|-------------------------|
| Investment property | 770.00                  | 755.00                  |
|                     | 770.00                  | 755.00                  |

D. Estimation of fair values

The Group obtains independent valuations for each of its investment property by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility.

Valuation technique:

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied by the Group is the price per square metre (sqm).

Fair value hierarchy:

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

The valuation techniques and the inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is as follows:

| Valuation technique | Observable inputs   |
|---------------------|---|
| Market method       | Guideline rate (Per sq. m.) Similar piece of land rate (Per sq. m.) |

Investment property mainly consists of buildings in Mumbai & Pune. During the year, Group has made valuation of investment property and fair value of investment property as at March 31, 2020 is in accordance with valuation report.

E. Leasing arrangements

The Group has given its premises on cancellable operating lease to one of its franchise. Lease receipts recognized in the Statement of profit and loss (including of depreciation of Rs. 5.76 lacs (March 31, 2019: Rs. 5.96 lacs) during the year amounts to Rs. 26.49 lacs (March 31, 2019: Rs 24.62 lacs). Further information about these leases is included in Note 50.



6. Goodwill

|                                      | Amount   |
|--------------------------------------|----------|
| Reconciliation of carrying amount    |          |
| Cost or deemed cost                  |          |
| Opening Balance as at April 1, 2018  | 3,345.05 |
| Addition during the year             | -        |
| Balance as at March 31, 2019         | 3,345.05 |
| Reversal of goodwill during the year | (71.63)  |
| Balance as at March 31, 2020         | 3,273.42 |

6.1 Impairment tests for Goodwill

Goodwill is monitored by management at the level of the five operating segments identified in note 60.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to segments are as follows:

|                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------|-------------------------|-------------------------|
| a) Consumer test prep       | 826.60                  | 826.60                  |
| b) Consumer publishing      | 538.81                  | 610.44                  |
| c) Enterprise corporate     | 488.20                  | 488.20                  |
| d) Enterprise institutional | 1,351.33                | 1,351.33                |
| e) Others                   | 68.48                   | 68.48                   |
|                             | 3,273.42                | 3,345.05                |

6.2 Significant estimate: key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been on historical data from both external and internal sources.

| March 31, 2020                      | Consumer test prep | Consumer publishing | Enterprise corporate | Enterprise institutional | Others |
|-------------------------------------|--------------------|---------------------|----------------------|--------------------------|--------|
| Sales volume (% annual growth rate) | 10.00%             | 10.00%              | 10.00%               | 15.00%                   | 2.00%  |
| Long term growth rate (%)           | 6.00%              | 6.00%               | 6.00%                | 6.00%                    | 6.00%  |
| Pre-tax discount rate (%)           | 11.55%             | 11.55%              | 12.00%               | 12.00%                   | 10.70% |
| March 31, 2019                      | Consumer test prep | Consumer publishing | Enterprise corporate | Enterprise institutional | Others |
| Sales volume (% annual growth rate) | 15.00%             | 12.00%              | 15.00%               | 25.00%                   | 5.00%  |
| Long term growth rate (%)           | 6.00%              | 6.00%               | 6.00%                | 6.00%                    | 6.00%  |
| Pre-tax discount rate (%)           | 16.00%             | 17.00%              | 16.00%               | 13.50%                   | 10.70% |

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption Approach used to determining values

|                                |   |
|--------------------------------|---|
| <b>Sales volume :</b>          | Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.                           |
| <b>Long-term growth rate:</b>  | This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports. |
| <b>Pre-tax discount rates:</b> | Reflect specific risks relating to the relevant segments and the countries in which they operate.   |

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.





CL Educate Limited  
Notes to consolidated financial statements for year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

7. Other intangible assets

| Reconciliation of carrying amount                         | Brand  | Intellectual property rights and trademarks | Computer software | License fees | Content development | Web Site | Distribution network | Non-compete fees | CAT Online Module | Wain Connect | IQM    | Melting Pot | Online video content | Gate fix | Aspiration, AI | Total    |
|---|--------|---|-------------------|--------------|---------------------|----------|----------------------|------------------|-------------------|--------------|--------|-------------|----------------------|----------|----------------|----------|
| Cost or deemed cost (Gross carrying amount)               | 330.00 | 739.08                                      | 87.04             | 87.29        | 1,149.61            | 22.04    | 28.56                | 84.00            | 26.98             | 22.50        | 118.40 | 112.69      | -                    | -        | -              | 2,808.19 |
| Balance as at 1 April 2018                                | -      | -   | 113.46            | -            | 219.18              | -        | -                    | 15.00            | -                 | -            | -      | -           | -                    | -        | -              | 347.63   |
| Additions during the year                                 | -      | -   | -                 | -            | 220.78              | -        | -                    | -                | -                 | -            | -      | 12.08       | 43.50                | -        | -              | 276.36   |
| Additions - internally developed (refer note a below)     | -      | -   | -                 | -            | -                   | -        | -                    | -                | -                 | -            | -      | -           | -                    | -        | -              | -        |
| Disposals during the year                                 | -      | -   | -                 | -            | -                   | -        | -                    | -                | -                 | -            | -      | -           | -                    | -        | -              | -        |
| Balance as at March 31, 2019                              | 330.00 | 739.08                                      | 200.49            | 87.29        | 1,589.57            | 22.04    | 28.56                | 99.00            | 26.98             | 22.50        | 118.40 | 124.77      | 43.50                | -        | -              | 3,432.18 |
| Balance as at 1 April 2019                                | 330.00 | 739.08                                      | 200.49            | 87.29        | 1,589.57            | 22.04    | 28.56                | 99.00            | 26.98             | 22.50        | 118.40 | 124.77      | 43.50                | -        | -              | 3,432.18 |
| Other additions during the year                           | -      | -   | 34.04             | -            | 203.07              | -        | -                    | 10.00            | -                 | -            | -      | -           | -                    | -        | -              | -        |
| Additions - internally developed (refer note a below)     | -      | -   | -                 | -            | 276.79              | -        | -                    | -                | -                 | -            | -      | -           | -                    | 61.08    | 174.45         | 420.56   |
| Acquisitions through business combination (refer note 37) | -      | -   | -                 | -            | -                   | -        | -                    | -                | -                 | -            | -      | -           | -                    | -        | 81.40          | 419.27   |
| Disposals during the year                                 | -      | -   | -                 | -            | -                   | -        | -                    | -                | -                 | -            | -      | -           | -                    | -        | -              | -        |
| Balance as at March 31, 2020                              | 330.00 | 739.08                                      | 234.53            | 87.29        | 2,068.43            | 22.04    | 28.56                | 109.00           | 26.98             | 22.50        | 118.40 | 124.77      | 43.50                | 61.08    | 255.85         | 4,272.00 |
| <b>Accumulated amortisation and impairment losses</b>     |        |   |                   |              |                     |          |                      |                  |                   |              |        |             |                      |          |                |          |
| Balance as at 1 April 2018                                | 33.00  | 278.83                                      | 33.58             | 52.84        | 271.05              | 7.38     | 28.56                | 27.57            | 9.79              | 1.13         | 2.98   | 2.84        | -                    | -        | -              | 749.55   |
| Amortisation for the year                                 | 33.00  | 138.63                                      | 26.27             | 26.32        | 284.02              | 7.35     | -                    | 39.42            | 5.79              | 4.50         | 11.84  | 11.26       | 4.35                 | -        | -              | 592.75   |
| Disposals during the year                                 | -      | -   | -                 | -            | -                   | -        | -                    | -                | -                 | -            | -      | -           | -                    | -        | -              | -        |
| Balance as at March 31, 2019                              | 66.00  | 417.46                                      | 59.85             | 79.16        | 555.07              | 14.73    | 28.56                | 66.99            | 15.58             | 5.63         | 14.82  | 14.10       | 4.35                 | -        | -              | 1,342.30 |
| Balance as at 1 April 2019                                | 66.00  | 417.46                                      | 59.85             | 79.16        | 555.07              | 14.73    | 28.56                | 66.99            | 15.58             | 5.63         | 14.82  | 14.10       | 4.35                 | -        | -              | 1,342.30 |
| Amortisation for the year                                 | 33.09  | 125.91                                      | 39.91             | 8.13         | 339.93              | 7.31     | -                    | 32.63            | 5.81              | 4.51         | 11.87  | 13.72       | 8.72                 | -        | -              | 666.53   |
| Disposals during the year                                 | -      | -   | -                 | -            | -                   | -        | -                    | -                | -                 | -            | -      | -           | -                    | -        | -              | -        |
| Balance as at March 31, 2020                              | 99.09  | 543.37                                      | 99.76             | 87.29        | 895.00              | 22.04    | 28.56                | 99.62            | 21.39             | 10.14        | 26.69  | 27.82       | 13.07                | -        | -              | 2,008.83 |
| <b>Carrying amount (net)</b>                              |        |   |                   |              |                     |          |                      |                  |                   |              |        |             |                      |          |                |          |
| As at March 31, 2019                                      | 264.00 | 321.62                                      | 140.64            | 8.13         | 1,034.50            | 7.31     | -                    | 32.01            | 11.40             | 16.87        | 103.58 | 110.66      | 39.15                | -        | -              | 2,089.88 |
| As at March 31, 2020                                      | 230.91 | 195.71                                      | 134.77            | -            | 1,173.43            | -        | -                    | 9.38             | 5.59              | 12.36        | 97.71  | 96.95       | 30.43                | 61.08    | 220.85         | 2,263.17 |

Refer note 'b' below for internally generated intangible assets.

Note:

- Intangible assets are subject to first pass charge to secure the Group's borrowings referred in notes as secured term loan from banks and bank overdrafts. (Refer note 26 and 31)
- For details related to assets identified for slump sale (discontinued operations) (Refer note 39)
- Content is at the core of the offering of the test preparation product and is a intellectual property. It includes content in form of books, questions and solutions, mock tests, video lectures and analysis of test papers. Amortisation is calculated to write off the cost of content over their estimated useful life (range 1 to 5 years) using the straight-line method.
- A non-compete fee is the outcome of an agreement entered between Group and IndicaCan for on-going business should be protected from competition by the outgoing entity. Amortisation is calculated to write off the cost of non-compete fees over its useful life of 5 years using the straight-line method. During the year Group has paid consideration against the non-compete agreement.
- Brand is recognised separately for ETEN acquisition, ETEN was a business division of IndicaCan, engaged in the test preparation business for chartered accountancy courses and civil services entrance examination supported by VSAT (very small aperture terminal) network in India, were acquired by the Group via Business Transfer Agreement. Amortisation is calculated to write off the cost of brand over its useful life of 10 years using the straight-line method.
- Inquisitive Minds (IQM) is India's biggest quiz challenge at school and college level. It is an endeavour to encourage young India to learn through contests and know more about what's happening around the world. Amortisation is calculated to write off the cost of IQM over its useful life of 10 years using the straight-line method.
- Melting Pot 2020 Innovation Summit is the platform for enabling collaboration, networking and knowledge sharing between the various stakeholders in the innovation eco-system to catalyze the transformation of the region into a global innovation hub. Amortisation is calculated to write off the cost of Melting Pot over its useful life of 10 years using the straight-line method.
- Aspiration.AI is a next generation product which is focused on providing on serving all education needs of a family from a unified portal of information, built on a foundation of leading edge technologies. Amortisation is calculated to write off the cost of 'Aspiration.AI' over its useful life of 5 years using the straight-line method.
- The Group has not carried out any revaluation of intangible assets for the year ended March 31, 2019 and March 31, 2020.
- The Group did not have acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.
- There are no other restriction on title of intangible assets other than as already disclosed.
- There are no exchange differences adjusted in intangible assets.
- Refer note 45 for amortisation.





CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2020

(All amounts are in Rupees lacs, unless otherwise stated)

8. Details of internally generated intangible assets

| Reconciliation of carrying amount                  | Content<br>(refer note i) | Aspiration. AI<br>(refer note ii) | GATE Flix<br>(refer note iii) | Recruitment<br>software (Sofi)<br>(refer note iv) | Total    |
|--|---------------------------|-----------------------------------|-------------------------------|---|----------|
| <b>Cost or deemed cost (Gross carrying amount)</b> |                           |                                   |                               |   |          |
| Balance as at April 1, 2018                        | 396.43                    | -                                 | -                             | -   | 396.43   |
| Additions during the year                          | 220.78                    | -                                 | -                             | 49.17   | 269.95   |
| Disposals during the year                          | -                         | -                                 | -                             | -   | -        |
| Balance as at March 31, 2019                       | 617.21                    | -                                 | -                             | 49.17   | 666.38   |
| Balance as at April 1, 2019                        | 617.21                    | -                                 | -                             | 49.17   | 666.38   |
| Additions during the year                          | 276.79                    | 81.40                             | 61.08                         | -   | 419.27   |
| Disposals during the year                          | -                         | -                                 | -                             | -   | -        |
| Balance as at March 31, 2020                       | 894.00                    | 81.40                             | 61.08                         | 49.17   | 1,085.65 |
| <b>Accumulated amortisation</b>                    |                           |                                   |                               |   |          |
| Balance as at April 1, 2018                        | 63.67                     | -                                 | -                             | -   | 63.67    |
| Amortisation for the year                          | 33.13                     | -                                 | -                             | 2.45  | 35.58    |
| Disposals during the year                          | -                         | -                                 | -                             | -   | -        |
| Balance as at March 31, 2019                       | 96.80                     | -                                 | -                             | 2.45  | 99.25    |
| Balance as at April 1, 2019                        | 96.80                     | -                                 | -                             | 2.45  | 99.25    |
| Amortisation for the year                          | 49.14                     | 16.32                             | -                             | 9.86  | 75.32    |
| Disposals during the year                          | -                         | -                                 | -                             | -   | -        |
| Balance as at March 31, 2020                       | 145.94                    | 16.32                             | -                             | 12.31   | 174.57   |
| <b>Carrying amount (net)</b>                       |                           |                                   |                               |   |          |
| As at March 31, 2019                               | 520.41                    | -                                 | -                             | 46.72   | 567.13   |
| As at March 31, 2020                               | 748.06                    | 65.08                             | 61.08                         | 36.86   | 911.08   |

i. Content is at core of the offering of the test preparation product and is an Intellectual property. It includes content in form of books, questions and solutions, mock test, video lectures and analysis of test papers. Amortisation is calculated to write off the cost of content over their estimated useful life 5 years using the straight-line method.

ii. Aspiration.AI is a next generation product which is focused on providing on serving all education needs of a family from a unified portal of information, built on a foundation of leading edge technologies. Amortisation is calculated to write off the cost of 'Aspiration.AI' over its useful life of 5 years using the straight-line method.

iii. GATEFlix is a next-gen product being developed by ICE GATE Educational Institute Private Limited to facilitate easy learning techniques amongst students pursuing GATE (General Aptitude Test in Engineering). It is being developed as a comprehensive platform wherein students would be able to attend live classes of all the subjects and also be able to access all the lectures, notes, Test series and other study materials online.

iv. Sofi is a recruitment software and is capitalized on December 31, 2018 and it is a high-end resource matching solution for any company looking to hire technical & IT manpower that immediately analyses high volumes of IT personnel's CVs, evaluates, filters and sorts the most suitable candidates.

The cost of Sofi is the employee cost incurred in respect of the development of the software.

- Using customer requirements as the basis for filtering through an unlimited number of CVs
- Sorting through the CVs and suggesting the most relevant candidates
- Contacting the best applicants & track applications

9. Intangibles assets under development

Particulars

Opening Balance  
Add: Addition during the year  
Less: Capitalized during the year  
Less: Expensed off during the year  
Closing Balance

|                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Opening Balance                    | 174.45                  | 135.24                  |
| Add: Addition during the year      | 342.64                  | 140.49                  |
| Less: Capitalized during the year  | (174.45)                | (63.50)                 |
| Less: Expensed off during the year | -                       | (37.78)                 |
| Closing Balance                    | 342.64                  | 174.45                  |



10 Non-current financial assets - loans

*Unsecured, considered good*

Security deposits

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 167.66                  | 175.88                  |
|  | <b>167.66</b>           | <b>175.88</b>           |

Note:

i. The Group's exposure to credit and currency risks are disclosed in Note 62.

11 Other non-current financial assets

Non-current bank balances (Deposits with maturity for more than 12 months from reporting date) (Refer note i)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 956.61                  | 1,651.47                |
|  | <b>956.61</b>           | <b>1,651.47</b>         |

Note:

i. Non-current bank balance include:

- Deposits of Rs. 0.75 lacs (March 31, 2019: Rs. 1.01 lacs) for issue of guarantees in favor of value added tax authorities,
- Deposits of Rs. 2.00 lacs (March 31, 2019: Rs. 3.18 lacs) for issue of guarantees in favor of The Directorate of Employment Training, Gandhi Nagar-TDD,
- Deposits aggregating to Rs. Nil (March 31, 2019: Rs. 1100.00 lacs) pledged with banks for certain loan facility (Refer note 26),
- Deposits of Rs. 0.99 lacs (March 31, 2019: Rs. 0.93 lacs) submitted in bank against consumer court case appeal,
- Deposits of Rs. 398.18 lacs (March 31, 2019 Rs. 371.35 lacs) pledged with RBL Bank for term loan facility (Refer note 26),
- Deposits of Rs. 375 Lacs (March 31, 2019 Rs. 175 Lacs) are under lien towards Term Loan from Tata Capital Financial Services Ltd
- Deposits of Rs. 150 Lacs (March 31, 2019 Rs. Nil) are under lien towards cash credit facility from IndusInd Bank.

ii. The Group's exposure to credit and currency risks are disclosed in Note 62.

12 Non-current tax assets (net)

Advance tax (Net of provision for income tax of Rs. 300.70 lacs)  
[ March 31, 2019 - Rs. 1886.88 lacs]

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 2,748.95                | 3,166.04                |
|  | <b>2,748.95</b>         | <b>3,166.04</b>         |

13 Deferred tax assets (net)

Deferred tax assets (net) (refer note 65)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 1,325.88                | 1,179.44                |
|  | <b>1,325.88</b>         | <b>1,179.44</b>         |

14 Other non-current assets

Capital advances (refer note 52)

Prepaid expenses

- Prepaid rent
- Prepaid franchisee recurring payments
- Financial guarantee commission

Gratuity fund (refer note 51)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 16.00                   | 17.04                   |
|  | 13.57                   | 23.11                   |
|  | 34.73                   | 158.36                  |
|  | 3.81                    | 3.14                    |
|  | 1.49                    | 1.30                    |
|  | <b>69.60</b>            | <b>202.95</b>           |



15 Inventories

Valued at lower of cost and Net Realisable value unless otherwise stated

|   |  |
|---|--|
| Raw materials (refer note i)              |  |
| Work-in-progress (refer note ii)          |  |
| Finished goods produced                   |  |
| Less: Provision for slow moving inventory |  |
| Right to return assets (refer note v)     |  |

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 27.66                   | 19.61                   |
|  | 6.39                    | 6.69                    |
|  | 1,384.61                | 777.51                  |
|  | (99.41)                 | (13.76)                 |
|  | 130.99                  | 190.59                  |
|  | <u>1,450.24</u>         | <u>980.64</u>           |

Note:

- Includes raw materials lying with third parties Rs. 27.66 lacs (March 31, 2019: Rs. 19.61 lacs).
- Includes work-in-progress lying with third parties Rs. 6.39 lacs (March 31, 2019: Rs. 6.69 lacs).
- Inventories are pledged as securities for borrowings taken from banks (refer note 26)
- All inventories categories represent text books.
- For explanation regarding right to return asset. Refer note 38(i)

16 Current Investments

Quoted at fair value through profit and loss  
Investment in mutual funds

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 3,716.34                | 2,743.09                |
|  | <u>3,716.34</u>         | <u>2,743.09</u>         |

Aggregate amount of quoted investments and market value thereof  
Aggregate amount of unquoted investments  
Aggregate amount of impairment in value of investments

|  |          |          |
|--|----------|----------|
|  | 3,716.34 | 2,743.09 |
|  | -        | -        |
|  | -        | -        |

Details of Investment in liquid mutual fund units

The balances held in liquid mutual fund as at March 31, 2020 and March 31, 2019 are as follows:

| Particulars                    | As at March 31, 2020 |                 | As at March 31, 2019 |                 |
|--------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                | Unit                 | Amount          | Unit                 | Amount          |
| ICICI Prudential MF Collection | 302,450.94           | 888.55          | 188,371.90           | 520.69          |
| HDFC Mutual Fund               | 21,935.48            | 856.93          | 11,262.17            | 414.25          |
| UTI Mutual Fund                | 17,226.08            | 559.45          | 22,882.51            | 700.38          |
| Birla Sun Life MF              | 283,000.23           | 904.35          | 190,627.42           | 572.71          |
| DSP Mutual Fund                | 17,849.66            | 507.06          | 20,014.32            | 535.06          |
| <b>Total</b>                   | <b>642,462.39</b>    | <b>3,716.34</b> | <b>433,158.32</b>    | <b>2,743.09</b> |

Note:

- There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

17 Trade receivables

Unsecured  
Considered good  
Credit impaired  
Less: Allowances for bad and doubtful debts

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | 9,470.01                | 12,992.13               |
|  | 790.77                  | 1,572.83                |
|  | (790.77)                | (1,572.83)              |
|  | <u>9,470.01</u>         | <u>12,992.13</u>        |

Of the above, trade receivables from related parties are as below (refer note 52)  
Total trade receivables from related parties

|  |   |              |
|--|---|--------------|
|  | - | 75.28        |
|  | - | <u>75.28</u> |

Note:

- The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 62.
- Trade receivable are non interest bearing and are normally received in normal operating cycle.
- No Trade or other receivable are due from director or other officer of the Group and firms or private companies in which any director is a partner, a director or a member either jointly or severally with other persons except as stated above.
- Trade receivable are pledged as securities for borrowings taken from banks (refer note 26).





