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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 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate, as at 31 March 2022, and their consolidated profit (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 Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

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



Walker Chandiook & Co LLP is registered with
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AAC-2085 and its registered office at L-41
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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 2022 (cont'd)

Emphasis of Matters

4. We draw attention to Note 66 of the consolidated financial statements in respect of the scheme of arrangement ('the Scheme') under sections 230 to 232 of the Companies Act, 2013 between the Holding Company and five of its wholly-owned Indian subsidiaries approved by the National Company Law Tribunal, Chandigarh Bench, vide its order date 07 February 2022, as per which such wholly-owned subsidiaries have been merged with the Holding Company, on a going concern basis, with effect from the appointed date of 01 April 2019. Accordingly, the standalone financial statements of the Holding Company have been adjusted to give effect to the aforesaid business combination in accordance with the accounting treatment prescribed in the Scheme, with a consequential impact on the accompanying consolidated financial statements as explained further in the said note, which however is not in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules and interpretations issued thereunder, as further described in the aforesaid note.
5. Refer note 67 of the accompanying consolidated financial statements, which describes uncertainties relating to legal action pursued by the Group against B&S Strategy Services Private Limited ('B&S') before Honourable Delhi High Court for recovery of outstanding cash consideration of Rs. 400 lacs from sale of its school business vertical. Further as described in Note 68, the Group has receivables from Nalanda Foundation amounting to Rs. 500 lacs which are long outstanding.

Based on legal advice and its assessment of the merits of the cases, the management is of the view that the aforesaid receivable balances are good and recoverable and hence, no adjustment is required in the accompanying consolidated financial statements as at 31 March 2022.

6. Note 58A to the accompanying consolidated financial statements, which describes the termination of Business Transfer Agreement with an earlier prospective buyer for the sale of infrastructure services business (the "Assets") on slump sale basis by Career Launcher Infrastructure Private Limited, a step-down subsidiary of the group. As detailed in the said note, the management remains committed to its plan to sell the assets as on date and is actively searching for new potential buyers to give effect to the disposal plan of the Assets. As a result, the management considers the future disposal of the assets as highly probable and continues to disclose such assets as "Disposal group-Asset held for sale" as on the reporting date in accordance with Ind AS 105, Non -Current Assets held for sale and Discontinued operations.

Our opinion is not modified in this respect of above matters.

Key Audit Matters

7. 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 of the subsidiaries and associate, were of most significance in our audit of the consolidated 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.
8. We have determined the matters described below to be the key audit matters to be communicated in our report.



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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 2022 (cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition (Refer note 2(C)(ii) and note 37 to the accompanying consolidated financial statements)</p> <p>We refer to the Group significant accounting policies in note 2(ii) and the revenue related disclosures in note 37 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 transaction price in view of discount offered to the customers, allocation of such transaction price to the identified 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 amount involved, and significant judgements involved as mentioned above, revenue recognition was identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures included but not limited to the following:</p> <ul style="list-style-type: none"> • 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. • Understood, evaluated and tested the design and operating of key controls implemented by the Company/Group in relation to revenue recognition including discounts. • 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. • 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. • Tested the calculations related to discounts and other supporting documents on a test check basis. • Evaluated the adequacy and accuracy of relevant disclosures made in the consolidated financial statements in accordance with Ind AS 115.



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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 2022 (cont'd)

Key audit matter (cont'd)	How our audit addressed the key audit matter (cont'd)
<p>Loss allowance for Trade Receivables (Refer Note 2(C)(x) and Note 16 to the accompanying consolidated financial statements)</p> <p>The Group has trade receivables of Rs 4,994.57 lacs as at 31 March 2022 (net of impairment of Rs 307.20 lacs). During the year, the Company has recorded a charge of Rs 183.19 lacs towards bad debts for such trade receivables.</p> <p>Owing to the nature of the operations of the Group 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 the lifetime expected credit losses.</p> <p>For the purpose of expected credit loss assessment of trade receivables, significant judgement 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 the current year audit.</p>	<p>Our audit procedures included but not limited to the following:</p> <ul style="list-style-type: none"> • Understanding the trade receivables process with regards to valuation and testing of controls designed and implemented by the management. • Testing the accuracy of ageing of trade receivables at year end on sample basis. • Obtained a list of outstanding trade receivables, identified significant long outstanding receivables, and discussed plan of recovery with the management. • Circularized balance confirmations to a sample of non-student trade receivables and reviewed the reconciling items, if any. • Verified the appropriateness of judgements regarding provision for trade receivables and assess as to whether these provisions were calculated in accordance with the Group's provisioning policies. • Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, as applicable. • Verified the related disclosures made in notes to the consolidated financial statements in accordance with Ind AS 115 and Ind AS 109.

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

9. 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.



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 2022 (cont'd)

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are 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 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 of the Group 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 of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of 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.
12. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

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

13. Our objectives are to obtain reasonable assurance about whether the consolidated 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



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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 2022 (cont'd)

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

14. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated 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 system 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 or business activities within the Group, and its associate, to express an opinion on the consolidated 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 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.
15. 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.



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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 2022 (cont'd)

16. 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.
17. 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 Matter

18. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 2,849.29 lakhs and net assets of ₹ 1,600.11 lakhs as at 31 March 2022, total revenues of ₹ 2158.83 lakhs and net cash inflows amounting to ₹ 95.65 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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 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 of associate, are based solely on the reports of the other auditors.

Further, of these subsidiaries, three subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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.

19. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of ₹ 1 lakh and net assets of ₹ 1 lakh as at 31 March 2022, total revenues of ₹ Nil and net cash inflows amounting to ₹ 1 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 50.59 lakhs for the year ended 31 March 2022, 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 subsidiary and associate, is 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.



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 2022 (cont'd)

Report on Other Legal and Regulatory Requirements

20. 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 18, on separate financial statements of the subsidiaries, we report that the Holding Company, whose financial statements have been audited under the Act have 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 three subsidiary companies whose financial statements have been audited 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 19, financial statements of one subsidiary company and 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 subsidiary company and associate company 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 company and associate company.
21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 18 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
22. 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:
- 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;
 - 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;
 - 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;
 - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - The matters described in paragraph 4, paragraph 5 and paragraph 6 of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Group;
 - 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, none of the directors of the Group companies and associate company, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - 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,



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 2022 (cont'd)

and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion;

- 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 and 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 50 to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary companies and associate company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company, during the year ended 31 March 2022;
 - iv. a. The respective managements of the Holding Company, its subsidiary companies and associate company whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate company respectively that, to the best of their knowledge and belief, as disclosed in note 65(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, its associate company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, its associate company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary companies, associate company whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate company respectively that, to the best of their knowledge and belief, as disclosed in the note 65(vi) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its associate company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies, its associate company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



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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 2022 (cont'd)

- v. The Holding Company, its subsidiary companies and associate company have not declared or paid any dividend during the year ended 31 March 2022

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

Neeraj Goel



Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AJFWQA6537

Place: New Delhi
Date: 19 May 2022

Annexure I 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 2022 (cont'd)

Annexure I

List of entities included in the Consolidated financial statements

Holding Company

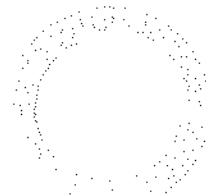
1. CL Educate Limited

Subsidiaries

1. Career Launcher Infrastructure Private Limited
2. Career Launcher Private Limited
3. Ice Gate Educational Institute Private Limited
4. Keystone CL Asia Hub Pte. Limited
5. Keystone CL US Limited (step down subsidiary)
6. CL Educate (Africa) Limited (step down subsidiary)

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 2022

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 2022, 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 financial controls with reference to financial statements 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 Institute of Chartered Accountants of India ('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 on Audit of Internal Financial Controls Over Financial Reporting ('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 paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company as aforesaid.



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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 2022 (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 reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and associate 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 2022, based on the internal financial controls with reference to financial statements 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 ICAI.

Other Matter

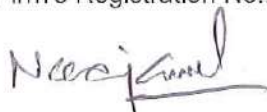
9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflects total assets of ₹ 298.80 lakhs and net assets of ₹ 312.07 lakhs as at 31 March 2022, total revenues of ₹ 239.22 lakhs and net cash inflows amounting to ₹ 95.65 lakhs 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 has 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 reports of the auditors 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 subsidiary which is a company covered under the Act, whose financial statements reflects total assets of ₹ 1 lakh and net assets of ₹ 1 lakh as at 31 March 2022, total revenues of ₹ Nil and net cash inflows amounting to ₹ 1 lakh for the year ended on that date; and one associate company, which is a company covered under the Act, in respect of which, the Group's share of net

Walker Chandiook & Co LLP

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 2022 (cont'd)

loss (including other comprehensive income) of ₹ 50.59 lakhs for the year ended 31 March 2022 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of such subsidiary company and associate company, which are companies 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 statements insofar as it relates to the aforesaid subsidiaries and associate, which are companies 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 companies. 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 reports certified by the management.

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



Neeraj Goel
Partner
Membership No.: 099514
UDIN: 22099514AJFWQA6537



Place: New Delhi
Date: 19 May 2022

CL Educate Limited
Consolidated Balance Sheet as at March 31, 2022
(All amounts are in Rupees lacs, unless otherwise stated)

	Notes	As at	As at
		March 31, 2022	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3	507.57	3,263.21
Right-of-use assets	4	424.70	347.73
Investment property	5	288.41	294.16
Goodwill	6	1,008.89	1,008.89
Other intangible assets	7	3,491.98	2,595.58
Intangibles under development	9	387.51	359.13
Investment in associates accounted using equity method	62	747.59	785.17
Financial assets			
(i) Investments	62	628.73	588.73
(ii) Other financial assets	10	439.73	159.80
Non-current tax assets (net)	11	1,503.83	2,412.87
Deferred tax assets (net)	12	1,191.10	1,264.38
Other non-current assets	13	118.62	101.39
Total non-current assets		10,738.66	13,181.04
Current assets			
Inventories	14	1,496.49	1,447.90
Financial assets			
(i) Investments	15	3,986.50	3,852.91
(ii) Trade receivables	16	4,994.57	5,247.56
(iii) Cash and cash equivalents	17	1,519.03	1,725.42
(iv) Bank balances other than (iii) above	18	584.35	1,239.62
(v) Loans	19	1,301.08	1,311.60
(vi) Other financial assets	20	2,075.56	886.03
Other current assets	21	2,821.96	2,805.33
Total current assets		18,779.54	18,516.37
Disposal group - Assets held for sale	22	5,259.86	3,469.11
Total assets		34,778.06	35,166.52
Equity and liabilities			
Equity			
Equity share capital	23	1,416.57	1,416.57
Other equity	24	24,747.68	23,281.82
Equity attributable to equity holders of parent		26,164.25	24,698.39
Non-controlling interest		(0.76)	12.50
Total equity		26,163.49	24,710.89

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CL Educate Limited
Consolidated Balance Sheet as at March 31, 2022
(All amounts are in Rupees lacs, unless otherwise stated)

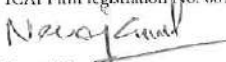
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Notes	As at March 31, 2022	As at March 31, 2021
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	25	292.39
(ii) Lease liabilities	26	352.41
Provisions	27	496.71
Deferred tax liabilities (net)	28	-
Other non-current liabilities	29	197.41
Total non-current liabilities	1,338.92	1,419.56
Current liabilities		
Financial liabilities		
(i) Borrowings	30	1,404.94
(ii) Lease liabilities	31	163.12
(iii) Trade payables	32	-
- total outstanding dues of micro and small enterprises; and		66.50
- total outstanding dues of creditors other than micro and small enterprises		2,778.55
(iv) Other financial liabilities	33	712.67
Other current liabilities	34	2,069.98
Provisions	35	62.38
Current tax liabilities (net)	36	17.51
Total current liabilities	7,275.65	9,036.07
Total equity and liabilities	34,778.06	35,166.52

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

This is consolidated Balance Sheet referred to in our report of even date.

