

**Financial statements  
for the year ended  
31<sup>st</sup> March 2021**

**CL Educate Limited  
(Consolidated)**

# Walker Chandiook & Co LLP

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## Independent Auditor's Report

To the Members of CL Educate Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of CL Educate Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

4. We draw attention to:
  - a) Note 57A to the accompanying consolidated financial statements, with regard to Business Transfer Agreement with I-Take Care Private Limited (the "Buyer") for the sale of infrastructure services

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi 110001, India



## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

business (the "Assets") on slump sale basis. As on date, the transaction is pending closure as the Buyer has not been able to arrange the requisite funds to close the transactions. As detailed in said note, the Management is also in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As further stated in the said Note, the delay is caused by the events and circumstances beyond Career Launcher Infrastructure Private Limited ("CLIP")'s control and that Management remains committed to its plan to sell the assets. As a result, CLIP continues to disclose such Assets as "Disposal group-Assets held for sale" as on the balance sheet date.

- b) Note 65 and Note 66 to the accompanying consolidated financial statements, which describes that the group has initiated a legal action against B&S Strategy Services Private Limited ('B&S') before the Honourable Delhi High Court for recovery of outstanding cash consideration of Rs. 400 lacs from sale of its school business vertical. Further, as stated in the said note, the Group has receivables from Nalanda Foundation amounting to Rs 500 lacs which are long outstanding. Based on legal advice and its assessment of the merits of the case, the Management is of the view that the aforesaid receivable balances are good and recoverable and hence, no adjustment is required in the consolidated financial statements of the Group as at the balance sheet date.
- c) Note 67 to the consolidated Ind AS financial statements, which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations of the Group and the accompanying consolidated Ind AS financial statements as at the balance sheet date, the extent of which is significantly dependent on future developments as they evolve.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition (Refer Note 2(ii) and Note 38 to the accompanying consolidated financial statements)</b></p> <p>We refer to the Group's significant accounting policies in Note 2(ii) and the revenue related disclosures in Note 38 of the consolidated financial statements.</p> <p>Revenue is a key business driver for the Company and is therefore, susceptible to misstatement. Revenue recognition under Ind AS 115, 'Revenue from contracts with customers' ('Ind AS 115') involves significant judgement by the management in identification of separate performance obligations in contracts with multiple performance obligations, determining</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the Group's revenue recognition policy in accordance with Ind AS 115 including evaluation of management's assessment of performance obligations determined to be satisfied over time and related method of measuring progress towards complete satisfaction of such performance obligation.</li> </ul>



## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

Key audit matters	How our audit addressed the key audit matter
<p>transaction price in view of discounts offered to the customers, allocation of such transaction price to the identified performance obligations, and assessing satisfaction of the performance obligations to ensure the revenue is booked in correct periods.</p> <p>Further, for fixed price contracts, the management assesses progress towards complete satisfaction of performance obligations basis the pattern in which content is delivered by the Company to the students over a period of time.</p> <p>Considering significant volume of transactions, the materiality of amounts involved, and significant judgements involved as above, revenue recognition was identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Understood, evaluated and tested the design and operating effectiveness of key controls implemented by the Company/ Group in relation to revenue recognition including discounts.</li> <li>• Performed test of details for samples selected from revenue transactions recorded during the year by inspecting invoices and other related supporting documents for such samples. Further, evaluated whether the revenue has been recognized as per the accounting policy of the Company for such samples.</li> <li>• Performed substantive analytical procedures which included review of price, quantity and discounts variances and month-to-month ratio analysis based on customer level and company level data.</li> <li>• Tested the calculations related to discounts and other supporting documents, on a test check basis.</li> <li>• Evaluated the adequacy and accuracy of relevant disclosures made in the consolidated financial statements in accordance with Ind AS 115.</li> </ul>
<p><b>Loss allowance for Trade Receivables (Refer Note 2(ii) and Note 17 to the accompanying consolidated financial statements)</b></p>	
<p>The Company has trade receivables of Rs. 5,247.56 lacs as at 31 March 2021 (net of impairment of Rs. 269.61 lacs). During the year, the Company has recorded a charge of Rs 2,853.42 lacs towards bad debts for such trade receivables.</p> <p>Owing to the nature of operations of the Company and related customer profiles, the Company has significant long standing trade receivable balances, for which appropriate loss allowance is required to be created for expected credit losses using simplified approach in accordance with the requirements of Ind AS 109, Financial Instruments, measuring the loss allowance equal to lifetime expected credit losses.</p> <p>For the purpose of expected credit loss assessment of trade receivables, significant</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 testing 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>• Circularized balance confirmations to a sample of non-student trade receivables and reviewed the reconciling items, if any.</li> </ul>



## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

Key audit matters	How our audit addressed the key audit matter
<p>judgment is required by the management to estimate the timing and amount of realisation of these receivables basis the past history, customer profiles, and consideration of other internal and external sources of information, including the impact of COVID 19 pandemic in aforesaid estimates.</p> <p>Considering the significant judgement involved, increased complexities due to the pandemic, high estimation uncertainty and materiality of the amounts involved, we have identified loss allowance on trade receivables as a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> <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> <li>• Verified the related disclosures made in notes to the consolidated financial statements in accordance with Ind AS 115 and Ind AS 109.</li> </ul>
<p><b>Impairment assessment of Goodwill</b></p> <p>Refer Note 6 to the accompanying consolidated financial statements. The carrying amount of goodwill pertaining to four subsidiaries as disclosed in aforesaid note aggregate to Rs. 2,644.47 lacs as at 31 March 2021.</p> <p>In accordance with Ind AS 36, Impairment of Assets ('Ind AS 36'), the Group performs an annual impairment test of goodwill outstanding as at reporting date. Accordingly, the Group computes the value in use of the cash generating units (CGUs) to which such goodwill is allocated. Further, such CGUs have recently reported decline in business and stress over profitability in the recent years.</p> <p>Management's assessment of the recoverable amount of goodwill requires estimation and judgement around identification of cash generating units (CGUs) and assumptions used in the determination of value-in-use for the purpose. The principal driver of recoverable value is the estimated growth in the operations of the CGU and ability to generate cash profits in the future. Other significant estimates include expected operating, investing and finance costs, terminal growth rates and the weighted average cost of capital (discount rate).</p> <p>Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of Goodwill. Complexity involved in such assumptions and estimates increased in the current year due to the impact of COVID-19 pandemic outbreak on the Group's operations as disclosed in Note 67 to the accompanying financial statements.</p> <p>Considering the significance of the amounts involved, and auditor attention required to test the</p>	<p>Our audit work included, but was not restricted to, performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process, and evaluated design and tested operating effectiveness of controls on annual impairment assessment of goodwill including identification of CGUs, in accordance with Ind AS 36;</li> <li>• Assessed the professional competence, objectivity and capabilities of the specialist used by the management for performing required value-in-use calculations to estimate the recoverable value of goodwill relating to each CGU;</li> <li>• Involved our valuation specialists to assess the appropriateness of the value-in-use calculations used by the management and to test reasonability of the assumptions used therein relating to discount rates, risk premium, industry growth rates, etc, including the impact of COVID-19 on such assumptions;</li> <li>• Tested the future business projections, used for performing above said computation, for the CGU from the business plans approved by the board of directors of the relevant subsidiary companies, and ensured its consistency with our understanding of future business plans of the subsidiary companies obtained through interviews with both operating and senior management;</li> <li>• Assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs and forecasted business plans;</li> </ul>



## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

Key audit matters	How our audit addressed the key audit matter
<p>appropriateness of accounting estimate that involves high estimation uncertainty and significant management judgement, this matter has been determined to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Performed sensitivity analysis on management's calculated recoverable value for key assumptions such growth rates during explicit period, terminal growth rate and the discount rate used in the calculations performed;</li> <li>• Tested the arithmetical accuracy of the calculations performed by the management expert;</li> <li>• Evaluated the adequacy and accuracy of disclosures made in the consolidated financial statements in respect of aforesaid matter in accordance with the requirements of the applicable accounting standards.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

Our opinion on the consolidated 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 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 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 Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements 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 associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group and its associate company, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose



## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and its associate.

### Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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 has 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 associate 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 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 associate to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 within the Group and its associate, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other



## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

entities included in the financial statements, which have been audited by the 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.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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

16. We did not audit the financial statements of four subsidiaries, whose financial statements reflects total assets of Rs. 2094.71 lacs and net assets of Rs. 465.19 lacs as at 31 March 2021, total revenues of Rs. 1,796.07 lacs, net cash outflows amounting to Rs. 238.57 lacs for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 4.94 lacs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

18. The consolidated financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Haribhakti & Co LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 29 June 2020.

### Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we





## Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)

report that the Holding Company and one subsidiary company, covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that six subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies. Further, as stated in paragraph 17, financial statements of one associate company, covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such company has not paid any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such associate company.

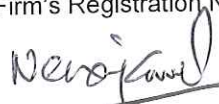
20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the one matter described in paragraph 4(c) of the Emphasis of Matters section, in our opinion, may have an adverse impact effect on the functioning of the Group;
  - f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company covered under the Act, none of the directors of the Group companies and its associate company, covered under the Act, are disqualified as on 31 March 2021 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, its subsidiary companies and associate company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
  - h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate, as detailed in Note 49 to the consolidated financial statements;
    - ii. the Holding Company, its subsidiary companies and associate, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;



**Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd.)**

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate, during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Neeraj Goel**  
Partner  
Membership No.: 099514  
UDIN: 21099514AAAADT3679



**Place:** Gurugram, Haryana  
**Date:** 24 June 2021

## Annexure I to the Independent Auditor's Report to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021

### Annexure 1

#### List of entities included in the Consolidated financial statements

##### Holding Company

1. CL Educate Limited

##### Subsidiaries

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

##### Associate

1. Threesixtyone Degree Minds Consulting Private Limited



## **Annexure II to the Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021**

### **Annexure II**

#### **Independent Auditor's 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')**

1. In conjunction with our audit of the consolidated financial statements of CL Educate Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), and its associate as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company which are companies covered under the Act, as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes obtaining an understanding of such internal financial controls, 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.
5. 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 paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company as aforesaid.



## Annexure II to the Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd)

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls 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 controls with reference to financial statements include 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

7. 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 controls 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.

### Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

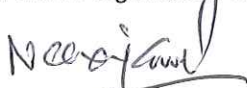
### Other Matters

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of Rs. 360.01 lacs and net assets of Rs. 30.62 lacs as at 31 March 2021, total revenues of Rs. 466.68 lacs and net cash outflows amounting to Rs. 7.79 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.
10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one associate company, which is a company covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive income) of Rs. 4.94 lacs for the year ended 31 March 2021 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this associate company, which is a company covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial

**Annexure II to the Independent Auditor's Report of even date to the members of CL Educate Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd)**

statements insofar as it relates to the aforesaid associate company, which is a company covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Neeraj Goel**  
Partner  
Membership No.: 099514  
UDIN: 21099514AAAADT3679



**Place:** Gurugram, Haryana  
**Date:** 24 June 2021

CL Educate Limited  
 Consolidated Balance Sheet as at March 31, 2021  
 (All amounts are in Rupees lacs, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,263.21	3,977.03
Right-of-use assets	4	347.73	947.85
Investment property	5	294.16	299.91
Goodwill	6	3,273.42	3,273.42
Other intangible assets	7	2,595.58	2,263.17
Intangibles under development	9	359.13	342.64
Investment in associates accounted using equity method	61	785.17	789.61
<b>Financial assets</b>			
(i) Investments	61	588.73	588.73
(ii) Loans	10	98.09	167.66
(iii) Other financial assets	11	61.71	956.61
Non-current tax assets (net)	12	2,180.63	2,686.72
Deferred tax assets (net)	13	1,752.29	1,325.88
Other non-current assets	14	101.39	69.60
<b>Total non-current assets</b>		<b>15,701.24</b>	<b>17,688.83</b>
<b>Current assets</b>			
Inventories	15	1,447.90	1,450.24
<b>Financial assets</b>			
(i) Investments	16	3,852.91	3,716.34
(ii) Trade receivables	17	5,247.56	9,279.55
(iii) Cash and cash equivalents	18	1,725.42	1,159.28
(iv) Bank balances other than (iii) above	19	1,239.62	260.02
(v) Loans	20	1,558.34	1,550.20
(vi) Other financial assets	21	639.29	985.61
Other current assets	22	2,805.33	3,132.49
<b>Total current assets</b>		<b>18,516.37</b>	<b>21,533.73</b>
<b>Disposal group - Assets held for sale</b>	23	<b>3,469.11</b>	<b>2,923.31</b>
<b>Total assets</b>		<b>37,686.72</b>	<b>42,145.87</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	24	1,416.57	1,416.57
Equity attributable to shareholders of the parent	25	25,799.73	26,922.30
<b>Total equity</b>		<b>27,216.30</b>	<b>28,338.87</b>
<b>Non-controlling interest</b>		<b>12.50</b>	<b>26.90</b>



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CL Educate Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	38	18,449.94	30,868.33
Other income	39	959.67	1,529.70
<b>Total income</b>		<b>19,409.61</b>	<b>32,398.03</b>
<b>Expenses</b>			
Cost of materials consumed	40	269.17	941.34
Purchases of stock-in-trade	41	18.82	81.06
Changes in inventories of finished goods and work-in-progress	42	30.54	(557.26)
Employee benefits expense	43	3,963.97	5,303.93
Finance costs	44	563.11	830.96
Depreciation and amortisation expense	45	835.17	1,401.50
Franchisee expenses		3,574.51	7,142.51
Other expenses	46	11,629.22	18,616.91
<b>Total expenses</b>		<b>20,884.51</b>	<b>33,760.95</b>
<b>Loss before share of profit/(loss) of equity accounted investees, exceptional item and tax</b>		<b>(1,474.90)</b>	<b>(1,362.92)</b>
Exceptional item	47	-	4,150.05
<b>Loss before share of profit/(loss) of equity accounted investees and tax</b>		<b>(1,474.90)</b>	<b>(5,512.97)</b>
<b>Share of loss of equity accounted investees</b>		<b>(4.94)</b>	<b>(14.71)</b>
<b>Loss for the year (from continuing operations)</b>		<b>(1,479.84)</b>	<b>(5,527.68)</b>
<b>Tax expense :</b>			
- Current tax		85.70	164.30
- Deferred tax		(405.59)	(317.24)
- Tax related to prior years		38.32	49.98
<b>Total tax expense</b>		<b>(281.57)</b>	<b>(102.96)</b>
<b>Loss for the year (from continuing operations)</b>		<b>(1,198.27)</b>	<b>(5,424.72)</b>
<b>Profit for the year (discontinued operations)</b>		<b>16.23</b>	<b>118.92</b>
<b>Loss for the year</b>		<b>(1,182.04)</b>	<b>(5,305.80)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of profit and loss</b>			
Remeasurement of defined benefit plans		21.47	47.93
Income-tax relating to these items		(5.38)	(12.32)
Foreign Currency Translation Reserve		37.34	9.75
Income-tax relating to these items		(9.40)	(2.47)
<b>Other comprehensive income for the year</b>		<b>44.03</b>	<b>42.89</b>
<b>Total comprehensive loss for the year (comprising loss for the year and other comprehensive loss for the year)</b>		<b>(1,138.01)</b>	<b>(5,262.91)</b>

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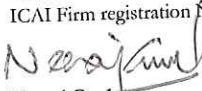


CL Educate Limited  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2021**  
 (All amounts are in Rupees lacs, unless otherwise stated)

Notes	Year ended March 31, 2021	Year ended March 31, 2020
Continued from previous page		
<b>Loss attributable from continuing operations to:</b>		
Owners of the company	(1,183.87)	(5,434.99)
Non-controlling interests	(14.40)	10.27
	<b>(1,198.27)</b>	<b>(5,424.72)</b>
<b>Profit attributable from discontinuing operations to:</b>		
Owners of the company	16.23	118.92
Non-controlling interests	-	-
	<b>16.23</b>	<b>118.92</b>
<b>Other comprehensive income attributable to:</b>		
Owners of the company	44.03	41.68
Non-controlling interests	-	1.21
	<b>44.03</b>	<b>42.89</b>
<b>Total comprehensive income/(loss) for the year</b>		
Owners of the company	(1,123.61)	(5,274.39)
Non-controlling interests	(14.40)	11.48
	<b>(1,138.01)</b>	<b>(5,262.91)</b>
<b>Earnings per equity share</b>	48	
Basic	(8.46)	(38.29)
Diluted	(8.46)	(38.29)

Summary of significant accounting policies 1  
 The accompanying notes 1 to 69 form an integral part of these consolidated financial statements.

This is consolidated statement of profit and loss referred to in our report of even date.