18 Cash and cash equivalents

|                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------|-------------------------|-------------------------|
| Balances with banks:    |                         |                         |
| - on current account    | 1,040.27                | 791.85                  |
| Cheques/ drafts on hand | 2.33                    | 74.38                   |
| Cash on hand            | 116.68                  | 174.87                  |
|                         | <b>1,159.28</b>         | <b>1,041.10</b>         |

Note:

i. The Group's exposure to liquidity risks are disclosed in Note 62.

19 Bank balances other than cash and cash equivalent

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Unpaid dividend account- bank balance (refer note (v))   | 2.56                    | 1.57                    |
| Deposits with original maturity for more than three months but less than twelve months from the reporting date | 257.46                  | 978.63                  |
|  | <b>260.02</b>           | <b>980.20</b>           |

Note :

(i) Deposits of Rs. 220.00 lacs (March 31, 2019 Rs 440.00 lacs) are under lien towards cash credit facility from IndusInd Bank.

(ii) Fixed deposits amounting Rs. Nil (March 31, 2019 Rs 200.00 lacs) are under lien towards term loan facility from Tata Capital Financial Services Limited

(iii) Fixed deposits amounting Rs. Nil (March 31, 2019 Rs 300.00 lacs) are under lien towards overdraft facility taken from ICICI Bank.

(iv) Deposits of Rs. Nil lacs (March 31, 2019: Rs.15.50 lacs) for issue of guarantees in favor of Northern Eastern Council Secretariat, Shillong.

(v) During the year Group had declared an interim dividend as on November 11, 2019, out of which Rs. 2.56 Lacs not claimed by the shareholder as on March 31, 2020 ( March 31, 2019: Rs.1.57 Lacs).

(vi) The Group's exposure to liquidity risks are disclosed in Note 62.

20 Current financial assets - loans

|                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Secured, considered good</b>       |                         |                         |
| Security deposits                     | 242.31                  | 33.75                   |
| <b>Unsecured, considered good</b>     |                         |                         |
| Loan to employees                     | 45.20                   | 45.37                   |
| Advance to employees                  | -                       | 2.96                    |
| Loans to related parties              | 1,262.69                | 1,498.95                |
| Credit impaired                       | -                       | 75.00                   |
| Less: Allowance for Credit Impaired   | -                       | (75.00)                 |
| Loans to others                       | -                       | 249.90                  |
| <b>Unsecured, considered doubtful</b> |                         |                         |
| Loans to CL USA                       | 399.49                  | 399.49                  |
| Less: Provision for loss allowance    | (399.49)                | (399.49)                |
| Security deposits                     | 28.05                   | 315.00                  |
| Less: Provision for loss allowance    | (28.05)                 | (28.05)                 |
|                                       | <b>1,550.20</b>         | <b>2,117.88</b>         |

Note:

i. Refer note 52 for transactions with related party.

ii. The Group's exposure to credit and currency risks are disclosed in Note 62.

The Group has given unsecured loan to their group companies/parties for meeting their working capital requirement. Details of the same are as below:

| Company Name                           | Amount given during the year | Rate of interest | March 31, 2020  | March 31, 2019  |
|--|------------------------------|------------------|-----------------|-----------------|
| - Career Launcher Education Foundation | 14.80                        | Nil              | 1,219.77        | 1,322.64        |
| - CLEF - AP                            | Nil                          | Nil              | 40.70           | 251.31          |
| <b>Total</b>                           | <b>14.80</b>                 |                  | <b>1,260.47</b> | <b>1,573.95</b> |



21 Other current financial assets

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Unbilled Revenue                                      | -                       | 36.28                   |
| Contract assets (refer note 38 (i))                   | 216.50                  | 697.51                  |
| Less: Provision for other doubtful loans and advances | (0.23)                  | -                       |
|   | <u>216.27</u>           | <u>697.51</u>           |
| Interest accrued but not due on deposits              | 25.76                   | 55.31                   |
| Interest accrued but not due on loans                 |                         |                         |
| - related parties                                     | 34.79                   | 34.63                   |
| - others  | -                       | 1.35                    |
| Other receivables from                                |                         |                         |
| - related parties                                     | -                       | 5.80                    |
| - others  | 384.13                  | 62.55                   |
| Less: Provision for doubtful debts                    | (328.03)                | -                       |
| Receivable on account of sale of business from        |                         |                         |
| - related party (refer footnote i)                    | -                       | 344.70                  |
| - others  | 400.00                  | -                       |
|   | <u>732.92</u>           | <u>1,238.13</u>         |

Note:

- i. Refer note 52 for transactions with related party.
- ii. The Group's exposure to credit and currency risks are disclosed in Note 62.

22 Other current assets

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Prepaid  |                         |                         |
| - Prepaid expenses                               | 1,878.71                | 1,548.70                |
| -Prepaid financial guarantee commission          | 2.55                    | 4.95                    |
| -Prepaid rent                                    | 52.16                   | 31.09                   |
| Advances   |                         |                         |
| - Advances to related parties                    | 60.82                   | 80.42                   |
| - Advances to employees                          | 65.32                   | 48.46                   |
| - Advances to suppliers                          | 530.97                  | 505.55                  |
| - Other  | 0.17                    | 0.13                    |
| Balances recoverable from government authorities | 541.79                  | 94.85                   |
| Right to return asset                            | -                       | 14.79                   |
|  | <u>3,132.49</u>         | <u>2,328.94</u>         |

Note:

- i. Refer note 52 for transactions with related party.

23 Assets classified as held for sale

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Disposal group held for sale (note 59) | 2,923.31                | 2,923.21                |
|  | <u>2,923.31</u>         | <u>2,923.21</u>         |

Note:

Fair value measurements

- i. The fair value of asset classified as held for sale is higher than its carrying value as at March 31, 2020.



24 Share capital

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Authorised shares<br>16,000,000 (March 31, 2019: 16,000,000;) equity shares of Rs. 10 each fully paid up                     | 1,600.00                | 1,600.00                |
| Issued, subscribed and paid-up shares<br>14,165,678 (March 31, 2019: 14,165,678;) equity shares of Rs. 10 each fully paid up | 1,416.57                | 1,416.57                |
|  | <u>1,416.57</u>         | <u>1,416.57</u>         |

a. Terms and rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

During the year, the Group has distributed interim dividend as follows:

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| Re.1.00 per share            | Re.1.00 per share            |

Liquidation

In the event of liquidation of the Group, the holders of equity shares shall be entitled to receive all of the remaining assets of the Group, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

|                                    | For the year ended<br>March 31, 2020 |                 | For the year ended<br>March 31, 2019 |                 |
|------------------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
|                                    | No. of shares                        | Amount          | No. of shares                        | Amount          |
| At the beginning of year           | 14,165,678                           | 1,416.57        | 14,165,678                           | 1,416.57        |
| Outstanding at the end of the year | <u>14,165,678</u>                    | <u>1,416.57</u> | <u>14,165,678</u>                    | <u>1,416.57</u> |

c. Details of shareholders holding more than 5% shares in the Group:

|   | As at March 31, 2020 |               | As at March 31, 2019 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | No. of shares        | Percentage    | No. of shares        | Percentage    |
| Promoters' Holding  |                      |               |                      |               |
| Mr. Gautam Puri   | 2,310,104            | 16.31%        | 2,270,351            | 16.03%        |
| Mr. Satya Narayanan R   | 2,327,806            | 16.43%        | 2,280,579            | 16.10%        |
| Bilakes Consulting Private Limited  | 1,255,460            | 8.86%         | 1,255,460            | 8.86%         |
| GPE (India) Limited   | 946,473              | 6.68%         | 946,473              | 6.68%         |
| Sundaram Asset Management Company Limited (along with its Persons acting in Concern)  | 872,526              | 6.16%         | 921,623              | 6.51%         |
| Flowering Tree Investment Management Pte. Ltd. (along with its Persons acting in Concern i.e. Arjuna Fund Pte. Ltd and Ashoka Pte. Ltd) | 895,772              | 6.32%         | 898,237              | 6.34%         |
|   | <u>8,608,141</u>     | <u>60.76%</u> | <u>8,572,723</u>     | <u>60.52%</u> |

d. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

i. The Group has issued 265,604 equity shares as fully paid without payment being received in cash during the financial years 2015-16 to 2019-20, all of which were issued in financial year 2015-16.

ii. The Group has issued equity shares aggregating 74,800 (March 31, 2019: 77,700) of Rs. 10 each fully paid up during the financial years 2015-16 to 2019-20, on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

iii. Nil equity shares has been issued by way of bonus shares during the financial years 2015-16 to 2019-20.

iv. Nil equity shares bought back pursuant to Section 68, 69 and 70 of the Companies Act, 2013 during the financial years 2015-16 to 2019-20.

e. No class of shares have been bought back by the Group during the period of five years immediately preceding the reporting date.

f. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option of the Group (refer to Note 57)





|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>25 Other equity</b>   |                         |                         |
| <b>a. Securities premium</b>   |                         |                         |
| Opening balance  | 29,853.45               | 29,853.45               |
| Closing balance (A)  | 29,853.45               | 29,853.45               |
| <b>b. Capital reserves (B)</b>   | 0.20                    | 0.20                    |
| <b>c. General reserves</b>   |                         |                         |
| Opening balance  | 30.60                   | 64.70                   |
| Add: Transfer from surplus/(deficit) in Profit and loss account        | 140.18                  |                         |
| Add: Transferred from ESOP reserves                                    | 36.95                   | 136.67                  |
| Less: Interim dividend paid during the year                            | (170.77)                | (170.77)                |
| Closing balance (C)  | 36.96                   | 30.60                   |
| <b>d. Employee stock option outstanding</b>                            |                         |                         |
| Gross employee stock compensation for options granted in earlier years | 34.80                   | 176.73                  |
| Add: Gross compensation for options for the year                       | 2.15                    | (5.26)                  |
| Less: Transferred to general reserve                                   | (36.95)                 | (136.67)                |
| Closing balance (D)  | -                       | 34.80                   |
| <b>e. (Deficit)/Surplus in the Statement of Profit and Loss</b>        |                         |                         |
| Opening balance  | 4,740.96                | 2,746.30                |
| Add: lease adjustment on transition to Ind AS 116                      | 12.66                   | -                       |
| Add: Net (loss)/profit for the year                                    | (5,305.80)              | 1,997.63                |
| Less: Transfer to General Reserve                                      | (140.18)                |                         |
| Less: Transactions with NCI  | (15.79)                 | (2.97)                  |
| Less: Excess of consideration paid in transactions with NCI            | (70.78)                 | -                       |
|  | (778.93)                | 4,740.96                |
| <b>. Other comprehensive Income</b>                                    |                         |                         |
| Opening balance  | 62.42                   | 43.57                   |
| Remeasurement of defined benefit obligation                            | 35.61                   | 18.85                   |
|  | 98.03                   | 62.42                   |
| Closing balance (E)  | (680.90)                | 4,803.38                |
| <b>f. Foreign currency translation reserve</b>                         |                         |                         |
| Opening balance  | (6.95)                  | (3.13)                  |
| Addition during the year   | 7.27                    | (3.82)                  |
| Closing balance (F)  | 0.32                    | (6.95)                  |
| <b>g. Deemed equity</b>  |                         |                         |
| Opening balance  | 33.27                   | 32.78                   |
| Addition during the year   | 18.24                   | 0.49                    |
| Closing balance (G)  | 51.51                   | 33.27                   |
| <b>h. Equity component of compound financial instruments</b>           |                         |                         |
| Closing balance (H)  | 4.85                    | 4.85                    |
| <b>i. Non-controlling interest reserve</b>                             |                         |                         |
| Opening balance  | (2,327.45)              | (1,984.44)              |
| Transaction during the year  | 15.79                   | (343.01)                |
| Less: Utilised / transferred during the year                           | (5.52)                  | -                       |
| Closing balance (I)  | (2,317.18)              | (2,327.45)              |
| <b>Total reserves and surplus (A+B+C+D+E+F+G+H+I)</b>                  | <b>26,949.21</b>        | <b>32,426.15</b>        |

**Nature and purpose of other reserves/ other equity**

- (i) **General reserve**  
The Group appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act
- (ii) **Securities premium reserve**  
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- (iii) **Employee stock options outstanding amount**  
The Group appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act. Refer to note 57 for further details on these plans.
- (iv) **Foreign currency translation reserve**  
The Group appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act
- (v) **Deemed equity**  
Deemed equity arising out of financial guarantee received from its Promoters.
- (vi) **Capital reserve**  
The capital reserve was generated on account of acquisition of erstwhile Paragon classes in the FY 2001-02.



26 Non-current borrowings

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Secured loans</b>  |                         |                         |
| <b>From banks</b>   |                         |                         |
| -Term loans (refer note ii)   | 293.33                  | 463.29                  |
| -Vehicle loans (refer note i)   | 44.31                   | 45.11                   |
| <b>From financial institutions &amp; others</b>                             |                         |                         |
| -Term loans (refer note iii)  | 522.64                  | 757.74                  |
| Finance lease obligations   | -                       | 58.69                   |
| <b>Total non-current borrowings</b>   | <b>860.28</b>           | <b>1,324.83</b>         |
| Less: Current maturities of non-current borrowing (included in note 34)     | 496.18                  | 487.26                  |
| Less: Current maturities of finance lease obligations (included in note 34) | -                       | 31.89                   |
| Less: Interest accrued but not due on borrowings (included in note 34)      | 5.73                    | 0.96                    |
| <b>Non-current borrowings (as per balance sheet)</b>                        | <b>358.37</b>           | <b>804.73</b>           |

The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 62.

**Notes:**

i. Vehicle loans from banks are secured against hypothecation of concerned vehicles. Amount outstanding shown below are excluding accrued interest amount.

The terms of the vehicle loans are as follows:

**For amount outstanding as at March 31, 2020**

| Loan   | Outstanding<br>Amount | Equal monthly<br>installment (EMI)<br>Amount | Rate of Interest | Date of Last EMI |
|--------|-----------------------|--|------------------|------------------|
|        | Amount                | Amount                                       |                  |                  |
| Loan A | 16.70                 | 0.49   | 8.25%            | 05-Jun-23        |
| Loan B | 5.41                  | 0.15   | 9.18%            | 01-Aug-23        |
| Loan C | 6.25                  | 0.25   | 8.76%            | 07-Jul-22        |
| Loan D | 6.25                  | 0.25   | 8.76%            | 07-Jul-22        |
| Loan E | 9.29                  | 0.21   | 8.87%            | 01-Oct-24        |
|        | <b>43.90</b>          |  |                  |                  |

**For amount outstanding as at March 31, 2019**

| Loan   | Outstanding<br>Amount | Equal monthly<br>installment (EMI)<br>Amount | Rate of Interest | Date of Last EMI |
|--------|-----------------------|--|------------------|------------------|
|        | Amount                | Amount                                       |                  |                  |
| Loan A | 21.00                 | 0.49   | 8.25%            | 05-Jun-23        |
| Loan B | 6.69                  | 0.15   | 9.18%            | 01-Aug-23        |
| Loan C | 8.57                  | 0.25   | 8.76%            | 07-Jul-22        |
| Loan D | 8.57                  | 0.25   | 8.76%            | 07-Jul-22        |
|        | <b>44.83</b>          |  |                  |                  |

**i. Secured term loans from Bank**

i. The Group has taken a term loan taken from Ratnakar Bank Limited (RBL). Year end balances of these loans are Rs. 293.33 lacs (March 31, 2019: 459.67 lacs) the Group has availed the moratorium facility provided by the RBI on account of Covid 19.

**Interest rate:**

These loans carry interest at 10.50% per annum (March 31, 2019 : 10.50% p.a.)

**Repayment schedule:**

a) The loan is repayable in 12 equal quarterly installments of Rs. 58.33 lacs (exclusive of interest). The repayment of installments has commence from June 30, 2018 and the last installment will be due on March 31, 2021.

**Primary security**

(a) These loans together with current borrowings are secured by subservient charge by way of hypothecation on all present and future current assets inclusive of stock and book debts and moveable fixed assets of the Group.

b) Lien on fixed deposit of Rs. 398.18 lacs (March 31, 2019: Rs. 371.35 lacs) to be kept with Bank during the tenure of Loan.

**Collateral security:**

a) The loan is secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Group.



ii. Secured term loans- from others

During the year ended March 31, 2020, the Group has taken the long term loan amounting to Rs.750.00 lacs from Tata Capital.

| Name of the Lender | Outstanding amount | Outstanding amount | Equal monthly Principal (EMP) | Rate of interest | Date of last EMP |
|--------------------|--------------------|--------------------|-------------------------------|------------------|------------------|
|                    | March 31, 2020     | March 31, 2019     |                               |                  |                  |
| Tata Capital       | 520.76             | 750.00             | 20.83                         | 12.00%           | 01-Apr-22        |

Collateral security - Lien on Fixed Deposits amounting Rs. 375.00 lakhs ( March 31, 2019: Rs 375.00 lakhs)

Guarantees

a. The Loan from Tata Capital is further secured by personal guarantees of directors of the Group i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan.

(iii) Aggregate outstanding amount of loans guaranteed by the directors of the Group are Rs. 3,891.43 lacs (March 31, 2019: Rs. 4,664.69 lacs) includes amount of Rs. 327.32 lacs (March 31, 2019: Rs. 233.33 lacs) disclosed under non-current borrowings and Rs. 483.34 lacs (March 31, 2019: Rs. 233.34 lacs (Refer note 34)) disclosed under current maturities of non-current borrowings and current borrowings amounting Rs. 3,080.77 lacs (March 31, 2019: Rs. 4,612.93 lacs ) (Refer note 34).

27 Non current lease liability

Lease liability (refer note 50)

| As at          | As at          |
|----------------|----------------|
| March 31, 2020 | March 31, 2019 |
| 448.25         | -              |
| <b>448.25</b>  | <b>-</b>       |

28 Non-current provisions

Provision for employee benefits (refer note 51)  
Gratuity  
Compensated absences

| As at          | As at          |
|----------------|----------------|
| March 31, 2020 | March 31, 2019 |
| 354.73         | 314.67         |
| 207.63         | 168.04         |
| <b>562.36</b>  | <b>482.71</b>  |

29 Deferred tax liabilities (net)

Deferred tax liabilities (refer note 65)

| As at          | As at          |
|----------------|----------------|
| March 31, 2020 | March 31, 2019 |
| 3.36           | 71.62          |
| <b>3.36</b>    | <b>71.62</b>   |

30 Other non current liabilities

Unearned revenue  
Lease equalisation reserve

| As at          | As at          |
|----------------|----------------|
| March 31, 2020 | March 31, 2019 |
| 71.29          | 355.53         |
| -              | 17.55          |
| <b>71.29</b>   | <b>373.08</b>  |

31 Current borrowings

Secured  
-From banks  
-Cash credit (Refer note i)  
Unsecured  
-loan from Non Banking Financial Corporation (Refer note ii)  
From others

| As at           | As at           |
|-----------------|-----------------|
| March 31, 2020  | March 31, 2019  |
| 3,915.87        | 4,307.67        |
| -               | 142.13          |
| 2.21            | 0.50            |
| <b>3,918.08</b> | <b>4,450.30</b> |





**Notes:**

Details of these loans are as follows:

i. During the year, cash credit represents overdrafts from HDFC & ICICI Bank taken by CL Educate & from Indus Ind Bank by Kestone Integrated Marketing Services Private Limited, which are repayable on demand.

In the previous year, cash credit represents two loans from Kotak Mahindra Bank by CL Educate & G.K. Publications Private Limited and one loan from Indus Ind Bank and one loan from ICICI Bank taken by Kestone Integrated Marketing Services Private Limited which are repayable on demand.

**As at March 31, 2020**

**Cash credit from HDFC Bank- loan 1**

During the year, the Group had entered into a finance facility agreement with limit amounting Rs.3,000.00 lacs with HDFC Bank Limited comprising of Rs. 750.00 lacs as an overdraft facility & Rs. 2,250.00 lacs as a dropline overdraft facility.

**Interest rate**

These loans carry interest at bank's base rate + 3.75% (March 31, 2019: bank's base rate + 2.35% ) per annum ranging from 9.95%.

**Repayment schedule**

The overdraft facility of Rs. 750.00 lacs is only for 1 year tenure period and dropline overdraft facility of Rs. 2,250.00 lacs repayable in 16 equal quarterly installments of Rs. 140.63 lacs (exclusive of interest). One installment has been repaid during the year in the month of February'2020.

**Security**

These borrowings are secured by way of first and exclusive charge on all present and future current and moveable assets including moveable fixed assets of the Group Company.

The Overdraft are further secured by equitable mortgage on following properties of the Company:

- Plot No. 15-A , Block II , Knowledge Park, Greater Noida
- Plot No. 9A, Sector 27-A, Faridabad
- Office space No. 1 and 2, Third Floor, FC Road, Shivaji Nagar, Pune
- Unit No. 207, Second Floor, District Centre, Laxmi Nagar, Delhi

The Overdrafts are further secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Group.

**Cash credit from ICICI Bank- loan 2**

During the year, the Group had entered into a overdraft facility for LAS account with limit amounting Rs.1,000.00 lacs with ICICI Bank Limited.