For Walker Chandok & Co LLP
Chartered Accountants
ICAI Firm registration No. 001076N/N500013

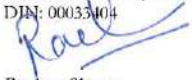

Neeraj Goel
Partner
Membership No.: 099514




Place: Gurugram, Haryana
Date: May 19, 2022

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


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


Rachna Sharma
Company Secretary
ICSI M. No.: A17780
Place: New Delhi
Date: May 19, 2022


Gautam Puri
Vice-Chairman and
Managing Director
DIN: 00033548


Arjun Wadhwa
Chief Financial Officer



CJ. Educate Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in Rupees lacs, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	37	20,746.09	18,230.90
Other income	38	870.29	959.67
Total income		21,616.38	19,190.57
Expenses			
Cost of materials consumed	39	477.44	269.17
Purchases of stock-in-trade	40	24.11	18.82
Changes in inventories of finished goods and work-in-progress	41	(60.64)	30.54
Employee benefits expense	42	3,720.73	3,963.97
Finance costs	43	352.25	563.11
Depreciation and amortisation expense	44	806.99	835.17
Service delivery expenses	45	10,594.12	8,796.31
Sales and Marketing Expenses	46	1,303.29	873.89
Other expenses	47	2,637.73	5,314.48
Total expenses		19,856.02	20,665.46
Profit/(loss) before share of profit/(loss) of equity accounted investees and tax		1,760.36	(1,474.89)
Share of loss of equity accounted investees		(37.59)	(4.94)
Profit/(loss) before tax (from continuing operations)		1,722.77	(1,479.83)
Tax expense :			
- Current tax		295.94	7.50
- Deferred tax		51.81	(249.14)
- Tax related to prior years		(4.86)	38.32
Total tax expense		342.90	(203.32)
Profit/(loss) for the year (from continuing operations)		1,379.87	(1,276.51)
(Loss)/profit for the year (discontinued operations)	58	(0.81)	16.23
Profit/(loss) for the year		1,379.06	(1,260.28)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Remeasurement of defined benefit plans		32.60	21.47
Income-tax relating to these items		(8.53)	(5.38)
Foreign Currency Translation Reserve		66.03	37.34
Income-tax relating to these items		(11.22)	(9.40)
Other comprehensive income for the year		78.88	44.03
Total comprehensive loss for the year (comprising loss for the year and other comprehensive loss for the year)		1,457.94	(1,216.25)

(Continued to next page)



CL Educate Limited
 Consolidated Statement of Profit and Loss for the year ended March 31, 2022
 (All amounts are in Rupees lacs, unless otherwise stated)

Notes	Year ended March 31, 2022	Year ended March 31, 2021
<i>(Continued from previous page)</i>		
Profit/(loss) attributable from continuing operations to:		
Owners of the company	1,393.13	(1,262.11)
Non-controlling interests	(13.26)	(14.40)
	1,379.87	(1,276.51)
(Loss)/ profit attributable from discontinuing operations to:		
Owners of the company	(0.81)	16.23
Non-controlling interests	-	-
	(0.81)	16.23
Other comprehensive income attributable to:		
Owners of the company	78.88	44.03
Non-controlling interests	-	-
	78.88	44.03
Total comprehensive income/(loss) for the year		
Owners of the company	1,471.20	(1,201.85)
Non-controlling interests	(13.26)	(14.40)
	1,457.94	(1,216.25)
Earnings per equity share		
49		
Basic	4.87	(4.51)
Diluted	4.87	(4.51)

Summary of significant accounting policies 1
 The accompanying notes 1 to 73 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 Chandniok & Co LLP
 Chartered Accountants
 ICAI Firm registration No. 001076N/N500013

 Neeraj Goel
 Partner
 Membership No.:099514





Place: Gurugram, Haryana
 Date: May 19, 2022

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


 Nikhil Mahajan
 Executive Director and
 Group CEO Enterprise Business
 DIN: 0003404

 Rachna Sharma
 Company Secretary
 ICSI M. No.: A17780
 Place: New Delhi
 Date: May 19, 2022


 Gautam Puri
 Vice-Chairman and
 Managing Director
 DIN: 00035548

 Arjun Wadhwa
 Chief Financial Officer



CL Educate Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2022
(All amounts are in Rupees lacs, unless otherwise stated)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A.	Cash flow from operating activities		
	Net Profit / (loss) before tax from:		
	Continuing operation	1,722.77	(1,479.83)
	Discontinued operation	(0.81)	16.23
	Profit / (loss) before tax	1,721.95	(1,463.60)
	Adjustment for:		
	Depreciation and amortisation expense	806.99	835.17
	Gain on sale of property, plant and equipment	(164.34)	(0.98)
	Provision for slow moving inventory/ written off	5.54	(38.76)
	Finance costs	352.25	563.11
	Share of profits of associates	37.59	4.94
	Advances written off	47.18	47.00
	Rent income on investment property	(9.60)	(11.10)
	Liabilities no longer required written back	(214.83)	(352.94)
	Unwinding of interest on security deposits	(18.12)	(22.86)
	Unrealised foreign exchange (gain) / loss (net)	(18.47)	86.82
	Gain on of mutual fund	(133.59)	(136.57)
	Interest Income	(208.88)	(172.55)
	Finance income on financial guarantees	(1.85)	(5.66)
	Gain on lease modification	(16.52)	(15.06)
	Expected credit loss / (gain) / written off	220.54	2,706.84
	Operating profit before working capital changes	2,405.85	2,023.80
	Movements in working capital		
	- Decrease in trade receivables	50.92	1,238.32
	- (Increase)/Decrease in inventories	(54.13)	41.10
	- Decrease in loans	10.52	84.29
	- (Increase)/Decrease in financial assets	(1,250.42)	280.55
	- (Increase)/Decrease in current and non current assets	(2.12)	381.95
	- Increase/(Decrease) in other current and non-current liabilities	568.37	(300.30)
	- Increase/(Decrease) in Trade payables	364.91	(1,586.20)
	- Increase/(Decrease) in Provisions	(42.39)	26.91
	- Increase/(Decrease) in current and non current financial liabilities	627.66	0.81
	Cash flow generated from operations	2,679.17	2,191.22
	Add: Income tax refund/(paid) (net)	659.92	423.70
	Net cash flow generated from operating activities (A)	3,339.09	2,614.92
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment and intangible assets (including payable towards property, plant and equipment)	(2,097.03)	(506.20)
	Proceeds from sale of property, plant and equipment and intangible assets	1,476.40	89.81
	Purchase of investment in subsidiaries and associates	(40.01)	1.05
	Investments in bank deposits	(300.16)	(84.70)
	Maturity of bank deposits	675.50	
	Interest received	210.57	127.01
	Rental income on investment property	9.60	11.10
	Net cash (used in) investing activities (B)	(65.13)	(361.93)



CL Educate Limited
 Consolidated Statement of Cash Flow for the year ended March 31, 2022
 (All amounts are in Rupees lacs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Continued from previous page		
C. Cash flow from financing activities		
Repayment of long-term borrowings	(274.46)	(347.56)
Net increase in working capital borrowings	(2,317.86)	(142.00)
Payment of lease liabilities	(532.45)	(618.94)
Interest paid	(355.59)	(578.35)
Net cash (used in) financing activities (C)	(3,480.35)	(1,686.85)
Net increase in cash and cash equivalents (A+B+C)	(206.39)	566.14
Balance at the beginning of the year	1,725.42	1,159.28
Balance at the end of the year	1,519.03	1,725.42
(i) Components of cash and cash equivalents		
Balances with banks		
- on current account	1,372.98	1,405.27
Cheques/ drafts on hand	2.70	32.87
Deposits with original maturities with less than 3 months	-	200.00
Cash on hand	143.35	87.28
	1,519.03	1,725.42

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

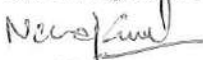
(iii) The above statement of cash flows should be read in conjunction with the accompanying notes 1 to 73.

Summary of significant accounting policies 1

The accompanying notes 1 to 73 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 Chandiok & Co LLP
 Chartered Accountants
 ICAI Firm registration No. 001076N/N500013


 Neeraj Goel
 Partner
 Membership No.:099514



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


 Nikhil Mahajan
 Executive Director and
 Group CFO Enterprise Business
 DIN: 00033404


 Gautam Puri
 Vice-Chairman and
 Managing Director
 DIN: 00033548


 Rachna Sharma
 Company Secretary
 ICSI M. No.: A17780
 Place: New Delhi
 Date: May 19, 2022


 Arjun Wadhwa
 Chief Financial Officer

Place: Gurugram, Haryana
 Date: May 19, 2022



CL Educate Limited

Consolidated statement of changes in equity for the year ended March 31, 2022

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

(a) Equity share capital

Particulars	Amount
Balance as at April 01, 2020	1,416.57
Change in equity share capital	-
Balance as at March 31, 2021	1,416.57
Change in equity share capital	-
Balance as at March 31, 2022	1,416.57

(b) Other equity

Particulars	Attributable to owners of the company							Non-Controlling Interest	Total		
	Reserves and surplus				Sub total						
	Retained earnings	Security premium	Amalgamation Adjustment reserve (refer note 66)	General reserve	Equity Component of compound financial instruments	Deemed equity contribution	Capital reserve			Items of OCI Exchange differences	
Balance as at April 1, 2020	(3,205.52)	29,858.85	(2,264.54)	36.96	4.85	51.51	0.20	0.33	24,482.64	26.90	24,509.54
Loss for the year	(1,245.88)	-	-	-	-	-	-	-	(1,245.88)	(14.10)	(1,260.28)
Other comprehensive income, net of tax	16.09	-	-	-	-	-	-	-	16.09	-	16.09
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	27.42	-	27.42
Total comprehensive (loss)/ income for the year	(1,229.79)	-	-	-	-	-	-	-	(1,202.37)	(14.40)	(1,216.77)
Fair value of financial guarantee received from promoters	(4,435.31)	29,858.85	(2,264.54)	36.96	4.85	53.06	0.20	27.75	22,281.82	12.50	23,294.32
Profit for the year	1,379.06	-	-	-	-	-	-	-	1,379.06	(13.20)	1,365.80
Other comprehensive income, net of tax	24.07	-	-	-	-	-	-	-	24.07	-	24.07
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	54.81	-	54.81
Total comprehensive (loss)/ income for the year	1,403.13	-	-	-	-	-	-	-	54.81	(13.26)	1,444.68
Fair value of financial guarantee received from promoters	-	-	-	-	-	-	-	-	7.92	-	7.92
Balance as at March 31, 2022	(3,032.18)	29,858.85	(2,264.54)	36.96	4.85	60.98	0.20	82.56	24,747.68	(0.76)	24,746.92

Summary of significant accounting policies

The accompanying notes 1 to 75 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 001076N/S500013

Neeraj God

Partner

Membership No.4999514



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

Nikhil Mahajan

Nikhil Mahajan
Executive Director and
Group CEO Enterprise Business
DIN: 00053104

Rachna Sharma

Rachna Sharma
Company Secretary
ICSI M. No: A17780
Place: New Delhi
Date: May 19, 2022

Gauram Puri

Gauram Puri
Vice-Chairman and
Managing Director
DIN: 00093518

Arjun Wadhwa

Arjun Wadhwa
Chief Financial Officer

Place: Gurugram, Haryana

Date: May 19, 2022



1. Corporate Information

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'.

2. A. General Information and compliance with IND AS

(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.

(ii) Amended standards adopted by the Group

Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19- Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

These amendments did not have any material impact on the financial statements of the Group.

(iii) Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") vide its notification dated March 23, 2022 has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments have been made to the following standards.



Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use.

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103 "Business Combination" - Reference to Conceptual Framework

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendments to Ind AS 103 which specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The Group does not expect the amendment to have any significant impact in its financial statements.

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments listed above will be effective on or after April 1, 2022 and are not expected to significantly affect the current or future periods.

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.

C. Significant accounting policies

(i) Fair value measurements

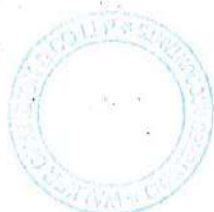
The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the 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 previous 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)
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 FVOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument which otherwise meets amortized cost or FVOCI 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 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.

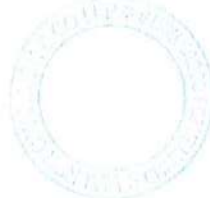
The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value 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 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 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 payments 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, 2022

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

3. Property, plant and equipment

Reconciliation of carrying amount	Freehold land	Buildings	Buildings improvements	Plant and machinery	Leasehold improvements	Furniture and fixtures	Office equipments	Computers	Vehicles	Printing Negative Films	Total
Cost or deemed cost (Gross carrying amount)											
Deemed cost as at April 1, 2020	1,072.39	2,525.87	7.89	53.05	238.15	263.75	381.92	651.61	150.58	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)	(13.85)	(40.37)	-	(181.28)
Reclassified to disposal group - assets held for sale	(518.65)	(30.25)	-	-	-	-	-	-	-	-	(548.90)
Balance as at March 31, 2021	553.74	2,495.62	7.89	53.05	205.70	240.95	336.92	674.75	127.82	21.47	4,717.91
Additions during the year	-	-	-	10.04	4.08	-	1.70	37.50	60.75	-	114.07
Disposals during the year	-	-	-	(17.34)	(67.50)	(97.03)	(131.08)	(152.73)	-	(21.47)	(487.15)
Reclassified to disposal group - assets held for sale	(553.74)	(2,337.50)	-	-	-	-	-	-	-	-	(2,891.24)
Balance as at March 31, 2022	-	158.12	7.89	45.75	142.28	143.92	207.54	559.52	188.57	-	1,453.59
Accumulated depreciation											
Balance as at April 1, 2020	-	176.08	4.03	20.72	200.73	107.36	283.15	525.84	65.43	6.29	1,389.63
Depreciation for the year	-	44.19	1.50	4.11	24.14	24.77	33.48	66.47	14.08	7.17	219.91
Disposals during the year	-	-	-	-	(38.87)	(21.04)	(52.16)	(13.18)	(26.85)	-	(152.10)
Reclassified to disposal group - assets held for sale	-	(2.74)	-	-	-	-	-	-	-	-	(2.74)
Balance as at March 31, 2021	-	217.53	5.53	24.83	186.00	111.09	264.47	579.13	52.66	13.46	1,454.70
Depreciation for the year	-	33.60	2.36	3.94	7.12	20.31	16.38	42.33	11.53	6.63	144.20
Disposals during the year	-	-	-	(8.29)	(65.24)	(64.39)	(117.16)	(143.39)	-	(20.09)	(418.56)
Reclassified to disposal group - assets held for sale	-	(234.32)	-	-	-	-	-	-	-	-	(234.32)
Balance as at March 31, 2022	-	16.81	7.89	20.48	127.88	67.01	163.69	478.07	64.19	-	946.02
Net carrying amount											
As at March 31, 2021	553.74	2,278.09	2.36	28.22	19.70	129.86	72.45	95.62	75.16	8.01	3,263.21
As at March 31, 2022	-	141.31	-	25.27	14.40	76.91	43.85	81.45	124.38	-	507.57

Notes:

i. For details related to assets held for sale (discontinued operations) (Refer note 58).

ii. Please refer note 51 for details of assets held under finance lease.

iii. Please refer note 50 for capital commitments.

iv. The Group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2022 and March 31, 2021.

v. 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 25 and 30).

vi. There are no impairment losses recognised during the year.