For Walker Chandiook & Co LLP  
 Chartered Accountants  
 ICAI Firm registration No. 001076N/N500013  
  
**Neeraj Goel**  
 Partner  
 Membership No.:099514

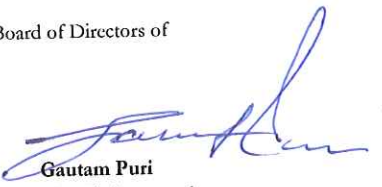



Place: Gurugram, Haryana  
 Date: June 24, 2021

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

  
**Satya Narayanan R**  
 Chairman and  
 Executive Director  
 DIN: 00307326

  
**Rachna Sharma**  
 Company Secretary  
 ICSI M. No.: A17780  
 Place: New Delhi  
 Date: June 24, 2021

  
**Gautam Puri**  
 Vice-Chairman and  
 Managing Director  
 DIN: 00033548

  
**Arjun Wadhwa**  
 Chief Financial Officer



CL Educate Limited  
 Consolidated Statement of Cash Flow for the year ended March 31, 2021  
 (All amounts are in Rupees lacs, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Net Profit / (losses) before tax from:</b>		
Continuing operation	(1,479.84)	(5,527.68)
Discontinued operation	16.23	118.92
<b>Loss before tax</b>	<b>(1,463.61)</b>	<b>(5,408.76)</b>
<b>Adjustment for:</b>		
Depreciation and amortisation expense	835.17	1,401.50
Gain on sale of property, plant and equipment	(0.98)	(14.82)
Provision for slow moving inventory	(43.39)	89.24
Finance costs	563.11	830.96
Net gain on fair value changes on current investments	(136.57)	(341.55)
Share of profits of associates	4.94	14.71
Inventory written off	4.63	-
Advances written off	47.00	499.19
Rent income on investment property	(11.10)	(26.49)
Liability no longer required written back	(352.94)	(374.81)
Interest income on security deposits	(22.86)	(27.20)
Employee share based payment expense	-	2.16
Unrealised foreign exchange (gain) / loss (net)	86.82	(63.24)
Movement in financial guarantee	(3.81)	0.67
Other comprehensive income	-	42.89
Interest Income	(172.55)	(174.86)
Finance income on financial guarantees	(1.85)	-
Gain on lease modification	(15.06)	-
Reversal of goodwill	-	71.62
Provision for expected credit loss	(146.58)	235.00
Loss allowance on advances	-	176.31
Impairment of investment in equity shares	-	4,150.05
Bad debts written off	2,853.42	3,016.35
<b>Operating profit before working capital changes</b>	<b>2,023.79</b>	<b>4,098.93</b>
<b>Movements in working capital</b>		
- (Increase)/Decrease in trade receivables	1,238.32	276.34
- (Increase)/Decrease in inventories	41.10	(558.84)
- (Increase)/Decrease in loans	84.29	523.43
- (Increase)/Decrease in financial assets	280.55	(52.22)
- (Increase)/Decrease in current & non current assets	381.95	(671.91)
- Increase/(Decrease) in other current & non-current liabilities	(300.30)	767.18
- Increase/(Decrease) in Trade payables	(1,586.20)	(742.31)
- Increase/(Decrease) in Provisions	26.91	73.65
- Increase/(Decrease) in current & non current financial liabilities	0.81	(284.58)
<b>Cash flow generated from operations</b>	<b>2,191.22</b>	<b>3,429.67</b>
Less: Income-tax paid (net of refunds)	423.70	(476.22)
<b>Net cash flow generated from operating activities (A)</b>	<b>2,614.92</b>	<b>2,953.45</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including payable towards property, plant and equipment)	(506.20)	(1,263.28)
Proceeds from sale of property, plant and equipment and intangible assets	89.81	81.40
Purchase of investments and associates	1.05	(65.68)
Proceeds from sale of current investments	-	1,156.98
Purchase of investment of in mutual funds	-	(1,905.00)
Term deposits not considered as cash and cash equivalents (net)	(84.70)	1,415.04
Interest received	127.01	205.60
Rent income on investment property	11.10	26.49
<b>Net cash (used in) investing activities (B)</b>	<b>(361.93)</b>	<b>(348.45)</b>



Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Continued from previous page		
<b>C. Cash flow from financing activities</b>		
Proceeds /(repayment) of long-term borrowings	152.44	(437.43)
Repayment of short-term borrowings (net)	(642.00)	(532.22)
Payment of lease liabilities	(618.94)	(611.43)
Interest paid	(578.35)	(734.97)
Dividend paid including tax	-	(170.77)
<b>Net cash (used in) financing activities (C)</b>	<b>(1,686.85)</b>	<b>(2,486.82)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>566.14</b>	<b>118.18</b>
<b>Balance at the beginning of the year</b>	<b>1,159.28</b>	<b>1,041.10</b>
<b>Balance at the end of the year</b>	<b>1,725.42</b>	<b>1,159.28</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks		
- on current account	1,405.27	1,040.27
Cheques/ drafts on hand	32.87	2.33
Deposits with original maturities with less than 3 months	200.00	-
Cash on hand	87.28	116.68
	<b>1,725.42</b>	<b>1,159.28</b>

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

Particulars	Lease liabilities	Non-current borrowings	Current borrowings
Balance as at April 1, 2019	1,251.36	1,291.99	4,450.30
Interest expense	122.03	-	-
Cash flows (net)	(489.40)	(437.43)	(532.22)
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>883.99</b>	<b>854.56</b>	<b>3,918.08</b>
Interest expense	40.84	-	-
Cash flows (net)	(618.94)	152.44	(642.00)
Other non cash changes	(44.67)	-	-
<b>Balance as at March 31, 2021</b>	<b>261.24</b>	<b>1,007.00</b>	<b>3,276.08</b>

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

(iv) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 66.

Summary of significant accounting policies

1

The accompanying notes 1 to 69 form an integral part of these consolidated financial statements.

This is consolidated statement of cashflows referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

ICAI Firm registration No. 001076N/N500013

*Neeraj Goel*

Neeraj Goel

Partner

Membership No.:099514



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

*Satya Narayanan R*

Satya Narayanan R

Chairman and  
Executive Director

DIN: 00307326

*Rachna Sharma*

Rachna Sharma

Company Secretary

ICSI M. No.: A17780

Place: New Delhi

Date: June 24, 2021

*Gautam Puri*

Gautam Puri

Vice-Chairman and  
Managing Director

DIN: 00033548

*Arjun Wadhwa*

Arjun Wadhwa

Chief Financial Office



Place: Gurugram, Haryana

Date: June 24, 2021

CL Educate Limited  
Consolidated statement of changes in equity for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

Particulars	Amount
Balance as at April 01, 2020	1,416.57
Change in equity share capital	-
Balance as at March 31, 2020 / April 01, 2020	1,416.57
Change in equity share capital	-
Balance as at March 31, 2021	1,416.57

(b) Other equity

Particulars	Attributable to owners of the company							Non-Controlling Interest	Total		
	Reserves and surplus			Items of OCI							
	Retained earnings	Security premium	Share options outstanding amount	General reserve	Equity Component of compound financial instruments	Deemed equity contribution	Capital reserve			Exchange differences	Sub total
Balance as at April 1, 2019	2,453.77	29,853.45	34.80	30.60	4.85	33.27	0.20	(6.95)	32,403.99	15.42	32,419.41
(Loss)/ profit for the year	(5,316.07)	-	-	-	-	-	-	-	(5,316.07)	10.27	(5,305.80)
Other comprehensive income, net of tax	35.61	-	-	-	-	-	-	-	35.61	1.21	36.82
Re-measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	7.28	-	7.28
Total comprehensive (loss)/ income for the year	(5,280.46)	-	-	-	-	-	-	-	(5,273.19)	11.48	(5,261.71)
Transactions with non-controlling interest	(70.78)	-	-	-	-	-	-	-	(70.78)	-	(70.78)
Transfer on account of options surrendered during the year	-	-	(56.95)	36.95	-	-	-	-	-	-	-
Fair value of financial guarantee received from promoters	-	-	2.15	-	-	18.24	-	-	18.24	-	18.24
Share based expenses	(140.18)	-	-	-	-	-	-	-	2.15	-	2.15
Transfer to general reserve	12.66	-	-	140.18	-	-	-	-	-	-	12.66
Adjustment on account of Ind AS 116	-	-	-	(170.77)	-	-	-	-	(170.77)	-	(170.77)
Transaction with owners in their capacity as owners	-	-	-	36.96	4.85	-	-	-	36.96	26.90	26,949.20
Interim dividend paid during the year	-	-	-	-	-	-	-	-	-	(14.40)	(14.40)
Balance as at March 31, 2020 / April 1, 2020	(3,024.99)	29,853.45	-	36.96	4.85	51.51	0.20	0.33	26,922.30	26.90	26,949.20
Loss for the year	(1,167.64)	-	-	-	-	-	-	-	(1,167.64)	-	(1,182.04)
Other comprehensive income, net of tax	16.09	-	-	-	-	-	-	-	16.09	-	16.09
Re-measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	27.42	-	27.42
Total comprehensive (loss)/ income for the year	(1,151.55)	-	-	-	-	-	-	-	(1,124.12)	(14.40)	(1,138.52)
Fair value of financial guarantee received from promoters	-	-	-	-	-	-	-	-	1.55	-	1.55
Balance as at March 31, 2021	(4,176.54)	29,853.45	-	36.96	4.85	53.06	0.20	27.75	25,799.73	12.50	25,812.23

Summary of significant accounting policies  
The accompanying notes 1 to 69 form an integral part of these consolidated financial statements.  
This is consolidated statement of changes in equity referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants  
ICAI Firm registration No. 041476N/N500013

Neeraj God

Partner  
Membership No. 199514



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

Satyra Narayanan  
Chairman and  
Executive Director  
DIN: 00307326

Gautam Puri  
Vice-Chairman and  
Managing Director  
DIN: 00033548

Rachna Sharma  
Company Secretary  
ICSI M. No.: A17780  
Place: New Delhi

Arjun Wadhwa  
Chief Financial Officer



Place: Gurugram, Haryana  
Date: June 24, 2021

## Reporting Entity

CL Educate Limited (the 'Holding Company') is a company domiciled in India, with its registered office situated at Plot No.9A, Sector 27A, Mathura Road, Faridabad, Haryana -121003 and corporate office at A-45, Mohan Cooperative Industrial Area, Mathura Road, New Delhi - 110044. The Holding Company was incorporated in India on April 25, 1996 to conduct various educational and consulting programmes. The Holding 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 and graduate / post graduate levels.

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

The Holding Company along with its subsidiaries and its associate has been collectively hereinafter referred to as the 'Group'.

### 1. A. Basis of preparation.

#### (i) Statement of compliance:

These consolidated financial statements ("CFS") of the Group have been prepared in accordance with Indian Accounting Standard ("Ind AS") and comply with requirements of Ind AS notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, stipulation contained in Schedule III (Revised) and other pronouncements/ provisions of applicable laws.

These CFS have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements, unless stated otherwise

The CFS have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- iii. Defined benefit plans- plan assets measured at fair value; and
- iv. Share based payments.

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

- i. Expected to be realised or intended to sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period; or



- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

The CFS of the Group have been presented in Indian Rupees (Rs.), which is also its functional currency and all amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.

## B. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee;
- b) The rights arising from other contractual arrangements;
- c) The Group's voting rights and potential voting rights; and
- d) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The following consolidation procedures are adopted:



**Subsidiary:**

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any noncontrolling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in Consolidated Statement of Profit and Loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

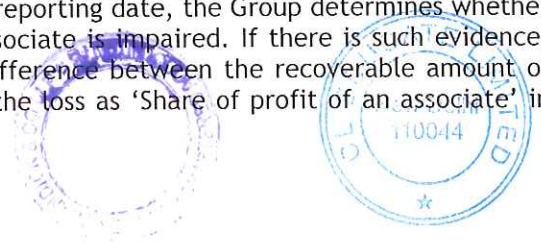
**Associate:**

Interests in associates are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. When a member of the Group transacts with an associate of the Group, profits and losses from transactions with the associate are recognised in the CFS only to the extent of interests in the associate that are not related to the Group.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Consolidated Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the Consolidated Statement of Profit and Loss.





Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

On acquisition of control over previously owned associates, the Group re-measures its previously held equity interest in the associates at the acquisition date fair value and the difference, if any, between the carrying amount and the fair value is recognised in the Consolidated Statement of Profit and Loss.

Goodwill is generally computed as the difference between the sum of consideration transferred (measured at the fair value) the non-controlling interest ("NCI") in the acquire and the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

## 2. Significant accounting policies

### (i) Fair value measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent 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.

All assets and liabilities for which fair value is measured or disclosed in the 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) market 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; and

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

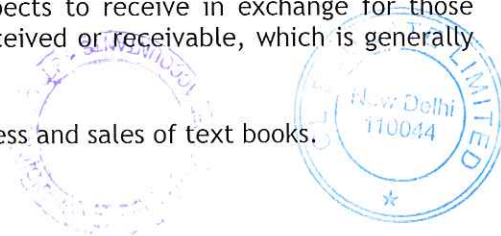
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

### (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.

The Group earns revenue from Educational and training business and sales of text books.



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 as an agent

The Group derives its revenue from event and 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 Group 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 and price concessions, 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 Group and is recorded net of discounts and taxes, if any.

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.



## Contract Balances

### Trade receivables

A receivable represents the Group'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 ix in Financial instruments.

### Contract Liabilities (Unearned Revenue)

A contract liability is the obligation to transfer goods or services to a customer for which the Group 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.

### Other income

- i. Income from advertising is recognised on stage of completion basis as per the terms of the agreement.
- ii. 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.

### 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 Group's right to receive payment is established.

## (iii) Inventories

Inventories comprising of traded goods are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in, first out formula.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

## (iv) Property, plant and equipment



**Measurement at recognition:**

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred.

**Depreciation**

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 consolidated 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.

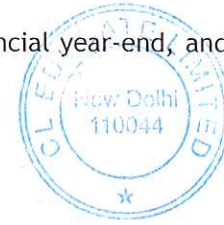
Property, plant and equipment	Useful lives (in years)
Leasehold land	Over lease period
Building	60
Furniture and fixtures	8-10
Plant and machinery	15
Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6
Leasehold improvements	Lesser of 3 years or period of lease

Freehold land is not depreciated.

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.

**Derecognition:**

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

**(v) Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 60 years from the date of original purchase on straight line basis in accordance with Schedule II to the Act.

Though the Group measures investment property using cost-based measurement, 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. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

**(vi) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the financial year ended March 31, 2021, the Group has started providing digital delivery of products and services. Accordingly, useful life of various assets has been reassessed and revised by the management. The group has accounted this as a change in estimate and impact taken prospectively in accordance with principles of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Amortisation is calculated over their estimated useful lives using the straight-line method.

The reassessed useful lives of intangible assets are as follows:

Intangible assets	Useful Life (in years)
Brand	10
Software	5
Website	5
Content development	7
Non-compete fees	3 and half
Intellectual property rights	15
CAT online module	1-3
Melting POT	10
IQM	10
Aspiration AI	10
Online Video Content	5
Wain Connect	10

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated Statement of Profit and Loss. when the asset is derecognised.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is 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 consolidated 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.

**(vii) Business combination and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments' ('Ind AS 109'), is measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses

whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**(viii) Income taxes**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current income tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

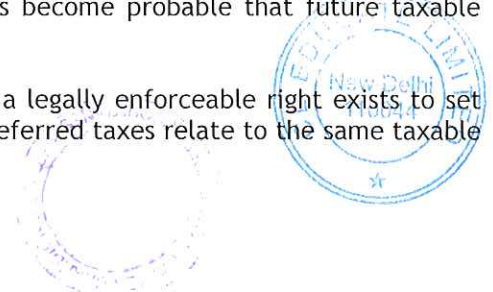
**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Group will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

(ix) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the

Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

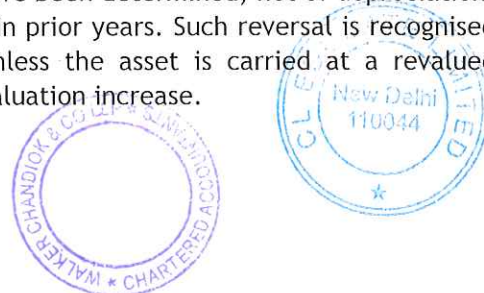
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Group's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(x) Financial instruments





A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (“FVTPL”), transaction costs that are attributable to the acquisition of the financial asset.

For purposes of subsequent measurement, financial assets are classified as follows:

a) Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (“FVOCI”). The Group has not designated any debt instrument in this category.

c) Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss (“FVTPL”) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

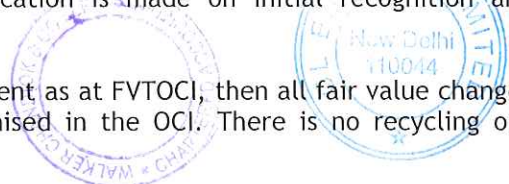
Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss. The Group has not designated any debt instrument in this category.

d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 ‘Business Combinations’ applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the



amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

#### De-recognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

#### Impairment of financial assets

The Group measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head 'other expenses'.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### a) Financial liabilities at FVTPL

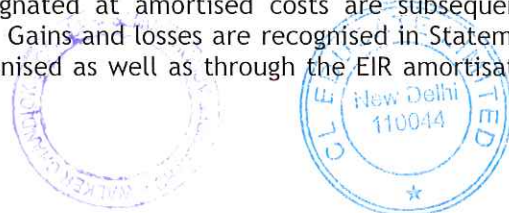
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss.

##### b) Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.



Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Statement of Profit and Loss.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **(xi) Leases**

##### **The Group as a lessee**

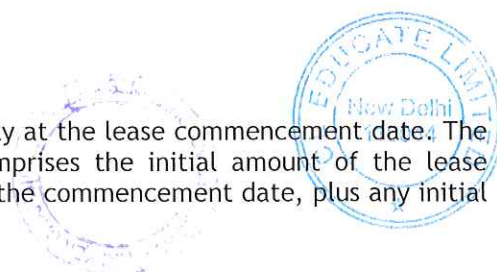
The Group enters into an arrangement for lease of buildings. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 - Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- a) The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- b) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- c) The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

##### **Measurement and recognition of leases as a lessee**

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial



direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use asset 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. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments, including in-substance fixed payments;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) Amounts expected to be payable under a residual value guarantee; and
- d) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Group.