**Interest rate**

These facility carry interest at bank's base rate + 0.20% per annum ranging from 8.80%.

**Repayment schedule**

The overdraft facilities is only for 1 year tenure period.

**Security**

The facility is secured by the Mutual Funds Invested by the Company.

**Cash credit from Indus Ind Bank- loan 3**

**Primary security**

First and exclusive charge on entire current assets of the Company both present and future for Cash credit from Indusind Bank.

**Collateral security ( to Indusind bank)**

- a. Corporate guarantee of CL Educate Limited (Holding Company) amounting Rs. 1,850.00 lakhs ( March 31, 2019 : Rs 1,450.00 lakhs)
- b. The facility is also secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan.
- b. Lien on fixed deposits amounting Rs. 370.00 lakhs ( March 31, 2019: Rs 290.00 lakhs) (Refer Note 11 & 19)
- c. First and exclusive charge on movable fixed assets of the Company both present and future.

**Interest rates**

11.50% p.a

**As at March 31, 2019**

**Cash credit from Kotak Mahindra Bank- loan 1**

1. It carries interest rate of bank's base rate plus 3.75 % ranging from 11.00% to 12.25% calculated on monthly basis on the actual amount utilised.
2. Refer note 24 for detail of security provided against such loans.



**Cash credit from Kotak Mahindra Bank- loan 2**

1. This loan represents the limit availed out of the total fund limit of Rs. 150.00 lacs. The loan is secured by the following:

**2. Security details:**

**Primary security**

First and exclusive charge on all present and future current and movable assets including movable fixed assets of the G.K. Publications Private Limited.

**Collateral Security**

Lien over the fixed deposit of Rs. 15,000,000.

The loan is further secured by personal guarantees of Mr. Satya Narayanan R., Mr. Gautam Puri and Mr. Nikhil Mahajan.

The facility carries an interest rate ranging between 11.05% p.a. and 12.40% p.a. payable on monthly basis.

This loan is repayable on demand.

**Cash credit from Indus Ind Bank - Loan 3**

1. It carried interest rate as follows:

- 13.55% p.a till September 25, 2017 on CC Limit from Indusind Bank.
- 11.50% p.a from September 26, 2017 on CC Limit & Loan from Indusind Bank.

**2. Security details:**

**Primary Security**

First and exclusive charge on entire current assets of Kestone Integrated Marketing Services Private Limited both present and future for Cash credit from Indusind Bank.

**Collateral Security (Indus Ind Bank)**

a. First and exclusive charge on movable fixed assets of Kestone both present and future.

b. Corporate guarantee of CL Educate Limited (Holding Group) amounting Rs. 1450.00 lacs ( March 31, 2019 : Rs 1,450.00 lacs)

c. Lien on fixed deposits amounting Rs. 290.00 lacs ( March 31, 2019: Rs 290.00 lacs).

d. Personal guarantee of directors, Mr Nikhil Mahajan and Mr. Gautam Puri.

**Collateral security ( to ICICI bank)- Loan 4**

**Interest Rate**

0.75% p.a over and above the FD interest rate on OD facility from ICICI Bank.

- Lien on fixed deposits amounting Rs. 300.00 lakhs

ii During the previous year, The Group had taken a working capital loan from Northern Arc which was repaid during the year. Terms and condition of the loans are as follows:

**For the Year ended March 31, 2019**

| Name of Lender         | Outstanding amount | Equal monthly instalment (EMI) | Rate of Interest | Date of last EMI |
|------------------------|--------------------|--------------------------------|------------------|------------------|
| Loan from Northern Arc | 142.13             | 29.48                          | 14.50%           | 13-Aug-19        |
|                        | <u>142.13</u>      |                                |                  |                  |

**32 Current lease liability**

|                                 | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------------|----------------------|
| Lease liability (refer note 50) | 435.74               | -                    |
|                                 | <u>435.74</u>        | <u>-</u>             |

**33 Trade payables**

|  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Trade payables   |                      |                      |
| - total outstanding dues of micro enterprises and small enterprises;                     | 802.68               | 787.97               |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 3,263.66             | 4,020.68             |
|  | <u>4,066.34</u>      | <u>4,808.65</u>      |

**Note:**

- for trade payables to related parties please refer note 52.
- Refer note 56 for dues to micro and small enterprises.
- The Group's exposure to currency and liquidity risks related to trade payables are disclosed in Note 62.
- Other creditor are non interest bearing and are normally settled in normal trade cycle.



34 Other current financial Liabilities

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Current maturities of non-current loan from bank               | 233.33                  | 241.91                  |
| Current maturities of non-current loan- vehicle loan from bank | 12.85                   | 10.22                   |
| Current maturities of non-current loan from others             | 250.01                  | 235.13                  |
| Current maturity of finance lease obligations                  | -                       | 31.89                   |
| Interest accrued but not due on borrowings                     | 8.55                    | 2.19                    |
| Unpaid dividend  | 2.56                    | 1.57                    |
| Refundable Security Deposit                                    | 5.00                    | -                       |
| Payable to selling shareholders                                | 28.06                   | 28.06                   |
| Payable for property, plant and equipment                      |                         |                         |
| -to related parties (refer note 52)                            | -                       | 229.82                  |
| -to others   | -                       | 11.76                   |
| Other payables   |                         |                         |
| Employee related payables                                      | 808.58                  | 636.73                  |
| Receipt on behalf of clients                                   | 12.90                   | 275.64                  |
| Payable towards business combination (refer note 61)           | -                       | 143.81                  |
| Contingent consideration (refer note 61)                       | -                       | 50.00                   |
|  | <b>1,361.84</b>         | <b>1,898.73</b>         |

Note:

- i. The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 62.  
ii. Refer note 52 for transactions with related party.

35 Other current liabilities

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Unearned revenue   | 1,909.72                | 1,136.63                |
| Statutory dues payable                                     | 244.63                  | 376.39                  |
| Employee imprest   | 70.23                   | 51.50                   |
| Advance against sale of business undertaking (Slump Sale)* | 110.38                  | 13.85                   |
| Refund Liability created against right to return           | 195.12                  | 270.22                  |
|  | <b>2,530.08</b>         | <b>1,848.59</b>         |

\* The amount represents advance received from I-Take Care against slump (Refer note 59 with regards to sale of company's K-12 infrastructure services business).

36 Current provisions

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Provision for employee benefits (refer note 51) |                         |                         |
| Gratuity  | 5.82                    | 11.32                   |
| Compensated absences                            | 6.39                    | 6.89                    |
|   | <b>12.21</b>            | <b>18.21</b>            |

37 Current tax liabilities (net)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Provision for income tax (Net of advance tax of Rs. 132.63 lacs<br>[ March 31, 2019 Rs. 2153.49 lacs]) | 12.18                   | 793.76                  |
|  | <b>12.18</b>            | <b>793.76</b>           |





38 Revenue from operations

|                                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|-------------------------------------|------------------------------|------------------------------|
| Sale of products                    |                              |                              |
| - Text books                        | 2,840.09                     | 4,396.88                     |
| Sale of services                    |                              |                              |
| - Manpower services income          | -                            | 1,449.45                     |
| - Event management Services income  | 11,535.06                    | 11,150.85                    |
| - Education and training programmes | 14,396.83                    | 15,025.40                    |
| Other operating revenue             |                              |                              |
| Start up fees from franchisees      | 344.32                       | 413.36                       |
| Sale of Scrap                       | 6.93                         | -                            |
| Advertising Income                  | 1,715.90                     | 1,462.46                     |
| Infrastructure fees                 | 29.20                        | 27.55                        |
|                                     | <b>30,868.33</b>             | <b>33,925.95</b>             |

I. Disaggregated revenue information as per geographical markets

| Particulars                        | For the year ended March 31, 2020 |                 |                  |
|------------------------------------|-----------------------------------|-----------------|------------------|
|                                    | Geographical markets              |                 |                  |
|                                    | India                             | Overseas        | Total            |
| Educational & Training Programme   | 14,004.74                         | 392.09          | 14,396.82        |
| Sale of Text Books                 | 2,413.28                          | 426.82          | 2,840.10         |
| Income from advertisement services | 1,715.90                          | -               | 1,715.90         |
| Events                             | 5,729.69                          | 1,508.12        | 7,237.81         |
| Digital                            | 2,800.70                          | 60.71           | 2,861.41         |
| MMS                                | 1,435.84                          | -               | 1,435.84         |
| Start up fee                       | 344.32                            | -               | 344.32           |
| Scrap Sale                         | 6.93                              | -               | 6.93             |
| Infrastructure fee                 | 29.20                             | -               | 29.20            |
| <b>Total</b>                       | <b>28,480.59</b>                  | <b>2,387.74</b> | <b>30,868.33</b> |

| Particulars                        | For the year ended March 31, 2019 |                 |                  |
|------------------------------------|-----------------------------------|-----------------|------------------|
|                                    | Geographical markets              |                 |                  |
|                                    | India                             | Overseas        | Total            |
| Educational & Training Programme   | 14,771.98                         | 253.42          | 15,025.40        |
| Sale of Text Books                 | 3,977.82                          | 419.06          | 4,396.88         |
| Income from advertisement services | 1,462.46                          | -               | 1,462.46         |
| Events                             | 10,218.75                         | 620.30          | 10,839.05        |
| Digital                            | 250.79                            | 61.01           | 311.80           |
| MMS                                | 1,403.54                          | 45.91           | 1,449.45         |
| Start up fee                       | 413.36                            | -               | 413.36           |
| Infrastructure fees                | 27.55                             | -               | 27.55            |
| <b>Total</b>                       | <b>32,526.25</b>                  | <b>1,399.70</b> | <b>33,925.95</b> |

Changes in contract liability are as follows:-

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year   | 1,492.16                | 2,717.63                |
| Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year | (1,211.50)              | (2,314.99)              |
| Increase due to invoicing during the year, excluding amount recognised as revenue during the year                    | 1,809.31                | 2,509.70                |
| Revenue not recognised and shown as contract liabilities arising out of unearned revenue at the end of the year      | (108.96)                | (1,420.18)              |
| <b>Balance at the end of the year</b>  | <b>1,981.01</b>         | <b>1,492.16</b>         |

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied)

| Particulars        | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--------------------|------------------------------|------------------------------|
| Within one year    | 2,018.68                     | 2,461.35                     |
| More than one year | 71.29                        | 450.98                       |
|                    | <b>2,089.97</b>              | <b>2,912.33</b>              |



Changes in contract assets are as follows:-

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year   | 697.51                  | 1,221.15                |
| Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year | (697.51)                | (1,162.58)              |
| Increase due to invoicing during the year, excluding amount recognised as revenue during the year                    | 216.50                  | 638.94                  |
| Credit impaired  | (0.23)                  | -                       |
| Revenue not recognised and shown as contract liabilities arising out of unearned revenue at the end of the year      | -                       | -                       |
| Balance at the end of the year   | 216.27                  | 697.51                  |

Reconciliation of Revenue Recognised with the Contracted Price is as follows.

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Contracted Price                                    | 2,720.46                     | 2,541.30                     |
| Reduction towards variable consideration components | (131.36)                     | -                            |
| -on account of volume discount                      | (6.64)                       | -                            |
| -on account of returns                              | (1,158.98)                   | (1,242.91)                   |
| Revenue Recognised                                  | 1,423.48                     | 1,298.39                     |

\*Reduction towards variable consideration components on account of returns includes Rs. 195.12 lacs (March 31, 2019: Rs. 270.22 lacs) towards expected returns against which refund liability has been created. The cost component of expected returns has been shown as right to return assets under inventory.

## II. Revenue as an agent

The Group is involved in marketing and sale services. Such activities interalia involves, working at times, as an agent of the customers for certain events or for certain activities in an event. For example the customer at times request for collection of registration fees for the event, which is collected by the Company and paid to the customers. In such cases normally there are, either the related event revenue or normal fees/commission. In such case the revenue disclosed in the financials includes only the amount of the fees/commission in accordance with para 34 to 38 of Ind As 115. During the financial year 2019-20 the details of the collectable amount on behalf of the customers are detailed as under. Such amount is generally paid as and when collected and balance if any is disclosed under "Receipts on behalf of clients" as other current financial liability.

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Amount collected/collectable on behalf of various customers                        | 334.77                       | 1,386.43                     |
| Amount of fees/commission/related charges forming part of the revenue for the year | 29.21                        | 90.11                        |

The Group is involved in marketing and sale services. Such activities interalia involves, working at times, as agent of the customers for certain events or for certain activities in an event. For example the customer at times request for payment to various vendors for the services rendered to them, which is paid by the Company to various vendors and collected from customers. In such cases normally there are, either the related event revenue or normal fees/commission. In such case the revenue disclosed in the financials includes only the amount of the fees/commission in accordance with para 34 to 38 of Ind As 115. During the financial year 2019-20 the details of the amount paid/ payable on behalf of the customers are detailed as under. Such amount is generally collected from client as and when paid and balance if any is disclosed under "Trade Receivable" as current financial assets.

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Amount paid/payable on behalf of various customers during the year                 | 592.28                       | 503.44                       |
| Amount of fees/commission/related charges forming part of the revenue for the year | 63.43                        | 35.85                        |

## 39 Other Income

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Interest income from financial assets measured at amortised cost |                              |                              |
| -Security deposits   | 27.20                        | 27.47                        |
| Interest income on   |                              |                              |
| -Fixed deposits  | 146.81                       | 196.87                       |
| -Income tax refund   | 75.84                        | -                            |
| -Loan to related parties (refer note 52)                         | 9.42                         | 20.08                        |
| -Loan to others  | 18.62                        | -                            |
| Gain on mutual funds   | 225.23                       | 211.09                       |
| Gain on fair value changes of Investment                         | 116.31                       | 124.56                       |
| Liabilities no longer required written back                      | 374.56                       | 332.25                       |
| Excess provision written back                                    | 3.63                         | 91.55                        |
| Rent income on investment property net of expenses               | 20.73                        | 19.41                        |
| Discount income  | -                            | 5.57                         |
| Reversal of loss allowance on doubtful debtors                   | 340.96                       | 33.92                        |
| Gratuity expense written back                                    | -                            | 0.02                         |
| Income on employee stock option (ESOP) scheme (refer note 57)    | -                            | 133.47                       |
| Net gain on foreign currency transactions and translations       | 57.67                        | 17.99                        |
| Faculty service charge income                                    | 11.36                        | 22.78                        |
| Profit on sale of property, plant and equipment                  | 14.82                        | 8.15                         |
| Miscellaneous income   | 80.78                        | 78.48                        |
|  | <b>1,523.94</b>              | <b>1,323.66</b>              |



40 Cost of materials consumed

|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Inventory at the beginning of the year               | 19.61                        | 35.09                        |
| Add: Purchases during the year                       | 392.73                       | 569.19                       |
| Sub-total (A)  | 412.34                       | 604.28                       |
| Less: Impact of right to return of asset             | -                            | 50.23                        |
| Less: Inventory at the end of the year               | 27.66                        | 19.61                        |
| Sub-total (B)  | 27.66                        | 69.84                        |
| Printing cost  | 551.01                       | 627.49                       |
| Content editing and typing charges                   | 1.22                         | 2.04                         |
| Binding and cover pasting charges                    | 3.73                         | 8.64                         |
| Packing material                                     | 0.70                         | -                            |
| Sub-total (C)  | 556.66                       | 638.17                       |
| Cost of raw material and components consumed (A-B+C) | 941.34                       | 1,172.61                     |

Notes:

Details of purchases are as follows:

|                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---------------------|------------------------------|------------------------------|
| Paper               | 391.18                       | 567.10                       |
| Lamination material | 1.55                         | 2.09                         |
|                     | 392.73                       | 569.19                       |

41 Purchases of stock in trade

|            | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------|------------------------------|------------------------------|
| Text books | 81.06                        | 32.90                        |
|            | 81.06                        | 32.90                        |

42 Changes in inventories of stock in trade

|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Inventories at the beginning of the year                 |                              |                              |
| Finished goods   | 767.45                       | 816.43                       |
| Work-in-progress   | 6.69                         | -                            |
| Right to return the asset                                | 140.36                       | -                            |
|  | 914.50                       | 816.43                       |
| Inventories at the end of the year                       |                              |                              |
| Finished goods   | 1,384.61                     | 767.45                       |
| Work-in-progress   | 6.39                         | 6.69                         |
| Right to return the asset                                | 80.76                        | 140.36                       |
|  | 1,471.76                     | 914.50                       |
| Net decrease/(increase) in Inventories of stock in trade | (557.26)                     | (98.07)                      |

Note:

Right to return assets indicates the cost component of expected returns recognised. (Refer note 38 (iv))

43 Employee benefit expense

|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus   | 4,770.57                     | 5,285.71                     |
| Contribution to provident and other funds                                 | 225.22                       | 179.71                       |
| Expenses related to post-employment defined benefit plans (refer note 51) | 100.54                       | 102.10                       |
| Expenses related to compensated absences (refer note 51)                  | 47.16                        | 28.17                        |
| Staff welfare expenses  | 158.29                       | 217.52                       |
| Employee share-based payment expense (refer note 57)                      | 2.15                         | -                            |
|   | 5,303.93                     | 5,813.21                     |





44 Finance cost

|  |  |
|--|--|
| Interest expense on financial liabilities measured at amortised cost |  |
| Interest expense on term loans                                       |  |
| Interest expense on overdraft  |  |
| Interest on delayed payment of statutory dues                        |  |
| Interest expense on lease liabilities (refer note 50)                |  |
| Finance cost on financial guarantees                                 |  |
| Other borrowing costs  |  |

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| 2.65                         | 3.53                         |
| 302.29                       | 75.27                        |
| 356.60                       | 519.57                       |
| 9.25                         | 5.39                         |
| 122.03                       | 6.38                         |
| 14.84                        | 6.72                         |
| 23.30                        | 3.02                         |
| <b>830.96</b>                | <b>619.88</b>                |

45 Depreciation and amortization expense

|  |  |
|--|--|
| Depreciation on property, plant and equipment (refer note 3) |  |
| Amortisation of intangible assets (refer note 7)             |  |
| Depreciation on Right of use assets (refer note 4)           |  |

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| 297.30                       | 355.58                       |
| 666.53                       | 592.75                       |
| 431.91                       | -                            |
| <b>1,395.74</b>              | <b>948.33</b>                |

46 Other expenses

|  |  |
|--|--|
| Giveaways                                      |  |
| Event consultancy                              |  |
| Banquet and hotel charges                      |  |
| Rent (refer note 50)                           |  |
| Business promotion                             |  |
| Travelling and conveyance                      |  |
| Faculty expenses                               |  |
| Equipment hire charges                         |  |
| Communication                                  |  |
| Legal and professional (Refer note i below)    |  |
| CSR Expenses (refer note 53)                   |  |
| Temporary manpower resources                   |  |
| Advertisement, publicity and sales promotion   |  |
| Digital marketing expenses                     |  |
| Digital Learning support expenses              |  |
| Office expenses                                |  |
| Sales incentive                                |  |
| Material printing cost                         |  |
| Sponsorship fee                                |  |
| Repairs to:                                    |  |
| -Buildings                                     |  |
| -Others  |  |
| Freight and cartage expenses                   |  |
| Bank charges                                   |  |
| Rates & taxes                                  |  |
| Provision for slow moving inventory            |  |
| Insurance                                      |  |
| Advances written-off                           |  |
| Vocational Business Servicing Costs            |  |
| Commission to non executive directors          |  |
| Recruitment, training and development expenses |  |
| Loss allowance on advances                     |  |
| Miscellaneous expenses                         |  |

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| 1,887.65                     | 1,589.04                     |
| 2,251.04                     | 1,979.44                     |
| 1,368.12                     | 1,512.63                     |
| 455.05                       | 878.07                       |
| 757.75                       | 1,524.48                     |
| 977.27                       | 1,034.55                     |
| 860.11                       | 937.19                       |
| 1,098.55                     | 1,291.57                     |
| 308.95                       | 455.97                       |
| 565.67                       | 387.29                       |
| 4.40                         | 68.84                        |
| 653.88                       | 609.00                       |
| 880.96                       | 910.89                       |
| 279.47                       | 209.88                       |
| 119.83                       | 299.71                       |
| 787.17                       | 751.65                       |
| 89.45                        | 101.65                       |
| 173.97                       | 143.52                       |
| 95.30                        | 141.25                       |
| 68.69                        | 90.94                        |
| 150.62                       | 100.02                       |
| 95.50                        | 102.45                       |
| 0.53                         | 0.16                         |
| 118.09                       | 30.80                        |
| 85.64                        | -                            |
| 95.14                        | 66.53                        |
| 499.19                       | 187.23                       |
| 74.49                        | 121.05                       |
| 13.45                        | 11.20                        |
| 56.25                        | 47.41                        |
| 176.31                       | 75.00                        |
| 317.07                       | 267.19                       |
| <b>15,365.56</b>             | <b>15,926.57</b>             |
| 4,033.41                     | 1,883.32                     |
| (782.06)                     | (438.03)                     |
| <b>3,251.35</b>              | <b>1,445.29</b>              |
| <b>18,616.91</b>             | <b>17,371.88</b>             |

Note:

i. Remuneration to auditors (excluding goods & service tax)

|                         |  |
|-------------------------|--|
| Statutory audit fee     |  |
| Limited review fee      |  |
| Consolidation audit fee |  |
| Fee for other services  |  |
| Out of pocket expenses  |  |

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| 50.25                        | 48.50                        |
| 18.00                        | 21.25                        |
| 4.00                         | 4.00                         |
| 0.75                         | 4.34                         |
| 3.36                         | 3.76                         |
| <b>76.36</b>                 | <b>81.85</b>                 |



47 Exceptional Items

Particulars

Investment Impairment  
B&S Strategy Services Private Limited (Refer footnote i & note 73)

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| 4,150.05                     | -                            |
| <b>4,150.05</b>              | <b>-</b>                     |

Note:

During the FY 2017-18, the Group entered into an agreement with B&S Strategy Services Private Limited (B&S), an associate, to manage its School Business vertical (K 12 Business). The Group 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. 400.00 Lacs is recoverable by Group from B&S towards cash consideration as per aforesaid agreement.