vii. During the year, Leasehold land at Greater Noida has been reclassified from Property, plant and equipment to Disposal group - Assets held for sale

viii. During the year ended March 31, 2022, the Group has classified lease hold land already classified as Right of Use assets amounting to Rs. 168.14 lacs (net of lease liability) and Building amounting to Rs. 2,105.19 lacs located at Greater Noida (Previous Year: freehold land amounting Rs. 518.65 lacs and Building amounting to Rs. 27.51 lacs located at Faridabad), as assets held for sale. (Refer note 22)



4. Right-of-use assets

Reconciliation of carrying amount	Right-of-use assets	Total
Gross carrying amount as on April 1, 2020	1,379.76	1,379.76
Additions during the year	-	-
Disposals	(91.04)	(91.04)
Adjustment on account of termination / modification of lease	(498.77)	(498.77)
Reclassification from leasehold land (refer note 3)	-	-
Gross carrying amount as on March 31, 2021	789.95	789.95
Additions during the year	451.67	451.67
Disposals	-	-
Adjustment on account of termination / modification of lease	(59.13)	(59.13)
Reclassification from leasehold land (refer note 3)	(182.79)	(182.79)
Gross carrying amount as on March 31, 2022	999.70	999.70
Accumulated Depreciation		
Balance as at April 1, 2020	431.91	431.91
Depreciation for the year	142.59	142.59
Adjustment on account of termination / modification of lease	(132.28)	(132.28)
Balance as at March 31, 2021	442.22	442.22
Depreciation for the year	132.78	132.78
Adjustment on account of termination / modification of lease	-	-
Balance as at March 31, 2022	575.00	575.00
Net Carrying amount as at March 31, 2021	347.73	347.73
Net Carrying amount as at March 31, 2022	424.70	424.70

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, 2022	As at March 31, 2021
Cost or deemed cost		
Balance at the beginning of the year	323.54	323.54
Additions during the year	-	-
Balance at the end of the year	323.54	323.54
Accumulated depreciation		
Balance at the beginning of the year	29.38	23.63
Depreciation for the year	5.75	5.75
Balance at the end of the year	35.13	29.38
Carrying amounts	288.41	294.16

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

Rental income	9.60	11.10
Profit from investment properties before depreciation	9.60	11.10
Depreciation	5.75	5.75
Income from investment property	3.85	5.35

C. Measurement of fair value

Investment property	770.00	770.00
	770.00	770.00

D. Estimation of fair values

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

Fair market value is the amount expressed in terms of money that may 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 assessed 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

	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost		
Balance at the end of the year	1,008.89	1,008.89
Total	1,008.89	1,008.89

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:

	As at March 31, 2022	As at March 31, 2021
EdTech	895.08	895.08
MarTech	113.81	113.81
	1,008.89	1,008.89

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.

	As at March 31, 2022	As at March 31, 2021
Sales volume (% annual growth rate)	15.00%	15.00%
Long term growth rate (%)	5.00%	6.00%
Pre-tax discount rate (%)	15.00%	16.00%

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
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(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	Content development	CAT online module	Non compete fees	Wain Connect	IQM	Melting Pot	Online video content	Aspiration AI	Website	GATE flix	Distribution network	Total
Cost or deemed cost (Gross carrying amount)															
Balance as at April 1, 2020	739.08	254.53	87.29	2,398.42	26.98	109.00	22.50	118.40	124.77	43.50	255.85	22.04	61.08	28.56	4,272.00
Additions - others	-	342.53	-	315.89	-	-	-	-	13.76	-	-	-	-	-	671.98
Additions - internally developed (refer note 8)	-	-	-	101.37	-	-	-	-	-	-	25.98	(22.04)	-	-	127.35
Disposals during the year	-	-	(87.29)	-	-	-	-	-	-	-	-	-	-	-	(109.33)
Balance as at March 31, 2021	739.08	576.86	-	2,815.68	26.98	109.00	22.50	118.40	138.53	43.50	281.83	-	61.08	28.56	4,962.00
Additions - others	-	411.54	-	299.63	-	-	-	-	18.06	-	276.92	-	26.90	-	786.13
Additions - internally developed (refer note 8)	-	148.34	-	260.24	-	-	-	-	-	-	-	-	-	-	(65.50)
Disposals during the year	-	-	-	(87.09)	-	-	-	-	-	-	-	-	-	-	(87.09)
Balance as at March 31, 2022	739.08	1,166.74	-	3,288.46	26.98	109.00	22.50	118.40	156.59	43.50	558.75	-	87.98	28.56	6,346.54
Accumulated amortisation															
Balance as at April 1, 2020	543.37	99.76	87.29	994.09	21.39	99.62	10.14	26.69	27.82	13.07	34.99	22.04	-	28.56	2,008.83
Amortisation for the year	33.60	39.82	-	305.39	5.57	9.38	1.59	11.84	21.17	8.70	17.45	(22.04)	12.21	-	466.92
Disposals during the year	-	-	(87.29)	-	-	-	-	-	-	-	-	-	-	-	(109.33)
Balance as at March 31, 2021	576.97	139.58	-	1,299.68	26.96	109.00	11.73	38.53	48.99	21.77	52.44	-	12.21	28.56	2,366.42
Amortisation for the year	31.95	95.74	-	323.66	0.02	-	1.59	11.84	24.57	8.70	18.17	-	8.01	-	524.26
Disposals during the year	-	-	-	(36.12)	-	-	-	-	-	-	-	-	-	-	(36.12)
Balance as at March 31, 2022	608.92	235.32	-	1,587.22	26.98	109.00	13.32	50.37	73.56	30.47	70.61	-	20.22	28.56	2,854.56
Net carrying amount															
Balance as at March 31, 2021	162.11	437.28	-	1,516.00	0.02	-	10.77	79.87	89.54	21.73	229.39	-	48.87	-	2,595.58
Balance as at March 31, 2022	130.16	931.42	-	1,701.24	-	-	9.18	68.03	83.03	15.03	488.13	-	67.76	-	3,491.98

Refer note 9 for intangible assets under development.

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8. Details of internally generated intangible assets

Reconciliation of carrying amount	Content	Aspiration. Ai	GATE Flix	Recruitment software (Sofi)	Total
Cost or deemed cost (Gross carrying amount)					
Balance as at April 1, 2020	894.00	81.40	61.08	49.17	1,085.64
Additions during the year	101.37	25.98	-	-	127.35
Disposals during the year	-	-	-	-	-
Balance as at March 31, 2021	995.37	107.38	61.08	49.17	1,213.00
Additions during the year	260.24	276.92	-	148.34	685.50
Disposals during the year	-	-	-	-	-
Balance as at March 31, 2022	1,255.61	384.30	61.08	197.51	1,898.50
Accumulated amortisation					
Balance as at April 1, 2020	145.94	16.32	-	12.31	174.57
Amortisation for the year	238.55	10.09	12.21	9.84	270.69
Disposals during the year	-	-	-	-	-
Balance as at March 31, 2021	384.48	26.41	12.21	22.15	445.25
Amortisation for the year	25.06	10.82	8.01	27.84	71.73
Disposals during the year	-	-	-	-	-
Balance as at March 31, 2022	409.54	37.23	20.22	49.99	516.98
Net carrying amount					
As at March 31, 2021	610.89	80.97	48.87	27.02	767.75
As at March 31, 2022	846.08	347.07	40.86	147.52	1,381.52

9. Intangibles assets under development

Particulars

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

	As at March 31, 2022	As at March 31, 2021
	359.13	342.64
	873.70	420.13
	(819.31)	(403.64)
	(26.01)	-
	387.51	359.13

Intangible assets under development ageing schedule*:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	176.69	66.23	144.59	-	387.51
	176.69	66.23	144.59	-	387.51

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021					
Projects in progress	214.54	144.59	-	-	359.13
	214.54	144.59	-	-	359.13

*There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

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10 Non-current financial assets

Unsecured, considered good

Non-current bank balances (Deposits with maturity for more than 12 months from reporting date)
Security deposits

	As at March 31, 2022	As at March 31, 2021
Non-current bank balances (Deposits with maturity for more than 12 months from reporting date)	314.48	61.71
Security deposits	125.25	98.09
	<u>439.73</u>	<u>159.80</u>

Note:

- The Group's exposure to credit and currency risks are disclosed in note 60.
- Includes deposits of Rs. 155.75 lacs (previous year: Rs. 58.69 lacs) pledged with various authorities.

11 Non-current tax assets (net)

Advance tax (net of provision)

	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provision)	1,503.83	2,412.87
	<u>1,503.83</u>	<u>2,412.87</u>

12 Deferred tax assets (net)

Deferred tax assets (net) (refer note 63)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net) (refer note 63)	1,191.10	1,264.38
	<u>1,191.10</u>	<u>1,264.38</u>

13 Other non-current assets

Unsecured, considered good

Capital advances
Prepaid expenses

	As at March 31, 2022	As at March 31, 2021
Capital advances	89.40	75.78
Prepaid expenses	29.22	25.61
	<u>118.62</u>	<u>101.39</u>

14 Inventories

Valued at lower of cost and net realisable value

Raw materials
Finished goods
Right to return assets (Refer note v)
Less: Provision for slow moving inventory

	As at March 31, 2022	As at March 31, 2021
Raw materials	21.31	12.45
Finished goods	1,407.43	1,419.47
Right to return assets (Refer note v)	79.30	71.99
Less: Provision for slow moving inventory	(11.55)	(56.01)
	<u>1,496.49</u>	<u>1,447.90</u>

Note:

- Includes raw materials lying with third parties March 31, 2022: Rs. 21.31 lacs (March 31, 2021: Rs. 12.45 lacs).
- Includes work-in-progress lying with third parties March 31, 2022: Nil (March 31, 2021: Rs. Nil).
- Inventories are pledged as securities for borrowings taken from banks (refer note 25 and 30).
- All inventories categories represent text books.
- For explanation on, Right to return asset, Refer note 41.

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15 Current investments

Unquoted at fair value through profit and loss, non-trade
Investments in mutual funds (refer note below)

	As at March 31, 2022	As at March 31, 2021
	3,986.50	3,852.91
	3,986.50	3,852.91

Aggregate amount of unquoted investment and market value thereof

3,986.50 3,852.91

Details of investment in liquid mutual fund units

The balances held in liquid mutual fund as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Unit	Amount	Unit	Amount
ICICI Prudential Liquid fund DP Growth	302,450.94	953.50	302,450.94	921.68
HDFC Liquid Fund - Direct Plan - Growth Option	21,935.48	917.94	21,935.48	887.40
UTI Mutual Fund	17,226.08	600.85	17,226.08	580.60
ABSL Liquid Fund - Growth - Direct	283,000.23	971.05	283,000.23	938.24
DSP Liquidity Fund - Direct Plan - Growth	17,849.66	543.16	17,849.66	524.99
Total	642,462.39	3,986.50	642,462.39	3,852.91

Note:

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

16 Trade receivables

Unsecured

Considered good

Credit impaired

Less: Allowances for doubtful trade receivables

	As at March 31, 2022	As at March 31, 2021
	4,994.57	5,247.56
	307.20	269.61
	(307.20)	(269.61)
	4,994.57	5,247.56

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	More Than 3 years	
As at March 31, 2022							
Undisputed Trade Receivables- Considered good	1,361.56	1,711.81	263.67	368.28	124.28	319.36	4,148.96
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	78.12	10.85	35.73	50.05	132.45	307.20
Disputed Trade Receivables- Considered good	-	17.14	3.27	634.04	54.93	136.23	845.61
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Total	1,361.56	1,807.07	277.79	1,038.05	229.26	588.04	5,301.77

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 years	1-2 Years	2-3 Years	2-3 Years	
As at March 31, 2021							
Undisputed Trade Receivables- Considered good	1,765.91	923.36	930.93	386.52	67.64	243.95	4,318.31
Undisputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	1.21	74.82	9.65	17.41	60.24	106.28	269.61
Disputed Trade Receivables- Considered good	2.13	9.18	233.10	548.12	0.49	136.23	929.25
Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Total	1,769.25	1,007.36	1,173.68	952.05	128.37	486.46	5,517.17

Notes:

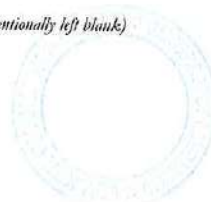
(i) The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 60.

(ii) Trade Receivable are non-interest bearing and are normally received in normal operating cycle.

(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 25 and 30).

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17 Cash and cash equivalents

Balances with banks
on current account
Cheques/ drafts on hand
Deposits with original maturities of less than 3 months
Cash on hand

As at March 31, 2022	As at March 31, 2021
1,372.98	1,405.27
2.70	32.87
-	200.00
143.35	87.28
1,519.03	1,725.42

Note:

(i) The Group's exposure to liquidity risks are disclosed in note 60.

18 Bank balances other than cash and cash equivalents

Unpaid dividend account- bank balance
Deposits with original maturity for more than three months but remaining maturity of less than twelve months (refer note (i) below)

As at March 31, 2022	As at March 31, 2021
2.56	2.56
581.79	1,237.06
584.35	1,239.62

Notes :

(i) Includes deposits of Rs. 303.71 lacs (previous year: Rs. 1,164.29 lacs) pledged with various authorities

(ii) The Group's exposure to liquidity risks are disclosed in note 60.

19 Current financial assets - loans

Unsecured, considered good

Loans to employees
Loans to related parties

As at March 31, 2022	As at March 31, 2021
49.49	51.12
1,251.60	1,260.48
	399.49
	(399.49)
1,301.08	1,311.60

Unsecured, considered doubtful

Loans to CL USA
Less: Provision for loss allowance

Note:

(i) The Group's exposure to credit and currency risks are disclosed in note 60.