The Group has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

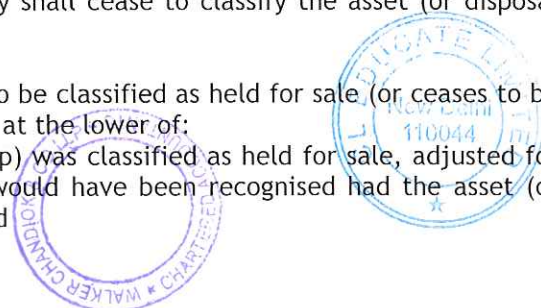
**(xii) Disposal group - Assets held for sale**

Non-current assets classified as held for sale are presented separately in the consolidated Consolidated Balance sheet and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any gain or loss arises on remeasurement or sale is included in the consolidated Consolidated Statement of Profit and Loss.

If an entity has classified an asset (or disposal group) as held for sale, but the held-for-sale criteria as specified in standard are no longer met, the entity shall cease to classify the asset (or disposal group) as held for sale.

The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale; and



- b) its recoverable amount at the date of the subsequent decision not to sell.

(xiii) Employee benefits

Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the consolidated Balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Group recognises termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ("OCI") in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

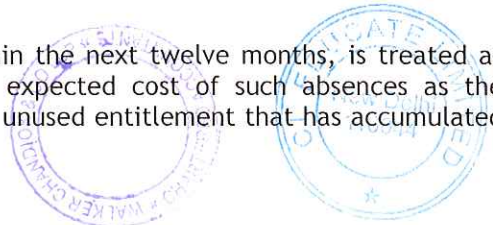
The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

(xiv) **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

(xv) **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 financials 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:

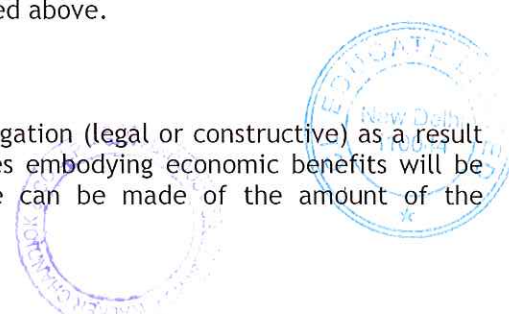
The assets and liabilities of foreign operations are translated into INR the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if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

(xvi) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(xvii) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the



obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(xviii) 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.
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 unallowable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

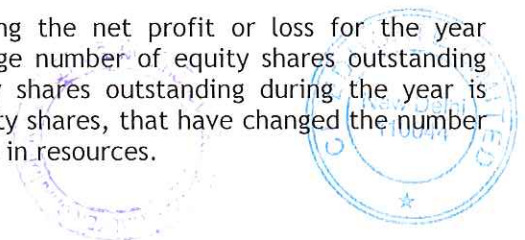
The Board of Director(s) are collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

**(xix) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

**(xx) Earnings per share**

Basic earnings/ (loss) 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 year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.



For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the period 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.

**(xxi) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

**i) Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**a) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

**b) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**ii) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**a) Useful lives of tangible/intangible assets**

The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

**b) Defined benefit obligation**





The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**c) Inventories**

The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

**d) Business combinations**

The Group uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

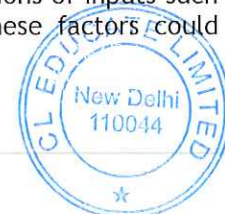
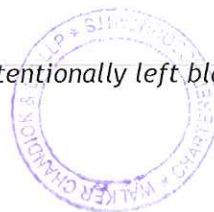
**e) Impairment of non-financial assets and goodwill**

In assessing impairment, Group estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**f) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

3. Property, plant and equipment

Reconciliation of carrying amount	Freehold land	Leasehold land Refer note	Buildings improvement	Buildings	Buildings improvement	Plant and machinery	Leasehold improvement	Furniture and fixtures	Office equipments	Computers	Vehicles	Printing Negative Films	Total
<b>Cost or deemed cost (Gross carrying amount)</b>													
Deemed cost as at April 1, 2019	1,072.39	196.78	2,525.87	7.89	50.34	222.54	366.56	590.90	132.93	9.44	5,429.24	9.44	5,429.24
Additions during the year	-	(196.78)	-	-	2.69	15.65	15.34	61.60	17.65	12.03	135.11	12.03	135.11
Re-classification on account of IND AS 116	-	-	-	-	-	-	-	(6.89)	-	-	(196.78)	-	(196.78)
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(0.89)
Balance as at March 31, 2020 / April 1, 2020	1,072.39	393.56	2,525.87	7.89	53.03	238.19	381.90	651.61	150.58	21.47	5,366.68	21.47	5,366.68
Additions during the year	-	-	-	-	-	-	6.40	3.85	16.56	36.99	17.61	-	81.41
Disposals during the year	-	-	-	-	-	-	(38.85)	(26.65)	(61.56)	(13.65)	(40.37)	-	(181.28)
Re-classified to disposal group - assets held for sale	(518.65)	-	(30.25)	-	-	-	-	-	-	-	-	-	(548.90)
Balance as at March 31, 2021	1,591.04	393.56	2,556.12	7.89	53.03	283.44	440.02	702.43	208.56	21.47	4,717.91	21.47	4,717.91
<b>Accumulated depreciation</b>													
Balance as at April 1, 2019	-	7.55	131.77	2.52	16.45	160.58	205.21	452.95	48.88	0.70	1,102.97	0.70	1,102.97
Depreciation for the year	-	2.27	44.31	1.51	4.27	40.15	77.94	72.70	16.55	5.59	297.36	5.59	297.36
Re-classification on account of IND AS 116	-	(9.80)	-	-	-	-	-	(0.81)	-	-	(9.80)	-	(9.80)
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(0.81)
Balance as at March 31, 2020 / April 1, 2020	-	-	176.08	4.03	20.72	200.73	283.15	525.84	65.43	6.29	1,389.65	6.29	1,389.65
Depreciation for the year	-	-	44.19	1.50	4.11	24.14	33.48	66.47	14.08	7.17	219.91	7.17	219.91
Disposals during the year	-	-	-	-	-	(38.87)	(21.04)	(13.18)	(26.84)	-	(152.09)	-	(152.09)
Re-classified to disposal group - assets held for sale	-	-	(2.74)	-	-	-	-	-	-	-	-	-	(2.74)
Balance as at March 31, 2021	-	-	223.01	5.53	24.83	263.74	368.79	605.49	106.35	13.46	1,454.79	13.46	1,454.79
<b>Net carrying amount</b>													
As at March 31, 2020	1,072.39	393.56	2,349.79	3.86	32.31	37.46	98.75	125.77	85.15	15.18	3,977.03	15.18	3,977.03
As at March 31, 2021	1,591.04	393.56	2,333.11	2.36	28.20	19.70	91.23	96.96	102.21	8.01	3,263.21	8.01	3,263.21

Notes:

- For details related to assets identified for slump sale (discontinued operations) (Refer note 57)
- 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, 2021 and March 31, 2020.
- 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 26 and 31).
- There are no impairment losses recognised during the year.
- During the previous year, Leasehold land at Greater Noida have been reclassified from Property, plant and equipment to right-of-use assets in accordance with IND AS- 116. Leases (refer note 4).
- During the year ended March 31, 2021, the Group has classified the freehold land amounting to Rs. 518.65 lacs (previous year - nil) and building amounting to Rs. 27.51 lacs (previous year - nil) located at Faridabad as assets held for sale.



## 4. Right-of-use assets

Reconciliation of carrying amount	Right of use assets	Total
<b>Gross carrying amount as on April 1, 2019</b>	1,192.79	1,192.79
Additions during the year	-	-
Reclassification from leasehold land (refer note 3)	186.97	186.97
<b>Gross carrying amount as on March 31, 2020/April 1, 2020</b>	<b>1,379.76</b>	<b>1,379.76</b>
Additions during the year	-	-
Disposals	(91.04)	(91.04)
Adjustment on account of termination / modification of lease	(498.77)	(498.77)
<b>Gross carrying amount as on March 31, 2021</b>	<b>789.95</b>	<b>789.95</b>
<b>Accumulated Depreciation</b>		
<b>Balance as at April 1, 2019</b>	-	-
Depreciation for the year	431.91	431.91
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>431.91</b>	<b>431.91</b>
Depreciation for the year	142.59	142.59
Adjustment on account of termination / modification of lease	(132.28)	(132.28)
<b>Balance as at March 31, 2021</b>	<b>442.22</b>	<b>442.22</b>
<b>Net Carrying amount as at March 31, 2020</b>	<b>947.85</b>	<b>947.85</b>
<b>Net Carrying amount as at March 31, 2021</b>	<b>347.73</b>	<b>347.73</b>

Note :

During the previous 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

	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
Balance at the beginning of the year	323.54	323.54
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>323.54</b>	<b>323.54</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	23.63	17.87
Depreciation for the year	5.75	5.76
<b>Balance at the end of the year</b>	<b>29.38</b>	<b>23.63</b>
<b>Carrying amounts</b>	<b>294.16</b>	<b>299.91</b>

## B. Amounts recognised in consolidated statement of profit and loss for investment property

Rental income	11.10	26.49
<b>Profit from investment properties before depreciation</b>	<b>11.10</b>	<b>26.49</b>
Depreciation	5.75	5.76
<b>Income from investment property</b>	<b>5.35</b>	<b>20.73</b>

## C. Measurement of fair value

Investment property	770.00	770.00
	<b>770.00</b>	<b>770.00</b>

## 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 Company 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 Company 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

## Valuation technique

Market method

## Observable inputs

Guideline rate (Per sq. m.) Similar piece of land rate (Per sq. m.)

Investment property mainly consists of buildings in Mumbai & Pune. During the period, Company has assess that there is no significant change in fair value of investment property and accordingly company has considered the fair valuation of investment property is in accordance with valuation report done for the year 2019-20.



6. Goodwill

Reconciliation of carrying amount

Cost or deemed cost  
 Balance at the beginning of the year  
 Impairment charge  
 Total

As at March 31, 2021	As at March 31, 2020
3,273.42	3,273.42
3,273.42	3,273.42

6.1 Impairment tests for Goodwill

Goodwill is monitored by Management at the level of operating segments identified in note 58.

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:

- a) Consumer test prep
- b) Consumer publishing
- c) Enterprise corporate
- d) Enterprise institutional
- e) Others

	As at March 31, 2021	As at March 31, 2020
	826.6	826.6
	538.81	538.81
	488.2	488.2
	1,351.33	1,351.33
	68.48	68.48
	3,273.42	3,273.42

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

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.

	Consumer test prep	Consumer publishing	Enterprise corporate	Enterprise institutional	Others
<b>March 31, 2021</b>					
Sales volume (% annual growth rate)	15.00%	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 (%)	16.00%	11.55%	12.00%	12.00%	10.70%
<b>March 31, 2020</b>					
Sales volume (% annual growth rate)	15.00%	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 (%)	16.00%	11.55%	12.00%	12.00%	10.70%

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

**Assumption Approach used to determining values**  
 Sales volume .

Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.

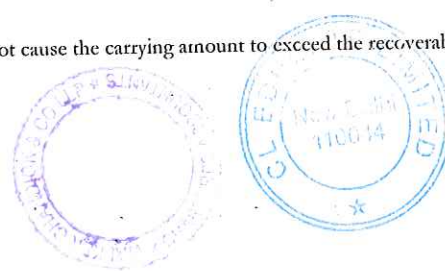
Long-term growth rate:

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.

Pre-tax discount rates:

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 the Consolidated Financial Statements for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

7. Other Intangible assets

Reconciliation of carrying amount	Intellectual property rights and trademarks	Computer Softwares	License fees Refer	Content development	CAT online module	Non compete fees	Brand	Wain Connect	IQM	Melting Pot	Online Video content	Aspiration.AI	Website	GATE Fix	Distribution Network	Total
Cost or deemed cost (Gross carrying amount)																
Balance as at April 1, 2019	739.08	200.49	87.29	1,589.57	26.98	99.00	330.00	22.50	118.40	124.77	43.50	-	22.04	-	28.56	3,432.18
Additions - others	-	31.04	-	202.66	-	10.00	-	-	-	-	-	174.45	-	-	-	420.55
Additions - internally developed (refer note 8)	-	-	-	276.79	-	-	-	-	-	-	-	81.40	-	61.08	-	419.27
Balance as at March 31, 2020 / April 1, 2020	739.08	234.53	87.29	2,069.02	26.98	109.00	330.00	22.50	118.40	124.77	43.50	255.85	22.04	61.08	28.56	4,272.00
Additions - others	-	342.33	-	315.89	-	-	-	-	-	13.76	-	25.98	-	-	-	671.98
Additions - internally developed (refer note 8)	-	-	(87.29)	101.37	-	-	-	-	-	-	-	-	(22.04)	-	-	127.35
Deposits during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(109.35)
Balance as at March 31, 2021	739.08	576.86	-	2,485.68	26.98	109.00	330.00	22.50	118.40	138.53	43.50	281.83	-	61.08	28.56	4,562.00
Accumulated amortisation																
Balance as at April 1, 2019	417.46	59.85	79.16	555.07	15.58	66.99	66.00	5.63	14.82	14.10	4.35	-	14.73	-	38.56	1,342.30
Balance as at April 1, 2020	125.91	30.91	8.13	339.93	5.81	32.63	35.09	4.51	11.87	13.72	8.72	34.90	7.31	-	-	566.23
Amortisation for the year	543.37	39.76	87.29	895.06	21.39	98.62	69.69	10.14	26.09	27.82	13.07	34.09	22.04	-	28.56	2,008.83
Balance as at March 31, 2020 / April 1, 2020	33.60	35.82	(87.29)	972.59	5.57	9.38	33.00	1.59	11.84	21.17	8.70	17.45	-	12.21	-	466.92
Amortisation for the year	-	-	(87.29)	1,167.59	26.56	109.00	132.09	11.73	36.53	48.99	21.77	52.44	(22.04)	-	-	(109.33)
Deposits during the year	-	139.55	-	-	-	-	-	-	-	-	-	-	-	-	-	2,366.42
Balance as at March 31, 2021	576.97	139.55	-	1,167.59	26.56	109.00	132.09	11.73	36.53	48.99	21.77	52.44	-	12.21	28.56	2,366.42
Net carrying amount																
Balance as at March 31, 2020	195.71	134.77	-	1,173.42	5.59	9.38	239.91	12.56	91.71	96.95	30.43	220.83	-	61.08	-	2,263.17
Balance as at March 31, 2021	162.11	437.28	-	1,318.09	0.02	-	197.91	10.77	79.87	89.54	21.73	229.39	-	48.87	-	2,595.58

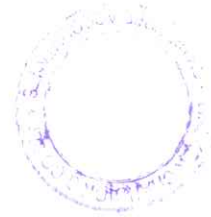
Refer note 9 for intangible assets under development.

Note :

i. During the financial year ended March 31, 2021, the Group has started providing digital delivery of products and services and the useful life of various assets has been reassessed and revised by the management. The Group has accounted this as a change in estimate and impact taken prospectively in accordance with principles of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The changes made in useful life has been presented in the table below:

Particulars	Useful life till March 31, 2020 (in Years)	Useful life (in reassessed on April 1, 2020 (in Years)
Content Development	1 to 5	7
Aspiration.AI	5	10
Intellectual Property Rights and Trademarks	10	15
Melting Pot	5 to 10	10
Wain Connect	5	10

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## 8. Details of internally generated intangible assets

Reconciliation of carrying amount	Content	Aspiration. Ai	GATE Flix	Recruitment software (Sofi)	Total
<b>Cost or deemed cost (Gross carrying amount)</b>					
Balance as at April 1, 2019	617.21	-	-	49.17	666.38
Additions during the year	276.79	81.40	61.08	-	419.27
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>894.00</b>	<b>81.40</b>	<b>61.08</b>	<b>49.17</b>	<b>1,085.65</b>
Additions during the year	101.37	25.98	-	-	127.35
<b>Balance as at March 31, 2021</b>	<b>995.37</b>	<b>107.38</b>	<b>61.08</b>	<b>49.17</b>	<b>1,213.00</b>
<b>Accumulated amortisation</b>					
Balance as at April 1, 2019	96.80	-	-	2.45	99.25
Amortisation for the year	49.14	16.32	-	9.86	75.32
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>145.94</b>	<b>15.32</b>	<b>-</b>	<b>12.31</b>	<b>174.57</b>
Amortisation for the year	238.55	10.09	12.21	9.84	270.69
<b>Balance as at March 31, 2021</b>	<b>384.48</b>	<b>26.41</b>	<b>12.21</b>	<b>22.15</b>	<b>445.25</b>
<b>Net carrying amount</b>					
As at March 31, 2020	748.06	65.08	61.08	36.86	911.08
As at March 31, 2021	610.89	80.97	48.87	27.02	767.75

## 9. Intangibles assets under development

## Particulars.

Balance at the beginning of the year  
Add: Addition during the year  
Less: Capitalized during the year  
Closing Balance

	As at March 31, 2021	As at March 31, 2020
	342.64	174.45
	420.13	342.64
	(403.64)	(174.45)
	<b>359.13</b>	<b>342.64</b>

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CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

10 Non-current financial assets - loans

*Unsecured, considered good*

Security deposits

Note:

i. The Group's exposure to credit and currency risks are disclosed in note 59.