Over the period, the numbers of admissions have declined in the school and with insufficient cash being generated by the business, the Management did 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, Group fair valued its investment in B&S at Rs.595.00 Lacs as at March 31, 2020 thereby resulting in an impairment of Rs. 4,150.05 Lacs.

Based on the impairment testing performed, the Group has recognised impairment loss of Rs. 4,150.05 Lacs on its investment in B&S and has disclosed it as an exceptional item.

48 Earning per share

(a) Basic (loss)/earnings per share (In Rs.)

From continuing operations (a)/(e) (38.29) 12.50  
From discontinuing operations (b)/(e) 0.84 1.60  
Total basic (loss)/earnings per share attributable to the equity holders of the Group (37.45) 14.10

| Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|------------------------------|------------------------------|
| (38.29)                      | 12.50                        |
| 0.84                         | 1.60                         |
| <b>(37.45)</b>               | <b>14.10</b>                 |

(b) Diluted (loss)/earnings per share (In Rs.)

From continuing operations (c)/(f) (38.29) 12.50  
From discontinuing operations (d)/(f) 0.84 1.60  
Total basic (loss)/earnings per share attributable to the equity holders of the group (37.45) 14.10

|                |              |
|----------------|--------------|
| (38.29)        | 12.50        |
| 0.84           | 1.60         |
| <b>(37.45)</b> | <b>14.10</b> |

(c) Reconciliations of (loss)/earnings used in calculating (loss)/earnings per share

Basic (loss)/earnings per share

(Loss)/Profit attributable to the equity holders of the group used in calculating basic earnings per share:

From continuing operations (a) (5,424.72) 1,770.88  
From discontinuing operations (b) 118.92 226.75  
(5,305.80) 1,997.63

|                   |                 |
|-------------------|-----------------|
| (5,424.72)        | 1,770.88        |
| 118.92            | 226.75          |
| <b>(5,305.80)</b> | <b>1,997.63</b> |

Diluted (loss)/earnings per share

(Loss)/Profit attributable to the equity holders of the group used in calculating diluted (loss)/earnings per share:

From continuing operations (c) (5,424.72) 1,770.88  
From discontinuing operations (d) 118.92 226.75  
(Loss)/Profit attributable to the equity holders of the group used in calculating diluted (loss)/earnings per share (5,305.80) 1,997.63

|                   |                 |
|-------------------|-----------------|
| (5,424.72)        | 1,770.88        |
| 118.92            | 226.75          |
| <b>(5,305.80)</b> | <b>1,997.63</b> |

(d) Weighted average number of shares used as the denominator

Weighted average number of equity shares used as the denominator in calculating basic earnings per share (e) 14,165,678 14,165,678

| No of shares | No of shares |
|--------------|--------------|
| 14,165,678   | 14,165,678   |

Adjustments for calculation of diluted (loss)/earnings per share:

Stock Options Plan

Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted (loss)/earnings per share (f) 14,165,678 14,165,678

|            |            |
|------------|------------|
| 14,165,678 | 14,165,678 |
|------------|------------|

(e) Information concerning the classification of securities

Share options : Options granted to employees are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.



49 Contingent liabilities and commitments

A. Commitments

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances)

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
|  | -                       | -                       |
|  | -                       | -                       |

B. Contingent liabilities

Claims against the Group not acknowledged as debts (refer note i)  
Corporate guarantees given to bank for loan taken by the related party [refer note 52]

|                 |                 |
|-----------------|-----------------|
| 1,788.48        | 1,509.89        |
| -               | -               |
| <u>1,788.48</u> | <u>1,509.89</u> |

Service tax and CENVAT Matters in dispute under appeal for various years  
Income Tax Matters in dispute under appeal for various years  
Other cases (a) Matters in dispute under appeal for various years

|                 |                 |
|-----------------|-----------------|
| 755.09          | 755.09          |
| 933.31          | 657.35          |
| 100.08          | 97.45           |
| <u>1,788.48</u> | <u>1,509.89</u> |

Amount above includes:

(i) The management is of the opinion that, based on issues decided in the earlier year and the legal advice that the ultimate outcome of the legal proceedings in respect to tax matters, as given above, will not have material adverse effect to the financial position of the Group.

ii. The company received demand of income tax amounting to Rs.718.32 lacs and Rs.501.44 lacs pertaining to AY 2011-12 and 2012-13 respectively. Although the same is a disputed and appeals have been filed with the Appellate Authority and are pending for disposal, the management of the company is of the view that since the disputed demand pertains to a specific issue which has been consistently decided in the favour of the company, in earlier years, by the ITAT and Honourable High Court and there being no appeal filed by the department with Supreme Court, the issue is considered to be in favour of the company and therefore there cannot be any contingent liability on the company on this specific issue for these years. Accordingly, the same not included in contingent liability. Further, in AY 2013-14 and 2014-15, the department itself has not raised any demand on this issue, which further strengthen the view of the company. During the year, the case has been decided in favour of the Company by ITAT.

a. Other cases

Triangle Education, a franchisee of the company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The company has filed a statement of claim before the sole Arbitrator amounting Rs. 190.00 lacs (March 31, 2019: Rs. 190.00 lacs) against triangle education. Triangle Education also filed a counter claim against the company amounting Rs. 32.06 lacs (March 31, 2019: Rs. 32.06 lacs) and the matter is fixed for final argument on August 27, 2019. The Sole arbitrator has passed the final order partially in favour of the company. The company is planning to challenge the said orders to next appellate authority .

A student, has filled a case against the company for refund of fees amounting Rs. 6.20 lacs (March 31, 2019: Rs. 6.20 lacs) on the ground that he paid fees to Brilliant Tutorials considering the fact that the company has a tie-up with Brilliant Tutorial which was subsequently called off by the company. The matter was fixed for final argument on April 20, 2020 but due to Covid 19, date of argument shifted to next available slot.

The Director of Industries and Commerce cum Chairman MSE- Chandigarh has sent a notice amounting Rs. 12.31 lacs (March 31, 2019: Rs.12.31 lacs including interest of Rs. 3.30 lacs) on behalf of Reivera Fabricators regarding non payment of dues on account of uniforms supplied to Indus World Schools. The company has preferred an appeal against the same and the matter was fixed for final argument on May 14, 2020 but due to Covid-19 date of argument is shifted to next available slot.

Bawadia Kala Shiksha Samiti, a lessor has filled a case against the company for recovery of rent /arrears amounting Rs.46.88 lacs (March 31, 2019: Rs.46.88 lacs) for non payment of rent, company engaged a local lawyer who will file necessary application to transfer the case to New Delhi as the rent agreement have arbitration clause, which will be decided in New delhi. The matter was fixed for final argument on April 17, 2020 but due to Covid-19 date of argument shifted to next available slot.





50 Leases

The Group has applied Ind AS 116 with the date of initial application of April 01, 2019. As a result, the Group has changed its accounting policy for lease contracts (Refer note 2(xiii)).

A. Group as "Lessee"

The Group has significant leasing agreements in respect of operating leases for its various office premises & godowns. These lease arrangements are for a period between 12 months to 60 months and include both cancellable and non-cancellable leases. Also, the Group has short term leases that have a lease term of twelve months or less. The Company elected not to apply the requirements of Ind AS 116 to such leases.

a) Lease liabilities

The movement in lease liabilities during the year ended March 31, 2020 is as follows :

|   | As at<br>March 31, 2020 |
|---|-------------------------|
| i Balance as at April 01, 2019                    | 1,139.56                |
| Reclassified on account of adoption of Ind AS 116 | 111.92                  |
| Finance cost accrued during the period            | 122.04                  |
| Payment of lease liabilities*                     | (489.53)                |
| <b>Balance as at March 31, 2020</b>               | <b>883.99</b>           |
| <b>Non-current Lease liabilities</b>              | <b>448.25</b>           |
| <b>Current Lease liabilities</b>                  | <b>435.74</b>           |

\*Payment of lease liabilities includes payment of principal of lease liabilities amounting of INR 367.49 Lacs and interest of lease liabilities amounting of INR 112.04 Lacs.

ii The details of the contractual maturities of lease liabilities as at March 31, 2020 on undiscounted basis are as follows :

| Particulars                                       | As at<br>March 31, 2020 |
|---|-------------------------|
| Not later than one year                           | 394.11                  |
| Later than one year and not later than five years | 393.21                  |
| Later than five years                             | 446.41                  |
| <b>Total</b>                                      | <b>1,233.73</b>         |

b) Right-of-use assets (ROU)

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows :

| Particulars                                       | As at<br>March 31, 2020 |               |
|---|-------------------------|---------------|
|   | Land                    | Building      |
| Balance as at April 01, 2019                      | -                       | 1,192.79      |
| Reclassified on account of adoption of Ind AS 116 | 186.97                  | -             |
| Depreciation                                      | (2.27)                  | (429.64)      |
| <b>Balance as at March 31, 2020</b>               | <b>184.70</b>           | <b>763.15</b> |

c Rental expense recorded for short-term leases was Rs.455. 05 Lacs for the year ended.

B. Group as a lessor

The Group has given its premises on cancellable operating lease to one of its franchisee. Rental income recognized in the statement of profit and loss during the year amounting Rs 55.69 lacs (March 31, 2019: Rs. 52.17 lacs).



51 Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and EDLI, which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Employers contribution to provident fund | 215.79                               | 198.35                               |

(ii) Defined Benefit Plan:

Gratuity

The Group operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The Group contributes to a trust set up by the Group which further contributes to a policy taken from the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Net defined benefit (asset)/liability     |                         |                         |
| Gratuity (partly funded)                  | 360.55                  | 325.85                  |
| <b>Total employee benefit liabilities</b> | <b>360.55</b>           | <b>325.85</b>           |
| Non-current                               | 354.73                  | 314.52                  |
| Current                                   | 5.82                    | 11.32                   |
|   |                         |                         |
| Net defined benefit (asset)/liability     |                         |                         |
| Gratuity (partly funded)                  | 1.30                    | 1.30                    |
| <b>Total employee benefit liabilities</b> | <b>1.30</b>             | <b>1.30</b>             |
| Non-current                               | 1.30                    | 1.30                    |
| Current                                   | -                       | -                       |

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

|   | As at March 31, 2020       |                           |  | As at March 31, 2019       |                           |  |
|---|----------------------------|---------------------------|--|----------------------------|---------------------------|--|
|   | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| Balance at the beginning of the year    | 339.95                     | 15.40                     | 324.55                                 | 303.57                     | 27.45                     | 276.12                                 |
| Included in profit or loss              |                            |                           |  |                            |                           |  |
| Current service cost                    | 75.73                      | -                         | 75.73                                  | 79.17                      | -                         | 79.17                                  |
| Interest cost (income)                  | 25.33                      | 0.37                      | 24.96                                  | 15.08                      | 0.74                      | 14.34                                  |
| Past Service Cost including curtailment | -                          | 0.15                      | (0.15)                                 | 8.60                       | 0.31                      | 8.29                                   |
| Gains/Losses                            |                            |                           |  |                            |                           |  |
| Adjustment acquisition Out              | -                          | -                         | -                                      | (0.27)                     | -                         | (0.27)                                 |
| Adjustment acquisition In               | -                          | -                         | -                                      | 0.57                       | -                         | 0.57                                   |
|   | <b>101.06</b>              | <b>0.52</b>               | <b>100.54</b>                          | <b>103.15</b>              | <b>1.05</b>               | <b>102.10</b>                          |
| Included in OCI                         |                            |                           |  |                            |                           |  |
| Remeasurements loss (gain)              |                            |                           |  |                            |                           |  |
| - Actuarial loss (gain) arising from:   |                            |                           |  |                            |                           |  |
| - financial assumptions                 | (46.44)                    | -                         | (46.44)                                | 5.98                       | -                         | 5.98                                   |
| - demographic adjustment                | (0.22)                     | -                         | (0.22)                                 | 0.01                       | -                         | 0.01                                   |
| - experience adjustment                 | (0.92)                     | -                         | (0.92)                                 | (31.76)                    | -                         | (31.76)                                |
| Return on plan assets                   | -                          | 0.35                      | (0.35)                                 | -                          | 0.31                      | (0.31)                                 |
|   | <b>(47.58)</b>             | <b>0.35</b>               | <b>(47.93)</b>                         | <b>(25.77)</b>             | <b>0.31</b>               | <b>(26.08)</b>                         |
| Other                                   |                            |                           |  |                            |                           |  |
| Not considered in last year             |                            |                           |  |                            |                           |  |
| Contributions paid by the employer      | -                          | 17.85                     | (17.85)                                | -                          | 29.46                     | (29.46)                                |
| Fund management charges                 | -                          | (2.03)                    | 2.03                                   | -                          | (2.05)                    | 2.05                                   |
| Admin charges                           | -                          | (0.05)                    | 0.05                                   | -                          | (0.11)                    | 0.11                                   |
| Received from LIC against provision     | -                          | -                         | -                                      | -                          | -                         | -                                      |
| Acquisition adjustment IN               | -                          | -                         | -                                      | -                          | -                         | -                                      |
| Acquisition adjustment Out              | -                          | -                         | -                                      | (0.29)                     | -                         | (0.29)                                 |
| Benefits paid                           | (17.19)                    | (16.35)                   | (0.84)                                 | (40.71)                    | (40.71)                   | -                                      |
|   | <b>(17.19)</b>             | <b>(0.57)</b>             | <b>(16.61)</b>                         | <b>(41.00)</b>             | <b>(13.41)</b>            | <b>(27.59)</b>                         |
| Balance at the end of the year          | <b>376.24</b>              | <b>15.69</b>              | <b>360.55</b>                          | <b>339.95</b>              | <b>15.40</b>              | <b>324.55</b>                          |

Expenses recognised in the Statement of profit and loss

|                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------|--------------------------------------|--------------------------------------|
| Service cost      | 75.73                                | 78.52                                |
| Net interest cost | 24.81                                | 23.58                                |
|                   | <b>100.54</b>                        | <b>102.10</b>                        |



C. Plan assets

The plan assets of the Group are managed by Life Insurance Corporation of India through a trust managed by the Group in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for Investments managed in total for several other companies.

|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Funds Managed by Insurer ( Investment with Insurer) | 100.00%                              | 100.00%                              |

D. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the group.

|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Discount rate                           | 6.76%                                | 7.66-7.69%                           |
| Expected rate of future salary increase | 6%-8%                                | 8.00%                                |

The discount rate has been assumed at (March 31, 2017: 7.50% -7.69% ; April 1, 2016: 8.00%- 8.13%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Demographic assumptions

i) Retirement age (years)

ii) Mortality rates inclusive of provision for disability

iii) Ages

|                     | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---------------------|--------------------------------------|--------------------------------------|
| Upto 30 years       | 58.00                                | 58.00                                |
| From 31 to 44 years | 100% of IALM (2006-08)               |                                      |
| Above 44 years      | Withdrawal rate (%)                  | Withdrawal rate (%)                  |
|                     | 2.32-1.22                            | 2.32-1.22                            |
|                     | 2.00-0.90                            | 2.00-0.90                            |
|                     | 1.00-0.06                            | 1.00-0.06                            |

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

|   | As at March 31, 2020 |          | As at March 31, 2019 |          |
|---|----------------------|----------|----------------------|----------|
|   | Increase             | Decrease | Increase             | Decrease |
| Discount rate (0.5% movement)                           | (25.67)              | 28.33    | (22.83)              | 24.24    |
| Expected rate of future salary increase (0.5% movement) | 26.92                | (24.53)  | 22.31                | (21.24)  |

Description of risk exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

A) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars

Duration of defined benefit obligation

Less than 1 year

Between 1-2 years

Between 2-5 years

Over 5 years

Total

|                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------|-------------------------|-------------------------|
| Less than 1 year  | 5.89                    | 11.54                   |
| Between 1-2 years | 6.31                    | 4.10                    |
| Between 2-5 years | 55.98                   | 15.29                   |
| Over 5 years      | 308.06                  | 309.02                  |
| Total             | 376.24                  | 339.95                  |

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 is Rs. 123.71 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17.74-30.88 years (March 31, 2019: 29.36-18.50 years).

(ii) Other long-term employee benefits:

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

The present value obligation in respect of earned leave is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarised positions of various defined benefits are as

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the compensated absences and the amounts recognised in the Group's financial statements as at balance sheet date:

|                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Net defined benefit liability      |                         |                         |
| Earned Leave (unfunded)            | 214.02                  | 174.93                  |
| Total employee benefit liabilities | 214.02                  | 174.93                  |
| Non-current                        | 207.63                  | 168.04                  |
| Current                            | 6.39                    | 6.89                    |





**B. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

|   | As at March 31, 2020       |                           |  | As at March 31, 2019       |                           |  |
|---|----------------------------|---------------------------|--|----------------------------|---------------------------|--|
|   | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| Balance at the beginning of the year    | 174.93                     | -                         | 174.93                                 | 182.77                     | -                         | 182.77                                 |
| Included in profit or loss              |                            |                           |  |                            |                           |  |
| Acquisition adjustment Out              | -                          | -                         | -                                      | (0.18)                     | -                         | (0.18)                                 |
| Acquisition adjustment In               | -                          | -                         | -                                      | 0.31                       | -                         | 0.31                                   |
| Current service cost                    | 33.97                      | -                         | 33.97                                  | 27.13                      | -                         | 27.13                                  |
| Interest cost (income)                  | 13.19                      | -                         | 13.19                                  | 14.12                      | -                         | 14.12                                  |
| Past Service Cost including curtailment | -                          | -                         | -                                      | 0.13                       | -                         | 0.13                                   |
| Gains/Losses                            |                            |                           |  |                            |                           |  |
|   | 47.16                      | -                         | 47.16                                  | 41.51                      | -                         | 41.51                                  |
| Included in OCI                         |                            |                           |  |                            |                           |  |
| Remeasurements loss (gain)              |                            |                           |  |                            |                           |  |
| - Actuarial loss (gain) arising from:   |                            |                           |  |                            |                           |  |
| - financial assumptions                 | (21.58)                    | -                         | (21.58)                                | 2.34                       | -                         | 2.34                                   |
| - demographic adjustment                | (0.01)                     | -                         | (0.01)                                 | (0.01)                     | -                         | (0.01)                                 |
| - experience adjustment                 | 21.44                      | -                         | 21.44                                  | (3.54)                     | -                         | (3.54)                                 |
| Return on plan assets                   | -                          | -                         | -                                      | (12.14)                    | -                         | (12.14)                                |
|   | (0.15)                     | -                         | (0.15)                                 | (13.34)                    | -                         | (13.34)                                |
| Other                                   |                            |                           |  |                            |                           |  |
| Acquisition adjustment IN               | -                          | -                         | -                                      | -                          | -                         | -                                      |
| Acquisition adjustment Out              | -                          | -                         | -                                      | (0.01)                     | -                         | (0.01)                                 |
| Benefits paid                           | (7.91)                     | -                         | (7.91)                                 | (36.00)                    | -                         | (36.00)                                |
|   | (7.91)                     | -                         | (7.91)                                 | (36.01)                    | -                         | (36.01)                                |
| Balance at the end of the year          | 214.02                     | -                         | 214.02                                 | 174.93                     | -                         | 174.93                                 |

**Expenses recognised in the Statement of profit and loss**

|                                     | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Service cost                        | 33.97                             | 27.39                             |
| Net interest cost                   | 13.19                             | 14.12                             |
| Actuarial (Gain)/Loss on obligation | -                                 | (13.34)                           |
|                                     | 47.16                             | 28.17                             |

**C. Actuarial assumptions**

**a) Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the group.

|   | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Discount rate                           | 6.76%                | 7.66-7.80%           |
| Expected rate of future salary increase | 6%-8%                | 8.00%                |

**b) Demographic assumptions**

|   | As at March 31, 2020   | As at March 31, 2019 |
|---|------------------------|----------------------|
| i) Retirement age (years)                                 | 58.00                  | 58.00                |
| ii) Mortality rates inclusive of provision for disability | 100% of IALM (2006-08) |                      |
| iii) Ages   | Withdrawal rate (%)    | Withdrawal rate (%)  |
| Upto 30 years   | 3.00-0.0               | 3.00-0.0             |
| From 31 to 44 years                                       | 2.23-2.00              | 2.23-2.00            |
| Above 44 years  | 1.00-0.0               | 1.00-0.0             |

**D. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the obligation by the amounts shown below.

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

|   | As at March 31, 2020 |          | As at March 31, 2019 |          |
|---|----------------------|----------|----------------------|----------|
|   | Increase             | Decrease | Increase             | Decrease |
| Discount rate (0.5% movement)                           | (9.72)               | 10.46    | (8.11)               | 8.74     |
| Expected rate of future salary increase (0.5% movement) | 10.48                | (9.16)   | 8.66                 | (8.16)   |

**Description of risk exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



E. Expected maturity analysis of the defined benefit plans in future years

| Particulars                            | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 |
| Duration of defined benefit obligation |                |                |
| Less than 1 year                       | 6.41           | 6.78           |
| Between 1-2 years                      | 4.36           | 2.96           |
| Between 2-5 years                      | 67.98          | 29.63          |
| Over 5 years                           | 135.27         | 135.56         |
| <b>Total</b>                           | <b>214.02</b>  | <b>174.93</b>  |

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 is Rs. 17.97 lacs (March 31, 2020 :Rs.16.16 lacs)  
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17.74-30.88 (March 31, 2019: 29.36-18.08 years).