(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

(iii) Disclosure pursuant to schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) regulations, 2015

Company Name	Amount given during the year	Rate of interest	Secured/ Unsecured	Maximum O/S during the year	March 31, 2022
Career Launcher Education Foundation	4.00	Nil	Unsecured	1,251.60	1,251.60
Total	4.00			1,251.60	1,251.60

Company Name	Amount given during the year	Rate of interest	Secured/ Unsecured	Maximum O/S during the year	March 31, 2021
Career Launcher Education Foundation	-	Nil	Unsecured	1,260.48	1,260.48
Total				1,260.48	1,260.48

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20 Other current financial assets
Unsecured, considered good unless stated otherwise

Unsecured, considered good

Unbilled revenue	
Receivable on account of sale of business (refer note 67)	
Interest accrued on fixed deposits	
Security deposits	
Other receivables	

As at March 31, 2022	As at March 31, 2021
837.95	178.90
400.00	400.00
5.33	5.23
248.21	246.74
584.07	55.16
2,075.56	886.03

Note:

i. The Group's exposure to credit and currency risks are disclosed in note 60.

21 Other current assets
Unsecured, considered good

Prepaid expenses	
Advances to suppliers	
Advances to employees	
Advances to related parties	
Balance with statutory authorities	

As at March 31, 2022	As at March 31, 2021
1,888.14	1,869.83
556.88	453.50
89.13	47.60
61.24	61.07
226.56	373.33
2,821.96	2,805.33

Note:

(i) Refer note 53 for transactions with related party

22 Disposal group - Assets held for sale

Disposal Group - Assets held for sale (refer note below)	
Right of Use Assets	
Lease Liability	

As at March 31, 2022	As at March 31, 2021
5,091.72	3,469.11
182.79	-
(14.65)	-
5,259.86	3,469.11

Note :

The assets held for sale consists of following :

- (a) During the current year, the Holding Company has initiated the process of sale of the property held at Greater NOIDA. The sale has been approved by the Board Members and Audit committee in its meeting held on May 19, 2022. The management has disclosed such Assets as "Disposal Group - Assets held for sale" as on the reporting date in accordance with Ind AS-105 "Non-Current Assets held for Sale and Discontinued Operations".
The Holding Company has classified lease hold land already classified as Right of Use assets amounting to Rs. 168.14 lacs (Net of lease liability) and Building amounting to Rs. 2,103.19 lacs located at Greater Noida (Previous Year: freehold land amounting Rs. 518.65 lacs and Building amounting to Rs. 27.51 lacs located at Faridabad), as assets held for sale.
- (b) 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, transaction is cancelled as I-Take Care Private Limited hasn't been able to arrange the requisite funds to close the sale, accordingly, advance received has been refunded. 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".
- (c) During the previous 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, 2023. 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.



23 Share capital

	As at March 31, 2022	As at March 31, 2021
Authorised		
5,45,60,000 (March 31, 2021: 16,000,000 equity shares of Rs. 10 each) equity shares of Rs.	1,600.00	1,600.00
Issued, subscribed and paid-up		
2,83,31,356 (March 31, 2021: 14,165,678 equity shares of Rs. 10 each) equity shares of Rs. 5 each, fully paid up	1,416.57	1,416.57
	1,416.57	1,416.57

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.

Interim dividend paid

Year ended March 31, 2022	Year ended March 31, 2021
Nil	Nil

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, 2022		Year ended March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	14,165,678	1,416.57	14,165,678	1,416.57
Addition due to split of shares	14,165,678	-	-	-
Outstanding at the end of the year	28,331,356.00	1,416.57	14,165,678.00	1,416.57

Note: (i)

During the current year the holding company has not issued any fresh equity share on account of ESOP (previous year : Nil)

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

	As at March 31, 2022		As at March 2021	
	No. of shares	Percentage	No. of shares	Percentage
Mr. Satya Narayanan R	4,962,219	17.51%	2,455,761	17.34%
Mr. Gautam Puri	4,714,260	16.64%	2,357,130	16.64%
Bilakes Consulting Private Limited	2,510,920	8.86%	1,255,460	8.86%
Flowering Tree Investment Management Pte. Ltd. (along with its Persons Acting in Concern i.e. Arjuna Fund Pte. Ltd and Ashoka Pte. Ltd.)	2,465,144	8.70%	1,025,572	7.24%
GPE (India) Limited	1,892,946	6.68%	946,473	6.68%
Sundaram Assets Management Company Limited	-	0.00%	779,311	5.50%
	16,545,489	58.39%	8,819,707	62.26%

d. Details of shares held by promoters and promoters group in the Company:

Name of Promoter	As at March 31, 2022		As at March 31, 2021*	
	No. of shares	Percentage	No. of shares	Percentage
Mr. Satya Narayanan R	4,962,219	17.51%	2,455,761	17.34%
Mr. Gautam Puri	4,714,260	16.64%	2,357,130	16.64%
Mr. Nikhil Mahajan	65,734	0.23%	32,817	0.23%
Mr. R Shivakumar	714,362	2.52%	357,181	2.52%
Mr. R Sreenivasan	707,396	2.50%	353,698	2.50%
Mr. Sujit Bhattacharyya	406,124	1.43%	203,062	1.43%
Bilakes Consulting Private Limited	2,510,920	8.86%	1,255,460	8.86%
	14,081,015	49.69%	7,015,109	49.52%

Note:

*The Members of the Company at the 25th Annual General Meeting of the Company held on September 07, 2021, had approved the sub-division of each Fully Paid-up Equity Share of the Company of Face Value of Rs.10/- into 2 (Two) fully paid-up Equity Shares of Face Value of Rs.5/- each w.e.f. October 01, 2021 (Record date).



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

- i. 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.
 - ii. The Holding Company has issued equity shares aggregating 45,931 (March 31, 2021; 45,931) of Rs.10 each fully paid up during the financial years 2015-16 to 2019-20, on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.
 - iii. No equity shares have been issued by way of bonus shares during the financial years 2015-16 to 2020-21.
 - 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.
- f. For Details for share reserved for issue under the employee stock option of the Holding Company (refer to note 57).

24 Other equity

	As at March 31, 2022	As at March 31, 2021
25.1 Retained earnings		
Balance at the beginning of the year	(4,435.31)	(3,205.52)
Add: loss for the year	1,379.06	(1,245.88)
Add: Other comprehensive income (net of tax)		
Remeasurement of defined benefit plans	24.07	16.09
Balance at the end of the year	(3,032.18)	(4,435.31)
25.2 Securities premium		
Balance at the beginning/end of the year	29,858.85	29,858.85
25.3 Amalgamation Adjustment reserve		
Balance at the beginning/end of the year	(2,264.54)	(2,264.54)
25.4 General reserves		
Balance at the beginning/end of the year	36.96	36.96
25.5 Equity component of compound financial instruments		
Balance at the beginning/end of the year	4.85	4.85
25.6 Deemed equity		
Balance at the beginning of the year	53.06	51.51
Add: Addition during the year	7.92	1.55
Balance at the end of the year	60.98	53.06
25.7 Capital reserves		
Balance at the beginning/end of the year	0.20	0.20
Other comprehensive income		
Foreign currency translation reserve		
Balance at the beginning/end of the year	27.75	0.33
Add: Exchange difference	54.81	27.42
Balance at the end of the year	82.56	27.75
Total equity attributable to owners	24,747.68	23,281.82
Non-controlling interest reserve		
Balance at the beginning/end of the year	12.50	26.90
Add: Addition during the year	(13.26)	(14.40)
Balance at the end of the year	(0.76)	12.50
Total reserves and surplus	24,746.92	23,294.32

Nature and purpose of reserves

- (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.
- (viii) **Amalgamation Adjustment Reserve**
Amalgamation adjustment deficit account is a reserve on account of adjustments of net asset transferred to amalgamated company, as negative carrying value of net assets transferred, therefore amount presented as amalgamation adjustment deficit account

25 Non-current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured loan		
From banks		
Vehicle loans (refer note i)	30.64	48.30
Term loans (refer note ii)	445.44	616.66
From financial institutions		
Term loans (refer note iii)	96.49	349.28
Total non-current borrowings	572.57	1,014.24
Less: Current maturities of non-current borrowings (included in note 34)	276.47	440.14
Less: Interest accrued but not due on borrowings (included in note 34)	3.71	7.25
Non-current borrowings (as per balance sheet)	292.39	566.85

The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 60.

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 (March 31, 2021 : 8.25% to 9.18 % per annum). The weighted average remaining tenure for these loans is 1.99 years (March 31, 2021 : 2.99 years); with a total equal monthly installment of Rs. 1.35 lacs per month (31 March, 2021 : 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 Nil (March 31, 2021: Rs. 116.66 lacs).

Interest rate:

(i) These loans carry interest at 10.35% per annum (March 31, 2021 : 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 was paid on September 30, 2021.

Primary security

(i) These loans together with current borrowings are secured by subrevent 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, 2021 Rs. 371.35 lacs) to be kept with Bank during the tenure of Loan which ended on September 30, 2021.

Collateral security:

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



25 Non-current borrowings (continued from previous page)

b) HDFC Bank

The Holding Company had taken a term loan from HDFC Bank under Emergency Credit Line Guaranteed Scheme (ECLGS). Year end balance of the Term loan is Rs. 443.02 lacs (Previous year: Rs. 500.00 lacs)

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 previous year, the Group has taken a term loan from Tata Capital. Year end balance of the Term loan is Rs. 95.22 lacs (previous year : Rs. 344.37 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. 75.00 lakhs (March 31, 2021: Rs 375.00 lakhs) (Refer Note 10 and 20)

iv. The term loans have been used for the specific purpose for which they are taken as at the year end.

26 Non-current lease liabilities

Lease liabilities (refer note 51)
Less: reclassified to assets held for sale

	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 51)	367.06	146.00
Less: reclassified to assets held for sale	(14.65)	-
	352.41	146.00

27 Non-current provisions

Provision for employee benefits
Gratuity (refer note 52)
Compensated absences

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	290.95	353.01
Gratuity (refer note 52)	205.76	235.82
Compensated absences		
	496.71	588.83

28 Deferred tax liabilities (net)

Deferred tax liabilities (refer note 63)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (refer note 63)	-	9.40
	-	9.40

29 Other non-current liabilities

Unearned revenue

	As at March 31, 2022	As at March 31, 2021
Unearned revenue	197.41	108.48
	197.41	108.48

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30 Current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
- From banks		
- Cash credit (refer note i below)	1,106.50	3,262.24
Unsecured		
- from related parties	0.61	0.00
- from others (refer note ii below)	18.09	13.84
Current maturities of non-current term loan from banks	166.67	172.22
Current maturities of non-current term loan from others	95.22	250.96
Current maturities of non-current vehicle loan	14.58	16.96
Interest accrued but not due on borrowings	3.27	6.61
	1,404.94	3,722.83

The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 60.

Notes:

(i) Details of these loans are as follows:

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. 1,000.00 lacs (March 31, 2021 :Rs. 3,000.00 lacs) with HDFC Bank Limited comprising of Rs. 750.00 lacs (March 31, 2021: Rs. 750.00 lacs) as an overdraft facility & Rs. 250.00 lacs (March 31, 2021: Rs. 2,250 lacs) as a dropline overdraft facility.

Interest rate

These loans carry interest at bank's base rate + 3.75% (March 31, 2021: bank's base rate + 3.75%) per annum.

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
- 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, 2021 : Rs.1,000.00 lacs) with ICICI Bank Limited.

Interest rate

These facility carry interest at bank's base rate + 0.20% (March 31, 2021: 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, 2021 : 11.50%) per annum.

Primary security

First and exclusive charge on entire current assets of the Holding Company both present and future for cash credit from IndusInd Bank.

Collateral security

- a. Lien on fixed deposits amounting Rs. 370.00 lakhs (March 31, 2021: Rs 370.00 lakhs)
- b. First and exclusive charge on movable fixed assets of the Holding Company both present and future.
- c. The Borrowing are further secured by personal guarantees of the promoter and directors (Gautam Puri and Nikhil Mahajan) of the Holding Company.

(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.



(iii) Details of quarterly returns or statements of current assets filed by the Holding Company with banks and reasons:

For the year ended 31 March 2022:

Name of bank	Quarter ended	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Remarks/reasons (if any)
HDFC Bank and IndusInd Bank	30 June 2021	Pari-passu charge on current assets	4,054.03	4,848.95	(794.92)	Variance is on the account of Expected Credit Loss provisions coupled with the differences in the reporting format to the respective banks
HDFC Bank and IndusInd Bank	30 September 2021	Pari-passu charge on current assets	4,994.84	5,114.07	(119.23)	Variance is on the account of Expected Credit Loss provisions coupled with the differences in the reporting format to the respective banks
HDFC Bank and IndusInd Bank	31 December 2021	Pari-passu charge on current assets	3,558.84	3,714.71	(155.87)	Variance is on the account of Expected Credit Loss provisions coupled with the differences in the reporting format to the respective banks
HDFC Bank and IndusInd Bank	31 March 2022	Pari-passu charge on current assets	4,487.81	4,017.36	470.45	Variance is on the account of Expected Credit Loss provisions coupled with the differences in the reporting format to the respective banks

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

Particulars	Borrowings (Refer (a) below)	Lease liabilities (Refer (b) below)
Balance as at April 1, 2020	4,772.64	883.99
Interest expense	-	40.84
Loan repayments (net)	(489.56)	(618.94)
Other non cash changes	6.60	(44.66)
Balance as at March 31, 2021	4,289.68	261.24
Interest expense	-	35.35
Loan repayments (net)	(2,592.32)	(532.45)
Other non cash changes	(0.03)	751.39
Balance as at March 31, 2022	1,697.33	515.53

(a)

Borrowings

-Current (refer note 30)
-Non-Current (refer note 25)

	As at March 31, 2022	As at March 31, 2021
-Current (refer note 30)	1,404.94	3,722.83
-Non-Current (refer note 25)	292.39	566.85
	1,697.33	4,289.68

(b)

Lease liabilities

-Current (refer note 31)
-Non-Current (refer note 26)

	As at March 31, 2022	As at March 31, 2021
-Current (refer note 31)	163.12	115.24
-Non-Current (refer note 26)	352.41	146.00
	515.53	261.24



31 Current lease liabilities

Lease liabilities (refer note 51)

As at March 31, 2022	As at March 31, 2021
163.12	115.24
163.12	115.24

32 Trade payables

Trade payables

- total outstanding dues to micro and small enterprises
- total outstanding dues of creditors other than micro and small enterprises

As at March 31, 2022	As at March 31, 2021
66.50	78.26
2,778.55	2,401.88
2,845.05	2,480.14

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
As at March 31, 2022						
Total outstanding dues of Micro enterprises and small enterprises	22.18	44.32	-	-	-	66.50
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,302.48	1,121.10	179.64	98.36	76.97	2,778.55
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,324.66	1,165.42	179.64	98.36	76.97	2,845.05

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	
As at March 31, 2021						
Total outstanding dues of Micro enterprises and small enterprises	3.46	74.80	-	-	-	78.26
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,031.91	831.69	321.12	121.82	95.34	2,401.88
Disputed Dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Disputed Dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,035.37	906.49	321.12	121.82	95.34	2,480.14

Note:

- i. Refer note 55 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 60.
- iii. Other creditors are non interest bearing and are normally settled in normal trade cycle.