	As at March 31, 2021	As at March 31, 2020
	98.09	167.66
	<b>98.09</b>	<b>167.66</b>

11 Other non-current financial assets

Deposits with remaining maturity for more than 12 months from reporting date (refer note below)

Note:

Includes deposits of Rs. 58.69 lacs (previous year: Rs. 529.73) pledged with various authorities

	As at March 31, 2021	As at March 31, 2020
	61.71	956.61
	<b>61.71</b>	<b>956.61</b>

12 Non-current tax assets (net)

Advance tax (net of provision)

13 Deferred tax assets (net)

Deferred tax assets (net) (refer note 62)

	As at March 31, 2021	As at March 31, 2020
	2,180.63	2,686.72
	<b>2,180.63</b>	<b>2,686.72</b>

	As at March 31, 2021	As at March 31, 2020
	1,752.29	1,325.88
	<b>1,752.29</b>	<b>1,325.88</b>

14 Other non-current assets

*Unsecured, considered good*

Capital advances

Prepaid expenses

	As at March 31, 2021	As at March 31, 2020
	75.78	16.00
	25.61	53.60
	<b>101.39</b>	<b>69.60</b>

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CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

15 Inventories

	As at March 31, 2021	As at March 31, 2020
<b>Valued at lower of cost and net realisable value</b>		
Raw materials	12.45	27.66
Work-in-progress	-	6.39
Finished goods	1,419.47	1,384.61
Right to return assets (Refer note v)	71.99	130.99
Less: Provision for slow moving inventory	(56.01)	(99.41)
	<b>1,447.90</b>	<b>1,450.24</b>

Note:

- Includes raw materials lying with third parties March 31, 2021: Rs. 12.45 lacs (March 31, 2020: Rs. 27.66 lacs).
- Includes work-in-progress lying with third parties March 31, 2021: Nil (March 31, 2020: Rs. 6.39 lacs)
- Inventories are pledged as securities for borrowings taken from banks (refer note 26 and 31).
- All inventories categories represent text books.
- For explanation on, Right to return asset, Refer note 42.

16 Current investments

	As at March 31, 2021	As at March 31, 2020
<b>Unquoted at fair value through profit and loss, non-trade</b>		
Investments in mutual funds (refer note below)	3,852.91	3,716.34
	<b>3,852.91</b>	<b>3,716.34</b>
<b>Aggregate amount of unquoted investment and market value thereof</b>	3,852.91	3,716.34

**Details of investment in liquid mutual fund units**

The balances held in liquid mutual fund as at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Unit	Amount	Unit	Amount
ICICI Prudential Liquid fund DP Growth	302,450.94	921.68	302,450.94	888.55
HDFC Liquid Fund - Direct Plan - Growth Option	21,935.48	887.40	21,935.43	856.93
UTI Mutual Fund	17,226.08	580.60	17,226.08	559.45
ABSL Liquid Fund - Growth - Direct	283,000.23	938.24	283,000.23	904.35
DSP Liquidity Fund - Direct Plan - Growth	17,849.66	524.99	17,849.66	507.06
<b>Total</b>	<b>642,462.39</b>	<b>3,852.91</b>	<b>642,462.39</b>	<b>3,716.34</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

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Considered good	5,247.56	9,279.55
Credit impaired	269.61	790.77
Less: Allowances for doubtful trade receivables	(269.61)	(790.77)
	<b>5,247.56</b>	<b>9,279.55</b>

Notes:

- The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 59.
- Trade Receivable are non-interest bearing and are normally received in normal operating cycle.



CL Educate Limited  
**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**  
 (All amounts are in Rupees lacs, unless otherwise stated)

**18 Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
<b>Balances with banks</b>	1,405.27	1,040.27
on current account	32.87	2.33
Cheques/ drafts on hand	200.00	-
Deposits with original maturities of less than 3 months	87.28	116.68
Cash on hand	<u>1,725.42</u>	<u>1,159.28</u>

**Note:**

(i) The Group's exposure to liquidity risks are disclosed in note 59.

**19 Bank balances other than cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend account- bank balance	2.56	2.56
Deposits with original maturity for more than three months but remaining maturity of less than twelve months (refer note (i) below)	1,237.06	257.46
	<u>1,239.62</u>	<u>260.02</u>

**Notes :**

(i) Includes deposits of Rs. 1,164.29 lacs (previous year: Rs. 220.00) pledged with various authorities  
 (ii) The Group's exposure to liquidity risks are disclosed in note 59.

**20 Current financial assets - loans**

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>	246.74	242.31
Security deposits	51.12	47.41
Loans to employees	1,260.48	1,260.48
Loans to related parties		
<b>Unsecured, considered doubtful</b>	399.49	399.49
Loans to CL USA	(399.49)	(399.49)
Less: Provision for loss allowance		28.05
Security deposits		(28.05)
Less: Provision for loss allowance		
	<u>1,558.34</u>	<u>1,550.20</u>

**Note:**

(i) The Group's exposure to credit and currency risks are disclosed in note 59.  
 (ii) The Group has given unsecured loan to their group companies/parties for meeting their working capital requirement. Details of the same are as below:

Entity name	Amount given during the year	Rate of interest	March 31, 2021	March 31, 2020
Career Launcher Education Foundation	-	Nil	1,219.77	1,219.77
CLEF - AP	-	Nil	40.71	40.71
<b>Total</b>	-		<u>1,260.48</u>	<u>1,260.48</u>

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**21 Other current financial assets**  
**Unsecured, considered good unless stated otherwise**

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Unbilled revenue	14.16	216.27
Receivable on account of sale of business (refer note 65)	400.00	400.00
Interest accrued on fixed deposits	5.23	25.76
Other receivables	219.90	343.58
	<b>639.29</b>	<b>985.61</b>
<b>Unsecured, considered doubtful</b>		
Unbilled revenue	-	0.23
Other receivables	-	328.03
Less : Provision for doubtful debts	-	(328.26)
	<b>-</b>	<b>-</b>
	<b>639.29</b>	<b>985.61</b>

**Note:**

- i. The Group's exposure to credit and currency risks are disclosed in note 59.

**22 Other current assets**  
**Unsecured, considered good**

	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	1,869.83	1,933.42
Advances to suppliers	453.50	529.47
Advances to employees	47.60	65.32
Advances to related parties	61.07	60.82
Balance with statutory authorities	373.33	541.79
Other advances	-	1.67
	<b>2,805.33</b>	<b>3,132.49</b>

**Note:**

- (i) Refer note 52 for transactions with related party

**23 Disposal group - Assets held for sale**

	As at March 31, 2021	As at March 31, 2020
Disposal Group - Assets held for sale (refer note below)	3,469.11	2,923.31
	<b>3,469.11</b>	<b>2,923.31</b>

**Note :****The assets held for sale consists of following :**

- (a) On March 16, 2017, the Group entered into a Business Transfer Agreement with I-Take Care Private Limited (the "Buyer") to sell its Infrastructure Services business (the "Assets") on the 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 closure as the Buyer has not been able to arrange the requisite funds to close the transactions. The Management is taking appropriate action to ensure that its rights and interests are protected. Also, the Management is in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As the delay is caused by the events and circumstances beyond the Group's control and that the Management remains committed to its plan to sell the Assets and 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".

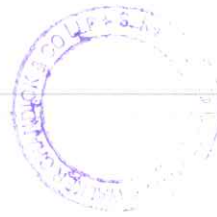


**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

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

- (b) During the current year, the Group has classified freehold land amounting Rs. 518.65 lacs and Building amounting to Rs. 27.51 lacs located at Faridabad, as assets held for sale. On July 22, 2020, the Group entered into an agreement for sale of its property situated at Faridabad, for which the total amount of consideration is Rs. 750.00 lacs out of which Rs. 24.75 lacs has been received as an advance. The carrying amount of the non-current asset will be recovered principally through a sale transaction rather than through a continuous use. The transaction is expected to be complete prior to March 31, 2022. Thus the Group is disclosing such assets as assets held for sale in accordance with Ind AS 105 "Non-Current assets held for Sale and Discontinued Operations". The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sale and hence there is no impairment loss to be recognised in the consolidated statement of profit and loss.



24 Share capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b> 16,000,000 (March 31, 2020: 16,000,000) equity shares of Rs. 10 each	1,600.00	1,600.00
<b>Issued, subscribed and paid-up</b> 14,165,678 (March 31, 2020: 14,165,678) equity shares of Rs. 10 each fully paid	1,416.57	1,416.57
	<b>1,416.57</b>	<b>1,416.57</b>

a. Terms and rights attached to equity shares

**Voting**

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

**Dividends**

The Holding Company 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.

	Year ended March 31, 2021	Year ended March 31, 2020
Interim dividend paid	Nil	Rs 1.00 per share

**Liquidation**

In the event of liquidation of the Holding Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Holding Company, 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 :

	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning/end of the year	14,165,678	1,416.57	14,165,678	1,416.57

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

	As at March 31, 2021		As at March 2020	
	No. of shares	Percentage	No. of shares	Percentage
<b>Promoters' Holding</b>				
Mr. Gautum Puri	2,357,130	16.64%	2,310,104	16.31%
Mr. Satya Narayanan R	2,455,761	17.34%	2,327,806	16.43%
Bilakes Consulting Private Limited	1,255,460	8.86%	1,255,460	8.86%
GPE (India) Limited	946,473	6.68%	946,473	6.67%
Sundaram Assets Management Company Limited	779,311	5.50%	872,526	6.16%
Flowering Tree Investment Management Pte. Ltd. (along with its Persons Acting in Concern i.e. Arjuna Fund Pte. Ltd and Ashoka Pte. Ltd.)	1,025,572	7.24%	895,772	6.32%
	<b>8,819,707</b>	<b>62.26%</b>	<b>8,608,141</b>	<b>60.75%</b>

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

- The Holding Company has issued 265,604 equity shares as fully paid up without payment being received in cash during the financial years 2015-2016 to 2019-20, all of which were issued in financial year 2015-16.
- The Holding Company has issued equity shares aggregating 45,931 (March 31, 2020: 74,800) 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.
- No equity shares has been issued by way of bonus shares during the financial years 2015-16 to 2020-21.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

- (iii) No trade or other receivable are due from directors 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 person.
- (iv) Trade receivable are pledged as securities for borrowings taken from banks (refer note 26 and 31).



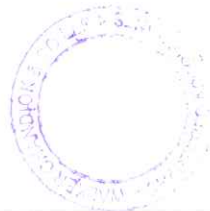
**CL Educate Limited**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

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

iv. No equity shares have been bought back by Holding Company pursuant to Section 68, 69 and 70 of the Companies Act, 2013 during the financial years 2015-16 to 2020-21.

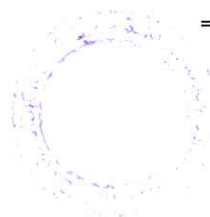
e. For Details for share reserved for issue under the employee stock option of the Holding Company (refer to note 56).



CL Educate Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

25 Other equity	As at March 31, 2021	As at March 31, 2020
<b>25.1 Retained earnings</b>		
Balance at the beginning of the year	(3,024.99)	2,453.77
Add: loss for the year	(1,167.64)	(5,316.07)
Add: Other comprehensive income (net of tax)		
Remeasurement of defined benefit plans	16.09	35.61
Transactions with non-controlling interest	-	(70.78)
Transfer to general reserve	-	(140.18)
Adjustment on account of Ind AS 116	-	12.66
<b>Balance at the end of the year</b>	<b>(4,176.53)</b>	<b>(3,024.99)</b>
<b>25.2 Securities premium</b>	<b>29,853.45</b>	<b>29,853.45</b>
Balance at the beginning/end of the year		
<b>25.3 Employee stock option outstanding</b>		
Balance at the beginning of the year	-	34.80
Share based expenses	-	2.15
Transfer to general reserve on account of options lapsed	-	(36.95)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>25.4 General reserves</b>		
Balance at the beginning of the year	36.96	30.60
Transfer to general reserve	-	140.18
Transfer to general reserve on account of options lapsed	-	36.95
Interim dividend paid during the year	-	(170.77)
<b>Balance at the end of the year</b>	<b>36.96</b>	<b>36.96</b>
<b>25.5 Equity component of compound financial instruments</b>	<b>4.85</b>	<b>4.85</b>
Balance at the beginning/end of the year		
<b>25.6 Deemed equity</b>		
Balance at the beginning of the year	51.51	33.27
Add: Addition during the year	1.55	18.24
<b>Balance at the end of the year</b>	<b>53.06</b>	<b>51.51</b>
<b>25.7 Capital reserves</b>	<b>0.20</b>	<b>0.20</b>
Balance at the beginning/end of the year		
<b>Other comprehensive income</b>		
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	0.33	(6.95)
Add: Exchange difference	27.42	7.28
<b>Balance at the end of the year</b>	<b>27.75</b>	<b>0.33</b>
<b>Total equity attributable to owners</b>	<b>25,799.73</b>	<b>26,922.30</b>
<b>Non-controlling interest reserve</b>		
Balance at the beginning of the year	26.90	15.42
Add: Addition during the year	(14.40)	11.48
<b>Balance at the end of the year</b>	<b>12.50</b>	<b>26.90</b>
<b>Total reserves and surplus</b>	<b>25,812.23</b>	<b>26,949.20</b>

Nature and purpose of reserves





CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

(i) **Retained earnings**

Created from profit/loss of the Company, as adjusted for distributions to owners and transfer to other reserve.



Nature and purpose of reserves (continued from previous page)

- (ii) **General reserve**  
The Company 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 Companies Act, 2013.
- (iii) **Securities premium**  
Securities premium has been created upon issue of shares at premium. The reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.
- (iv) **Employee stock options outstanding amount**  
The Company has an equity-settled share-based payment plans for certain categories of employees of the Company. Refer to Note 56 for further details on these plans.
- (v) **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
- (vi) **Deemed equity**  
Deemed equity arising out of financial guarantee received from its Promoters.
- (vii) **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 March 31, 2021	As at March 31, 2020
<b>Secured loan</b>		
<b>From banks</b>		
Vehicle loans (refer note i)	48.30	44.31
Term loans (refer note ii)	616.66	293.33
<b>From financial institutions</b>		
Term loans (refer note iii)	349.28	522.64
	<b>1,014.24</b>	<b>860.28</b>
<b>Total non-current borrowings</b>	<b>440.14</b>	<b>496.18</b>
Less: Current maturities of non-current borrowings (included in note 34)	7.25	5.73
Less: Interest accrued but not due on borrowings (included in note 34)		
<b>Non-current borrowings (as per balance sheet)</b>	<b>566.85</b>	<b>358.37</b>

The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 59.

i. **Vehicle loans from bank**

Vehicle loans from bank are secured against hypothecation of concerned vehicles. The vehicle loans from bank carry interest rate in the range of 8.25% to 9.18 % per annum (31 March, 2020 : 8.25% to 9.18 % per annum). The weighted average remaining tenure for these loans is 2.99 (31 March, 2020 : 2.01 years); with a total equal monthly installment of Rs. 1.35 lacs per month (31 March, 2020 : Rs. 1.35 lacs per month).

ii. **Secured Term loans from bank**

a) **RBL Bank**

The Holding Company had taken a term loan from Ratnakar Bank Limited (RBL). Year end balances of the loan is Rs. 116.66 lacs (March 31, 2020: Rs. 293.33 lacs). The Holding Company has availed the moratorium facility provided by the RBI on account of Covid 19.

**Interest rate:**

(i) These loans carry interest at 10.35% per annum (March 31, 2020 : 10.50% p.a.)

**Repayment schedule:**

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

**Primary security**

- (i) These loans together with current borrowings are secured by sub-revnt charge by way of hypothecation on all present and future current assets inclusive of stock and book debts and moveable fixed assets of the Holding Company.
- (ii) Lien on fixed deposit of Rs. 371.35 Lacs ( March 31, 2020 Rs. 371.35 lacs) to be kept with Bank during the tenure of Loan which is going to end on September 20, 2021.



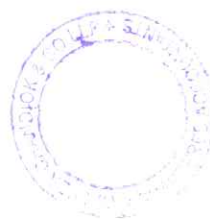
CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

**Collateral security:**

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



26 Non-current borrowings (continued from previous page)

b) HDFC Bank

During the year, the Holding Company has taken a term loan from HDFC Bank under Emergency Credit line Guaranteed Scheme (ECGLS). Year end balance of the Term loan is Rs. 500.00 lacs (previous year : Nil)

Interest rate:

(i) These loans carry interest at 8.80% per annum

Repayment schedule:

(i) The loan is repayable in 36 monthly installments after principle moratorium of 12 month. The repayment of installments will commence from December 7, 2021 and the last installment will be due on November 7, 2024.

iii. Secured Term loans from financial institution

During the year, the one of the Group Companies has taken a term loan from Tata Capital. Year end balance of the Term loan is Rs. 349.28 lacs (previous year : Rs. 522.64 lacs)

Interest rate:

(i) These loans carry interest at 12% per annum

Repayment schedule:

(i) The loan is repayable in 36 monthly installments after principle moratorium of 12 month. The repayment of installments has commenced and the last installment will be due on April 1, 2022.