52 Related parties

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

- i. Associate companies
- Three Sixty One Degree Minds Consulting Private Ltd  
B&S Strategy Services Private Limited\*  
\* Not an associate as at March 31, 2020 (refer note 70)
- ii. Employees' benefit trusts, where control exists
- Career Launcher Education Infrastructure & Services Limited Employee Group Gratuity Trust  
Career Launcher Employee Group Gratuity Trust  
CL Media Employee Gratuity Trust  
Career Launcher Infrastructure Private Limited Employee Group Gratuity Trust

iii. Names of other related parties with whom transactions have taken place during the year :

Enterprises in which KMP and their relatives are able to exercise significant influence

Career Launcher Education Foundation, India  
CLEF - AP, India  
Bilakes Consulting Private Limited, India  
Phoenix Academy  
Phoenix Education  
Phoenix Institute  
Zenith Learning Services Private Limited  
Zest Learning Services

Key management personnel (KMP)

Mr. Satya Narayanan R (Chairman and Executive Director)  
Mr. Gautam Puri (Vice Chairman and Managing Director)  
Mr. Nikhil Mahajan (Executive Director and Group CEO Enterprise Business)  
Mr. Rohan Garg (Director)  
Mr. Sujit Bhattacharya (Director)

Close family member of key management personal

Mr. R Sreenivasan  
Mr. R Shivakumar  
Ms. Rajrani Garg (Mother of Mr. Rohan Garg)

B. Transactions during the year:

a Enterprises in which KMP and their relatives are able to exercise significant influence

|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| i Other Income                                    |                                      |                                      |
| Faculty service charge income                     |                                      |                                      |
| - Phoenix Education                               | -                                    | 7.88                                 |
| - Zenith Learning Services Private Limited        | -                                    | 1.21                                 |
| - Zest Learning Services                          | -                                    | 0.27                                 |
| Online education services                         |                                      |                                      |
| - Zenith Learning Services Private Limited        | -                                    | 0.03                                 |
| - Phoenix Education                               | -                                    | 0.03                                 |
| - Phoenix Institute                               | -                                    | 0.01                                 |
| ii Repayment of loans                             |                                      |                                      |
| - Career Launcher Education Foundation            | 210.02                               | 17.50                                |
| - Phoenix Academy                                 | 9.00                                 | -                                    |
| iii Tuition Expenses                              |                                      |                                      |
| - Phoenix Institute                               | -                                    | 55.23                                |
| - Phoenix Education                               | -                                    | 141.35                               |
| - Zenith Learning Services Private Limited        | 101.10                               | 153.20                               |
| Courier Service charges                           |                                      |                                      |
| - Zenith Learning Services Private Limited        | 0.42                                 | 0.50                                 |
| - Phoenix Institute                               | -                                    | 0.24                                 |
| - Phoenix Education                               | -                                    | 0.01                                 |
| Interest on loans                                 |                                      |                                      |
| - Phoenix Academy                                 | 0.30                                 | -                                    |
| b Employees' benefit trusts, where control exists |                                      |                                      |
| i Other Income                                    |                                      |                                      |
| a. Interest on loans                              |                                      |                                      |
| - Career launcher education foundation            | -                                    | 5.09                                 |
| - CLEF AP   | -                                    | 14.82                                |



|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| b. Interest Income on gratuity fund   |                                      |                                      |
| - CL Media Employee Gratuity Trust  | 0.72                                 | 0.65                                 |
| ii Loan given   |                                      |                                      |
| - Career Launcher Education Foundation  | 14.80                                | 12.13                                |
| Other expenses  |                                      |                                      |
| Material development and printing expenses  |                                      |                                      |
| - Three Sixty One Degree Minds Consulting Private Ltd                                   | -                                    | 26.98                                |
| Payment received on behalf of   |                                      |                                      |
| - B&S Strategy Services Private Limited   | -                                    | 148.53                               |
| iii Conversion of Interest accrued into unsecured loan                                  |                                      |                                      |
| - CLEF - AP   | -                                    | 14.82                                |
| c Key management personnel (KMP)  |                                      |                                      |
| Short term employee benefits:   |                                      |                                      |
| - Mr. Gautam Puri   | 46.81                                | 111.91                               |
| - Mr. Satya Narayanan R.  | 51.87                                | 115.63                               |
| - Mr. Nikhil Mahajan  | 69.47                                | 116.49                               |
| - Rohan Garg  | 30.75                                | 3.37                                 |
| - Sujit Bhattacharyya   | -                                    | 34.50                                |
| - Mr. R Sreenivasan   | 21.83                                | 32.23                                |
| - Mr. R Shivakumar  | 21.83                                | 30.81                                |
| Post employment benefits:   |                                      |                                      |
| - Mr. Gautam Puri   | 1.37                                 | 1.18                                 |
| - Mr. Satya Narayanan R   | 1.16                                 | 1.01                                 |
| - Mr. Nikhil Mahajan  | 1.13                                 | 0.96                                 |
| Other long term benefits  |                                      |                                      |
| - Mr. Gautam Puri   | 10.57                                | 0.07                                 |
| - Mr. Satya Narayanan R   | 9.32                                 | 1.37                                 |
| - Mr. Nikhil Mahajan  | 1.32                                 | 0.24                                 |
| Commission to non-executive Directors   | 10.22                                | 10.83                                |
| d Relatives of key management personnels  |                                      |                                      |
| Rent Expenses   |                                      |                                      |
| Rajrani Garg  | 15.00                                | 15.00                                |
| C. Related party balances as at the year end:   |                                      |                                      |
| Enterprises in which KMP and their relatives are able to exercise significant influence |                                      |                                      |
| Current Loans   |                                      |                                      |
| - Career Launcher Education Foundation  | 1,219.77                             | 1,322.64                             |
| - CLEF - AP   | 40.70                                | 251.31                               |
| - Phoenix Academy   | 2.22                                 | -                                    |
| Other non current assets  |                                      |                                      |
| - Bilakes Consulting Private Limited  | 16.00                                | 16.00                                |
| Other financial assets  |                                      |                                      |
| Interest accrued on loans   |                                      |                                      |
| - Career Launcher Education Foundation  | 34.79                                | 34.63                                |
| Other receivables   |                                      |                                      |
| Other non current assets  |                                      |                                      |
| - Bilakes Consulting Private Limited  | 60.82                                | 80.42                                |
| Other non current financial assets  |                                      |                                      |
| - B&S Strategy Services Private Limited   | -                                    | 344.70                               |
| Trade receivables   |                                      |                                      |
| - Career Launcher Education Foundation  | -                                    | 75.28                                |
| Trade payable   |                                      |                                      |
| - Rajrani Garg  | 9.00                                 | -                                    |
| - Career Launcher Education Foundation  | -                                    | 3.92                                 |
| - Zenith Learning Services Private Limited  | -                                    | 12.33                                |
| - Phoenix Institute   | -                                    | 1.03                                 |
| - Phoenix Education   | -                                    | 1.03                                 |
| Non current financial assets  |                                      |                                      |
| - CL Media Employee Gratuity Trust  | 10.59                                | 10.35                                |
| Payable for expenses  |                                      |                                      |
| - Three Sixty One Degree Minds Consulting Private Ltd                                   | -                                    | 29.13                                |
| Guarantees given to Group:  |                                      |                                      |
| - Bilakes Consulting Private Limited  | 457.58                               | 457.58                               |
| (Guarantee against loans given to Career Launcher Education Foundation)                 |                                      |                                      |





|                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Remuneration payable to KMPs</b>  |                         |                         |
| <b>Short term employee benefits:</b> |                         |                         |
| - Mr. Gautam Puri                    | 43.28                   | 52.30                   |
| - Mr. Satya Narayanan R              | 45.74                   | 53.45                   |
| - Mr. Nikhil Mahajan                 | 42.96                   | 44.27                   |
| - Mr. Sujeet Bhattacharya            | 4.75                    | 14.75                   |
| - Mr. Rohan Garg                     | 11.51                   | 3.78                    |
| <b>Post employment benefits:</b>     |                         |                         |
| - Mr. Gautam Puri                    | 17.74                   | 16.37                   |
| - Mr. Satya Narayanan R              | 15.10                   | 13.95                   |
| - Mr. Nikhil Mahajan                 | 14.46                   | 13.33                   |
| <b>Other long term benefits</b>      |                         |                         |
| - Mr. Gautam Puri                    | 33.33                   | 22.77                   |
| - Mr. Satya Narayanan R              | 32.14                   | 22.82                   |
| - Mr. Nikhil Mahajan                 | 23.49                   | 22.16                   |
| <b>Interim Dividend Paid</b>         |                         |                         |
| - Mr. Satya Narayanan .R             | 22.98                   | 22.75                   |
| - Mr. Gautam Puri                    | 22.76                   | 22.70                   |
| - Mr. Nikhil Mahajan                 | 0.30                    | 0.30                    |
| - Mr. Sujeet Bhattacharya            | 2.03                    | -                       |
| - Bilakes Consulting Private Limited | 12.55                   | 12.53                   |
| - Mr. R Sreenivasan                  | 3.50                    | 3.50                    |
| - Mr. R Shivakumar                   | 3.50                    | 3.50                    |

**D. Terms and conditions of transactions with the related parties**

i. During the year ended March 31, 2020 the Group has written-off Loans and Advances to CLEF AP Trust of Rs. 251.31 Lacs (FY 2018-19: Provision created for ₹ 75 lacs). Further, during the year no interest was charged in respect of loans due from CLEF

ii. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and are at market value

iii. Outstanding balances at the year-end, except as above, are unsecured, repayable on demand and interest of 9.95% to 11.55% (Previous year : from 11.55% to 12.50%) is charged and settlement occurs in cash.

iv. Short term employee benefits includes the board recommended performance incentive of KMPs for current financial year as follows:

|                          |   |       |
|--------------------------|---|-------|
| - Mr. Gautam Puri        | - | 41.00 |
| - Mr. Satya Narayanan .R | - | 41.00 |
| - Mr. Nikhil Mahajan     | - | 39.70 |

**53 Corporate Social Responsibility**

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Group was required to spend Rs. 31.47 lacs during the financial year 2019-2020. However, the Group has followed the practice of carrying forward the CSR funds remaining unspent in any particular year. On this basis, the cumulative amount that remained to be spent on CSR activities, as on March 31, 2020, was Rs. 160.94 lacs. The Group spent on the expenditure related to the corporate social responsibility as per the Section 135 of the Act, read with Schedule VII thereof during the year ending March 31, 2020 Rs. 4.40 out of Rs. 160.94 lacs on prescribed CSR activities. Further, in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.



54 In the financial year 2009-10, the company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute were AED 1,019,842 (Rs. 150.88 lacs) and AED 261,318 (Rs. 38.66 lacs) respectively. The details of the amount recoverable are as follows:

1. An amount of AED 625,775 on account of short deposit of fee collected by Monica Oli in the name of the company from the students;
2. An amount of AED 1,392,200 on account of fee collected by Monica Oli against the installment due as on 31 January 2013 and not deposited in the bank account of the company.
3. An amount of AED 18,120 on account of settlement of wage account and cancellation of visa of Mr. Yogeshwar Singh Batyal by the company;
4. An amount of AED 4,300 on account of payment of outstanding dues of bill in respect of communication expenses of Mr. Akhilesh Jha, an employee and erstwhile center manager of Dubai office of the company.

In the financial year 2012-13, the company had adjusted/squared off traded receivables of AED 261,318 (Rs. 38.66 lacs) against the amounts payable to AED 261,318 (Rs. 38.66 lacs) on account of its share in the books of account.

In the financial year 2013-14, the company had initiated legal actions against Monika Oli to recover the said amounts. The company had sent legal notice dated 6 November 2013 to Monika Oli asking her to pay the following amounts to the company.

- 1) An amount of AED 2,040,395 as mentioned above;
- 2) An amount of AED 50,000 on account of losses suffered by the company due to non-communication by Monika Oli regarding termination of agreement;
- 3) An amount of AED 1,000,000 on account of damages for starting a same/similar business in violation of terms of the agreement and unauthorizedly using data/information, manuals etc. pertaining to the company;

The company had preferred arbitration in the matter and the Hon'ble Arbitrator had issued notices to parties for appearance.

During the financial year 2014-15, on March 16, 2015 the Hon'ble Arbitrator has passed an award amounting AED 2,063,267 (equivalent to Rs. 351.37 lacs) in favour of the company.

During the year 2015-16, the company has filed execution petition to Delhi High Court for execution of award passed by Hon'ble Arbitrator and matter is listed for further proceedings.

During the year 2017-18, the company had obtained necessary documents from Delhi High Court and were submitted to Ministry of Law on 13 April 2017. The company understands that these documents have been sent to UAE through Indian Embassy for depositing in Dubai Courts for execution. The case is in progress in Dubai court.

The company had obtained the necessary documents from the Delhi High Court and these were submitted to the Ministry of Law in 2017. These documents had been sent to the UAE through the Indian Embassy for depositing in the Dubai Courts for execution. The company is taking up the matter in the Dubai court, however, due to the onset of the global pandemic COVID-19, courts in Dubai have been shut since the middle of February. This has caused a temporary delay in proceedings with the matter to be taken up once the courts reopen. During the year, the company has obtained necessary documents from Delhi High Court and were submitted to Ministry of Law on 13 April 2017. The company understands that these documents have been sent to UAE through Indian Embassy for depositing in Dubai Courts for execution. On receipt of submission detail the company will follow up the case in Dubai court.

55 The company has filed legal cases against certain debtors for recovery of outstanding receivables amounting Rs 136.34 lacs (March 31, 2019: Rs 136.34 lacs). The company is of the view that all such balances are fully recoverable and no provision is required. Further, the company has also filed cases against certain parties for recovery of damages arising from fraudulent use of company's brand name, violation of terms and conditions of employment etc, amounting Rs 728.12 lacs (March 31, 2019: Rs. 728.12 lacs). The amount likely to be realised, in all these cases, is currently not ascertainable but the company, based on discussion with concerned lawyers and the proceedings of the cases is hopeful that there would not be any adverse impact on the financial position, and the realisation would be more than the outstanding amount. The company has recorded all expenses pertaining to legal and professional charges in respect of all such cases.

56 In terms of the clause 22 of chapter V micro, small and Medium enterprises development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier are as follows:

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period included in  |                         |                         |
| Principal amount due to micro and small enterprises  | 25.77                   | 1,006.75                |
| Interest due on above  | 0.49                    | 5.21                    |
|  | <u>26.26</u>            | <u>1,011.96</u>         |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period  | -                       | -                       |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the period) but without adding the interest specified under the MSMED Act, 2006.  | -                       | -                       |
| The amount of interest accrued and remaining unpaid at the end of each accounting period   | -                       | -                       |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006. | -                       | -                       |

57 Share based payments

Description of share-based payment arrangements

Pursuant to the resolution passed by the Board of Directors at its meeting on March 6, 2008 and the Special Resolution passed by the members in the EGM held on March 31, 2008, the Group introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Group and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants, unless otherwise stated in the grant letter. As on March 31, 2020 and March 31, 2019 the Company had 167,525 and 123,525 number of options that can be granted under the scheme respectively.

Pursuant to the resolution passed by the Board of Directors at its meeting held on January 28, 2014 and special resolution passed by the members in the Extraordinary general meeting held on May 29, 2014, the Group renewed "Career Launcher Employee Stock Options Plan 2008" for a further period of one year i.e. from April 1, 2014 upto March 31, 2015 by Board and from May 30, 2014 upto May 29, 2015 by shareholders respectively. Further, pursuant to resolution passed by Board of Directors at its meeting held on August 11, 2014 and special resolution passed by the members in its Annual General Meeting held on September 5, 2014 adopted the amended and extended "Amended Career Launcher Employee Stock Options Plan 2008" the same is valid for further period of 3 years. Further, pursuant to resolution passed by Board of Directors at its meeting held on January 29, 2016 and special resolution passed by the members in its Extraordinary General Meeting held on March 22, 2016 adopted "Amended and Restated Career Launcher Employee Stock Options Plan 2014". Further, pursuant to resolution passed by the Members in the Annual General Meeting held on August 24, 2017, the Company ratified and renewed the "Amended and Restated Career Launcher Employee Stock Options Plan 2014" for further period of 1 year i.e. from September 5, 2017 upto September 4, 2018. The Company in its 22nd Annual General Meeting held on August 7, 2018, has ratified and renewed the "Amended and Restated Career Launcher Employee Stock Options Plan 2014" for further period of 3 year i.e. from September 5, 2018 To September 5, 2021.





The Group has "Amended and Restated Career Launcher Employee Stock Options Plan 2014 (CL ESOP -2014)" which provides for the issue of 250,000 stock options to directors and employees of the Company and its subsidiary companies. The plan entitles directors and employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. The vesting period for the share options is 3 years from the grant date, unless otherwise stated in the grant letter. All exercised options shall be settled by physical/demat delivery of equity shares. As per the plan holders of vesting options are entitled to purchase one equity share for each option. Till date 312,468 (March 31, 2019: 312,468) stock options have been granted under this scheme.

Note: Although a total of 250,000 options were available to be granted, these include grants that had been forfeited/lapsed, and pooled back, and granted again. At no point of time did the total number of options granted under the plan exceed 250,000. During the current year employees have voluntarily surrendered their stock option.

No options were granted during the year.

a. Details of options outstanding at the year end with the range of exercise price and weighted average remaining contractual life:

| Employees entitled | No. of options | Vesting conditions                   | Weighted Contractual life of options (in year) |
|--------------------|----------------|--------------------------------------|--|
| March 31, 2020     | NIL            | 3 years' service from the grant date | -  |
| March 31, 2019     | 44,000         | 3 years' service from the grant date | 2.31   |

b. Reconciliation of outstanding share options:

The number and weighted-average exercise prices of share options under the share option plans are as follows:

ESOP to person other than directors of the Group

|  | Year ended March 31, 2020                        |                   | Year ended March 31, 2019                        |                   |
|--|--|-------------------|--|-------------------|
|  | Weighted Average exercise price per share option | Number of options | Weighted Average exercise price per share option | Number of options |
| Outstanding at the beginning of the year | 430.00   | 44,000            | 387.89   | 106,750           |
| Granted during the year                  | -  | -                 | -  | -                 |
| Exercised during the year                | -  | -                 | -  | -                 |
| Forfeited during the year                | -  | -                 | 430.00   | 6,875             |
| Expired during the year*                 | 430.00   | 44,000            | 387.14   | 55,875            |
| Outstanding at the end of the year       | 430.00   | -                 | 430.00   | 44,000            |
| <b>Vested during the year</b>            | <b>430.00</b>                                    | <b>8,750</b>      | <b>430.00</b>                                    | <b>11,750</b>     |
| <b>Exercisable during the year</b>       | <b>430.00</b>                                    | <b>3,000</b>      | <b>387.14</b>                                    | <b>26,500</b>     |

\*includes 41,000 shares options voluntarily surrendered during the year (Previous year : Nil)

c. Fair value of options granted:

No options were granted during the year. The fair value at grant date is determined using the Black Scholes Model. Expected volatility has been determined using historical fluctuation in share issue prices of the Group.

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| Dividend yield  | -              | -              |
| Expected volatility (%)*  | 0.00%          | -              |
| Risk-free interest rate (%)   | 7.69%          | 7.69%          |
| Weighted average share price (In Rs.)                                 | 590.00         | 590.00         |
| Exercise price (In Rs.)   | 210-430        | 210-430        |
| Carrying amount of liability-included in employee benefit obligations |                |                |

d. Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

| Share based payment (Income)/expenses                       | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| Employee option plan  | 2.15                              | (5.26)                            |
| <b>Total employee share-based payment (Income)/expenses</b> | <b>2.15</b>                       | <b>(5.26)</b>                     |

5B The Group has in the past undertaken various Central and State Government / Agencies, projects in the education / skill development sector. Most of these projects are complete, however the dues from the concerned department / agency has 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 and refer note 62 for expected credit loss.

| Vocational trade receivables | Total Amount | Amount o/s. for more than 3 years (out of total amount) | Expected Credit Loss (ECL) Provision on outstanding amount | Amount of write off |
|------------------------------|--------------|---|--|---------------------|
| As at March 31, 2020         | 1,807.59     | 1,807.59  | 381.15   | 1,025.00            |
| As at March 31, 2019         | 2,832.59     | 2,594.66  | 449.10   | 658.55              |





CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2020

(All amounts are in Rupees lacs, unless otherwise stated)

- 59 On March 16, 2017, one of step down subsidiary named Career Launcher Infrastructure Private Limited ("CLIP") entered into a Business Transfer Agreement (BTA) with I-Take Care Private Limited (the 'Buyer') to sale 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 as the Buyer has not been able to arrange the requisite funds to close the transaction. The Management is taking appropriate action to ensure that its right and interests are protected. Also, the Management is in parallel discussions with other parties to locate an alternate buyer to give effect to disposal of the Assets.

As the delay is caused by the events and circumstances beyond the Group's control and that the Management remains committed to its plan to sell the Asset, the Group 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".