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

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

33 Other current financial liabilities

Advance received on behalf of others
Revenue received in advance
Unpaid dividends
Employee related payables
Payable to selling shareholders

	As at March 31, 2022	As at March 31, 2021
	24.15	83.86
	5.74	-
	2.56	2.56
	652.16	760.61
	28.06	28.06
	712.67	875.09

Note:

i. The Group's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 60.

34 Other current liabilities

Unearned revenue
Statutory dues payable
Advance against sale of business undertaking (slump sale) (refer note 22)
Refund liability created against right to return
Others

	As at March 31, 2022	As at March 31, 2021
	1,563.44	1,270.81
	341.58	258.52
	-	135.13
	99.13	89.99
	65.84	68.30
	2,069.98	1,822.75

35 Current provisions

Provision for employee benefits
Gratuity (refer note 52)
Compensated absences

	As at March 31, 2022	As at March 31, 2021
	24.36	5.42
	38.02	7.23
	62.38	12.65

36 Current tax liabilities

Provision for income-tax (net of advance tax)

	As at March 31, 2022	As at March 31, 2021
	17.51	7.37
	17.51	7.37



37 Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products:		
Text books	2,416.45	1,466.41
Sale of services:		
Education and training programmes	9,588.73	8,333.43
Event management services income	7,813.38	7,562.10
Other operating revenue		
Advertising income	915.93	845.70
Scrap sales	11.61	23.25
	20,746.09	18,230.90

Disaggregated revenue information as per geographical markets

Particulars	For the year ended March 31, 2022		
	Geographical markets		
	India	Overseas	Total
Education and training programmes	8,895.78	692.95	9,588.73
Sale of text books	2,228.06	188.39	2,416.45
Income from advertisement services	915.93	-	915.93
Event management Services income	6,356.15	1,457.23	7,813.38
Scrap sales	11.61	-	11.61
	18,407.52	2,338.57	20,746.09

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
Event management Services income	6,631.90	930.20	7,562.10
Scrap sales	23.25	-	23.25
	16,720.86	1,510.03	18,230.90

Changes in contract liability are as follows:-

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	1,379.29	1,981.01
Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year	(1,097.02)	(1,960.17)
Increase due to invoicing during the year, excluding amount recognised as revenue during	1,579.47	1,693.75
Reclassification of unearned revenue that is not yet collected in cash from trade receivables	(100.88)	(335.30)
Balance at the end of the year	1,760.86	1,379.29

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, 2022	Year ended March 31, 2021
Within one year	1,737.36	1,617.50
More than one year	124.38	97.69



Revenue from operations (continued from previous page)

Changes in contract assets are as follows:-

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	5,426.46	9,495.82
Revenue recognised that was deducted from trade receivable as unearned revenue balance at the beginning of the year	(5,426.46)	(9,495.82)
Increase due to invoicing during the year, Excluding amount recognised as revenue during the year	6,139.73	5,696.07
Credit impaired	(307.20)	(269.61)
Revenue not recognised that was deducted from trade receivable as unearned revenue balance at the end of the year		
Balance at the end of the year	5,832.52	5,426.46

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 2021-22 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, 2022	Year ended March 31, 2021
Amount collected/collectable on behalf of various customers	503.19	808.74
Amount of fees/commission/related charges forming part of the revenue for the year	13.10	26.21

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 2021-22 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, 2022	Year ended March 31, 2021
Amount paid/payable on behalf of various customers during the year	28.02	-
Amount of fees/commission/related charges forming part of the revenue for the year	1.42	-



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38 Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income from financial assets measured at amortised cost		
- Security deposits	18.12	22.86
- Fixed deposits	62.13	104.52
- Income tax refunds	146.75	64.33
- Others	-	3.71
Gain on fair value change of current investment	133.59	136.57
Liabilities no longer required written back	214.83	352.94
Rent income on investment property (refer note 5)	9.60	11.10
Net gain on foreign currency transactions and translation	22.94	-
Gain on sale of property, plant and equipment	230.31	1.40
Finance income on financial guarantees	1.85	1.85
Gain on modification and termination of leases	16.52	15.06
Reversal of provision for expected credit losses	-	167.56
Reversal of provision for slow-moving inventory	-	43.39
Excess provisions written back	-	-
Miscellaneous income	13.64	34.38
	870.29	959.67

39 Cost of materials consumed

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	12.45	27.66
Add: Purchases during the year (Refer note i)	201.72	93.06
Less: Inventory at the end of the year	(21.31)	(12.45)
Sub-total (A)	192.86	108.27
Printing cost	284.58	160.90
Sub-total (B)	284.58	160.90
Total (A+B)	477.44	269.17

Notes:

(i) Details of purchases are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Paper	201.72	93.06
Lamination material	-	-
	201.72	93.06

40 Purchases of stock-in-trade

	Year ended March 31, 2022	Year ended March 31, 2021
Text books	24.11	18.82
	24.11	18.82

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41 Changes in inventories of stock in trade

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year		
-Finished goods	1,407.43	1,419.47
-Impact of Right to return assets	79.30	71.99
Total	1,486.73	1,491.46
Inventories at the beginning of the year		
-Finished goods	1,419.47	1,384.62
-Work-in-progress	-	6.39
-Impact of Right to return assets	71.99	130.99
-Other adjustment	(65.36)	-
Total	1,426.11	1,522.00
Net decrease/(increase) in inventories	(60.64)	30.54

Note:

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

42 Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	3,314.01	3,551.00
Contribution to provident and other funds (refer note 52)	180.74	187.25
Expenses related to post-employment defined benefit plans (refer note 52)	82.02	83.14
Expenses related to compensated absences	32.28	59.96
Share-based payment to employees (refer note 57)	-	-
Staff welfare expenses	111.68	82.62
	3,720.73	3,963.97

43 Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings measured at amortised costs	281.17	479.78
Interest expenses on refund of advance	3.47	-
Interest on delayed payment of statutory dues	1.54	5.91
Interest expense on lease liabilities (refer note 51)	35.35	40.84
Finance cost on financial guarantees	7.57	12.60
Other borrowing costs	23.15	23.98
	352.25	563.11

44 Depreciation and amortisation

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 3)	144.20	219.91
Amortisation of intangible assets (refer note 7)	524.26	466.92
Depreciation on investment property (refer note 5)	5.75	5.75
Depreciation on Right-of-use of assets (refer note 4)	132.78	142.59
	806.99	835.17

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CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

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

45 Service delivery expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Franchisee expenses	4,267.02	3,355.46
Project expenses	5,455.36	4,688.04
Faculty expenses	206.11	293.92
Communication expenses	217.90	194.49
Digital Learning support expenses	176.13	224.20
Sponsorship fees	35.23	-
Material printing cost	213.05	37.08
Vocational Business Servicing Costs	23.32	3.12
	10,594.12	8,796.31

46 Sales and marketing expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement and marketing expenses	270.76	240.52
Digital marketing cost	926.31	566.59
Business promotion	106.22	66.78
	1,303.29	873.89

47 Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Rent (refer note 51)	227.99	323.65
Bad debts written off	183.19	2,853.42
Sundry balances written off	47.08	-
Legal and professional charges (refer note 48 below)	642.14	511.42
Travelling and conveyance	171.29	98.14
Office expenses	540.18	499.10
Equipment hire expenses	109.93	46.74
Repairs to:		
-Buildings	22.81	19.83
-Others	62.38	57.49
Loans and Advances written-off	0.10	47.00
Provision for expected credit loss	37.59	20.98
Rates and taxes	229.66	221.56
Freight and cartage outward	22.11	23.08
Foreign exchange loss (net)	4.47	86.82
Insurance	50.17	60.96
Commission to non executive directors	10.85	12.33
Sales incentive	63.30	56.58
Inventory written off	-	4.63
Consumption of packing materials	12.79	6.51
Corporate Social Responsibility (refer note 54)	40.39	80.94
Loss on sale of property, plant and equipment	0.22	0.42
Expenses on transfer of property	55.00	-
Brokerage on transfer of property	10.75	-
Miscellaneous expenses	93.34	282.88
	2,637.73	5,314.48

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48 Payment to auditors (excluding GST)

	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit	42.25	49.00
Other services	12.80	14.40
Out of pocket expenses	1.05	0.85
	56.10	64.25

49 Earnings per share

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Basic earnings per share		
From continuing operations attributable to the equity holders	4.87	(4.51)
From discontinuing operations attributable to the equity holders	-	0.06
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders	4.87	(4.51)
From discontinuing operations attributable to the equity holders	-	0.06
(c) Reconciliations of earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit/(loss) attributable to the equity holders of the Company used in calculating basic and diluted earnings per share:		
From continuing operations	1,379.87	(1,276.51)
From discontinuing operations	(0.81)	16.23
	No of shares	No of shares
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	283,313,560	283,313,560

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50 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, 2022	As at March 31, 2021
	-	10.95
	-	-

B. Contingent liabilities

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

	2,141.30	1,870.01
	<u>2,141.30</u>	<u>1,788.48</u>

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

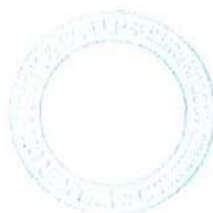
Service tax matters	Matters in dispute/under appeal for various years	1,077.89	755.09
Income-tax matters	Matters in dispute/under appeal for various years	965.96	1,015.84
Other cases	Matters in dispute/under appeal #	97.45	99.08
		<u>2,141.30</u>	<u>1,870.01</u>

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, 2021: 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, 2021: 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, 2021: 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 is fixed for final argument on June 3, 2022.
- iii) The Director of Industries and Commerce cum Chairman MSE- Chandigarh has sent a notice amounting Rs. 12.31 lacs (March 31, 2021: 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 (March 31, 2021: Rs. 46.88 lacs) for non payment of rent, Holding Company engaged a local lawyer who will file necessary application to transfer the case to New Delhi as the rent agreement has an arbitration clause, which will be decided in New Delhi. The matter is fixed for final argument on June 14, 2022.
- v) A Student had filed a case against the Holding Company citing deficiency of services provided amounting to Rs. 1.63 lacs (March 31, 2021: Rs. 1.63 lacs). The case is settled in the favour of the Student and the amount of compensation of Rs. 1.36 lacs paid on May 4, 2022.
- 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, 2021: 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, 2021: 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.

51 Leases

The 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, 2022	As at March 31, 2021
i Opening Balance	261.24	883.99
Addition during the year	451.67	-
Finance cost accrued during the period	35.35	40.84
Payment of lease liabilities	(532.45)	(618.94)
Reclass to Asset held for Sale	(14.64)	-
Reversal on account of modification/termination of lease	314.36	(44.65)
Closing Balance	515.53	261.24
Non-current Lease liabilities (refer note 26)	352.41	146.00
Current Lease liabilities (refer note 31)	163.12	115.24



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- 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:

Not later than one year

Later than one year and not later than five years

Total

As on March 31, 2022		
Lease Payments	Finance Charges	Net present Value
175.88	12.76	163.12
382.22	29.81	352.41
558.10	42.57	515.53

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

Not later than one year

Later than one year and not later than five years

Total

As on March 31, 2021		
Lease Payments	Finance Charges	Net present Value
129.52	14.28	115.24
162.88	16.88	146.00
292.40	31.16	261.24

- 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.

Expenses relating to short term leases (included in other expense)

Year ended March 31, 2022	Year ended March 31, 2021
227.99	323.65

B. Group as a lessor

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

Rental income recognized in the consolidated statement of profit and loss during the year amounting Rs 9.60 lacs (March 31, 2021: Rs. 11.10 lacs).