Collateral security

a. Lien on fixed deposits amounting Rs. 375.00 lakhs ( March 31, 2020: Rs 375.00 lakhs) (Refer Note 11 and 19)

27 Non-current lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 50)	146.00	448.25
	<u>146.00</u>	<u>448.25</u>

28 Non-current provisions

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	353.01	354.73
Gratuity (refer note 51)	235.82	207.63
Compensated absences		
	<u>588.83</u>	<u>562.36</u>

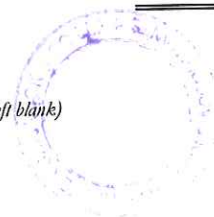
29 Deferred tax liabilities (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities (Refer note 62)	9.40	3.36
	<u>9.40</u>	<u>3.36</u>

30 Other non-current liabilities

	As at March 31, 2021	As at March 31, 2020
Unearned revenue	108.48	71.29
	<u>108.48</u>	<u>71.29</u>

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## 31 Current borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
- From banks	3,262.24	3,915.87
- Cash credit (Refer note i below)		
<b>Unsecured</b>	13.84	2.21
- From others (Refer note ii below)		
	<b>3,276.08</b>	<b>3,918.08</b>

The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 59.

**Notes:****(i) Details of these loans are as follows:**

During the year, cash credit represents overdraft from HDFC and ICICI bank taken by Holding Company and from IndusInd bank by Group Company's respectively, which are repayable on demand.

**(a) Details of loan taken from HDFC Bank**

The Holding Company had entered into a finance facility agreement with limit amounting Rs. 3,000.00 lacs (March 31, 2020 :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, 2020: bank's base rate + 3.75%) per annum ranging from 9.95%.

**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 Holding Company.

The Borrowing are further secured by equitable mortgage on following properties of the Holding 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 Borrowing are further secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Holding Company.

**(b) Details of loan taken from ICICI Bank**

The Group had entered into a overdraft facility for LAS account with limit amounting Rs.1,000.00 lacs (March 31, 2020 : Rs.1,000.00 lacs) with ICICI Bank Limited.

**Interest rate**

These facility carry interest at bank's base rate + 0.20% (March 31, 2020: bank's base rate + 0.20%) per annum.

**Security**

The facility is secured by the Mutual Funds taken by the Holding Company.

**(c) Details of loan taken from IndusInd bank****Interest rates**

a. The facility availed carries an interest rate of 11.50% (March 31, 2020 : 11.50%) per annum.

**Security**

- a. Lien on fixed deposits amounting Rs. 370.00 lakhs (March 31, 2020: Rs 370.00 lakhs)
- b. First and exclusive charge on movable fixed assets of the Holding Company both present and future.

**(ii) Details of unsecured loans**

Loan represents the unsecured loan taken from Phoenix Academy at an interest rate of 11.50% per annum. The said loan is repayable on demand.

## 32 Current lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 50)	115.24	435.74
	<b>115.24</b>	<b>435.74</b>



CL Educate Limited  
 Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
 (All amounts are in Rupees lacs, unless otherwise stated)

33 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables	944.09	802.68
- total outstanding dues to micro and small enterprises	1,536.05	3,263.66
- total outstanding dues of creditors other than micro and small enterprises	2,480.14	4,066.34

Note:

- i. Refer note 54 for dues to micro and small enterprises.
- ii. The Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 59.
- iii. Other creditors are non interest bearing and are normally settled in normal trade cycle.

34 Other current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (refer note 26)	440.14	496.19
Interest accrued but not due on borrowings	7.25	5.73
Security deposit received	-	5.00
Advance received on behalf of other	83.86	12.89
Unpaid dividends	2.56	2.56
Employee related payables	759.97	811.41
Payable to selling shareholders	28.06	28.06
	1,321.84	1,361.84

Note:

- i. The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 59.

35 Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Unearned revenue	1,270.81	1,907.72
Statutory dues payable	258.52	244.63
Advance against sale of business undertaking (stamp sale) (refer note 23)	135.13	110.38
Refund liability created against right to return	89.99	195.12
Others	68.30	70.23
	1,822.75	2,530.08

36 Current provisions

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	5.42	5.82
Gratuity (refer note 51)	7.23	6.39
Compensated absences	12.65	12.21

37 Current tax liabilities

	As at March 31, 2021	As at March 31, 2020
Provision for income-tax (net of advance tax)	9.66	12.18
	9.66	12.18



## 38 Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of products:</b>		
Text books	1,466.41	2,840.09
<b>Sale of services:</b>		
Education and training programmes	8,333.43	14,396.83
Event management services income	7,562.10	11,535.06
<b>Other operating revenue</b>		
Start up fees from franchisees	219.05	344.32
Advertising income	845.70	1,715.90
Scrap sales	23.25	6.93
Infrastructure fees	-	29.20
	<b>18,449.94</b>	<b>30,868.33</b>

## Disaggregated revenue information as per geographical markets

Particulars	For the year ended March 31, 2021		
	Geographical markets		
	India	Overseas	Total
Education and training programmes	8,016.22	317.21	8,333.43
Sale of text books	1,203.79	262.62	1,466.41
Income from advertisement services	845.70	-	845.70
Events	3,283.01	892.87	4,165.88
Digital	2,062.76	10.09	2,072.85
Manpower management services	1,286.13	37.24	1,323.37
Start up fees	219.05	-	219.05
Scrap sales	23.25	-	23.25
	<b>16,939.91</b>	<b>1,510.03</b>	<b>18,449.94</b>
Particulars	For the year ended March 31, 2020		
	Geographical markets		
	India	Overseas	Total
Education and training programmes	14,004.74	392.08	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
Manpower management services	1,435.84	-	1,435.84
Start up fees	344.32	-	344.32
Scrap sales	6.93	-	6.93
Infrastructure fee	29.20	-	29.20
	<b>28,480.60</b>	<b>2,387.73</b>	<b>30,868.33</b>

## Changes in contract liability are as follows:-

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	1,981.01	1,492.16
Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year	(1,930.17)	(1,211.50)
Increase due to invoicing during the year, excluding amount recognised as revenue during	1,693.75	1,809.31
Reclassification of unearned revenue that is not yet collected in cash from trade receivables	(335.30)	(108.96)
<b>Balance at the end of the year</b>	<b>1,379.29</b>	<b>1,981.01</b>

## Note :

Opening balance of contract liability is inclusive of unearned revenue not yet collected cash from trade receivable.

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

	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	1,617.50	2,018.68
More than one year	97.09	71.29



**38 Revenue from operations (continued from previous page)****Changes in contract assets are as follows:-**

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	9,495.82	13,725.92
Revenue recognised that was deducted from trade receivable as unearned revenue balance at the beginning of the year	(9,495.82)	(13,725.92)
Increase due to invoicing during the year, Excluding amount recognised as revenue during the year	5,531.33	10,286.82
Credit impaired	(269.61)	(791.00)
Revenue not recognised that was deducted from trade receivable as unearned revenue balance at the end of the year		
<b>Balance at the end of the year</b>	<b>5,261.72</b>	<b>9,495.82</b>

**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 Holding 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 2020-21 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.

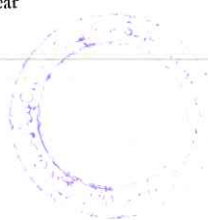
**Particulars**

	Year ended March 31, 2021	Year ended March 31, 2020
Amount collected/collectable on behalf of various customers	808.74	334.77
Amount of fees/commission/related charges forming part of the revenue for the year	26.21	29.21

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 Holding 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 2020-21 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 March 31, 2021	Year ended March 31, 2020
Amount paid/payable on behalf of various customers during the year	-	592.28
Amount of fees/commission/related charges forming part of the revenue for the year	-	63.43



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**CL Educate Limited**

Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

**39 Other income**

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets measured at amortised cost		
- Security deposits	22.86	27.20
- Fixed deposits	104.52	146.81
- Income tax refunds	64.33	75.84
- Others	3.71	28.05
Gain on fair value change of current investment	136.57	116.31
Gain on sale of mutual funds	-	225.23
Liabilities no longer required written back	352.94	374.56
Rent income on investment property (refer note 5)	11.10	26.48
Net gain on foreign currency transactions and translation	-	57.67
Gain on sale of property, plant and equipment	1.40	14.82
Finance income on financial guarantees	1.85	-
Gain on modification and termination of leases	15.06	-
Faculty service charges income	-	11.36
Reversal of provision for expected credit losses	167.56	340.96
Reversal of provision for slow-moving inventory	43.39	-
Excess provisions written back	-	3.63
Miscellaneous income	34.38	80.79
	<b>959.67</b>	<b>1,529.70</b>

**40 Cost of materials consumed**

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	27.66	19.61
Add: Purchases during the year (Refer note i)	93.06	392.73
Less: Inventory at the end of the year	(12.45)	(27.66)
<b>Sub-total (A)</b>	<b>108.27</b>	<b>384.68</b>
Printing cost	160.90	551.01
Binding and cover pasting charges	-	3.73
Packing material consumed	-	0.70
Content editing and typing charges	-	1.22
<b>Sub-total (B)</b>	<b>160.90</b>	<b>556.66</b>
<b>Total (A+B)</b>	<b>269.17</b>	<b>941.34</b>

**Notes:**

(i) Details of purchases are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Paper	93.06	391.18
Lamination material	-	1.55
	<b>93.06</b>	<b>392.73</b>

**41 Purchases of stock-in-trade**

	Year ended March 31, 2021	Year ended March 31, 2020
Text books	18.82	81.06
	<b>18.82</b>	<b>81.06</b>

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## 42 Changes in inventories of stock in trade

## Inventories at the end of the year

- Finished goods
- Work-in-progress
- Impact of Right to return assets

## Total

## Inventories at the beginning of the year

- Finished goods
- Work-in-progress
- Impact of Right to return assets

## Total

## Net decrease/(increase) in inventories of finished goods

	Year ended March 31, 2021	Year ended March 31, 2020
	1,419.47	1,384.62
	-	6.39
	71.99	130.99
<b>Total</b>	<b>1,491.46</b>	<b>1,522.00</b>
	1,384.62	767.45
	6.39	6.69
	130.99	190.59
<b>Total</b>	<b>1,522.00</b>	<b>964.74</b>
<b>Net decrease/(increase) in inventories of finished goods</b>	<b>30.54</b>	<b>(557.26)</b>

## Note:

Right to return assets indicates the cost component of expected returns recognised.

## 43 Employee benefits expense

- Salaries and wages
- Contribution to provident and other funds
- Expenses related to post-employment defined benefit plans (refer note 51)
- Expenses related to compensated absences (refer note 51)
- Share-based payment to employees (refer note 51)
- Staff welfare expenses

	Year ended March 31, 2021	Year ended March 31, 2020
	3,551.00	4,770.57
	187.25	225.22
	83.14	100.54
	59.96	47.16
	-	2.16
	82.62	158.28
<b>Total</b>	<b>3,963.97</b>	<b>5,303.93</b>

## 44 Finance costs

- Interest expense on borrowings measured at amortised costs
- 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 March 31, 2021	Year ended March 31, 2020
	479.78	661.54
	5.91	9.25
	40.84	122.03
	12.60	14.84
	23.98	23.30
<b>Total</b>	<b>563.11</b>	<b>830.96</b>

## 45 Depreciation and amortisation

- Depreciation on property, plant and equipment (refer note 3)
- Amortisation of intangible assets (refer note 7)
- Depreciation on investment property (refer note 5)
- Depreciation on Right-of-use of assets (refer note 4)

	Year ended March 31, 2021	Year ended March 31, 2020
	219.91	297.30
	466.92	666.53
	5.75	5.76
	142.59	431.91
<b>Total</b>	<b>835.17</b>	<b>1,401.50</b>

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46 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Giveaways		
Event consultancy	1,732.67	1,887.65
Banquet and hotel expense	1,669.53	2,917.14
Faculty expenses	33.72	1,368.13
Rent (refer note 50)	293.92	860.11
Bad debts written off	323.65	455.05
Advertisement and publicity expense	2,853.42	3,016.35
Business promotion	240.52	880.96
Digital marketing expenses	567.63	757.75
Legal and professional charges (refer note i below)	566.59	279.47
Travelling and conveyance	511.42	565.67
Office expenses	98.14	263.66
Equipment hire expenses	499.10	787.17
Communication expenses	87.16	1,098.55
Temporary manpower resources	194.49	308.95
Digital Learning support expenses	697.51	653.88
Repairs to:	224.20	119.83
-Buildings		
-Others	19.83	68.69
Material printing cost	57.49	150.62
Loans & Advances written-off	37.08	173.97
Provision for expected credit loss	47.00	499.19
Provision for obsolete inventory	20.98	235.00
Rates and taxes	-	89.24
Freight and cartage outward	221.56	118.09
Sponsorship fees	23.08	95.50
Foreign exchange loss (net)	12.90	62.40
Insurance	86.82	5.82
Vocational Business Servicing Costs	60.96	95.14
Commission to non executive directors	3.13	74.49
Recruitment, training and development expenses	12.33	13.45
Photography charges	-	56.25
Sponsorship fees	0.45	47.43
Sales incentive	-	32.90
Inventory written off	56.58	89.45
Corporate Social Responsibility (refer note 53)	4.63	-
Loss on sale of property, plant and equipment	80.94	4.40
Loss allowance on advances	0.42	-
Miscellaneous expenses	-	176.37
	289.37	308.19
	<b>11,629.22</b>	<b>18,616.91</b>

Note:

(i) Payment to auditors (excluding GST)

	Year ended March 31, 2021	Year ended March 31, 2020
Statutory audit	49.00	27.00
Other services	14.40	18.00
Out of pocket expenses	0.85	2.37
	<b>64.25</b>	<b>47.37</b>

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47 Exceptional Item

B&S Strategy Services Private Limited (Refer note below)

Year ended March 31, 2021	Year ended March 31, 2020
-	4,150.05
-	4,150.05

**Notes:**

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 on set 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 afore said factors and based on an independent valuers' report, CLFIS fair valued its investment in B&S at Rs. 595 lacs as at March 31, 2020 there by 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 Earnings per share

	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Basic earnings per share</b>		
From continuing operations attributable to the equity holders	(8.46)	(38.29)
From discontinuing operations attributable to the equity holders	0.11	0.84
<b>(b) Diluted earnings per share</b>		
From continuing operations attributable to the equity holders	(8.46)	(38.29)
From discontinuing operations attributable to the equity holders	0.11	0.84
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
<b>Basic earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	(1,198.27)	(5,424.72)
From discontinuing operations	16.23	118.92
<b>Diluted earnings per share</b>		
From continuing operations	(1,198.27)	(5,424.72)
From discontinuing operations	16.23	118.92
<b>(d) Weighted average number of shares used as the denominator</b>	<b>No of shares</b>	<b>No of shares</b>
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	141,656,780	141,656,780

**(c) Information concerning the classification of securities**

**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. No stock options were outstanding at the beginning and at the end of the year.

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**49 Contingent liabilities, commitments and litigations****A. Commitments**

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

	As at March 31, 2021	As at March 31, 2020
	10.95	-
	<b>10.95</b>	<b>-</b>

**B. Contingent liabilities**

Claims against the Group not acknowledged as debts (refer note a)

	1,870.01	1,788.48
	<b>1,870.01</b>	<b>1,788.48</b>

**Note a: Details of claims against the Group not acknowledged as debts**

Service tax matters	Matters in dispute/under appeal for various years	755.09	755.09
Income-tax matters	Matters in dispute/under appeal for various years	1,015.84	933.31
Other cases	Matters in dispute/under appeal #	99.08	100.68
		<b>1,870.01</b>	<b>1,788.48</b>

**Remarks:**

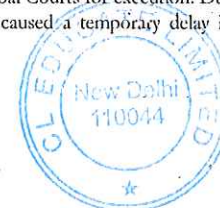
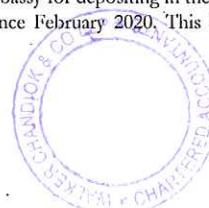
(i) The management is of the opinion that, based on issues decided in the earlier years and the legal advice that the ultimate outcome of the legal proceedings in respect to tax matters, as given above will be in favour of the Group and also will not have material adverse effect to the financial position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

**# Other cases**

- i) Triangle Education, a franchisee of the Holding Company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The Holding Company has filed a statement of claim before the sole Arbitrator amounting Rs. 190.00 lacs (March 31, 2020: Rs. 190.00 lacs) against triangle education. Triangle Education also filed a counter claim against the Holding Company amounting Rs. 32.06 lacs (March 31, 2020: Rs. 32.06 lacs). The Sole arbitrator has passed the final order partially in favour of the Holding Company. The Holding Company is planning to challenge the said orders to next appellate authority.
- ii) A student, has filled a case against the Holding Company for refund of fees amounting Rs. 6.20 lacs (March 31, 2020: Rs. 6.20 lacs) on the ground that he paid fees to Brilliant Tutorials considering the fact that the Holding Company has a tie-up with Brilliant Tutorial which was subsequently called off by the Holding 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.
- iii) The Director of Industries and Commerce cum Chairman MSE- Chandigarh has sent a notice amounting Rs. 12.31 lacs (March 31, 2020: 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 Holding Company has preferred an appeal against the same and the matter was fixed for final argument on April 15, 2021 but due to Covid-19 date of argument is shifted to next available slot.
- iv) Bawadia kala shiksha samiti, a lessor has filed a case against the Holding Company for recovery of rent /arrears amounting Rs.46.88 Lacs for non payment of rent, Holding Company engaged a local lawyer who will filed 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 is fixed for final argument on June 17, 2021.
- v) Ritesh Manchanda, a student has filed a case against the Holding Company citing deficiency of services provided amounting to Rs. 1.63 lacs (March 31, 2020: Rs. 1.63 lacs). The case is pending at consumer court, Chandigarh.
- vi) Apart from those disclosed above, the Group has certain ongoing litigations involving customers, vendors and employees. Based on legal advice of in house legal team, the management believes that no material liability will devolve on the Group in respect of these litigations.