The following statement shows the revenue and expenses of the business subject to slump sale:

|   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Revenue   | 112.50                       | 300.00                       |
| Other Income  | 13.37                        | -                            |
| Finance cost  | -                            | -                            |
| Depreciation and amortisation expenses                | -                            | -                            |
| Other expenses  | 6.96                         | 73.25                        |
| Profit/(loss) from discontinued operations before tax | 118.92                       | 226.75                       |
| Income tax expenses                                   | -                            | -                            |
| Profit/(loss) from discontinued operations after tax  | 118.92                       | 226.75                       |

As at March 31, 2020, the carrying value of the fixed assets and other assets are listed below. The process of selling the said listed assets expected to be completed by March 31, 2021.

| Particular                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------|-------------------------|-------------------------|
| Property, plant and equipment | 2,922.29                | 2,922.29                |
| Other current assets          | 1.02                    | 0.93                    |
| <b>Total Assets</b>           | <b>2,923.31</b>         | <b>2,923.21</b>         |

The net cash flows attributable to the business subject to slump sale are stated below:-

|                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------|-------------------------|-------------------------|
| Operating activities | 14.50                   | 129.58                  |
| Investing activities | -                       | -                       |
| Financing activities | -                       | -                       |



60 Operating segments

A. Basis for Segmentation

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The 'Board of Directors' have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Board of Directors examines the Group's performance both from a product and geographic perspective and have identified the following reportable segments of its business:

The following summary describes the operations in each of the Group's reportable segments:

| Reportable segments                 | Operations  |
|-------------------------------------|---|
| a) Consumer test prep               | This mainly includes coaching for higher education entrance exams.  |
| b) Consumer publishing              | This mainly includes publishing and sale of educational books related and third parties.  |
| c) Enterprise corporate             | The Group provides integrated business marketing and sales service like managed manpower, training, event management, customer engagement, marketing communication and digital marketing services for corporates to conduct very large conferences and exhibitions. |
| d) Enterprise institutional         | The Group offers integrated business advisory, research incubation and outreach support services to educational institutes and universities across India  |
| e) Others (Incl Vocational and K12) | The Group provides soft skills, infrastructure facilities and other support services to schools and senior secondary studies and specific projects undertaken ( including government projects)  |

B. Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

| For the year ended<br>March 31, 2020 | Reportable segment |                     |                      |                          |               | Total     |
|--------------------------------------|--------------------|---------------------|----------------------|--------------------------|---------------|-----------|
|                                      | Consumer test prep | Consumer publishing | Enterprise corporate | Enterprise institutional | Other segment |           |
| - Segment revenue                    | 17,458.58          | (156.28)            | 11,535.06            | 2,001.78                 | 29.19         | 30,868.33 |
| Revenue from external customers      | 17,458.58          | (156.28)            | 11,535.06            | 2,001.78                 | 29.19         | 30,868.33 |
| Segment results                      | 925.67             | (67.57)             | 170.98               | 540.02                   | (1,736.50)    | (167.40)  |
| Segment assets                       | 8,486.84           | 5,382.97            | 7,121.86             | 3,005.69                 | 4,537.08      | 28,534.44 |
| Segment liabilities                  | 3,702.17           | 579.27              | 3,108.37             | 1,035.78                 | 1,402.66      | 9,828.25  |

| For the year ended<br>March 31, 2019 | Reportable segment |                     |                      |                          |               | Total     |
|--------------------------------------|--------------------|---------------------|----------------------|--------------------------|---------------|-----------|
|                                      | Consumer test prep | Consumer publishing | Enterprise corporate | Enterprise institutional | Other segment |           |
| - Segment revenue                    | 18,208.02          | 1,245.24            | 12,600.30            | 1,844.84                 | 27.55         | 33,925.94 |
| Revenue from external customers      | 18,208.02          | 1,245.24            | 12,600.30            | 1,844.84                 | 27.55         | 33,925.95 |
| Segment results                      | 2,386.51           | 593.58              | 479.82               | 651.04                   | (768.83)      | 3,342.13  |
| Segment assets                       | 8,801.15           | 5,012.44            | 8,291.54             | 2,954.00                 | 10,494.63     | 35,553.76 |
| Segment liabilities                  | 3,028.27           | 850.55              | 4,458.37             | 1,070.37                 | 1,579.12      | 10,986.67 |

C. Reconciliations of information on reportable segments

i Revenues

|                                       | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Total revenue for reportable segments |                                      |                                      |
| Consumer test prep                    | 17,458.58                            | 18,208.02                            |
| Consumer publishing                   | (156.28)                             | 1,245.24                             |
| Enterprise corporate                  | 11,535.06                            | 12,600.30                            |
| Enterprise institutional              | 2,001.78                             | 1,844.84                             |
| Other segment                         | 29.19                                | 27.55                                |
|                                       | <b>30,868.33</b>                     | <b>33,925.95</b>                     |



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|   |                   |                 |
|---|-------------------|-----------------|
| <b>ii Profit before tax</b>   |                   |                 |
| Total profit before tax for reportable segments   | (167.40)          | 3,342.12        |
| Other income  | 1,523.94          | 1,323.66        |
| <b>Unallocated expenses:</b>  |                   |                 |
| Finance cost  | 830.96            | 619.88          |
| Other expenses  | 1,888.50          | 1,601.51        |
| <b>Profit/(Loss) before share of profit/(loss) of equity accounted investees, exceptional items and tax</b> | <b>(1,362.92)</b> | <b>2,444.39</b> |
| Less: Exceptional items   | 4,150.05          | -               |
| <b>Share of profit/(loss) of associates accounted for using equity method</b>                               | <b>(5,512.97)</b> | <b>2,444.39</b> |
| Share of net profit of associates accounted for using the equity method                                     | (14.71)           | 4.58            |
| <b>Profit before tax</b>  | <b>(5,527.68)</b> | <b>2,448.97</b> |
| Tax expense   | (102.96)          | 678.09          |
| <b>Profit after tax</b>   | <b>(5,424.72)</b> | <b>1,770.88</b> |
| <b>Discontinued Operations</b>  |                   |                 |
| Profit from discontinued operation before tax   | 118.92            | 226.75          |
| <b>Tax expense:</b>   |                   |                 |
| Current tax   | -                 | -               |
| Deferred tax (Benefit)/Charge   | -                 | -               |
| <b>Profit from discontinued operation</b>   | <b>118.92</b>     | <b>226.75</b>   |
| <b>Other comprehensive income</b>   |                   |                 |
| <i>Items that may be reclassified to profit or loss</i>   |                   |                 |
| Exchange difference on translation of foreign operation   | 9.75              | (5.30)          |
| Income tax relating to above  | (2.47)            | 1.47            |
| <i>Items that will not be reclassified to profit or loss</i>  |                   |                 |
| Remeasurement of defined benefit plans  | 47.93             | 26.07           |
| Income tax relating to these items  | (12.32)           | (7.21)          |
| <b>Total comprehensive income for the year</b>  | <b>(5,262.91)</b> | <b>2,012.66</b> |

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>iii Assets</b>                                       |                         |                         |
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Total assets for reportable segments</b>             |                         |                         |
| Consumer test prep                                      | 8,486.84                | 8,801.15                |
| Consumer publishing                                     | 5,382.97                | 5,012.44                |
| Enterprise corporate                                    | 7,121.86                | 8,291.54                |
| Enterprise institutional                                | 3,005.69                | 2,954.00                |
| Other segment   | 4,537.08                | 10,494.63               |
| Assets held for sale                                    | 2,923.31                | 2,923.21                |
| <b>Unallocated amounts</b>                              | <b>10,688.12</b>        | <b>10,916.13</b>        |
| Investments in associates accounted using equity method | 1,378.34                | 5,430.68                |
| Other corporate assets                                  | 9,309.78                | 5,485.45                |
| <b>Total assets</b>                                     | <b>42,145.87</b>        | <b>49,393.10</b>        |

|  |                         |                         |
|--|-------------------------|-------------------------|
| <b>iv Liabilities</b>                            |                         |                         |
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Total liabilities for reportable segments</b> |                         |                         |
| Consumer test prep                               | 3,702.17                | 3,028.27                |
| Consumer publishing                              | 579.27                  | 850.55                  |
| Enterprise corporate                             | 3,108.37                | 4,458.37                |
| Enterprise institutional                         | 1,035.78                | 1,070.37                |
| Other segment                                    | 1,402.66                | 1,579.12                |
| <b>Unallocated amounts</b>                       | <b>3,951.85</b>         | <b>4,563.70</b>         |
|  | <b>13,780.10</b>        | <b>15,550.38</b>        |

|  |                     |                     |  |  |
|--|---------------------|---------------------|--|--|
| <b>v Other material items</b>            |                     |                     |  |  |
| <b>For the year ended March 31, 2020</b> |                     |                     |  |  |
|  | Interest<br>revenue | Interest<br>expense | Depreciation and<br>amortisation expense | Capital expenditure<br>during the year |
| Consumer test prep                       | 19.17               | -                   | 1,149.59                                 | 730.52                                 |
| Consumer publishing                      | 4.53                | -                   | 8.34                                     | 17.26                                  |
| Enterprise corporate                     | -                   | -                   | 7.31                                     | 43.18                                  |
| Enterprise institutional                 | 8.03                | -                   | 220.18                                   | 40.44                                  |
| Other segment                            | -                   | -                   | 10.32                                    | -                                      |
| Unallocable                              | 142.28              | 830.96              | -  | 143.48                                 |
|  | <b>174.01</b>       | <b>830.96</b>       | <b>1,395.74</b>                          | <b>974.88</b>                          |





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For the year ended March 31, 2019

|                          | Interest revenue | Interest expense | Depreciation and amortisation expense | Capital expenditure during the year |
|--------------------------|------------------|------------------|---------------------------------------|-------------------------------------|
| Consumer test prep       | -                | -                | 617.98                                | 684.45                              |
| Consumer publishing      | 10.76            | -                | 26.63                                 | 27.30                               |
| Enterprise corporate     | 6.61             | -                | 91.53                                 | 81.45                               |
| Enterprise institutional | -                | -                | 7.35                                  | -                                   |
| Other segment            | -                | -                | 64.15                                 | -                                   |
| Unallocable              | 163.02           | 619.88           | 140.69                                | 5.57                                |
|                          | <b>180.39</b>    | <b>619.88</b>    | <b>948.33</b>                         | <b>798.77</b>                       |

**D. Geographic Information**

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile in other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:

**a) Revenues from different geographies**

|               | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---------------|-----------------------------------|-----------------------------------|
| Within India  | 28,480.59                         | 32,526.25                         |
| Outside India | 2,387.74                          | 1,399.70                          |
|               | <b>30,868.33</b>                  | <b>33,925.95</b>                  |

**b) Non-current assets\***

|               | As at March 31, 2020 | As at March 31, 2019 |
|---------------|----------------------|----------------------|
| Within India  | 15,235.80            | 19,035.12            |
| Outside India | 65.11                | 5.87                 |
|               | <b>15,300.92</b>     | <b>19,040.99</b>     |

\*Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets

**E. Major customer**

Revenue from transactions with external customer amounting to 10 per cent or more of the Group's revenue is as follows:

| Client Name | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------|-----------------------------------|-----------------------------------|
| Customer 1  | 3,357.71                          | -                                 |

There are no major customers which contribute more than 10% of the Group's total revenues in the previous financial year.



61 Business combinations

Acquisition of IndiaCan Education Private Limited

Summary of acquisitions

Pursuant to the term sheet dated December 23, 2016 with IndiaCan Education Private Limited (IndiaCan), all the assets and liabilities of ETEN, a business division of IndiaCan, engaged in the test preparation business for chartered accountancy courses and civil services entrance examination supported by VSAT (very small aperture terminal) network in India, were acquired by the Group via Business Transfer Agreement signed on April 19, 2017 and is effective from April 1, 2017. This acquisition will enable the Group to make its presence in the commercial coaching of prestigious courses like Civil Services and Chartered Accountancy in India. It will also enable the Group to connect with the students through the Digital VSAT network.

As per para 18 of Ind AS 103 (Business Combinations), all identifiable assets and liabilities were assumed by the Group at its fair value.

A. Consideration transferred

The following table summarises the acquisition date fair values of each major class of consideration transferred:

|   | Amount        |
|---|---------------|
| Purchase consideration                          | 593.81        |
| Consideration committed in cash and equivalents | 50.00         |
| Contingent consideration                        | 643.81        |
| <b>Total purchase consideration</b>             | <b>643.81</b> |

B. Acquisition-related costs

The Group incurred acquisition-related costs of Rs 1.00 lac on professional and other costs. These costs were included in 'Miscellaneous expenses' in year of acquisition.

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

|   | Amount        |
|---|---------------|
| Property, plant and equipment                 | 157.05        |
| Intangible assets                             | 409.00        |
| Financial assets                              | 93.58         |
| Non financial assets                          | 11.11         |
| Deferred tax liabilities                      | (141.55)      |
| Financial liabilities                         | (29.79)       |
| Non Financial liabilities                     | (30.62)       |
| Provisions                                    | (37.35)       |
| <b>Total identifiable net assets acquired</b> | <b>431.43</b> |

D. Calculation of Goodwill

|  |               |
|--|---------------|
| Consideration transferred (A)              | 643.81        |
| Less: Net identifiable assets acquired (B) | 431.43        |
| <b>Goodwill (A-B)</b>                      | <b>212.38</b> |

E. Contingent consideration

The Group had agreed to pay to the seller in each of the 3 years starting from FY 2017-18 consideration @ 4% per annum of the revenue generated from Chartered Accountancy and Civil Services business. Further, if cumulative revenues exceeds Rs. 15,000.00 lacs in 3 years starting FY 2017-18 an additional consideration @ 1% shall be payable to seller. The Group has included Rs.50.00 lacs as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. During the year based on the performance and achievement of enrollment the condition for contingent consideration has not met so these amount related to contingent consideration has written back in to the books as at March 31, 2020.

F. Revenue and profit contribution

The acquired business contributed revenues of Rs 117.44 lacs (March 31, 2019 Rs 235.05 lacs) and loss of Rs 34.97 lacs (March 31, 2019 Rs 176.57 lacs) to the Group for the year ended March 31, 2020.

G. Descriptive note on goodwill (explaining payment of goodwill)

This acquisition will enable the Group to launch CA product and also add General Studies product offering for the Civil Services entrance examination leading to strengthening and enhancing penetration of its test prep business. The Group had acquired the brand name ETEN, the studios at various locations including alliances/partnerships for academic delivery, franchise relationships at about 25 locations.

H. During the previous year, the Group had sent a legal notice to IndiaCan Education Private Limited regarding the recoverability of Debtors related to the ETEN business that was transferred to the Group in 2018. Arbitration proceedings on the same were subsequently initiated by the Group, and are currently in progress, with the next hearing date scheduled for August 20, 2020.



62. Fair value measurement and financial instruments

a. Financial Instruments - by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2020

| Particulars  | Carrying value |       |                  |                  | Fair value measurement using |         |               |
|--|----------------|-------|------------------|------------------|------------------------------|---------|---------------|
|  | FVTPL          | FVOCI | Amortised cost   | Total            | Level 1                      | Level 2 | Level 3       |
| <b>Financial assets</b>                            |                |       |                  |                  |                              |         |               |
| <b>Non-current</b>                                 |                |       |                  |                  |                              |         |               |
| Investments  | -              | -     | -                | -                | -                            | -       | -             |
| Loans  | -              | -     | 167.66           | 167.66           | -                            | -       | 167.66        |
| Other financial assets                             | -              | -     | 956.61           | 956.61           | -                            | -       | -             |
| <b>Current</b>                                     |                |       |                  |                  |                              |         |               |
| Investments  | -              | -     | 3,716.34         | 3,716.34         | -                            | -       | -             |
| Trade receivables                                  | -              | -     | 9,470.01         | 9,470.01         | -                            | -       | -             |
| Cash and cash equivalents                          | -              | -     | 1,159.28         | 1,159.28         | -                            | -       | -             |
| Bank balances other than cash and cash equivalents | -              | -     | 260.02           | 260.02           | -                            | -       | -             |
| Loans  | -              | -     | 1,550.20         | 1,550.20         | -                            | -       | -             |
| Other financial assets                             | -              | -     | 732.92           | 732.92           | -                            | -       | -             |
| <b>Total</b>                                       | -              | -     | <b>18,013.04</b> | <b>18,013.04</b> | -                            | -       | <b>167.66</b> |
| <b>Financial liabilities</b>                       |                |       |                  |                  |                              |         |               |
| <b>Non-current</b>                                 |                |       |                  |                  |                              |         |               |
| Borrowings   | -              | -     | 358.37           | 358.37           | -                            | -       | 358.37        |
| Lease liability                                    | -              | -     | 448.25           | 448.25           | -                            | -       | -             |
| <b>Current</b>                                     |                |       |                  |                  |                              |         |               |
| Borrowings   | -              | -     | 3,918.08         | 3,918.08         | -                            | -       | -             |
| Lease liability                                    | -              | -     | 435.74           | 435.74           | -                            | -       | -             |
| Trade payables                                     | -              | -     | 4,066.34         | 4,066.34         | -                            | -       | -             |
| Other financial liabilities                        | -              | -     | 1,361.84         | 1,361.84         | -                            | -       | -             |
| <b>Total</b>                                       | -              | -     | <b>10,588.62</b> | <b>10,588.62</b> | -                            | -       | <b>358.37</b> |

As at March 31, 2019

| Particulars  | Carrying value |       |                  |                  | Fair value measurement using |         |               |
|--|----------------|-------|------------------|------------------|------------------------------|---------|---------------|
|  | FVTPL          | FVOCI | Amortised cost   | Total            | Level 1                      | Level 2 | Level 3       |
| <b>Financial assets</b>                            |                |       |                  |                  |                              |         |               |
| <b>Non-current</b>                                 |                |       |                  |                  |                              |         |               |
| Investments  | -              | -     | -                | -                | -                            | -       | -             |
| Loans  | -              | -     | 175.88           | 175.88           | -                            | -       | 175.88        |
| Other financial assets                             | -              | -     | 1,651.47         | 1,651.47         | -                            | -       | -             |
| <b>Current</b>                                     |                |       |                  |                  |                              |         |               |
| Trade receivables                                  | -              | -     | 12,992.13        | 12,992.13        | -                            | -       | -             |
| Investments  | -              | -     | 2,743.09         | 2,743.09         | -                            | -       | -             |
| Cash and cash equivalents                          | -              | -     | 1,041.10         | 1,041.10         | -                            | -       | -             |
| Bank balances other than cash and cash equivalents | -              | -     | 980.20           | 980.20           | -                            | -       | -             |
| Loans  | -              | -     | 2,117.88         | 2,117.88         | -                            | -       | -             |
| Other financial assets                             | -              | -     | 1,238.13         | 1,238.13         | -                            | -       | -             |
| <b>Total</b>                                       | -              | -     | <b>22,939.88</b> | <b>22,939.88</b> | -                            | -       | <b>175.88</b> |
| <b>Financial liabilities</b>                       |                |       |                  |                  |                              |         |               |
| <b>Non-current</b>                                 |                |       |                  |                  |                              |         |               |
| Borrowings   | -              | -     | 804.73           | 804.73           | -                            | -       | 804.73        |
| <b>Current</b>                                     |                |       |                  |                  |                              |         |               |
| Borrowings   | -              | -     | 4,450.30         | 4,450.30         | -                            | -       | -             |
| Trade payables                                     | -              | -     | 4,808.65         | 4,808.65         | -                            | -       | -             |
| Other financial liabilities                        | -              | -     | 1,898.73         | 1,898.73         | -                            | -       | -             |
| <b>Total</b>                                       | -              | -     | <b>11,962.41</b> | <b>11,962.41</b> | -                            | -       | <b>804.73</b> |





The Group's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2020 and March 31, 2019.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Group at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Group at each balance sheet date.

**Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Currency rate risk
- Interest rate risk

**Risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.



b. Financial risk management (continued)

(f) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

| Particulars                                   | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Trade receivables                             | 9,470.01             | 12,992.13            |
| Cash and cash equivalents                     | 1,159.28             | 1,041.10             |
| Balances other than cash and cash equivalents | 260.02               | 980.20               |
| Loans   | 1,717.86             | 2,293.76             |
| Investments                                   | 3,716.34             | 2,743.09             |
| Other financial assets                        | 1,689.53             | 2,889.60             |

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Group's credit risk is primarily to the amount due from customers. The Group maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis.

- Credit risk on loans is limited as the loans are given to subsidiaries and other related parties.
- Credit risk on cash and cash equivalents is limited as the Group invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates and the Group manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the Group estimates amounts based on the business environment in which the Group operates, and management considers that the trade receivables are in default (credit impaired) when counter party fails to make payments as per terms of sale/service agreements. However the Group based upon historical experience determine an impairment allowance for loss on receivables.

The gross carrying amount of trade receivables is Rs. 10,260.78 lacs (March 31, 2019: Rs. 14,564.96 lacs). Trade receivables are generally realised within the credit period.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Group's exposure to credit risk for trade receivables are as follows:

| Particulars             | Gross carrying amount |                      |
|-------------------------|-----------------------|----------------------|
|                         | As at March 31, 2020  | As at March 31, 2019 |
| Not Due                 | 1,077.71              | 2,437.19             |
| 0-90 days past due      | 3,973.76              | 4,462.47             |
| 90 to 180 days past due | 1,058.17              | 1,033.23             |
| 180-365 days            | 1,601.60              | 1,785.64             |
| 365-730 days            | 550.61                | 1,364.12             |
| More than 730 days      | 1,998.93              | 3,482.31             |
| Total                   | 10,260.78             | 14,564.96            |

Movement in the allowance for impairment in respect of trade receivables:

| Particulars                             | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Balance at the beginning                | 1,572.83                             | 2,010.86                             |
| Impairment loss recognised / (reversed) | (782.06)                             | (438.03)                             |
| Balance at the end                      | 790.77                               | 1,572.83                             |



b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group believes that its liquidity position, including total cash (including bank deposits under lien and the anticipated future internally generated funds from operations) will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.