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52 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, 2022	Year ended March 31, 2021
Employers contribution to provident fund	178.54	182.43
Employers contribution to state insurance	2.20	4.82

(ii) Defined Benefit Plan:

Gratuity

The Group operates a post-employment defined benefit plan for Gratuity. Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. 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, 2022	As at March 31, 2021
Net defined benefit (asset)/liability		
Gratuity (partly funded)	315.30	358.43
Total employee benefit liabilities	315.30	358.43
Non-current	290.94	353.01
Current	24.36	5.42

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, 2022			As at March 31, 2021		
	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	389.61	(23.07)	366.54	383.62	(23.07)	360.55
Included in profit or loss						
Current service cost	58.40	-	58.40	60.42	-	60.42
Interest cost (income)	25.36	(1.74)	23.62	22.97	(0.25)	22.72
	83.76	(1.74)	82.02	83.39	(0.25)	83.14
Included in OCI						
Remeasurements loss (gain)						
Actuarial loss (gain) arising from:						
- financial assumptions	(9.79)	-	(9.79)	(1.39)	0.08	(1.31)
- demographic adjustment	-	-	-	-	-	-
- experience adjustment	(36.84)	-	(36.84)	(13.35)	-	(13.35)
Return on plan assets	-	15.18	15.18	(4.40)	(2.41)	(6.81)
	(46.63)	15.18	(31.45)	(19.14)	(2.33)	(21.47)
Other						
Not considered in last year						
Contributions paid by the employer	-	(79.68)	(79.68)	-	(59.81)	(59.81)
Fund management charges	-	0.53	0.53	-	(0.96)	(0.96)
Acquisition adjustment Out	-	-	-	-	-	-
Benefits paid	(76.43)	53.78	(22.65)	(58.26)	55.24	(3.02)
	(76.43)	(25.37)	(101.80)	(58.26)	(5.53)	(63.79)
Balance at the end of the year	350.31	(35.01)	315.30	389.61	(31.18)	358.43

Expenses recognised in the Statement of profit and loss

	Year ended March 31, 2022	Year ended March 31, 2021
Service cost	58.40	60.42
Net interest cost	23.62	22.72
	82.02	83.14



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.

	Year ended March 31, 2022	Year ended March 31, 2021
Funds Managed by Insurer (investment with insurer)	100.00%	100.00%

D. Actuarial assumptions

a) Economic assumptions

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

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	7.18%-7.22%	6.76%-6.79%
Expected rate of future salary increase	6.00%-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, 2022	Year ended March 31, 2021
	58.00	58.00
	100% of IALM (2012-14)	
	Withdrawal rate (%)	
	External/Internal	
	2.32/1.22-3.00%	2.32/1.22-3.00%
	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, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(22.23)	24.36	(23.92)	26.30
Expected rate of future salary increase (0.5% movement)	22.82	(20.90)	24.39	(22.26)

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, 2022	As at March 31, 2021
	24.35	5.41
	5.63	27.41
	48.86	49.19
	272.11	307.60
Total	350.95	389.61

Expected contributions to post-employment benefit plans for the following year is Rs. 104.12 lacs. (March 31, 2021: Rs. 104.87 lacs)

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, 2021: 9.44-30.21 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.



CL Educate Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2022
(All amounts are in Rupees lacs, unless otherwise stated)

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.

53 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 company	Three Sixty One Degree Minds Consulting Private Ltd
ii. Employees' benefit trusts, where control exists	Career Launcher Employee Group 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. Sanjay Tapriya (Non-Executive Independent Director) Mr. Piyush Sharma (Non-Executive Independent Director) (w.e.f. July 17, 2020) Mr. Imran Jafar (Non-Executive Non-Independent Director)
Enterprises in which KMP and their relatives are able to exercise significant	Career Launcher Education Foundation, India Bilakes Consulting Private Limited, India Career Launcher Foundaion
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, 2022	Year ended March 31, 2021
i Loan/ advance given		
- Career Launcher Education Foundation	4.00	-
ii Reimbursement of expense from related parties		
- Bilakes Consulting Private Limited	0.18	0.24
iii. Amount paid towards CSR expenses		
- Career Launcher Foundation	40.00	50.00
b Employees' benefit trusts, where control exists		
i Miscellaneous Income		
- CL Media employee Gratuity Trust	-	0.17

c Key management personnel (KMP) and their relatives

	Year ended March 31, 2022	Year ended March 31, 2021
i Short term employee benefits:		
- Mr. Gautam Puri	84.60	53.43
- Mr. Satya Narayanan R.	84.60	53.43
- Mr. Nikhil Mahajan	79.17	62.77
- Mr. R Sreenivasan	24.96	22.83
- Mr. Shiva kumar Ramachandran	24.96	22.83
ii Post employment benefits:		
- Mr. Gautam Puri	1.12	1.07
- Mr. Satya Narayanan R	0.48	0.68
- Mr. Nikhil Mahajan	0.40	0.63
iii Other long term benefits		
- Mr. Gautam Puri	-	1.36
- Mr. Satya Narayanan R	-	4.64
- Mr. Nikhil Mahajan	-	17.49
iv Commission to non-executive Directors		
- Mr. Viraj Tyagi	-	0.40
- Mrs. Madhumita Ganguli	3.12	1.40
- Mr. Girish Shivani	4.32	3.10
- Mr. Sanjay Tapriya	3.52	1.90
- Mr. Piyush Sharma	2.32	0.40



C. Related party balances as at the year end:

	As at March 31, 2022	As at March 31, 2021
a		
Enterprises in which KMP and their relatives are able to exercise significant influence		
i		
Current loans		
- Career Launcher Education Foundation	1,251.60	1,260.48
ii		
Capital advance		
- Bilakes Consulting Private Limited	16.00	16.00
iii		
Interest accrued but not due on loans given		
- Career Launcher Education Foundation	34.79	34.79
iv		
Other receivables		
- Career Launcher Education Foundation	-	0.91
v		
Other advances		
- Bilakes Consulting Private Limited	61.25	61.07
vi		
Guarantees received :		
- Bilakes Consulting Private Limited**	1,214.59	1,214.59
b		
Key management personnel (KMP)		
i		
Short term employee benefits payable:		
- Mr. Gautam Puri	43.06	27.21
- Mr. Satya Narayanan R	42.24	24.28
- Mr. Nikhil Mahajan	39.87	11.08

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

	As at March 31, 2022	As at March 31, 2021
ii		
Post employment benefits payable:		
- Mr. Gautam Puri	18.94	17.82
- Mr. Satya Narayanan R	13.26	12.79
- Mr. Nikhil Mahajan	12.49	12.09
iii		
Other long term benefits payable:		
- Mr. Gautam Puri	34.71	34.69
- Mr. Satya Narayanan R	32.74	36.78
- Mr. Nikhil Mahajan	35.75	40.98

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. 523.35 lacs (March 31, 2021: Rs. 3,553.72 lacs)
- ii) During the previous year, the Group had incorporated a Section 8 company Career Launcher Foundation which has not been considered for consolidation purposes in accordance with applicable Ind AS.

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 2020-21: Rs. Nil). 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.

** As per the Deed executed on 31 March 2014, the Holding Company had received a financial guarantee from Bilakes Consulting Private Limited that in case of default in repayment or short payment of the loan amount payable by CLEF within the given timeframe as per agreement (including addendum(s) thereon), Bilakes Consulting Private Limited shall forthwith pay to the Holding Company, the whole unpaid amount or short paid amount, as the case may be.

The Holding Company in turn acknowledges and assigns the profits (over and above the book value excluding the expenditure on sale), limited to the amount of guarantee received by the Holding Company, accruing from the sale of the property comprising land and building situated at Plot 15A, Knowledge Park II, Greater NOIDA, Uttar Pradesh.



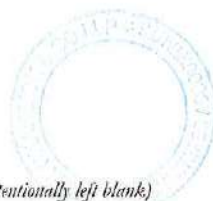
54 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Holding Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company 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, 2022	March 31, 2021
A. Gross amount required to be spent by the company	-	-
B. Amount spent during the year on:		
- Construction/acquisition of any asset	-	-
- On purposes other than (i) above	40.39	80.94
C. The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the	-	-
D. The total of previous years' shortfall amounts;	107.69	97.68
E. The reason for above shortfalls by way of a note;	-	-
F. The nature of CSR activities undertaken by the Company.	-	-
G. The Company has excess amount of Rs. 78.08 lacs (March 31, 2021: Rs. 37.69 lacs) to be carried forward and set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years.	-	-
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures.	40.00	80.94

55 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, 2022	As at March 31, 2021
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	66.50	944.09
Interest due on above	-	0.20
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.	-	-



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- 56 The Group has in the past undertaken various Central and State Government / Agencies, projects in the education / skill development sector. Most of these projects are complete, however the dues from the concerned department / agency has not been realized mainly on account of delays and long process. The details of such vocational trade receivables which are outstanding for a considerable period of time are given below. In the opinion of the management it has made the necessary provision, wherever required and such balances are fully recoverable. The details of amount recoverable are as under and refer note 62 for expected credit loss.

Vocational trade receivables	Total Amount	Amount o/s. for more than 3 years (out of total amount)	Expected Credit Loss (ECL) Provision on outstanding amount	Amount of write off
As at March 31, 2022	357.59	357.59	27.89	-
As at March 31, 2021	357.59	357.59	23.44	1,450.00

57 Share based payments

Description of share-based payment arrangements

Pursuant to the resolutions passed by the Board of Directors and Members of the Company at their respective meetings held on March 6, 2008 and March 31, 2008, the Company introduced its ESOP Plan currently in force, with the name "Career Launcher Employee Stock Options Plan 2008" (hereinafter the "Plan" or "Scheme"), which provided for the grant of upto 250,000 options (Convertible into 2,50,000 equity shares of face value of Rs. 10 each) to employees of the Company and its subsidiaries.

Pursuant to the resolutions passed by Board of Directors and Members of the Holding Company at their respective meetings held on August 11, 2014 and September 5, 2014, the Company made amendments to the Plan, and changed its name to "Amended Career Launcher Employee Stock Options Plan 2008". Further amendments were made to the Plan vide resolutions passed by the Board of Directors and Members of the Holding Company at their respective meetings held on January 29, 2016 and March 22, 2016, whereby the Company re-named the Plan as "Amended and Restated Career Launcher Employee Stock Options Plan 2014". The Holding Company renews and extends the term of the Plan as the need arises, from time to time. Accordingly, the Plan was renewed and extended for a period of 4 years i.e., from September 5, 2021 to September 4, 2025 by the Members of the Company at the 25th Annual General Meeting held on September 07, 2021.

As on March 31, 2022, 167,525 number of options (335,050 number of options after the Sub-Division of each Equity Share of Rs. 10/- into 2 Equity Shares of Rs. 5/- each, effective from October 1, 2021) remained to be granted under the Plan (March 31, 2021: 167,525 number of options).

Note: Under the Plan, the options that are forfeited, lapsed or terminated, are pooled back and can be granted again. It is hereby confirmed that at no point of time did the total number of options granted under the Plan exceeded 250,000 (equivalent to 5,00,000 options after the Sub-Division).

No options were granted during the year. The NRC Committee as well as Board of Directors did, however, approve the allocation of Options under the Plan to identified employees of the Company and its Subsidiaries, and approved the Terms of Grant, Vesting and Exercise of the Options at their respective Meetings held on February 02, 2022. These Grants are scheduled to be made in the Financial Year 2022-23.

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, 2022	NIL	3 years' service from the grant date	-
March 31, 2021	NIL	3 years' service from the grant date	-

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58 Disposal group - Assets held for sale

Particular	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment (refer note A and B below)	5,259.86	3,468.45
Other current assets (refer note A below)	-	0.66
Total Assets	5,259.86	3,469.11

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, transaction is cancelled as I-Take Care Private Limited hasn't been able to arrange the requisite funds to close the sale, accordingly, advance received has been refunded. 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, 2022	Year ended March 31, 2021
Revenue	-	-
Other income	-	17.12
Other expenses	0.81	0.89
(Loss)/profit from discontinued operations before tax	(0.81)	16.23
Income-tax expenses	-	-
(Loss)/profit from discontinued operations after tax	(0.81)	16.23

As at March 31, 2022, 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, 2023.

Particular	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment (Land and building at Indore and Raipur)	2,988.53	2,922.29
Other current assets	-	0.66
Total assets	2,988.53	2,922.95

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

	Year ended March 31, 2022	Year ended March 31, 2021
Operating activities	-	-
Investing activities	-	-
Financing activities	-	-

- B During the current year, the Group has classified Land and Building amounting to Rs. 2,271.33 Lacs located at Greater NOIDA, 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.

During the previous year the Group had 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. During the previous year, the Group had disclosed 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 assets 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, 2022	As at March 31, 2021
Property, plant and equipment - Land and building at Greater NOIDA (31 March 2021: Land and building at Faridabad)	2,271.33	546.16
Total Assets	2,271.33	546.16

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59 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 of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The 'Board of Directors' have been identified as the 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 Group represented the revenue and results of segments as under:

- (i) Consumer business comprising of Consumer Test Prep (Partner and Digital) and Consumer Publishing,
- (ii) Enterprise business comprising of Enterprise Institutional and Enterprise Corporate,
- (iii) Others comprise discontinued K-12 business and scaled down Vocational Training business

However, keeping in view the changes to the internal reporting done to the CODM, the Management of the Group has re-assessed the segment presented in the consolidated financial results. Accordingly, the reportable segments represent:

Reportable segments

EdTech: The Education segment of the Group comprising of business generated and serviced through educational services such as coaching, content and platform services.

MarTech: The integrated solution driven services for corporates through Experiential marketing and Event management (physical and virtual events), Marcomm, Customized Engagement Programs (CEPs), Manpower services and Sales management.

Others: The discontinued K-12 business and scaled down Vocational training business.