**C. Other litigations**

- i) In the financial year 2009-10, the Holding 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 Holding 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 were AED 1,019,842 (Rs. 150.88 lacs) and AED 261,318 (Rs. 38.66 lacs) respectively. The Holding Company had preferred arbitration in the matter and the Hon'ble Arbitrator has passed an award amounting AED 2,063,267 (equivalent to Rs. 351.37 lacs) in favour of the Holding Company including damages. The Holding Company had obtained the necessary execution documents from the Delhi High Court and sent these documents through the Indian Embassy for depositing in the Dubai Courts for execution. Due to the onset of the global pandemic COVID-19, courts in Dubai have been shut since February 2020. This has caused a temporary delay in proceedings with the matter to be taken up once the courts reopen.



- ii) The Holding Company has filed legal cases against certain debtors for recovery of outstanding receivables amounting Rs 136.34 lacs (March 31, 2020: Rs 136.34 lacs). The Holding Company is of the view that all such balances are fully recoverable and no provision is required. Further, the Holding Company has also filed cases against certain parties for recovery of damages arising from fraudulent use of Holding Company's brand name, violation of terms and conditions of employment etc, amounting Rs 728.12 lacs (March 31, 2020: Rs. 728.12). The amount likely to be realised, in all these cases, is currently not ascertainable but the Holding 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 Holding Company has recorded all expenses pertaining to legal and professional charges in respect of all such cases.

## 50 Leases

During 2019-20 Group has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the Group has changed its accounting policy for lease contracts (Refer note 2(xi)). The adoption of this new standard has resulted in the Group recognising a right-of-use assets and related lease liability in connection with all former operating leases except for those identified as low value or having a lease term of less than 12 months. The Group applied Ind-AS 116, leases using the modified retrospective approach.

### A. Group as "Lessee"

The Group has significant leasing agreements in respect of operating leases for its various office premises and godowns. These lease arrangements are for a period between 12 months to 143 months and include both cancellable and non-cancellable leases.

#### a) Lease liabilities

The movement in lease liabilities are as follows :

	As at March 31, 2021	As at March 31, 2020
i Opening Balance	883.99	1,139.56
Reclassified on account of adoption of Ind AS 116	-	111.92
Finance cost accrued during the period	40.84	122.03
Payment of lease liabilities	(618.94)	(489.52)
Reversal on account of modification/termination of lease	(44.65)	-
<b>Closing Balance</b>	<b>261.24</b>	<b>883.99</b>
<b>Non-current Lease liabilities</b>	<b>146.00</b>	<b>448.25</b>
<b>Current Lease liabilities</b>	<b>115.24</b>	<b>435.74</b>

- ii The details of the contractual maturities of lease liabilities are as follows :

#### Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	As on March 31, 2021		
	Lease Payments	Finance Charges	Net present Value
Not later than one year	129.52	14.28	115.24
Later than one year and not later than five years	162.88	16.88	146.00
Later than five years	-	-	-
<b>Total</b>	<b>292.40</b>	<b>31.16</b>	<b>261.24</b>

#### Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	As on March 31, 2020		
	Lease Payments	Finance Charges	Net present Value
Not later than one year	479.79	44.05	435.74
Later than one year and not later than five years	471.00	55.93	415.07
Later than five years	37.93	4.75	33.18
<b>Total</b>	<b>988.72</b>	<b>104.73</b>	<b>883.99</b>

- b) For disclosures in respect of Right-of-use assets, refer note 4

#### c) Short term lease

The company used the following practical expedient when applying Ind AS-116, leases.

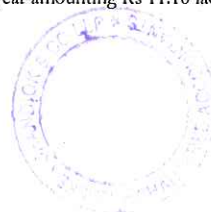
- Applied the exemptions not to recognise right-of-use assets and liabilities for lease with less than 12 months of term lease.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate of lease.

	Year ended March 31, 2021	Year ended March 31, 2020
Expenses relating to short term leases (included in other expense)	323.65	455.05

### B. Group as a lessor

The Group has given its premises on cancellable operating lease to one of its franchise.

Rental income recognized in the consolidated statement of profit and loss during the year amounting Rs 11.10 lacs (March 31, 2020: Rs. 26.48 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 state insurance, 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.

	Year ended March 31, 2021	Year ended March 31, 2020
Employers contribution to provident fund	181.75	215.79
Employers contribution to state insurance	4.82	5.67

**(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.

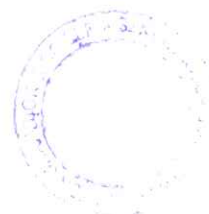
A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

	As at March 31, 2021	As at March 31, 2020
<b>Net defined benefit (asset)/liability</b>		
Gratuity (partly funded)	358.43	360.55
<b>Total employee benefit liabilities</b>	<b>358.43</b>	<b>360.55</b>
Non-current	353.01	354.73
Current	5.42	5.82

**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, 2021			As at March 31, 2020		
	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	383.62	(23.07)	360.55	341.64	(15.65)	325.99
<b>Included in profit or loss</b>						
Current service cost	60.42	-	60.42	75.68	-	75.68
Interest cost (income)	22.97	(0.25)	22.72	26.08	(1.22)	24.86
	<b>83.39</b>	<b>(0.25)</b>	<b>83.14</b>	<b>101.76</b>	<b>(1.22)</b>	<b>100.54</b>
<b>Included in OCI</b>						
Remeasurements loss (gain)						
Actuarial loss (gain) arising from:						
- financial assumptions	(1.39)	0.08	(1.31)	(43.13)	-	(43.13)
- demographic adjustment	-	-	-	(0.08)	-	(0.08)
- experience adjustment	(13.35)	-	(13.35)	(0.23)	-	(0.23)
Return on plan assets	(4.40)	(2.41)	(6.81)	-	(4.49)	(4.49)
	<b>(19.14)</b>	<b>(2.33)</b>	<b>(21.47)</b>	<b>(43.44)</b>	<b>(4.49)</b>	<b>(47.93)</b>
<b>Other</b>						
<b>Not considered in last year</b>						
Contributions paid by the employer	-	(59.81)	(59.81)	-	(16.05)	(16.05)
Fund management charges	-	(0.96)	(0.96)	-	(2.00)	(2.00)
Benefits paid	(58.26)	55.24	(3.02)	(16.34)	16.34	-
	<b>(58.26)</b>	<b>(5.53)</b>	<b>(63.79)</b>	<b>(16.34)</b>	<b>(1.71)</b>	<b>(18.05)</b>
<b>Balance at the end of the year</b>	<b>389.61</b>	<b>(31.18)</b>	<b>358.43</b>	<b>383.62</b>	<b>(23.07)</b>	<b>360.55</b>



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

Service cost  
Net interest cost

Year ended March 31, 2021	Year ended March 31, 2020
60.42	75.68
22.72	24.86
<b>83.14</b>	<b>100.54</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.

Funds Managed by Insurer (investment with insurer)

Year ended March 31, 2021	Year ended March 31, 2020
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.

Discount rate  
Expected rate of future salary increase

Year ended March 31, 2021	Year ended March 31, 2020
6.76%-6.79%	6.76%
5.00%-8.00%	5.00%-8.00%

**b) Demographic assumptions**

i) Retirement age (years)  
ii) Mortality rates inclusive of provision for disability  
iii) Ages  
Upto 30 years  
From 31 to 44 years  
Above 44 years

Year ended March 31, 2021	Year ended March 31, 2020
58.00	58.00
100% of LALM (2012-14) Withdrawal rate (%)	
External/Internal	
2.32/1.22-3.00%	2.32/1.22-3.09%
1.77/0.90-2.00%	1.77/0.90-2.00%
0.14/0.06-1.00%	0.14/0.06-1.00%

**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, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(25.92)	26.30	(25.67)	28.33
Expected rate of future salary increase (0.5% movement)	24.39	(22.26)	26.92	(24.53)

**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**

**Duration of defined benefit obligation**

Less than 1 year  
Between 1-2 years  
Between 2-5 years  
Over 5 years  
Total

As at March 31, 2021	As at March 31, 2020
5.41	5.89
27.41	6.31
49.19	55.98
307.60	315.44
<b>389.61</b>	<b>383.62</b>





Expected contributions to post-employment benefit plans for the following year is Rs. 104.87 lacs. (March 31, 2020: Rs. 129.77)  
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.44-30.21 years (March 31, 2020: 17.74-30.88 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 under:

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, 2021 (refer note 61)

ii. **Employees' benefit trusts, where control exists**

Career Launcher Employee Group Gratuity Trust  
CL Media Employee Gratuity Trust

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

Key managerial 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. Viraj Tyagi (Non-Executive Non Independent Director) (upto November 02, 2020)  
Ms. Madhumita Ganguli (Non-Executive Independent Director)  
Mr. Girish Shivani (Non-Executive Independent Director)  
Mr. Piyush Sharma (Non-Executive Independent Director) (w.e.f. July 17, 2020)  
Mr. Sushil kumar Roongta (Non-Executive Non-Independent Director)  
Mr. Sanjay Tapriya (Non-Executive Independent Director) (w.e.f. October 24, 2019)

Enterprises in which KMP and their relatives are able to exercise

Career Launcher Education Foundation, India  
Bilakes Consulting Private Limited, India  
Career Launcher Foundation  
CLEIF-AP

Relatives of KMP

Mr. R Sreenivasan  
Mr. Shiva Kumar Ramachandran

B. **Transactions during the year:**

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

Year ended March 31, 2021	Year ended March 31, 2020
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i **Repayment of loans**

- Career Launcher Education Foundation	-	210.02
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ii **Loan/ advance given**

- Career Launcher Education Foundation	-	14.80
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iii **Reimbursement of expense from related parties**

- Bilakes Consulting Private Limited	0.24	-
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iv **Interim Dividend paid:**

- Bilakes Consulting Private Limited	-	12.55
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v. **Amount paid towards CSR expenses**

- Career Launcher Foundation	50.00	-
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b **Employees' benefit trusts, where control exists**

i **Miscellaneous Income**

- CL Media employee Gratuity Trust	0.17	0.72
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	Year ended March 31, 2021	Year ended March 31, 2020
<b>c Key management personnel (KMP) and their relatives</b>		
<b>i Short term employee benefits:</b>		
- Mr. Gautam Puri	53.43	46.81
- Mr. Satya Narayanan R.	53.43	51.87
- Mr. Nikhil Mahajan	62.77	69.47
- Mr. R Sreenivasan	22.83	21.83
- Mr. Shiva kumar Ramachandran	22.83	21.83
<b>ii Post employment benefits:</b>		
- Mr. Gautam Puri	1.07	1.37
- Mr. Satya Narayanan R	0.68	1.16
- Mr. Nikhil Mahajan	0.63	1.13
<b>iii Other long term benefits</b>		
- Mr. Gautam Puri	1.36	16.57
- Mr. Satya Narayanan R	4.64	9.32
- Mr. Nikhil Mahajan	17.49	1.32
<b>iv Commission to non-executive Directors</b>		
- Mr. Viraj Tyagi	0.40	2.79
- Mrs. Madhumita Ganguli	1.40	3.09
- Mr. Girish Shivanji	3.10	2.55
- Mr. Sanjay Tapariya	1.90	-
- Mr. Piyush Sharma	0.40	-
- Mr. Sushil Kumar Roongta	-	3.09
<b>v Interim dividend paid:</b>		
- Mr. Satya Narayanan R	-	22.98
- Mr. Gautam Puri	-	22.76
- Mr. Nikhil Mahajan	-	0.30
- Mr. R Sreenivasan	-	3.50
- Mr. R Shivakumar	-	3.50
<b>C. Related party balances as at the year end:</b>		
	As at March 31, 2021	As at March 31, 2020
<b>a Enterprises in which KMP and their relatives are able to exercise significant influence</b>		
<b>i Current loans</b>		
- Career Launcher Education Foundation	1,219.77	1,219.77
- CLIEF - AP	40.71	40.71
<b>ii Capital advance</b>		
- Bilakes Consulting Private Limited	16.00	16.00
<b>iii Interest accrued but not due on loans given</b>		
- Career Launcher Education Foundation	34.79	34.79
<b>iv Other receivables</b>		
- Career Launcher Education Foundation	0.91	-
<b>v Other advances</b>		
- Bilakes Consulting Private Limited	61.07	60.82
<b>vi Guarantees received :</b>		
- Bilakes Consulting Private Limited	457.58	457.58
<b>b Key management personnel (KMP)</b>		
<b>i Short term employee benefits payable:</b>		
- Mr. Gautam Puri	27.21	43.28
- Mr. Satya Narayanan R	24.28	45.74
- Mr. Nikhil Mahajan	11.08	42.96



C. Related party balances as at the year end: (continued from previous page)

	As at March 31, 2021	As at March 31, 2020
<b>ii Post employment benefits payable:</b>		
- Mr. Gautam Puri	17.82	17.74
- Mr. Satya Narayanan R	12.79	15.10
- Mr. Nikhil Mahajan	12.09	14.46
<b>iii Other long term benefits payable:</b>		
- Mr. Gautam Puri	34.69	33.33
- Mr. Satya Narayanan R	36.78	32.14
- Mr. Nikhil Mahajan	40.98	23.49

Note:

- i) Apart from above, Directors of the Holding Company i.e. Mr. Satya Narayan R, Mr. Gautam Puri and Mr. Nikhil Mahajan have given personal guarantees against loan and overdraft facilities, the balance amount of loans guaranteed are Rs. 3,553.72 lacs (March 31, 2020: Rs. 4,124.10 lacs)
- ii) During the current year, the Group has incorporated a Section 8 company Career Launcher Foundation which has not been considered for consolidation purposes in accordance with applicable IAS.

Terms and conditions of transactions with the related parties

- i. During the year ended March 31, 2021 the Group has written-off Loans and Advances to Career Launcher Education Foundation of Rs. Nil (FY 2019-20: Rs. 251.31). Further, during the year no interest was charged in respect of loans due from Career Launcher Education Foundation.
- ii. Unless otherwise stated, the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and are at market value.

53 Corporate Social Responsibility

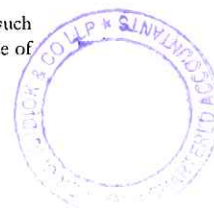
As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, the Group is required to spend, in every financial year, at least two per cent of the average net profits of the Group made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

Particulars	March 31, 2021	March 31, 2020
A. Amount required to be spent during the year	27.69	31.48
B. Shortfall amount of previous year	160.93	133.85
<b>C. Total (A+B)</b>	<b>188.62</b>	<b>165.33</b>
D. Amount spent during the year on-		
- Constructions/acquisition of any asset	-	-
- On purposes other than above	90.94	4.40
- from identified activities	-	-
<b>Total</b>	<b>90.94</b>	<b>4.40</b>
Shortfall amount carried forward to next year*	112.11	160.93
Excess carried forward to next year*	(14.43)	-

\*pertains to different entities within the Group and hence has not been set-off against each other. The respective entity plans to spend the shortfall in accordance with the provision of the Act.

- 54 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 March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period included in		
Principal amount due to any supplier	944.09	802.68
Interest due on above	0.20	0.49
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.	-	-



- 55 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 of write off
As at March 31, 2021	357.59	357.59	23.44	1,450.00
As at March 31, 2020	1,807.59	1,807.59	381.15	1,025.00

## 56 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 Holding Company introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Holding Company 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, 2021 and March 31, 2020 the Holding Company had 167,525 and 167,525 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 Holding Company 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 Holding 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 Holding 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 Holding Company 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 Holding Company and its subsidiary companies. The plan entitles directors and employees to purchase equity shares in the Holding 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 entitle to purchase one equity share for each option. Till date 312,468 (March 31, 2020: 312,468) stock options have been granted under this scheme.

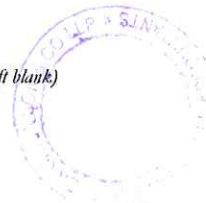
Note: Although a total of 250,000 options were available to be granted, these include grants that had been forfeited/lapsed, and pooled back, and granted again. At no point of time did the total number of options granted under the plan exceed 250,000. During the previous year employees had voluntary 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, 2021	NIL	3 years' service from the grant date	-
March 31, 2020	NIL	3 years' service from the grant date	-

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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, 2021		Year ended March 31, 2020	
	Weighted Average exercise price per share option	Number of options	Weighted Average exercise price per share option	Number of options
<b>Outstanding at the beginning of</b>	-	-	430.00	44,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year*	-	-	430.00	44,000
<b>Outstanding at the end of the year</b>	-	-	430.00	-
<b>Vested during the year</b>			430.00	8,750
<b>Exercisable during the year</b>			430.00	3,000

\*includes 41,000 shares options voluntarily surrendered during the year ended March 31, 2020.