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Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

| As at March 31, 2020                    | Carrying amount  | Contractual cash flows |                    |                                 |                   |
|---|------------------|------------------------|--------------------|---------------------------------|-------------------|
|   |                  | Total                  | Less than one year | Between one year and five years | More than 5 years |
| <b>Borrowings</b>                       |                  |                        |                    |                                 |                   |
| Secured                                 |                  |                        |                    |                                 |                   |
| -From banks                             |                  |                        |                    |                                 |                   |
| a) Vehicle loans                        | 44.31            | 50.63                  | 16.14              | 34.49                           | -                 |
| b) term loans                           | 293.33           | 309.56                 | 309.56             | -                               | -                 |
| -From others/financial institution      |                  |                        |                    |                                 |                   |
| a) Term loan                            | 522.64           | 588.71                 | 298.84             | 289.87                          | -                 |
| Current borrowings                      |                  |                        |                    |                                 |                   |
| Secured                                 |                  |                        |                    |                                 |                   |
| -Cash credit from banks                 | 3,915.87         | 3,915.87               | 3,915.87           | -                               | -                 |
| Unsecured                               |                  |                        |                    |                                 |                   |
| -form related parties                   | 2.21             | 2.21                   | 2.21               | -                               | -                 |
| Trade payables                          | 4,066.34         | 4,066.34               | 4,066.34           | -                               | -                 |
| Lease Liability (current & non current) | 883.99           | 1,233.74               | 394.11             | 393.22                          | 446.41            |
| Other financial liabilities             |                  |                        |                    |                                 |                   |
| Unpaid dividend                         | 2.56             | 2.56                   | 2.56               | -                               | -                 |
| Refundable security deposit             | 5.00             | 5.00                   | 5.00               | -                               | -                 |
| Payable for selling shareholders        | 28.06            | 28.06                  | 28.06              | -                               | -                 |
| Employee related payables               | 808.58           | 808.58                 | 808.58             | -                               | -                 |
| Receipt on behalf of clients            | 12.90            | 12.90                  | 12.90              | -                               | -                 |
| <b>Total</b>                            | <b>10,585.79</b> | <b>11,024.17</b>       | <b>9,860.18</b>    | <b>717.58</b>                   | <b>446.41</b>     |





CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2020

(All amounts are in Rupees lacs, unless otherwise stated)

| As at March 31, 2019                                 | Carrying amount  | Contractual cash flows |                    |                                 |                   |
|--|------------------|------------------------|--------------------|---------------------------------|-------------------|
|  |                  | Total                  | Less than one year | Between one year and five years | More than 5 years |
| <b>Borrowings</b>                                    |                  |                        |                    |                                 |                   |
| <b>Secured</b>                                       |                  |                        |                    |                                 |                   |
| -From banks  |                  |                        |                    |                                 |                   |
| a) Vehicle loans                                     | 45.11            | 45.11                  | 10.22              | 34.89                           | -                 |
| b) term loans  | 463.29           | 463.29                 | 241.91             | 221.37                          | -                 |
| -From others/financial institution                   |                  |                        |                    |                                 |                   |
| a) Term loan   | 757.74           | 757.74                 | 235.13             | 522.61                          | -                 |
| <b>Current borrowings</b>                            |                  |                        |                    |                                 |                   |
| <b>Secured</b>                                       |                  |                        |                    |                                 |                   |
| -Cash credit from banks                              | 4,307.67         | 4,307.67               | 4,307.67           | -                               | -                 |
| <b>Unsecured</b>                                     |                  |                        |                    |                                 |                   |
| -Loan form NBFC                                      | 142.13           | 142.13                 | 142.13             | -                               | -                 |
| -From related parties                                | 0.50             | 0.50                   | 0.50               | -                               | -                 |
| <b>Trade payables</b>                                | 4,808.65         | 4,808.65               | 4,808.65           | -                               | -                 |
| <b>Other financial liabilities</b>                   |                  |                        |                    |                                 |                   |
| Payables for purchase of investments                 | 241.57           | 241.57                 | 241.57             | -                               | -                 |
| Unpaid dividend                                      | 1.57             | 1.57                   | 1.57               | -                               | -                 |
| Finance lease obligation                             | 58.69            | 58.69                  | 31.89              | 26.80                           | -                 |
| Payable for selling shareholders                     | 28.06            | 28.06                  | 28.06              | -                               | -                 |
| Payable towards business combination (refer note 61) | 143.81           | 143.81                 | 143.81             | -                               | -                 |
| Contingent consideration (refer note 61)             | 50.00            | 50.00                  | 50.00              | -                               | -                 |
| Employee related payables                            | 636.73           | 636.73                 | 636.73             | -                               | -                 |
| Receipt on behalf of clients                         | 275.64           | 275.64                 | 275.64             | -                               | -                 |
| <b>Total</b>   | <b>11,961.17</b> | <b>11,961.16</b>       | <b>11,155.48</b>   | <b>805.67</b>                   | <b>-</b>          |

The above amounts reflects the contractual undiscounted cash flows which may differ from the carrying value of the liabilities at the reporting date.





CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2020 and March 31, 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| Particulars   | Profit or loss |           | Equity, net of tax |           |
|---|----------------|-----------|--------------------|-----------|
|   | Strengthening  | Weakening | Strengthening      | Weakening |
| 1% depreciation/appreciation in Indian Rupees against following foreign currencies: |                |           |                    |           |
| For the year ended March 31, 2020   |                |           |                    |           |
| AED   | 6.77           | (6.77)    | 4.88               | (4.88)    |
| SGD   | 0.96           | (0.96)    | 0.69               | (0.69)    |
| USD   | 4.72           | (4.72)    | 3.41               | (3.41)    |
| AUD   | 0.64           | (0.64)    | 0.47               | (0.47)    |
| GBP   | -              | -         | -                  | -         |
| Total   | 13.09          | (13.09)   | 9.45               | (9.45)    |
| For the year ended March 31, 2019   |                |           |                    |           |
| AED   | 5.46           | (5.46)    | 3.94               | (3.94)    |
| SGD   | 3.08           | (3.08)    | 2.22               | (2.22)    |
| USD   | 3.99           | (3.99)    | 2.88               | (2.88)    |
| AUD   | (0.03)         | 0.03      | (0.02)             | 0.02      |
| GBP   | (0.06)         | 0.06      | (0.04)             | 0.04      |
| Total   | 12.44          | (12.44)   | 8.98               | (8.98)    |

AED: United Arab Emirates Dirham, SGD: Singapore Dollar and USD: United States Dollar, AUD: Australian Dollar, GBP: Great Britain Pound





B. Financial risk management (continued)

iii. Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term and short term borrowings with variable interest rates, which expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

| Variable-rate Instruments        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Term loans from banks and others | 815.97                  | 1,278.77                |
| Vehicle loans                    | 44.31                   | 45.11                   |
| Cash credit from banks           | 3,915.87                | 4,307.67                |
| <b>Total</b>                     | <b>4,776.14</b>         | <b>5,631.55</b>         |

Cash flow sensitivity analysis for variable-rate Instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

| Particulars                       | Profit or loss  |                 | Equity, net of tax |                 |
|-----------------------------------|-----------------|-----------------|--------------------|-----------------|
|                                   | 50 bps increase | 50 bps decrease | 50 bps increase    | 50 bps decrease |
| Interest on loans from banks      |                 |                 |                    |                 |
| For the year ended March 31, 2020 | (31.11)         | 31.11           | (22.46)            | 22.46           |
| For the year ended March 31, 2019 | 9.90            | (9.90)          | 6.96               | (5.95)          |
| Interest on loans from others     |                 |                 |                    |                 |
| For the year ended March 31, 2020 | 3.93            | (3.93)          | (2.83)             | 2.83            |
| For the year ended March 31, 2019 | (5.93)          | 5.93            | (6.15)             | 6.15            |

63 Capital Management

- a) For the purpose of the group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Borrowings  | 4,772.64                | 5,774.17                |
| Less : Cash and cash equivalent                         | 1,159.28                | 1,041.10                |
| <b>Adjusted net debt (A)</b>                            | <b>3,613.36</b>         | <b>4,733.07</b>         |
| <b>Total equity (B)</b>                                 | <b>28,365.77</b>        | <b>33,842.72</b>        |
| <b>Adjusted net debt to adjusted equity ratio (A/B)</b> | <b>12.74%</b>           | <b>13.99%</b>           |

(b) Dividends

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Interim dividend for the year ended on March 31, 2020 of Rs. 1 (March 31, 2019 : Rs. 1) per fully paid share | 141.66                  | 141.66                  |
| Dividend Distribution Tax on interim dividend  | 29.11                   | 29.11                   |
| <b>Total</b>   | <b>170.77</b>           | <b>170.77</b>           |



64 Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of the Entity  | Place of business/ country of incorporation | Ownership interest held by the group as at |                | Ownership interest held by non-controlling interests as at |                |
|---|---|--|----------------|--|----------------|
|   |   | March 31, 2020                             | March 31, 2019 | March 31, 2020   | March 31, 2019 |
| Kestone Integrated Management Services Private Limited            | India                                       | 100%                                       | 100%           | -  | -              |
| CL Media Private Limited  | India                                       | 100%                                       | 100%           | -  | -              |
| Career Launcher Education Infrastructure Services Private Limited | India                                       | 100%                                       | 100%           | -  | -              |
| Career Launcher Infrastructure Private Limited                    | India                                       | 100%                                       | 100%           | -  | -              |
| Kestone Asia Hub Pte Ltd  | Singapore                                   | 100%                                       | 100%           | -  | -              |
| Accendere Knowledge Management Services Private Limited           | India                                       | 100%                                       | 100%           | -  | -              |
| ICE Gate Educational Institute Private Limited                    | India                                       | 58.95%                                     | 50.70%         | 41.05%   | 49.30%         |
| CL Educate (Africa) Ltd (w.e.f. January 13, 2020)                 | Mauritius                                   | 90.00%                                     | -              | 10.00%   | -              |
| Kestone CL US Limited   | India                                       | 100%                                       | 100%           | -  | -              |

Principal activities of group companies

**Kestone Integrated Management Services Private Limited and Kestone Asia Hub Pte Ltd**  
Kestone provides integrated business, marketing and sales services to corporate customers (including event management), marketing support (including digital marketing support in the form of online marketing initiatives, to support offline marketing campaigns), customer engagement (including audience generation, lead generation, loyalty and reward programs and contest management), managed manpower and training services.

**G.K. Publications Private Limited**

GKP is currently engaged in the business of distribution of test preparation guides, books and other academic material.

**CL Media Private Limited**

CL Media is currently engaged in the business of content development for study material, publishing study material and books and providing sales & marketing services and research related services to Institutions and Universities.

**Career Launcher Education Infrastructure Services Private Limited and Career Launcher Infrastructure Private Limited**

The Group provides soft skills, infrastructure facilities and other support services to schools and senior secondary studies and specific projects undertaken (including govt projects).

**Accendere Knowledge Management Services Private Limited (AKMS)**

Accendere is currently engaged in the business of facilitating educational institutions and establishing their institutional credibility, international presence and thought leadership by improving their research output in terms of both the quality and quantity of research articles published by them.

**ICE Gate Educational Institute Private Limited**

This mainly includes test prep coaching examinations like Graduate Aptitude Test in Engineering/Indian Engineering Services.

**Kestone CL US**

Kestone CL Asia Hub Pte. Ltd had incorporated a wholly owned subsidiary in USA on March 22, 2018 in the name of Kestone CL US Limited with an objective to provide integrated sales and marketing services to the corporate and institutions in USA.

(b) Associate Companies

Setout below are the associates of the group as at March 31, 2020 which, in the opinion of the directors, are material to the group.

| Name of entity  | Place of business | % of ownership interest |                         | Accounting method | Carrying amount      |                      |
|---|-------------------|-------------------------|-------------------------|-------------------|----------------------|----------------------|
|   |                   | As at March 31, 2020    | As at March 31, 2019    |                   | As at March 31, 2020 | As at March 31, 2019 |
| Threesixtyone Degree Minds Consulting Private Limited   | Chennai, India    | 4.41% of equity shares  | 4.41% of equity shares  | Equity            | 789.63               | 676.92               |
| B & S Strategy Services Private Limited (refer note 70) | New Delhi, India  | 44.18% of equity shares | 44.18% of equity shares | Equity            | 588.71               | 4,753.76             |
| <b>Total equity accounted investments</b>               |                   |                         |                         |                   | <b>1,378.34</b>      | <b>5,430.68</b>      |

Principal activities of each associate entity

(i) Threesixtyone Degree Minds Consulting Private Limited- The Company provides learning and education solutions for corporations, colleges and universities, academic service providers, and government bodies in India and internationally. The Group offers graduation/diploma programs, as well as leadership programs to corporate managers.

(ii) B & S Strategy Services Private Limited: The Company is mainly engaged in rendering consulting services in the education sector and managing schools.



i. Significant judgement: existence of significant influence

(i) Threesixtyone Degree Minds Consulting Private Limited- CL Educate have representation on the board of Threesixtyone Degree Minds Consulting Private Limited and right to nominate one Director on the Board, it also participates in all significant financial and operating decisions. The group has therefore determined that it has significant influence over this entity, even though it only holds 4.41% of the voting rights

(ii) B&S Strategy Services Private Limited: Through the shareholder agreement, CL Educate through its wholly owned subsidiary CLEIS holds 44.18% of the voting rights in B&S Strategy Services Private Limited and is guaranteed two seats on the board of the entity. The group had therefore determined that it had significant influence over this entity. As determined by the Management during the quarter and year ended March 31, 2020, the Group ceased to exercise a significant influence over B&S Strategy Services Private Limited (B&S), an associate company, though it continues to hold 44.18% equity share capital in B&S. Accordingly, the consolidated financial statements for the year ended March 31, 2020 include the Group's share in profit/loss of the associate only till the date of influence. (Refer note 70)

ii. Summarised financial information for associates

The tables below provide summarised financial information for the associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not CL Educate Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method and modifications for differences in accounting policies, if any.

|   | Three Sixty One Degree Minds Consulting Private Limited |                                   | B& S Strategy Services Private Limited                              |                                   |
|---|---|-----------------------------------|---|-----------------------------------|
|   | As at March 31, 2020                                    | As at March 31, 2019              | As at March 31, 2020  | As at March 31, 2019              |
| <b>Summarised balance sheet</b>   |   |                                   |   |                                   |
| Total current assets  | 1,149.36  | 882.13                            | -   | 1,095.69                          |
| Total non-current assets  | 256.72  | 260.96                            | -   | 4,573.13                          |
| <b>Total assets</b>   | <b>1,406.08</b>   | <b>1,143.09</b>                   | <b>-</b>  | <b>5,668.82</b>                   |
| Total current liabilities   | 375.13  | 130.96                            | -   | 566.90                            |
| Total non-current liabilities   | 186.20  | 166.67                            | -   | 60.32                             |
| <b>Total liabilities</b>  | <b>561.33</b>   | <b>297.63</b>                     | <b>-</b>  | <b>627.22</b>                     |
| <b>Net assets</b>   | <b>844.75</b>   | <b>845.46</b>                     | <b>-</b>  | <b>5,041.60</b>                   |
| <b>Summarised statement of profit and loss</b>                                |   |                                   |   |                                   |
|   | For the year ended March 31, 2020                       | For the year ended March 31, 2019 | For the period ended December 31, 2019 (till the date of influence) | For the year ended March 31, 2019 |
| Revenue   | 577.72  | 631.41                            | 76.32   | 297.46                            |
| Other income  | 3.34  | 4.93                              | 0.05  | 4.69                              |
| Depreciation and amortisation   | 106.85  | 96.09                             | 21.05   | 28.07                             |
| Profit before tax   | 6.21  | 43.28                             | (33.91)   | 14.26                             |
| Tax expense   | -   | 8.25                              | -   | 7.41                              |
| <b>Profit for the year</b>  | <b>6.21</b>   | <b>35.03</b>                      | <b>(33.91)</b>  | <b>6.85</b>                       |
| Other comprehensive income  | -   | -                                 | -   | -                                 |
| <b>Total comprehensive income/(loss)</b>                                      | <b>6.21</b>   | <b>35.03</b>                      | <b>(33.91)</b>  | <b>6.85</b>                       |
| Dividends received  | -   | -                                 | -   | -                                 |
|   | As at March 31, 2020                                    | As at March 31, 2019              | As at March 31, 2020  | As at March 31, 2019              |
| Investment in associates  | 674.57  | 450.00                            | 4,744.74  | 4,596.20                          |
| Investment during the year  | -   | 100.00                            | -   | 148.54                            |
| Gain on fair valuation  | 112.43  | 124.57                            | -   | -                                 |
| Profit after the period of acquisition  | 59.30   | 53.10                             | (13.25)   | 20.66                             |
| Group's share in the profit   | 2.63  | 2.35                              | (5.98)  | 9.02                              |
| Impairment (refer note 47)  | -   | -                                 | (4,150.05)  | -                                 |
| <b>Carrying amount of investment in the associate</b>                         | <b>789.63</b>   | <b>676.92</b>                     | <b>588.71</b>   | <b>4,753.76</b>                   |
|   | As at March 31, 2020                                    | As at March 31, 2019              | As at March 31, 2020  | As at March 31, 2019              |
| Fair value of identifiable net assets of the associate as at acquisition date | 61.48   | 61.48                             | 3,139.78  | 3,139.78                          |
| Purchase consideration paid   | 450.00  | 450.00                            | 4,050.00  | 4,050.00                          |
| <b>Goodwill</b>   | <b>388.52</b>   | <b>388.52</b>                     | <b>910.22</b>   | <b>910.22</b>                     |

iii. Reconciliation to carrying amount of investments

iv. Calculation of Goodwill





c. Non-controlling interest (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for the subsidiary are before inter-Group eliminations.

i. Icegate Educational Institute Private Limited

Summarised balance sheet

|  | As at<br>March 31, 2020                      | As at<br>March 31, 2019                      |
|--|--|--|
| Current assets   | 292.95                                       | 534.08                                       |
| Non-current assets   | 228.82                                       | 219.76                                       |
| <b>Total assets</b>  | <b>521.77</b>                                | <b>753.84</b>                                |
| Current liabilities  | 413.73                                       | 567.98                                       |
| Non-current liabilities                                      | 42.74  | 154.58                                       |
| <b>Total liabilities</b>                                     | <b>456.47</b>                                | <b>722.56</b>                                |
| <b>Net assets</b>  | <b>65.30</b>                                 | <b>31.28</b>                                 |
| <b>% of Non controlling interest</b>                         | <b>41.05%</b>                                | <b>49.30%</b>                                |
| <b>Accumulated NCI</b>                                       | <b>26.90</b>                                 | <b>15.42</b>                                 |
| <b>Summarised statement of profit and loss A/c</b>           | <b>For the year ended<br/>March 31, 2020</b> | <b>For the year ended<br/>March 31, 2019</b> |
| Revenue  | 1,123.85                                     | 1,207.06                                     |
| Profit for the year  | 30.03  | 6.01   |
| Other comprehensive income                                   | 3.99   | -  |
| <b>Total comprehensive income</b>                            | <b>34.02</b>                                 | <b>6.01</b>                                  |
| Profit allocated to NCI                                      | 11.48  | 2.96   |
| Dividends paid to NCI  | -  | -  |
| <b>Summarised cash flow</b>                                  | <b>For the year ended<br/>March 31, 2020</b> | <b>For the year ended<br/>March 31, 2019</b> |
| Cash flows from operating activities                         | 85.13  | 94.52  |
| Cash flows from investing activities                         | (120.33)                                     | (66.13)                                      |
| Cash flows from financing activities                         | 41.14  | (44.73)                                      |
| <b>Net increase/ (decrease) In cash and cash equivalents</b> | <b>5.93</b>                                  | <b>(16.34)</b>                               |

iii. Transactions with non-controlling interest

The group had acquired 50.70% stake in Ice Gate Educational Institute Private Limited on October 31, 2017. On 13 August 2019, the group acquired an additional 7.15% stake & 1.10% on 2 March 2020 for Rs. 76.32 Lacs. Immediately prior to the purchase, the carrying amount of the non-controlling interests acquired i.e. 8.25% NCI was (Rs. 5.54 lacs). The effect on the equity attributable to the owners of the Group during the year is summarised as follows:

|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Carrying amount of non-controlling interests acquired                             | 5.54                                 | -                                    |
| Consideration paid to non-controlling interests                                   | 76.32                                | -                                    |
| <b>Excess of consideration paid recognised in retained earnings within equity</b> | <b>(70.78)</b>                       | <b>-</b>                             |



65 Income tax

A. Amounts recognised in profit or loss

|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>Current tax expense</b>             |                                      |                                      |
| Current year                           | 164.30                               | 637.86                               |
| Reversal of tax related to prior years | (98.82)                              | -                                    |
|  | <u>65.48</u>                         | <u>637.86</u>                        |
| <b>Deferred tax</b>                    |                                      |                                      |
| Current year                           | (168.44)                             | 40.23                                |
|  | <u>(168.44)</u>                      | <u>40.23</u>                         |
| <b>Total tax (reversal) / expense</b>  | <u>(102.96)</u>                      | <u>678.09</u>                        |