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, 2022	Reportable segment			Total
	EdTech	MarTech	Others	
Segment revenue	12,932.71	7,813.38	-	20,746.09
Revenue from external customers	12,932.71	7,813.38	-	20,746.09
Segment results	2,264.21	511.35	(112.14)	2,663.42
Segment assets	11,026.28	4,555.64	19,196.14	34,778.06
Segment liabilities	3,612.89	1,944.26	3,057.43	8,614.58

Year ended March 31, 2021	Reportable segment			Total
	EdTech	MarTech	Others	
Segment revenue	10,668.80	7,562.10	-	18,230.90
Revenue from external customers	10,668.80	7,562.10	-	18,230.90
Segment results	537.78	347.90	(1,250.23)	(364.55)
Segment assets	12,776.71	2,955.43	19,434.37	35,166.51
Segment liabilities	2,518.18	1,964.84	5,972.61	10,455.63

C. Reconciliations of information on reportable segments

	Year ended March 31, 2022	Year ended March 31, 2021
i Revenues		
EdTech	12,932.71	10,668.80
MarTech	7,813.38	7,562.10
Others	-	-
Total revenues	20,746.09	18,230.90
ii Profit before tax		
Total loss before tax for reportable segments	2,663.42	(364.55)
Other income	870.29	959.67
Unallocated expenses:		
- Finance cost	352.25	563.11
- Other expenses	1,420.95	1,506.90
Profit/(loss) before share of loss of equity accounted investees, exceptional items and tax	1,760.36	(1,474.89)
Less: Exceptional items	-	-
Loss of associates accounted for using equity method	1,760.36	(1,474.89)
Share of net loss of associates accounted for using the equity method	(37.59)	(4.94)
Profit/(loss) before tax	1,722.77	(1,479.83)
Tax expense	342.90	(203.32)
Profit/(loss) after tax	1,379.87	(1,276.51)



	Year ended March 31, 2022	Year ended March 31, 2021
Discontinued Operations		
(Loss)/profit from discontinued operation before tax	(0.81)	16.23
Tax expense	-	-
(Loss)/profit from discontinued operation	(0.81)	16.23
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Exchange difference on translation of foreign operation	66.03	37.34
Income tax relating to above	(11.22)	(9.40)
Remeasurement of defined benefit plans	32.60	21.47
Income tax relating to above	(8.53)	(5.38)
Total other comprehensive income	78.87	44.03
Total comprehensive income for the year	1,457.94	(1,216.25)
	As at	As at
	March 31, 2022	March 31, 2021
iii Assets		
EdTech	11,026.28	12,776.71
MarTech	4,555.64	2,955.43
Others	469.63	466.19
Unallocated amounts	18,726.51	18,968.18
Total assets	34,778.06	35,166.51
	As at	As at
	March 31, 2022	March 31, 2021
iv Liabilities		
EdTech	3,612.89	2,518.18
MarTech	1,944.26	1,964.84
Others	662.61	695.30
Unallocated amounts	2,304.82	5,277.31
Total liabilities	3,614.58	10,455.63

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

Within India
Outside India

	Year ended March 31, 2022	Year ended March 31, 2021
Within India	18,407.52	16,949.80
Outside India	2,338.57	1,281.10
	20,746.09	18,230.90

b) Non-current assets*

Within India
Outside India

	As at March 31, 2022	As at March 31, 2021
Within India	10,338.24	12,780.62
Outside India	400.42	400.42
	10,738.66	13,181.04



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60. 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, 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	628.73	-	-	628.73	-	-	628.73
Loans	-	-	314.48	314.48	-	-	-
Other financial assets	-	-	125.25	125.25	-	-	-
Current							
Investments	3,986.50	-	-	3,986.50	-	3,986.50	-
Trade receivables	-	-	4,994.57	4,994.57	-	-	-
Cash and cash equivalents	-	-	1,519.03	1,519.03	-	-	-
Bank balances other than cash and cash equivalents	-	-	584.35	584.35	-	-	-
Loans	-	-	1,301.08	1,301.08	-	-	-
Other financial assets	-	-	2,075.56	2,075.56	-	-	-
Total	4,615.23	-	10,914.32	15,529.55	-	3,986.50	628.73
Financial liabilities							
Non-current							
Borrowings	-	-	292.39	292.39	-	-	-
Lease liability	-	-	352.41	352.41	-	-	-
Current							
Borrowings	-	-	1,404.94	1,404.94	-	-	-
Lease liability	-	-	163.12	163.12	-	-	-
Trade payables	-	-	2,845.05	2,845.05	-	-	-
Other financial liabilities	-	-	712.67	712.67	-	-	-
Total	-	-	5,770.58	5,770.58	-	-	-

As at March 31, 2021

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	588.73	-	-	588.73	-	-	588.73
Loans	-	-	98.09	98.09	-	-	-
Other financial assets	-	-	61.71	61.71	-	-	-
Current							
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	-	-	1,311.60	1,311.60	-	-	-
Other financial assets	-	-	886.03	886.03	-	-	-
Total	4,441.64	-	10,570.03	15,011.67	-	3,852.91	588.73
Financial liabilities							
Non-current							
Borrowings	-	-	566.85	566.85	-	-	-
Lease liability	-	-	146.00	146.00	-	-	-
Current							
Borrowings	-	-	3,722.83	3,722.83	-	-	-
Lease liability	-	-	115.24	115.24	-	-	-
Trade payables	-	-	2,480.14	2,480.14	-	-	-
Other financial liabilities	-	-	875.09	875.09	-	-	-
Total	-	-	7,906.15	7,906.15	-	-	-

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, 2022 and March 31, 2021.

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, 2022	As at March 31, 2021
Trade receivables	4,994.57	5,247.56
Cash and cash equivalents	1,519.03	1,725.42
Balances other than cash and cash equivalents	584.35	1,239.62
Loans	1,301.08	1,311.60
Other financial assets	2,075.56	886.03

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. 5,301.77 lacs (March 31, 2021: Rs. 5,517.17 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, 2022	As at March 31, 2021
Not Due	1,361.56	432.01
0-90 days past due	1,160.30	1,267.59
90 to 180 days past due	646.77	407.02
180-365 days	277.79	1,389.01
365-730 days	1,038.05	793.23
More than 730 days	817.30	1,228.31
Total	5,301.77	5,517.17

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning	269.61	416.19
Impairment loss recognised / (reversed)	37.59	(146.58)
Balance at the end	307.20	269.61



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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, 2022	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	30.64	30.64	14.58	16.06	-
b) term loans	445.44	445.44	166.67	278.77	-
-From others/financial institution					
a) Term loan	96.49	96.49	95.22	1.27	-
Current borrowings					
Secured					
-Cash credit from banks	1,106.50	1,106.50	1,106.50	-	-
Unsecured					
-From others	18.09	18.09	18.09	-	-
Trade payables	2,845.05	2,845.05	2,490.08	354.97	-
Lease Liability (current & non current)	515.53	515.53	163.12	352.41	-
Other financial liabilities					
Unpaid dividend	2.56	2.56	2.56	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	652.16	652.16	652.16	-	-
Receipt on behalf of clients	29.89	29.89	29.89	-	-
Total	5,770.42	5,770.42	4,766.94	1,003.48	

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	616.66	616.66	172.22	444.44	-
-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	-	-
Receipt on behalf of clients	83.86	83.86	83.86	-	-
Total	7,906.78	7,906.78	7,186.68	720.10	



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

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, 2022 and March 31, 2021 are as below:

Particulars	As at March 31, 2022					
	AED	Amount in INR	AUD	Amount in INR	USD	Amount in INR
Financial assets						
Trade receivables	37.07	761.18	-	-	0.32	23.97
Other financial asset	2.01	41.56	-	-	-	-
Other bank balances	-	-	-	-	-	-
	39.08	802.74	-	-	0.32	23.97
Financial liabilities						
Trade payables and other Liabilities	5.73	118.43	-	-	0.25	19.09
	5.73	118.43	-	-	0.25	19.09
Net exposure in respect of recognised assets	33.35	684.31	-	-	0.07	4.88

Particulars	As at March 31, 2021					
	AED	Amount in INR	AUD	Amount in INR	USD	Amount in INR
Financial assets						
Trade receivables	24.75	493.69	2.26	44.88	9.93	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
Financial liabilities						
Trade payables and other Liabilities	1.35	26.93	-	-	0.68	49.74
	1.35	26.93	-	-	0.68	49.74
Net exposure in respect of recognised assets	29.19	582.25	2.26	44.88	16.04	1,009.98

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2022 and March 31, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss (in Rs. Lacs)		Equity, net of tax (in Rs. Lac)	
	Strengthening	Weakening	Strengthening	Weakening
Strengthening				
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended March 31, 2022				
AED	6.84	(6.84)	4.98	(4.98)
AUD	-	-	-	-
USD	0.05	(0.05)	0.04	(0.04)
Total	6.89	(6.89)	5.02	(5.02)
For the year ended March 31, 2021				
AED	5.82	(5.82)	4.23	(4.23)
SGD	-	-	-	-
AUD	0.45	(0.45)	0.33	(0.33)
USD	10.10	(10.10)	7.34	(7.34)



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

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, 2022	As at March 31, 2021
Term loans from banks and others	541.93	965.94
Vehicle loans	30.64	48.30
Cash credit from banks	1,106.50	3,262.24
Total	1,679.07	4,276.48

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on loans from banks				
For the year ended March 31, 2022	10.65	(10.65)	7.69	(7.69)
For the year ended March 31, 2021	21.07	(21.07)	15.32	(15.32)
Interest on loans from others				
For the year ended March 31, 2022	20.29	(20.29)	14.65	(14.65)
For the year ended March 31, 2021	19.50	(19.50)	14.18	(14.18)

61 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, 2022	As at March 31, 2021
Borrowings	1,697.33	4,289.68
Less : Cash and cash equivalent	1,519.03	1,725.42
Adjusted net debt (A)	178.31	2,564.26
Total equity (B)	26,163.49	24,710.89
Adjusted net debt to adjusted equity ratio (A/B)	0.68%	10.38%

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62 Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2022 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Career Launcher Infrastructure Private Limited	India	100.00%	100.00%	-	-
Kestone Asia Hub Pte Limited	Singapore	100.00%	100.00%	-	-
Career Launcher Private Limited (w.e.f. March 15, 2021)	India	100.00%	-	-	-
ICE Gate Educational Institute Private Limited	India	69.50%	58.95%	30.50%	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	USA	100.00%	100.00%	-	-

Principal activities of group companies

Kestone Asia Hub Pte Ltd

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.

Career Launcher Private Limited

CLPL was incorporated on March 15, 2021 under the Companies Act, 2013 as a wholly owned subsidiary of CL, with the objective of becoming the digital arm of the Career Launcher brand

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.

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, 2022 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, 2022	As at March 31, 2021		As at March 31, 2022	As at March 31, 2021
Threesixtyone Degree Minds Consulting Private Limited	Chennai, India	11.71% of equity shares	4.41% of equity shares	Equity	747.59	785.17
Total equity accounted investments					747.59	785.17

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.



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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 11.71% (March 31, 2021: 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 2022 and 31 March 2021.

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

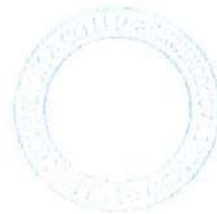
	As at March 31, 2022	As at March 31, 2021
Total current assets	882.33	1,159.24
Total non-current assets	131.46	250.98
Total assets	1,013.79	1,410.22
Total current liabilities	160.15	497.12
Total non-current liabilities	123.45	152.00
Total liabilities	283.61	649.12
Net assets	730.18	761.10

Summarised statement of profit and loss

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	314.22	378.81
Interest income	2.28	6.38
Interest expense	28.23	34.89
Depreciation and amortisation	111.94	123.11
Tax expense	-	-
Loss for the year	(320.90)	(111.92)
Other comprehensive income	-	-
Total comprehensive income	(320.90)	(111.92)

iii. Reconciliation to carrying amount of investments

	As at March 31, 2022	As at March 31, 2021
Investment in associates	674.57	674.57
Gain on fair valuation	112.43	112.43
Loss after the period of acquisition	(43.33)	(41.50)
Group's share in the loss since acquisition	(39.41)	(1.83)
Carrying amount of investment in the associate	747.59	785.17



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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, 2022	As at March 31, 2021
Current assets	84.82	122.28
Non-current assets	213.99	190.96
Total assets	298.81	313.24
Current liabilities	300.18	265.68
Non-current liabilities	11.90	16.94
Total liabilities	312.08	282.62
Net assets	(13.27)	30.62
% of Non controlling interest	30.50%	41.05%
Accumulated NCI	(0.76)	12.50
Summarised statement of profit and loss	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	239.23	455.31
Other income	9.36	11.37
Interest expense	9.73	11.53
Depreciation and amortisation	33.82	47.97
Tax expense	(17.36)	2.81
Loss for the year	(46.00)	(34.46)
Other comprehensive income	2.12	0.78
Total comprehensive income	(43.88)	(33.68)
Loss allocated to NCI	(13.26)	(14.40)
Summarised cash flow	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities	26.69	16.37
Cash flows from investing activities	(38.47)	(44.59)
Cash flows from financing activities	5.33	20.42
Net decrease in cash and cash equivalents	(6.45)	(7.80)

iii. Transactions with non-controlling interest

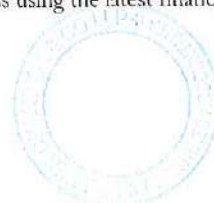
The group had acquired 50.70% stake in ICEGATE Educational Institute Private Limited on October 31, 2017. On 13 August 2019, the Group acquired an additional 7.15% stake & 1.10% on 2 March 2020 for Rs. 76.32 Lacs. Immediately prior to the purchase, the carrying amount of the non-controlling interests 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, 2022	Year ended March 31, 2021
Carrying amount of non-controlling interests acquired	-	-
Consideration paid to non-controlling interests	-	-
Excess of consideration paid recognised in retained earnings within equity	-	-

D. Other investments in equity shares

	As at March 31, 2022	As at March 31, 2021
Unquoted, measured at FVTPL - non trade		
8,817 (March 31, 2021: 8,817) fully paid up equity shares of Rs. 10 each of B&S Strategy Services Private Limited.	588.73	588.73
447 (March 31, 2021: Nil) fully paid up equity shares of Rs. 10 each of Evue Technologies Private Limited	40.00	-