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, 2021	March 31, 2020
Dividend yield	-	-
Expected volatility (%)*	-	-
Risk-free interest rate (%)	-	7.69%
Weighted average share price (in Rs.)	-	590.00
Exercise price (in Rs.)	-	210-430
Carrying amount of liability-included in employee benefit obligations		

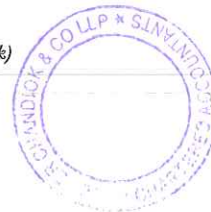
d. **Expense arising from share-based payment transactions**

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**

	As at	As at
	March 31, 2021	March 31, 2020
Employee option plan	-	2.16
<b>Total employee share-based payment (income)/expenses</b>	-	<b>2.16</b>

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57 Disposal group - Assets held for sale

Particular	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment (refer note A and B below)	3,468.45	2,922.29
Other current assets (refer note A below)	0.66	1.02
<b>Total Assets</b>	<b>3,469.11</b>	<b>2,923.31</b>

Notes:

- A On March 16, 2017, the Group entered into a Business Transfer Agreement with I-Take Care Private Limited (the "Buyer") to sell its Infrastructure Services business (the "Assets") on the 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 closure as the Buyer has not been able to arrange the requisite funds to close the transactions. The Management is taking appropriate action to ensure that its rights and interests are protected. Also, the Management is in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As the delay is caused by the events and circumstances beyond the Group's control and that the Management remains committed to its plan to sell the Assets and 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 March 31, 2021	Year ended March 31, 2020
Revenue	-	112.50
Other income	17.12	13.37
Other expenses	0.89	6.95
<b>Loss from discontinued operations before tax</b>	<b>16.23</b>	<b>118.92</b>
Income-tax expenses	-	-
<b>Loss from discontinued operations after tax</b>	<b>16.23</b>	<b>118.92</b>

As at March 31, 2021, the carrying value of the Property, plant and equipment and other assets are listed below. The process of selling the said listed assets expected to be completed on March 31, 2022.

Particular	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment (Land and building at Indore and Raipur)	2,922.29	2,922.29
Other current assets	0.66	1.02
<b>Total assets</b>	<b>2,922.95</b>	<b>2,923.31</b>

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

	Year ended March 31, 2021	Year ended March 31, 2020
Operating activities	-	14.50
Investing activities	-	-
Financing activities	-	-

- B During the current year, the Group has classified freehold land amounting Rs. 518.65 lacs and Building amounting to Rs. 27.51 lacs located at Faridabad, as assets held for sale. On July 22, 2020, the Group entered into an agreement for sale of its property situated at Faridabad, for which the total amount of consideration is Rs. 750.00 lacs out of which Rs. 24.75 lacs has been received as an advance. The carrying amount of the non-current asset will be recovered principally through a sale transaction rather than through a continuous use. The transaction is expected to be complete prior to March 31, 2022. Thus the Group is disclosing such assets as assets held for sale in accordance with Ind AS 105 "Non-Current assets held for Sale and Discontinued Operations". The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sale and hence there is no impairment loss to be recognised in the consolidated statement of profit and loss.

Particular	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment (Land and building at Faridabad)	546.16	-
<b>Total Assets</b>	<b>546.16</b>	<b>-</b>

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## 58 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 ("CODM") identifies primary segments based on the dominant source, nature or 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 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.

Previously, the consumer business comprised of "Consumer Test Prep" and "Consumer Publishing" as the only reportable segments. During this financial year, based on the increasing growth and focus on Digital delivery of services and the consequent changes to the nature of internal reporting provided to the CODM, the management has reassessed the Holding Company's segments. Accordingly, Consumer Test Prep segment has been reclassified into "Partner" and "Digital". "Partner" segment includes the business generated and serviced through our Business Partners (Franchisees), whilst our "Digital" segment includes services rendered through the digital / online mode and offline counselling cum-service centres run by the company. Accordingly, segment information provided in these consolidated financial statements is based on such operating segments as described above. Segment data for the prior period presented for comparative purposes has been restated to reflect the newly reportable segments. The reportable segments represent:

## Reportable segments

- a) Partner
- b) Digital
- c) Consumer publishing
- d) Enterprise corporate
- e) Enterprise institutional
- f) Others (Incl Vocational and K12)

## Operations

This mainly includes the business generated and services through our Business Partners (Franchisees).

This mainly includes business generated and services rendered through a combination of a digital / online channel and offline point of sale counselling cum-service centres run by the Group.

This mainly includes publishing and sale of educational books related and third parties.

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.

The Group offers integrated business advisory, research incubation and outreach support services to educational institutes and universities across India.

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.

Year ended March 31, 2021	Reportable segment					Other segment	Total
	Partner	Digital	Consumer publishing	Enterprise corporate	Enterprise institutional		
Segment revenue	5,432.73	5,009.07	(399.66)	7,562.10	845.70	-	18,449.94
Revenue from external customers	5,432.73	5,009.07	(399.66)	7,562.10	845.70	-	18,449.94
Segment results	999.47	402.97	(289.04)	347.90	(575.62)	(1,142.67)	(256.99)
Segment assets	4,361.50	3,419.34	3,587.41	6,552.79	2,863.11	974.04	21,758.19
Segment liabilities	1,643.60	1,826.39	403.23	2,191.01	463.81	682.69	7,210.73

Year ended March 31, 2020	Reportable segment					Other segment	Total
	Partner	Digital	Consumer publishing	Enterprise corporate	Enterprise institutional		
Segment revenue	10,396.55	7,062.03	(156.28)	11,535.06	2,001.78	29.19	30,868.33
Revenue from external customers	10,396.55	7,062.03	(156.28)	11,535.06	2,001.78	29.19	30,868.33
Segment results	1,611.85	(658.40)	(67.57)	170.98	540.02	(1,736.50)	(139.62)
Segment assets	4,821.80	4,773.45	5,382.97	7,121.86	3,005.69	1,675.43	26,781.20
Segment liabilities	2,594.86	2,852.33	579.27	3,108.37	1,035.78	1,402.66	11,573.27

## C. Reconciliations of information on reportable segments

	Year ended March 31, 2021	Year ended March 31, 2020
<b>i Revenues</b>		
Partner	5,432.73	10,396.55
Digital	5,009.07	7,062.03
Consumer publishing	(399.66)	(156.28)
Enterprise corporate	7,562.10	11,535.06
Enterprise institutional	845.70	2,001.78
Other segment	-	29.19
<b>Total revenues</b>	<b>18,449.94</b>	<b>30,868.33</b>
<b>ii Profit before tax</b>		
Total loss before tax for reportable segments	(256.99)	(139.62)
Other income	959.67	1,529.70
<b>Unallocated expenses:</b>		
-Finance cost	563.11	830.96
-Other expenses	1,614.47	1,922.04
Loss before share of loss of equity accounted investees, exceptional items and tax	(1,474.90)	(1,362.92)
Less: Exceptional items	-	4,150.05
Loss of associates accounted for using equity method	(1,474.90)	(5,512.97)
Share of net loss of associates accounted for using the equity method	(1.94)	(14.71)
<b>Loss before tax</b>	<b>(1,479.84)</b>	<b>(5,527.68)</b>
Tax expense	(281.57)	(102.96)
<b>Loss after tax</b>	<b>(1,198.27)</b>	<b>(5,424.72)</b>



	Year ended March 31, 2021	Year ended March 31, 2020		
<b>Discontinued Operations</b>				
Profit from discontinued operation before tax	16.23	118.92		
Tax expense	-	-		
<b>Profit from discontinued operation</b>	<b>16.23</b>	<b>118.92</b>		
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Exchange difference on translation of foreign operation	37.34	9.75		
Income tax relating to above	(9.40)	(2.47)		
Remeasurement of defined benefit plans	21.47	47.93		
Income tax relating to above	(5.38)	(12.32)		
Total other comprehensive income	44.03	42.89		
<b>Total comprehensive income for the year</b>	<b>(1,138.01)</b>	<b>(5,262.91)</b>		
<b>iii Assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>		
Partner	4,361.50	4,821.80		
Digital	3,419.34	4,773.45		
Consumer publishing	3,587.41	5,382.97		
Enterprise corporate	6,552.79	7,121.86		
Enterprise institutional	2,863.11	3,005.69		
Other segment	974.04	1,675.43		
Unallocated amounts	15,928.53	15,364.67		
<b>Total assets</b>	<b>37,686.72</b>	<b>42,145.87</b>		
<b>iv Liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>		
Partner	1,643.60	2,594.86		
Digital	1,826.39	2,852.33		
Consumer publishing	403.23	579.27		
Enterprise corporate	2,191.01	3,108.37		
Enterprise institutional	463.81	1,035.78		
Other segment	682.69	1,402.66		
Unallocated amounts	3,247.19	2,206.83		
<b>Total liabilities</b>	<b>10,457.92</b>	<b>13,780.10</b>		
<b>v Other material items</b>				
<b>Year ended March 31, 2021</b>	<b>Interest revenue</b>	<b>Interest expense</b>	<b>Depreciation and amortisation expense</b>	<b>Capital expenditure during the year</b>
Partner	-	-	104.98	10.60
Digital	-	-	421.18	427.42
Consumer publishing	-	-	46.64	0.27
Enterprise corporate	-	-	130.49	45.87
Enterprise institutional	-	-	-	-
Other segment	-	-	1.06	-
Unallocable	127.31	563.11	130.82	418.65
<b>Total</b>	<b>127.31</b>	<b>563.11</b>	<b>835.17</b>	<b>902.81</b>
<b>Year ended March 31, 2020</b>	<b>Interest revenue</b>	<b>Interest expense</b>	<b>Depreciation and amortisation</b>	<b>Capital expenditure during the year</b>
Partner	-	-	228.83	595.61
Digital	-	-	793.04	134.91
Consumer publishing	-	-	8.34	17.26
Enterprise corporate	-	-	7.31	43.18
Enterprise institutional	-	-	220.18	40.44
Other segment	-	-	13.59	-
Unallocable	174.01	830.96	130.21	143.48
<b>Total</b>	<b>174.01</b>	<b>830.96</b>	<b>1,401.50</b>	<b>974.88</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

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	17,168.84	28,480.59
Outside India	1,281.10	2,387.74
	<b>18,449.94</b>	<b>30,868.33</b>

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

	As at March 31, 2021	As at March 31, 2020
Within India	13,548.52	15,235.80
Outside India	400.42	65.12
	<b>13,948.94</b>	<b>15,300.92</b>

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

#### E. Major customer

During the year ended March 31, 2021, revenue from one customer amounted to Rs. 2,270.60 (March 31, 2020 : 3,357.71) accounting for more than 10 percent of the Group revenue.





59. 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, 2021

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	588.73	-	-	588.73	-	-	588.73
Loans	-	-	98.09	98.09	-	-	-
Other financial assets	-	-	61.71	61.71	-	-	-
<b>Current</b>							
Investments	3,852.91	-	-	3,852.91	-	3,852.91	-
Trade receivables	-	-	5,247.56	5,247.56	-	-	-
Cash and cash equivalents	-	-	1,725.42	1,725.42	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,239.62	1,239.62	-	-	-
Loans	-	-	1,558.34	1,558.34	-	-	-
Other financial assets	-	-	639.29	639.29	-	-	-
<b>Total</b>	<b>4,441.64</b>	<b>-</b>	<b>10,570.03</b>	<b>15,011.67</b>	<b>-</b>	<b>3,852.91</b>	<b>588.73</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	566.85	566.85	-	-	-
Lease liability	-	-	146.00	146.00	-	-	-
<b>Current</b>							
Borrowings	-	-	3,276.08	3,276.08	-	-	-
Lease liability	-	-	115.24	115.24	-	-	-
Trade payables	-	-	2,480.14	2,480.14	-	-	-
Other financial liabilities	-	-	1,321.84	1,321.84	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,906.15</b>	<b>7,906.15</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	588.73	-	-	588.73	-	-	588.73
Loans	-	-	167.66	167.66	-	-	-
Other financial assets	-	-	956.61	956.61	-	-	-
<b>Current</b>							
Investments	3,716.34	-	-	3,716.34	-	3,716.34	-
Trade receivables	-	-	9,279.55	9,279.55	-	-	-
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	-	-	985.61	985.61	-	-	-
<b>Total</b>	<b>4,305.07</b>	<b>-</b>	<b>14,358.93</b>	<b>18,664.00</b>	<b>-</b>	<b>3,716.34</b>	<b>588.73</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>-</b>	<b>-</b>	<b>10,588.62</b>	<b>10,588.62</b>	<b>-</b>	<b>-</b>	<b>358.37</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, 2021 and March 31, 2020.

**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.

b 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)****(i) 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, 2021	As at March 31, 2020
Trade receivables	5,247.56	9,279.55
Cash and cash equivalents	1,725.42	1,159.28
Balances other than cash and cash equivalents	1,239.62	260.02
Loans	1,656.43	1,717.86
Other financial assets	701.00	1,942.22

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.

i. Credit risk on loans is limited as the loans are given to other related parties.

ii. 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. 5,517.17 lacs (March 31, 2020: Rs. 10,070.32 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.

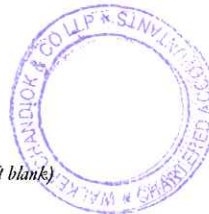
The Group's exposure to credit risk for trade receivables are as follows:

Particulars	Gross carrying amount	
	As at March 31, 2021	As at March 31, 2020
Not Due	432.01	887.25
0-90 days past due	1,267.59	3,973.76
90 to 180 days past due	407.02	1,058.17
180-365 days	1,389.01	1,601.60
365-730 days	793.23	550.61
More than 730 days	1,228.31	1,998.93
<b>Total</b>	<b>5,517.17</b>	<b>10,070.32</b>

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	790.77	1,572.83
Impairment loss recognised / (reversed)	(521.16)	(782.06)
Balance at the end	269.61	790.77

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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.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

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

As at March 31, 2021	Carrying amount	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
Secured					
-From banks					
a) Vehicle loans	48.30	48.30	16.96	31.34	-
b) term loans	616.67	616.67	172.22	444.45	-
-From others/financial institution					
a) Term loan	349.28	349.28	250.96	98.32	-
Current borrowings					
Secured					
-Cash credit from banks	3,262.24	3,262.24	3,262.24	-	-
Unsecured					
-from others	13.84	13.84	13.84	-	-
Trade payables	2,480.14	2,480.14	2,480.14	-	-
Lease Liability (current & non current)	261.24	261.24	115.24	146.00	-
Other financial liabilities					
Unpaid dividend	2.56	2.56	2.56	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	760.61	760.61	760.61	-	-
Advance received on behalf of others	11.33	11.33	11.33	-	-
Receipt on behalf of clients	71.88	71.88	71.88	-	-
<b>Total</b>	<b>7,906.15</b>	<b>7,906.15</b>	<b>7,186.01</b>	<b>720.11</b>	<b>-</b>

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
Borrowings					
Secured					
-From banks					
a) Vehicle loans	44.31	44.31	12.85	31.46	-
b) Term loans	293.33	293.33	233.33	60.00	-
-From others/financial institution					
a) Term loan	522.64	522.64	250.01	272.63	-
Current borrowings					
Secured					
-Cash credit from banks	3,915.87	3,915.87	3,915.87	-	-
Unsecured					
-from others	2.21	2.21	2.21	-	-
Trade payables	4,066.34	4,066.34	4,066.34	-	-
Lease Liability (current & non current)	883.99	883.99	435.74	415.07	33.18
Other financial liabilities					
Unpaid dividend	2.56	2.56	2.56	-	-
Refundable security deposit	5.00	5.00	5.00	-	-
Interest accrued but not due on borrowings from related parties	16.13	16.13	16.13	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	795.28	795.28	795.28	-	-
Receipt on behalf of clients	12.89	12.89	12.89	-	-
<b>Total</b>	<b>10,588.61</b>	<b>10,588.61</b>	<b>9,776.27</b>	<b>770.16</b>	<b>33.18</b>



**B. Financial risk management (continued)**

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

There are no derivative contracts entered by the Company. Hence, there is no associated risk.

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2021 and March 31, 2020 are as below:

Particulars	As at March 31, 2021							
	AED	Amount in INR	SGD	Amount in INR	AUD	Amount in INR	USD	Amount in INR
<b>Financial assets</b>								
Trade receivables	24.75	493.69	-	-	2.26	44.88	9.03	660.23
Other financial asset	0.93	18.55	-	-	-	-	7.69	399.49
Other bank balances	4.86	96.94	-	-	-	-	-	-
	30.54	609.18	-	-	2.26	44.88	16.72	1,059.72
<b>Financial liabilities</b>								
Trade payables and other Liabilities	1.35	26.93	-	-	-	-	0.68	49.74
	1.35	26.93	-	-	-	-	0.68	49.74
<b>Net exposure in respect of recognised assets and</b>	<b>29.19</b>	<b>582.25</b>	<b>-</b>	<b>-</b>	<b>2.26</b>	<b>44.88</b>	<b>16.04</b>	<b>1,009.98</b>

Particulars	As at March 31, 2020							
	AED	Amount in INR	SGD	Amount in INR	AUD	Amount in INR	USD	Amount in INR
<b>Financial assets</b>								
Trade receivables	30.31	622.48	0.36	19.08	3.16	63.76	1.03	77.58
Other financial asset	0.53	10.88	1.56	82.66	-	-	7.69	399.49
Other bank balances	5.03	103.31	-	-	-	-	-	-
	35.87	736.67	1.92	101.74	3.16	63.76	8.72	477.07
<b>Financial liabilities</b>								
Trade payables and other Liabilities	2.58	52.94	0.06	3.18	-	-	0.07	5.27
	2.58	52.94	0.06	3.18	-	-	0.07	5.27
<b>Net exposure in respect of recognised assets and</b>	<b>33.29</b>	<b>683.73</b>	<b>1.86</b>	<b>98.56</b>	<b>3.16</b>	<b>63.76</b>	<b>8.65</b>	<b>471.80</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2021 and March 31, 2020 would have affected the measurement of

Particulars	Profit or loss (in Rs. Lacs)		Equity, net of tax (in Rs. Lac)	
	Strengthening	Weakening	Strengthening	Weakening
<b>Strengthening</b>				
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2021</b>				
AED	5.82	(5.82)	4.23	(4.23)
AUD	0.45	(0.45)	0.33	(0.33)
USD	10.10	(10.10)	7.34	(7.34)
<b>Total</b>	<b>16.37</b>	<b>(16.37)</b>	<b>11.90</b>	<b>(11.90)</b>
<b>For the year ended March 31, 2020</b>				
AED	6.84	(6.84)	4.94	(4.94)
SGD	0.99	(0.99)	0.71	(0.71)
AUD	0.64	(0.64)	0.46	(0.46)
USD	4.72	(4.72)	3.41	(3.41)
<b>Total</b>	<b>13.19</b>	<b>(13.19)</b>	<b>9.52</b>	<b>(9.52)</b>

AED: United Arab Emirates Dirham, SGD: Singapore Dollar, USD: United States Dollar and AUD: Australian Dollar.