B. Amounts recognised in Other Comprehensive Income

|  |                |               |
|--|----------------|---------------|
| Items that may be subsequently reclassified to statement of profit and loss      |                |               |
| - Income tax relating to exchange difference on translation of foreign operation | (2.47)         | 1.47          |
| Items that will not be reclassified to statement of profit and loss              |                |               |
| - Income tax relating to remeasurement of defined benefit plans                  | (12.32)        | (7.21)        |
|  | <u>(14.79)</u> | <u>(5.74)</u> |

C. Reconciliation of effective tax rate

|  | For the year ended<br>March 31, 2020 |                 | For the year ended<br>March 31, 2019 |               |
|--|--------------------------------------|-----------------|--------------------------------------|---------------|
|  | Rate                                 | Amount          | Rate                                 | Amount        |
| Profit before tax from continuing operations                         | 27.82%                               | (5,408.76)      | 27.82%                               | 2,675.72      |
| Tax using the Company's domestic tax rate                            |                                      | (1,504.72)      |                                      | 744.39        |
| Tax effect of:   |                                      |                 |                                      |               |
| Non-deductible expenses  |                                      | 1,286.74        |                                      | (40.79)       |
| Non-taxable expenses   |                                      | (92.61)         |                                      | (94.70)       |
| Tax incentives   |                                      | -               |                                      | (0.74)        |
| Deductible expenses  |                                      | 4.36            |                                      | 24.95         |
| Non-taxable income   |                                      | -               |                                      | (8.82)        |
| impact of rate changes   |                                      | 198.04          |                                      | 83.88         |
| Tax adjustments relating to earlier years                            |                                      | (98.82)         |                                      | -             |
| Set off carried forward of business loss                             |                                      | -               |                                      | (47.54)       |
| Carried forward business losses on which deferred tax not considered |                                      | 4.97            |                                      | (3.17)        |
| MAT credit entitlement   |                                      | -               |                                      | (11.46)       |
| Recognition of Timing Differences                                    |                                      | 100.84          |                                      | 22.81         |
| Reversal of deferred tax   |                                      | -               |                                      | 21.64         |
| Others   |                                      | (1.76)          |                                      | (12.36)       |
|  |                                      | <u>(102.96)</u> |                                      | <u>678.09</u> |



CL Educate Limited  
Notes to consolidated financial statements for year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

D. Movement in deferred tax balances

|   | Year ended March 31, 2020 |                      |                   | As at<br>March 31, 2020 |
|---|---------------------------|----------------------|-------------------|-------------------------|
|   | As at<br>March 31, 2019   | Recognized in<br>P&L | Recognized in OCI |                         |
| <b>Deferred Tax Assets</b>                            |                           |                      |                   |                         |
| Unabsorbed Losses                                     | 72.23                     | (1,058.13)           | -                 | 1,130.36                |
| Elimination of inventory profit                       | 159.89                    | (28.86)              | -                 | 188.75                  |
| Provision for employee benefit                        | 142.09                    | (25.73)              | (12.32)           | 155.50                  |
| Provision for Obsolescence of Inventory               | -                         | (1.67)               | -                 | 1.67                    |
| Provision for bonus                                   | 11.34                     | 11.34                | -                 | -                       |
| Provision for sales Incentive                         | 55.64                     | 3.20                 | -                 | 52.44                   |
| Loss allowance for doubtful debtors                   | 418.46                    | 183.51               | -                 | 234.95                  |
| FCTR Impact   | 2.90                      | -                    | (2.47)            | 0.43                    |
| Impact of Discontinuing of Security Deposits          | -                         | (14.61)              | -                 | 14.61                   |
| Deferred tax on equity adjustment of associate profit | -                         | (0.23)               | -                 | 0.23                    |
| Lease equalisation reserve*                           | 4.88                      | -                    | -                 | -                       |
| Trade payable   | -                         | (0.56)               | -                 | 0.56                    |
| Current loans   | 118.94                    | -                    | -                 | 118.94                  |
| Lease liability                                       | 16.33                     | (224.43)             | -                 | 240.76                  |
| Deferred revenue - franchisee fees                    | 124.11                    | 124.11               | -                 | -                       |
| Deferred revenue - admission fees                     | 261.51                    | 261.51               | -                 | -                       |
| Other current financial liabilities                   | 68.81                     | 5.55                 | -                 | 63.26                   |
| MAT credit entitlement                                | 543.23                    | 240.50               | -                 | 302.73                  |
| <b>Sub- Total (a)</b>                                 | <b>2,000.36</b>           | <b>(524.50)</b>      | <b>(14.79)</b>    | <b>2,505.18</b>         |
| <b>Deferred Tax Liabilities</b>                       |                           |                      |                   |                         |
| Business combination-GKP*                             | 71.62                     | 5.67                 | -                 | -                       |
| Property, plant and equipment and intangibles         | 304.65                    | (478.84)             | -                 | 783.49                  |
| Goodwill  | 111.45                    | 36.74                | -                 | 74.71                   |
| Right of use assets                                   | -                         | (206.92)             | -                 | 206.92                  |
| Other consol adjustment                               | 320.47                    | 320.47               | -                 | -                       |
| Investment in subsidiary and associates               | 34.65                     | (41.19)              | -                 | 75.84                   |
| Impact for EIR adjustment on Borrowings               | 3.02                      | 1.86                 | -                 | 1.16                    |
| Other current asset - Prepaid financial guarantee     | -                         | (2.97)               | -                 | 2.97                    |
| Other equity- Deemed equity contribution              | -                         | (10.19)              | -                 | 10.19                   |
| Provision for obsolescence of inventory               | 36.83                     | 27.31                | -                 | 9.52                    |
| Amortisation of prepaid rent                          | 9.85                      | (8.01)               | -                 | 17.86                   |
| <b>Sub- Total (b)</b>                                 | <b>892.54</b>             | <b>(356.07)</b>      | <b>-</b>          | <b>1,182.66</b>         |
| <b>Net Deferred Tax Asset (a)-(b)</b>                 | <b>1,107.82</b>           | <b>168.43</b>        | <b>(14.79)</b>    | <b>1,322.52</b>         |





CL Educate Limited  
Notes to consolidated financial statements for year ended March 31, 2020  
(All amounts are in Rupees lacs, unless otherwise stated)

\* Deferred tax liability on Goodwill has been adjusted with Goodwill during the year.  
\*\* Deferred tax assets on lease equalisation reserve has been adjusted with other equity.

|   | Year ended March 31, 2019 |                   |                   | March 31, 2019  |
|---|---------------------------|-------------------|-------------------|-----------------|
|   | March 31, 2018            | Recognized in P&L | Recognized in OCI |                 |
| <b>Deferred Tax Assets</b>                                |                           |                   |                   |                 |
| Unabsorbed Losses   | 42.07                     | 30.16             | -                 | 72.23           |
| Elimination of inventory profit                           | 168.83                    | 8.94              | -                 | 159.89          |
| Provision for employee benefit                            | 147.42                    | 1.89              | (7.21)            | 142.09          |
| Provision for bonus                                       | 25.11                     | (13.77)           | -                 | 11.34           |
| Provision for sales Incentive                             | 2.31                      | 53.33             | -                 | 55.64           |
| Property, plant and equipment and intangibles             | 1.82                      | 12.78             | -                 | 14.60           |
| Provision for impairment on Investment                    | 1.60                      | (1.60)            | -                 | -               |
| Allowance for doubtful debtors                            | 720.85                    | (302.39)          | -                 | 418.46          |
| Provision for loss allowance on doubtful advances         | 0.13                      | (0.13)            | -                 | -               |
| Provision for slow moving inventory                       | 8.78                      | (8.78)            | -                 | -               |
| Provision for obsolescence of inventory                   | 9.75                      | (46.58)           | -                 | (36.83)         |
| Provision for sales return                                | 4.02                      | (4.02)            | -                 | -               |
| Lease equalisation reserve                                | 4.32                      | 0.56              | -                 | 4.88            |
| Fair valuation of financial guarantee                     | 0.12                      | (0.12)            | -                 | -               |
| Amortisation of deferred rent                             | 26.24                     | (31.46)           | -                 | (5.22)          |
| Others  | 0.37                      | (0.37)            | -                 | -               |
| Current loans   | 150.82                    | (31.88)           | -                 | 118.94          |
| Finance lease obligations                                 | 17.12                     | (0.79)            | -                 | 16.33           |
| Deferred revenue - franchisee fees                        | 124.11                    | 0.00              | -                 | 124.11          |
| Deferred revenue - admission fees                         | 261.51                    | -                 | -                 | 261.51          |
| Other current liabilities                                 | 31.29                     | (31.29)           | -                 | -               |
| Other current financial liabilities                       | -                         | 68.81             | -                 | 68.81           |
| Prepaid FRP expenses                                      | 18.60                     | (18.60)           | -                 | -               |
| MAT credit entitlement                                    | 533.89                    | 9.34              | -                 | 543.23          |
| <b>Sub- Total (a)</b>                                     | <b>2,301.08</b>           | <b>(305.97)</b>   | <b>(7.21)</b>     | <b>1,970.01</b> |
| <b>Deferred Tax Liabilities</b>                           |                           |                   |                   |                 |
| Business combination GKP                                  | 71.62                     | -                 | -                 | 71.62           |
| Other consol adjustment                                   | -                         | -                 | -                 | 320.47          |
| Non current borrowings                                    | -                         | (2.08)            | -                 | 2.08            |
| Property, plant and equipment and intangibles             | 470.50                    | 151.25            | -                 | 319.25          |
| FCTR Impact   | 2.85                      | 4.28              | 1.47              | (2.90)          |
| Deferred tax on equity accounting                         | -                         | -                 | -                 | -               |
| Deemed capital contribution on corporate guarantee        | 6.50                      | 6.50              | -                 | -               |
| Fair valuation of financial guarantee                     | 1.69                      | 1.69              | -                 | -               |
| Amortisation of security deposits                         | -                         | -                 | -                 | -               |
| Amortisation of prepaid rent                              | -                         | (4.63)            | -                 | 4.63            |
| Investment in subsidiary and associates                   | 36.65                     | 2.00              | -                 | 34.65           |
| Investment property                                       | -                         | -                 | -                 | -               |
| Impact for EIR adjustment on Borrowings                   | 6.66                      | 5.72              | -                 | 0.94            |
| Goodwill  | -                         | (111.45)          | -                 | 111.45          |
| MAT credit entitlement                                    | -                         | 0.79              | -                 | -               |
| <b>Sub- Total (b)</b>                                     | <b>596.47</b>             | <b>54.07</b>      | <b>1.47</b>       | <b>862.19</b>   |
| <b>Net Deferred Tax Asset (a)-(b)</b>                     | <b>1,704.62</b>           | <b>(251.90)</b>   | <b>(5.74)</b>     | <b>1,107.82</b> |
|   |                           |                   | March 31, 2020    | March 31, 2019  |
| Total deferred tax assets net of deferred tax liabilities |                           |                   | 1,325.88          | 1,179.44        |
| Total deferred tax liabilities net of deferred tax assets |                           |                   | 3.36              | 71.62           |
|   |                           |                   | <b>1,322.52</b>   | <b>1,107.82</b> |

E. Tax losses carried forward

Unused tax losses for which no deferred tax asset has been recognised

|              | March 31, 2020 | Expiry date    | March 31, 2019 | Expiry date    |
|--------------|----------------|----------------|----------------|----------------|
| Expire       | -              | March 31, 2020 | 170.65         | March 31, 2020 |
| Expire       | -              | March 31, 2021 | 188.98         | March 31, 2021 |
| Expire       | -              | March 31, 2022 | 86.10          | March 31, 2022 |
| Expire       | -              | March 31, 2023 | 93.82          | March 31, 2023 |
| Expire       | -              | March 31, 2024 | 35.31          | March 31, 2024 |
| Expire       | -              | March 31, 2025 | 101.70         | March 31, 2025 |
| Expire       | 77.37          | March 31, 2026 | -              | March 31, 2026 |
| Expire       | -              | March 31, 2027 | -              | March 31, 2027 |
| Expire       | 45.71          | March 31, 2028 | -              | March 31, 2028 |
| Never Expire | 0.91           | -              | -              | -              |
| <b>Total</b> | <b>123.99</b>  |                | <b>676.56</b>  |                |

\* In respect of one of subsidiary, the deferred tax on unused losses disclosed in previous year are recognised during the year.



66 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Associates.

As at March 31, 2020

| Name of Enterprise  | Net Assets i.e. total assets minus total liabilities |            | Share in profit or loss         |            | Share in other comprehensive income |        | Share in total comprehensive income |            |
|---|--|------------|---------------------------------|------------|-------------------------------------|--------|-------------------------------------|------------|
|   | As % of consolidated net assets                      | Amount     | As % of consolidated net assets | Amount     | As % of consolidated net assets     | Amount | As % of consolidated net assets     | Amount     |
| Holding<br>CL Educate Limited   | 105.52%  | 29,930.44  | 93.63%                          | (4,967.78) | 15.17%                              | 6.51   | 94.27%                              | (4,961.28) |
| Subsidiaries  |  |            |                                 |            |                                     |        |                                     |            |
| Kestone Integrated Marketing Services Private Limited (refer footnote i)          | 11.99%   | 3,400.23   | -2.24%                          | 118.83     | 81.06%                              | 34.76  | -2.92%                              | 153.59     |
| CL Media Private Limited  | 18.50%   | 5,247.68   | -11.88%                         | 630.26     | -0.20%                              | (0.09) | -11.97%                             | 630.18     |
| G.K. Publications Private Limited   | -5.31%   | (1,506.38) | 4.43%                           | (234.91)   | -7.42%                              | (3.18) | 4.52%                               | (238.08)   |
| Accendere Knowledge Management Services Private Limited                           | -4.72%   | (1,338.81) | 0.75%                           | (39.78)    | 1.76%                               | 0.76   | 0.74%                               | (39.02)    |
| Career Launcher Education Infrastructure and Services Limited (refer footnote ii) | -25.85%  | (7,332.27) | 15.88%                          | (842.74)   | 0.35%                               | 0.15   | 16.01%                              | (842.59)   |
| ICEGATE Educational Institute Private Limited                                     | -0.17%   | (47.31)    | -0.38%                          | 20.05      | 6.43%                               | 2.76   | -0.43%                              | 22.81      |
| NCI in all subsidiaries   | 0.09%  | 26.90      | -0.19%                          | 10.27      | 0.00%                               | 1.21   | -0.22%                              | 11.48      |
| Associates (Investments as per Equity Method)                                     | -0.05%   | (14.71)    | 0.00%                           | -          | 0.00%                               | -      | 0.00%                               | -          |
|   | 100.00%  | 28,365.77  | 100.00%                         | (5,305.80) | 97.16%                              | 42.88  | 100.00%                             | (5,262.91) |

As at March 31, 2019

| Name of Enterprise  | Net Assets i.e. total assets minus total liabilities |            | Share in profit or loss         |          | Share in other comprehensive income |        | Share in total comprehensive income |          |
|---|--|------------|---------------------------------|----------|-------------------------------------|--------|-------------------------------------|----------|
|   | As % of consolidated net assets                      | Amount     | As % of consolidated net assets | Amount   | As % of consolidated net assets     | Amount | As % of consolidated net assets     | Amount   |
| Holding<br>CL Educate Limited   | 104.01%  | 35,200.13  | 49.14%                          | 981.67   | 47.28%                              | 7.10   | 49.13%                              | 988.77   |
| Subsidiaries  |  |            |                                 |          |                                     |        |                                     |          |
| Kestone Integrated Marketing Services Private Limited (refer footnote i)          | 9.51%  | 3,218.80   | 16.41%                          | 327.80   | 45.29%                              | 6.81   | 16.63%                              | 334.61   |
| CL Media Private Limited  | 13.80%   | 4,671.67   | 40.11%                          | 801.28   | -2.49%                              | (0.37) | 39.79%                              | 800.91   |
| G.K. Publications Private Limited   | -4.38%   | (1,482.25) | -9.68%                          | (193.37) | 7.03%                               | 1.06   | -9.55%                              | (192.31) |
| Accendere Knowledge Management Services Private Limited                           | -3.84%   | (1,299.78) | 3.49%                           | 69.78    | 2.88%                               | 0.43   | 3.49%                               | 70.21    |
| Career Launcher Education Infrastructure and Services Limited (refer footnote ii) | -19.18%  | (6,492.32) | 0.22%                           | 4.45     | 0.00%                               | -      | 0.22%                               | 4.45     |
| ICEGATE Educational Institute Private Limited                                     | 0.02%  | 6.47       | 0.14%                           | 2.71     | 0.00%                               | -      | 0.13%                               | 2.71     |
| NCI in all subsidiaries   | 0.05%  | 15.42      | 0.17%                           | 3.31     | 0.00%                               | -      | 0.16%                               | 3.31     |
| Associates (Investments as per Equity Method)                                     | 0.01%  | 4.58       | 0.00%                           | -        | 0.00%                               | -      | 0.00%                               | -        |
|   | 100.00%  | 33,842.72  | 100.00%                         | 1,997.63 | 100.00%                             | 15.03  | 100.00%                             | 2,012.66 |

Footnote:

- i. Kestone comprises three step down subsidiaries namely Kestone Asia Hub Pte Ltd, Kestone CL US Limited and CL Educate (Africa) Ltd.  
ii. CLEIS comprises step down subsidiary namely Career Launcher Infrastructure Private Limited.





67 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

68 The Board of Directors of the Holding Company has approved a scheme of arrangement for 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 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.

69 Career Launcher Infrastructure Private Limited, one of the Subsidiary ("CLIP" or the 'Subsidiary') has not generated revenue (except from the discontinued business) during the year ending March 31, 2020 and, as of that date; the Subsidiary's current liabilities exceeded its total assets by Rs. 1,641 Lacs. The Management has now decided that the publishing business already running in another subsidiary will hence forth be run in CLIP and the same will generate sufficient profit and cash flow to sustain the operations in the near future. Further the post conclusion of the scheme of amalgamation of the group the Subsidiary will become a whole owned subsidiary of CL Educate Limited, the Holding Company. Further current outstanding loan of Rs. 1,956 Lacs, due to which the current liabilities are in excess of current assets, are from the Holding Company and the ultimate holding Company and the group will support the same in terms of repayments. Accordingly, the Management has prepared the Financial Statements on a going concern basis.

70 During the financial year 2017-18, Career Launcher Education Infrastructure and Services Limited, a wholly owned subsidiary ('CLEIS' or the '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 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. Thus B&S is an associate and the present investment of CLEIS is Rs. 4,745.00 Lacs. Further, there is an overdue amount of Rs. 400.00 Lacs is recoverable from B&S towards cash consideration as per the aforesaid agreement.

Nalanda Foundation (Nalanda) is the Trust that runs the K-12 school business. Trusteeship of the Nalanda was transferred together with the aforesaid sale of school business. Over time the admission numbers have 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.

Further there are consistent delays on part of B&S management in providing required financial updates and information for consolidation. Based on the aforesaid situation, the Group has taken the following steps:

- The Group have taken legal advice on the matter and initiated legal proceedings before the Honorable 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 the Delhi High Court on June 22, 2020, with the judge appointing a retired High Court judge as an arbitrator to hear the dispute.
- As there are indicators for impairment, an independent valuer was assigned to value the investment of CLEIS in B&S. As per his report the investment of the Company of 44.18% is valued at Rs. 595.00 lacs. There by resulting in an impairment of Rs. 4,150.05 Lacs. CLEIS has taken the write down of investment and disclosed as exceptional items. (refer note 47)
- Based on its assessment of the merits of the case, the Management is confident of recovering cash consideration and receivable from Nalanda i.e. Rs. 500.00 lacs in full and hence no provision is required.
- Further the Holding Company has taken impact of the aforesaid impairment amounting to Rs. 4,150.00 Lacs and have disclosed it as an exceptional item in the financial statements.
- As determined by the Management during the quarter and year ended March 31, 2020, CLEIS ceased to exercise a significant influence over B&S Strategy Services Private Limited (B&S), an associate company, though it continues to hold 44.18% equity share capital in B&S. Accordingly, the consolidated financial statements for the year ended March 31, 2020 include the Group's share in profit/loss of the associate only till the date of influence.

71 The Group has an overdue trade receivables of Rs. 49.00 Lacs as at March 31, 2020 recoverable from Indian Book House Private Limited ('the Party'), one of the customer of the Group. The Group, based on the merits of the case, has initiated legal proceedings against the Party. Management is confident of recovering the amount in full from the party including costs. The Management on its best estimate have created Expected Credit loss for the same and is of the view that it will be able to recover the amount in full.

72 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 Group's offices were closed and operations temporarily suspended since then.

The Group has drawn projected cash flow for the next one year, based on certain assumptions and has concluded that the Group 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 Group 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 statements. The Group 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.

73 Previous year's figures have been regrouped / rearranged as per the current year's presentation for the purpose of comparability.

As per report of even date.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm registration No. 103523W/W/100048  
Manoj Daga  
Partner  
Membership No.: 048523

Place: Alumbal  
Date: June 29, 2020



For and on behalf of the Board of Directors of  
CL Educate Limited

Gautam Puri  
Director  
DIN: 00033548

Rachna Sharma  
Company Secretary  
and Compliance Officer

ICSI M. No.: A17780

Place: New Delhi  
Date: June 29, 2020

Nikhil Mahajan  
Executive Director and Group CEO Enterprise  
Business  
DIN: 00033404

Arjun Wadhwa  
Chief Financial Officer