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



63 Income tax

A. Amounts recognised in profit or loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expense		
Current year	295.94	7.50
Tax related to prior years	(4.86)	38.32
	<u>291.08</u>	<u>45.82</u>
Deferred tax		
Current year	51.81	(249.14)
	<u>51.81</u>	<u>(249.14)</u>
Total tax expense/(credit)	<u>342.90</u>	<u>(203.32)</u>

B. Amounts recognised in Other Comprehensive Income

Items that may be subsequently reclassified to statement of profit and loss		
- Income tax relating to exchange difference on translation of foreign operation	(11.22)	(9.40)
Items that will not be reclassified to statement of profit and loss		
- Income tax relating to remeasurement of defined benefit plans	(8.53)	(5.38)
	<u>(19.75)</u>	<u>(14.78)</u>

C. Reconciliation of effective tax rate

	Year ended March 31, 2022		Year ended March 31, 2021	
	Rate#	Amount	Rate#	Amount
Profit/(loss) before tax from continuing operations		1,722.77		(1,479.83)
(Loss)/profit before tax from discontinuing operations		(0.81)		16.23
Total profit/(loss) before tax	27.82%	1,721.96	27.82%	(1,463.60)
Tax using the Company's domestic tax rate		479.05		(407.17)
Tax effect of:				
Brought forward losses		(82.95)		(42.19)
Minimum Alternate Tax		17.51		1.14
Other permanent difference		(65.86)		206.57
Tax adjustments relating to earlier years		(4.86)		38.32
		<u>(136.15)</u>		<u>203.85</u>

Tax expense recognise in consolidated statement of profit and loss (A)+(B) 342.90 (203.32)

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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D. Movement in deferred tax balances

	Year ended March 31, 2022			As at March 31, 2022
	As at March 31, 2021	Recognized in P&L	Recognized in OCI	
Deferred Tax Assets				
Loans	13.00	5.00	-	8.00
Trade Receivable	67.00	(10.26)	-	77.26
Other Financials Assets	-	-	-	-
Other Current Assets	-	-	-	-
Deemed Equity & Other Comprehensive Income	46.00	(7.00)	-	53.00
Lease liability	73.00	(70.00)	-	143.00
Provision for employee benefits	166.46	33.19	7.05	126.22
Provision for employee incentive	104.00	(24.00)	-	128.00
Other current liabilities	18.38	(5.15)	-	23.53
Property, plant and equipment and Investment Property	-	(31.00)	-	31.00
Carried forward losses	1,360.30	269.11	-	1,091.19
MAT credit entitlement	394.27	(231.61)	-	625.88
Sub- Total (a)	2,242.41	(71.72)	7.05	2,307.08
Deferred Tax Liabilities				
Property, plant and equipment & Investment Property	737.43	363.53	-	385.97
Right of use Assets	45.00	(73.00)	-	118.00
Other Intangible Assets	104.00	(24.00)	-	128.00
Asset held for Sale	5.00	(373.00)	-	378.00
Investment in Subsidiary and Associates	72.00	-	-	72.00
Other Non Current Assets	5.00	-	-	5.00
Provision on Inventory	4.00	(15.00)	-	19.00
Other current assets	15.00	5.00	-	10.00
Sub- Total (b)	987.43	(116.47)	-	1,115.97
Net Deferred Tax Asset (a)-(b)	1,254.98	44.76	7.05	1,191.10

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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	
Deferred Tax Assets				
Loans	27.00	14.00	-	13.00
Trade Receivable	209.99	142.99	-	67.00
Other Financials Assets	91.00	91.00	-	-
Other Current Assets	16.00	16.00	-	-
Deemed Equity & Other Comprehensive Income	40.00	(6.00)	-	46.00
Lease liability	245.23	172.23	-	73.00
Provision for Employee Benefit	159.41	(12.42)	5.37	166.46
Provision for Employee Incentive	88.00	(16.00)	-	104.00
Other Current Liabilities	54.00	35.62	-	18.38
Carried Forward Losses	806.12	(554.18)	-	1,360.30
MAT credit entitlement	395.41	1.14	-	394.27
Sub- Total (a)	2,132.16	(115.62)	5.37	2,242.41
Deferred Tax Liabilities				
Property, plant and equipment & Investment Property	778.48	40.88	-	737.43
Right of use Assets	211.48	166.48	-	45.00
Other Intangible Assets	50.53	(53.47)	-	104.00
Asset held for Sale	-	(5.00)	-	5.00
Investment in Subsidiary and Associates	72.00	-	-	72.00
Other Non Current Assets	5.00	-	-	5.00
Provision on Inventory	9.00	5.00	-	4.00
Other current assets	-	(15.00)	-	15.00
Sub- Total (b)	1,126.49	138.89	-	987.43
Net Deferred Tax Asset (a)-(b)	1,005.67	(254.51)	5.37	1,254.98

	March 31, 2022	March 31, 2021
Total deferred tax assets net of deferred tax liabilities*	1,191.10	1,264.38
Total deferred tax liabilities net of deferred tax assets*	-	9.40
	1,191.10	1,254.98

*cannot be legally set-off, hence shown separately

E. Tax losses carried forward

	March 31, 2022	Expiry date	March 31, 2021	Expiry date
Expire	-	NA	188.98	2022
Expire	34.75	2023	86.10	2023
Expire	93.82	2024	93.82	2024
Expire	35.31	2026	35.31	2026
Expire	101.70	2026	101.70	2026
Expire	398.05	2029	63.67	2029
Never expire	3,467.61	-	2,472.40	-
Total	4,131.25		3,041.97	



CL Educate Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

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

64 Additional information to Consolidated financial statements as at 31 March 2022 (pursuant to Schedule III to the Act):

Name of the entity	As at 31 March 2022				As at 31 March 2022			
	Net Assets (total assets minus total liabilities)		Share in loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	Amount	As a % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI
A Holding Company								
CL Educate Limited	26,691.27	102.02%	928.37	67.32%	22.94	29.08%	951.31	65.25%
B Subsidiaries								
a) Indian subsidiaries								
ICEGATE Educational Institute Private Ltd	(13.27)	-0.05%	(46.00)	-3.34%	2.12	2.68%	(43.88)	-3.01%
Career Launcher Infrastructure Private Limited	2,155.47	8.24%	318.48	23.09%	(0.98)	-1.24%	317.50	21.78%
b) Foreign								
Kestone CL Asia Hub Pre Ltd (consolidated)*	1,262.17	4.82%	537.17	24.45%	54.80	69.47%	591.98	26.89%
C Associate (investment as per equity method)								
Threesixtyone Degree Minds Consulting Private Limited	-	-	(37.59)	-2.73%	-	-	(37.59)	-2.58%
Less: Inter-company eliminations	(3,932.15)	-15.03%	(121.38)	-8.89%	-	0.00%	(121.38)	-8.33%
Total	26,163.49	100.00%	1,379.06	100.00%	78.88	100.00%	1,457.94	100.00%

Name of the entity	As at 31 March 2021				As at 31 March 2021			
	Net Assets (total assets minus total liabilities)		Share in loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	Amount	As a % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI
A Holding Company								
CL Educate Limited	25,737.64	104.16%	(1,464.91)	116.24%	16.07	36.48%	(1,448.86)	119.12%
B Subsidiaries								
ICEGATE Educational Institute Private Ltd	30.62	0.12%	(35.46)	2.81%	0.78	1.77%	(34.68)	2.85%
Career Launcher Infrastructure Private Limited	2,159.40	8.74%	106.43	-8.44%	(0.70)	-1.73%	105.67	-8.69%
Kestone CL Asia Hub Pre Ltd (consolidated)*	696.50	2.82%	246.22	-19.54%	27.95	63.47%	274.17	-22.54%
C Associate (investment as per equity method)								
Threesixtyone Degree Minds Consulting Private Limited	-	-	(4.94)	0.39%	-	-	(4.94)	0.41%
Less: Inter-company eliminations	(3,913.27)	-15.34%	(107.62)	8.54%	-	0.00%	(107.62)	8.85%
Total	24,710.89	100.00%	(1,260.28)	100.00%	44.03	100.00%	(1,216.25)	100.00%

* Includes two step down subsidiaries Kestone CL US Limited and CL Educate (Africa) Limited



65 Additional regulatory information required by Schedule III

- i. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property
- ii. The Group does not have any transactions with companies struck off
- iii. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- iv. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- v. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii. The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- viii. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

66 On 27 November 2018, the Holding Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of five of its wholly owned Indian subsidiaries, with the Holding Company with an appointed date of 1 April 2019. The Company has received the requisite regulatory approvals and the merger became effective on 05 March 2022 on filing the certified copies of the orders sanctioning the scheme with the National Company Law Tribunal. This transaction has been accounted as per approved scheme of arrangement and accordingly the comparative periods have been re-casted to give effect to the merger however, the accounting prescribed in the approved scheme is not in accordance with the accounting treatment as per applicable Appendix C to Indian Accounting Standard (Ind AS) 103 prescribed under prescribed under Section 133 of the Companies Act, 2013, read with relevant rules and interpretations issued thereunder. The Holding Company has followed basic principles of consolidation and performed line by line consolidation which has resulted in recognition of amalgamation adjustment deficit account by Rs. 2,264.54 Lakhs in the consolidated financial statements instead of existing goodwill for the same amount which was appearing in the consolidated financial statements of the Company in respect of the aforesaid wholly owned subsidiaries prior to such merger.

67 During the financial year 2017-18, Career Launcher Education Infrastructure and Services Limited, then a wholly owned subsidiary (Pursuant to the Merger Order, the subsidiary has been merged with the holding company) entered into an agreement to sell its School Business vertical (K-12 Business) to B&S Strategy Services Private Limited (B&S) for a total consideration of Rs. 4,650 lacs comprising Rs. 600 lacs payable in cash and remaining Rs. 4,050 lacs by way of equity shares in B&S. Presently the shareholding in B&S, is 8,817 equity shares of Rs. 10 each, being 44.18% of total equity of B&S. Further, an overdue amount of Rs. 400 lacs is recoverable from B&S towards cash consideration as per the aforesaid agreement, with the amount now being considerably overdue despite repeated reminders to the B&S Management.

The Holding Company has taken legal advice and initiated legal proceedings before the Honourable Delhi High Court, to protect its interests, including recovery of Rs. 400.00 lacs of the cash consideration. A section 9 petition on the matter of CL EIS vs B&S was heard by Delhi High Court. The Honourable Delhi High Court on June 22, 2020 appointed a retired High Court Judge as an arbitrator to hear the dispute. The arbitrator has rejected the counter claim of the respondent (B&S Strategy Services Private Limited). Final arguments have been addressed by both the parties. The arbitrator has reserved the order and award is expected to be pronounced at the next hearing.

68 During the financial year 2017-18, the Holding Company 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, 2022 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 Honourable High Court, to protect its interests, including recovery of Rs. 500.00 lacs due from Nalanda. The Honourable Delhi High Court had instructed Nalanda Foundation to return the assets to CLIP and appointed an arbitrator to hear the dispute. The next hearing is scheduled to be held on July 04, 2022.

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.

69 The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on 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.

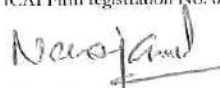
Post lifting of the lock down restrictions, the company has carried a comprehensive assessment of possible impact on its business operations, financial liabilities and contractual obligations and its liquidity position based on internal and external sources of information. The company doesn't see any significant risk in recoverability of its assets or in its ability to meet its financial liabilities given the quick and effective steps taken to minimize the risk due to the pandemic. The management continues to monitor the situation for any material changes and upgrade its systems appropriately to tackle such future situations.



- 70 The Members of the Holding Company at the 25th Annual General Meeting (AGM) held on September 07, 2021, had approved the sub-division of each fully paid-up equity share of the Company of face value of Rs.10/- into 2 (two) fully paid-up equity shares of Face Value of Rs.5/- each w.e.f. October 01, 2021 (Record date). Consequently, on October 1, 2021, the equity shares of the Holding Company have been sub-divided from 1,41,65,678 at face value of Rs. 10 (Ten) each fully paid to 2,83,31,356 at face value of Rs. 5 (five) each fully paid. Pursuant to such sub-division, earnings per share (EPS) presented for the preceding periods have been restated in accordance with requirements of the Indian Accounting Standard.
- 71 The management of the Holding Company in its meeting held on May 19, 2022 has approved the Buyback of fully-paid up equity shares of face value of Rs. 5/- each from its shareholders / beneficial owners (Other than those who are promoters, members of the promoter group or persons in control) from the open market through stock exchange mechanism for an aggregate amount not exceeding Rs. 1,000 Lakhs (Indian Rupees One Thousand Lakhs only). The Company shall utilize at least 50% of the Maximum Buyback Size i.e. Rs. 500 Lakhs (Indian Rupees Five Hundred Lakhs Only). The time frame for completion of Buyback shall not exceed 6 months from the Date of Commencement of the Buyback.
- 72 The consolidated financial statements for the year ended March 31, 2022 were approved by board of directors on May 19, 2022.
- 73 Previous year's figures have been regrouped / rearranged as per the current year's presentation for the purpose of comparability.

As per report of even date.

For Walker Chandniok & Co. LLP
Chartered Accountants
ICAI Firm registration No. 001076N/N500013



Neeraj Goel
Partner
Membership No.:099514

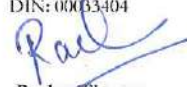


Place: Gurugram, Haryana
Date: May 19, 2022

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



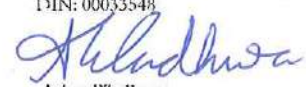
Nikhil Mahajan
Executive Director and
Group CEO Enterprise Business
DIN: 00063404



Rachna Sharma
Company Secretary
ICSI M. No.: A17780
Place: New Delhi
Date: May 19, 2022



Gautam Puri
Vice-Chairman and
Managing Director
DIN: 00033548



Arjun Wadhwa
Chief Financial Officer