**B. Financial risk management (continued)**

**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 March 31, 2021	As at March 31, 2020
Term loans from banks and others	965.95	815.97
Vehicle loans	48.30	44.31
Cash credit from banks	3,262.24	3,915.87
<b>Total</b>	<b>4,276.49</b>	<b>4,776.15</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
<b>Interest on loans from banks</b>				
For the year ended March 31, 2021	21.07	(21.07)	15.32	(15.32)
For the year ended March 31, 2020	31.11	(31.11)	22.62	(22.62)
<b>Interest on loans from others</b>				
For the year ended March 31, 2021	19.50	(19.50)	14.18	(14.18)
For the year ended March 31, 2020	3.93	(3.93)	2.86	(2.86)

**60 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 March 31, 2021	As at March 31, 2020
Borrowings	4,283.07	4,772.64
Less : Cash and cash equivalent	1,725.42	1,159.28
<b>Adjusted net debt (A)</b>	<b>2,557.65</b>	<b>3,613.36</b>
<b>Total equity (B)</b>	<b>27,216.30</b>	<b>28,338.87</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>9.40%</b>	<b>12.75%</b>

**(b) Dividends**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interim dividend for the year ended on March 31, 2021 of Rs. Nil (March 31, 2020 : Rs. 1) per fully	-	141.66
Dividend Distribution Tax on interim dividend	-	29.11
<b>Total</b>	<b>-</b>	<b>170.77</b>

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61 Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2021 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Kestone Integrated Management Services Private Limited	India	100.00%	100.00%	-	-
G K Publications Private Limited	India	100.00%	100.00%	-	-
CL Media Private Limited	India	100.00%	100.00%	-	-
Career Launcher Education Infrastructure Services Private Limited	India	100.00%	100.00%	-	-
Career Launcher Infrastructure Private Limited	India	100.00%	100.00%	-	-
Kestone Asia Hub Pte Limited	Singapore	100.00%	100.00%	-	-
Accendere Knowledge Management Services Private Limited	India	100.00%	100.00%	-	-
ICE Gate Educational Institute Private Limited	India	58.95%	58.95%	41.05%	41.05%
CL Educate (Africa) Ltd (w.e.f. January 13, 2020)	Mauritius	90.00%	90.00%	10.00%	10.00%
Kestone CL US Limited	India	100.00%	100.00%	-	-

Principal activities of group companies

**Kestone Integrated Management Services Private Limited and Kestone Asia Hub Pte Ltd**

Kestone Integrated Management Services Private Limited and Kestone Asia Hub Pte Ltd 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**

G K Publications Private Limited is currently engaged in the business of distribution of test preparation guides, books and other academic material.

**CL Media Private Limited**

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

**Career Launcher Infrastructure Private Limited**

CL Media Private Limited is currently engaged in the business of publishing study material and books and other academic material.

**Career Launcher Education Infrastructure Services 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

Set out below are the associates of the group as at March 31, 2021 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, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020
Threesixtyone Degree Minds Consulting Private Limited	Chennai, India	4.41% of equity shares	4.41% of equity shares	Equity	785.17	789.61
<b>Total equity accounted investments</b>					<b>785.17</b>	<b>789.61</b>

Principal activities of associate entity

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 Company offers graduation/diploma programs, as well as leadership programs to corporate managers.



i. Significant judgement: existence of significant influence

Threesixtyone Degree Minds Consulting Private Limited- Holding Company 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.

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The Group does not foresee giving such consent at the reporting date. The associate had no contingent liabilities or capital commitments as at 31 March 2021 or 31 March 2020.

ii. Summarised financial information for associates

The tables below provide summarised financial information for the associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associate 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.

Summarised balance sheet

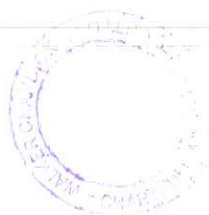
	As at March 31, 2021	As at March 31, 2020
Total current assets	1,159.24	1,123.79
Total non-current assets	250.98	285.49
<b>Total assets</b>	<b>1,410.22</b>	<b>1,409.28</b>
Total current liabilities	497.12	425.56
Total non-current liabilities	152.00	125.09
<b>Total liabilities</b>	<b>649.12</b>	<b>550.65</b>
<b>Net assets</b>	<b>761.10</b>	<b>858.63</b>

Summarised statement of profit and loss

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	378.81	567.17
Interest income	6.38	5.68
Interest expense	34.89	17.32
Depreciation and amortisation	123.11	115.29
Tax expense	-	0.76
(Loss)/ profit for the year	(111.92)	4.33
Other comprehensive income	-	-
Total comprehensive income/(loss)	(111.92)	4.33

iii. Reconciliation to carrying amount of investments

	As at March 31, 2021	As at March 31, 2020
Investment in associates	674.57	674.57
Gain on fair valuation	112.43	112.43
(Loss)/ profit after the period of acquisition	(41.50)	59.30
Group's share in the (loss)/ profit since acquisition	(1.83)	2.61
<b>Carrying amount of investment in the associate</b>	<b>785.17</b>	<b>789.61</b>



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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 March 31, 2021	As at March 31, 2020
Current assets	169.74	292.95
Non-current assets	190.96	228.82
<b>Total assets</b>	<b>360.70</b>	<b>521.77</b>
Current liabilities	313.14	413.73
Non-current liabilities	16.94	42.74
<b>Total liabilities</b>	<b>330.08</b>	<b>456.47</b>
<b>Net assets</b>	<b>30.62</b>	<b>65.30</b>

% of Non controlling interest  
 Accumulated NCI

41.05%	41.05%
12.50	26.90

Summarised statement of profit and loss A/c

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	455.31	1,123.85
Interest income	-	-
Interest expense	11.53	9.00
Depreciation and amortisation	47.97	42.63
Tax expense	2.81	9.75
(Loss)/ profit for the year	(35.47)	30.03
Other comprehensive income	0.78	3.99
Total comprehensive income	(34.69)	34.02
Profit allocated to NCI	(14.24)	13.96
Dividends paid to NCI	-	-

Summarised cash flow

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities	16.37	85.11
Cash flows from investing activities	(44.59)	(120.33)
Cash flows from financing activities	20.42	41.15
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(7.80)</b>	<b>5.93</b>

iii. Transactions with non-controlling interest

The group had acquired 50.70% stake in ICEGATE 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:

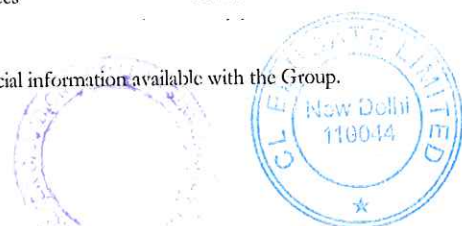
	Year ended March 31, 2021	Year ended March 31, 2020
Carrying amount of non-controlling interests acquired	-	5.54
Consideration paid to non-controlling interests	-	76.32
Excess of consideration paid recognised in retained earnings within equity	-	(70.78)

D. Other investments in equity shares

Unquoted, measured at FVTPL - non trade

	As at March 31, 2021	As at March 31, 2020
8,817 (March 31, 2020: 8,817) fully paid up equity shares of Rs. 10 each of B&S Strategy Services Private Limited.	588.73	588.73

\*The investment has been measured at fair value through profit and loss using the latest financial information available with the Group.





62. Income tax

A. Amounts recognised in profit or loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax expense</b>		
Current year	85.70	164.30
Tax related to prior years	38.32	49.98
	<u>124.02</u>	<u>214.28</u>
<b>Deferred tax</b>		
Current year	(405.59)	(317.24)
	<u>(405.59)</u>	<u>(317.24)</u>
<b>Total tax (reversal) / expense</b>	<u>(281.57)</u>	<u>(102.96)</u>

B. Amounts recognised in Other Comprehensive Income

<b>Items that may be subsequently reclassified to statement of profit and loss</b>		
- Income tax relating to exchange difference on translation of foreign operation	(9.40)	(2.47)
<b>Items that will not be reclassified to statement of profit and loss</b>		
- Income tax relating to remeasurement of defined benefit plans	(5.38)	(12.32)
	<u>(14.78)</u>	<u>(14.79)</u>

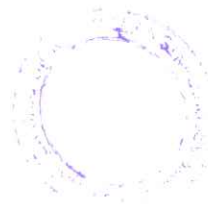
C. Reconciliation of effective tax rate

	Year ended March 31, 2021		Year ended March 31, 2020	
	Rate#	Amount	Rate#	Amount
Loss before tax from continuing operations		(1,474.90)		(5,512.98)
Profit before tax from discontinuing operations		16.23		118.92
<b>Total loss before tax</b>	<b>27.82%</b>	<b>(1,458.67)</b>	<b>27.82%</b>	<b>(5,394.06)</b>
Tax using the Company's domestic tax rate		(405.80)		(1,500.63)
Tax effect of:				
Non-deductible expenses		91.33		1,286.74
Non-taxable income		(46.35)		(92.61)
MAT credit utilised		3.46		-
Deductible expenses		-		4.36
Impact of change in rate of tax		-		198.04
Tax adjustments relating to earlier years		38.32		49.98
Carried forward business losses on which deferred tax not considered		(43.09)		4.97
Others		80.54		(53.81)
		<u>(281.57)</u>		<u>(102.96)</u>

The Taxation Laws (Amendment) Ordinance, 2019 (2019 Tax Ordinance) provides the group with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company presently. The Group had reviewed the implications of 2019 Tax Ordinance on its tax liability for the year and one subsidiary company of the Holding Company has opted for the new tax provisions. However, the remaining Group has decided not to opt for the new tax provisions and the remaining Group will reassess the option to adopt the new tax provision every year and adjustments, if any, will be considered in due course.

# includes surcharge

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CL Educate Limited  
Notes to consolidated financial statements for year ended March 31, 2021  
(All amounts are in Rupees lacs, unless otherwise stated)

D. Movement in deferred tax balances

	Year ended March 31, 2021			As at March 31, 2021
	As at March 31, 2020	Recognized in P&L	Recognized in OCI	
<b>Deferred Tax Assets</b>				1,094.35
Unabsorbed Losses	1,130.36	(36.01)	-	-
Elimination of inventory profit	188.75	(188.75)	-	-
Provision for employee benefit	155.50	(20.93)	5.38	139.95
Provision for Obsolescence of Inventory	1.67	(18.72)	-	(17.05)
Provision for bonus	-	0.01	-	0.01
Provision for sales Incentive	52.44	10.04	-	62.48
Loss allowance for doubtful debtors	234.95	(177.23)	-	57.72
ICTR Impact	0.43	(9.83)	9.4	-
Impact of Discontinuing of Security Deposits	14.61	(14.61)	-	-
Deferred tax on equity adjustment of associate profit	0.23	(0.23)	-	-
Trade payable	0.56	(6.62)	-	(6.06)
Current loans	118.94	(7.80)	-	111.14
Lease liability	240.76	(182.02)	-	58.74
Other current liabilities	-	5.01	-	5.01
Other current financial liabilities	63.26	(31.44)	-	31.82
MAT credit entitlement	302.73	1.17	-	303.90
<b>Sub- Total (a)</b>	<b>2,505.18</b>	<b>(677.95)</b>	<b>14.78</b>	<b>1,842.01</b>
<b>Deferred Tax Liabilities</b>				(179.10)
Property, plant and equipment and intangibles	783.49	(962.59)	-	109.08
Goodwill	74.71	34.37	-	(43.61)
Right of use	206.92	(163.31)	-	76.36
Other consol adjustment	-	76.36	-	-
Investment in subsidiary and associates	75.84	(75.84)	-	-
Impact for EIR adjustment on Borrowings	1.16	(1.16)	-	0.72
Other current asset - Prepaid financial guarantee	2.97	(2.25)	-	16.93
Other equity- Deemed equity contribution	10.19	6.74	-	13.92
Provision for obsolescence of inventory	9.52	4.40	-	18.49
Amortisation of prepaid rent	17.86	0.63	-	(0.89)
Amortisation of security deposits	-	(0.89)	-	99.12
<b>Sub- Total (b)</b>	<b>1,182.66</b>	<b>(1,083.54)</b>	<b>-</b>	<b>99.12</b>
<b>Net Deferred Tax Asset (a)-(b)</b>	<b>1,322.52</b>	<b>405.59</b>	<b>14.78</b>	<b>1,742.89</b>

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- 64 The Board of Directors of the Holding Company has approved the scheme of arrangement of amalgamation of its subsidiary companies (as mentioned below) into the Company ("the Scheme") in its meeting held on November 27, 2018. The scheme has been approved by the National Stock Exchange of India Limited ("the NSI") and BSE Limited ("the BSE"). During the previous year 2019-20, an application under regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Company Law Tribunal (NCLT), for the proposed amalgamation of Career Launcher Education Infrastructure and Services Limited, CL Media Private Limited, Accendere Knowledge Management Services Private Limited, G.K. Publications Private Limited and Kestone Integrated Marketing Services Private Limited ("Amalgamating Company") with CL Educate Limited ("Amalgamated Company"). The Scheme will be effective upon approval from NCLT, which is pending as on date, predominantly on account of the COVID-19 pandemic. The appointed date as proposed date by the Company is April 1, 2019. The Holding Company has filed a petition in NCLT to expedite the process of merger. The next hearing is scheduled to be held on July 30, 2021. Pending hearing of NCLT, no adjustment has been taken in the books of accounts.
- 65 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. 4,050.00 lacs by way of equity shares in B&S. Presently the shareholding in B&S, is 8,817 equity shares of Rs. 10 each, being 44.18% of total equity of B&S. Further, an overdue amount of Rs. 400.00 lacs is recoverable from B&S towards cash consideration as per the aforesaid agreement. 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 during the previous year 2019-20:
- a. The Group has taken legal advice 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 Delhi High Court on June 22, 2020 with the Judge appointing a retired High Court judge as arbitrator to hear the dispute.
- b. Based on its assessment of the merits of the case and the opinion of legal counsel taken thereon, the Management is confident of recovering cash consideration and receivable from Nalanda in full and hence no provision is required or made.
- 66 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). Nalanda Foundation (Nalanda) is the Trust that used to run the K-12 school business on behalf of the Holding company, wherein directors of the holding company used to hold Trusteeship of the Nalanda which was also transferred together with the aforesaid sale of school business to B&S. The Company has balance outstanding as of March 31, 2021 of Rs. 500 lacs from Nalanda with respect to leasing and infrastructure services. The Group has taken legal advice and initiated legal proceedings before the Honorable High Court, to protect its interests, including recovery of Rs. 500.00 lacs due from Nalanda. Based on its assessment of the merits of the case and the opinion of legal counsel taken thereon, the Management is confident of recovering the balance receivable from Nalanda in full and hence no provision is required or made.
- 67 The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the sectors/ businesses that the Group operates. The Management had however, made necessary adjustments to its service and customer acquisition processes, moving to a largely Digital model, thereby minimizing the business impact of the pandemic. During the current period, the Management has re-evaluated the likely impact of COVID-19 on its business operations, demand for its products/services, profitability, capital and financial resources, liquidity position, ability to service debt arrangements and financial and non-financial assets, etc. Based on the projected cash flows drawn for the current financial year, the Management has concluded that the company will have sufficient liquidity to continue its operations in an uninterrupted manner. Also, the Management is of the view that there is no material impact and is confident of recovering the carrying amount of all the assets. Any possibilities of delays in collection are covered by the Expected Credit Loss Model. For the aforesaid evaluation, the Management has considered internal and external sources of information up to the date of approval of these financial results. The actual impact of the pandemic may, however, differ from that estimated as at date of approval of these financial results and the Management will continue to closely monitor any material changes to future economic conditions.
- 68 The consolidated financial statements for the year ended March 31, 2021 were approved by board of directors on June 24, 2021.
- 69 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 Walker Chandio & Co. LLP  
Chartered Accountants  
ICAI Firm registration No. 001076N/N500013

  
**Neeraj Goel**  
Partner  
Membership No.: 099514



Place: Gurugram, Haryana  
Date: June 24, 2021

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

  
**Satya Narayanan R**  
Chairman and  
Executive Director  
DIN: 00307326

  
**Rachna Sharma**  
Company Secretary  
ICSI M. No.: A17780  
Place: New Delhi  
Date: June 24, 2021

  
**Gautam Puri**  
Vice-Chairman and  
Managing Director  
DIN: 00033548

  
**Arjun Wadhwa**  
Chief Financial Officer

