



To  
Department of Corporate Services,  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal  
Street, Mumbai – 400 001

To  
Listing Department,  
National Stock Exchange of India Limited  
C-1, G-Block, Bandra-Kurla Complex  
Bandra, (E), Mumbai – 400 051

**Scrip Code: 540403, Scrip Symbol: CLEDUCATE  
ISIN: INE201M01011**

**Sub.: Annual Report for the Financial Year 2020-21 and Notice of 25<sup>th</sup> Annual General Meeting;**

**Ref.: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;**

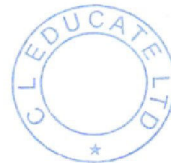
Dear Ma'am/Sir(s),

With reference to the captioned subject we wish to inform you that the 25<sup>th</sup> Annual General Meeting ("AGM") of the Company is scheduled to be held on Tuesday, September 07, 2021 at 11:00 A.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in compliance with the General Circulars dated April 08, 2020; April 13, 2020; May 05, 2020; and January 13, 2021, issued by the Ministry of Corporate Affairs ("MCA") and SEBI Circulars dated May 12, 2020; and January 15, 2021, to transact the Businesses as set out in the Notice convening AGM.

Further, pursuant to Regulation 34 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report along with the Notice of 25<sup>th</sup> AGM of the Company for the Financial Year 2020-21, which have been sent to the shareholders through electronic mode on August 16, 2021.

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility (including remote e-voting facility) to its members at the 25<sup>th</sup> AGM through the electronic voting platform of Kfin Technologies Private Limited. **The remote e-voting period will commence on Saturday, September 04, 2021 at 09:00 A.M. and will end on Monday, September 06, 2021 at 05:00 P.M.** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., August 31, 2021, may cast their votes electronically. The facility for voting through electronic voting system shall also be made available during the AGM and the members participating in AGM through VC/OAVM, who have not already cast their vote by remote e-voting shall be able to exercise their voting rights during the AGM.

The Annual Report along with the Notice of the AGM is also available on the website of the Company at [www.cleducate.com](http://www.cleducate.com).



CL EDUCATE LIMITED

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

www.cleducate.com  
compliance@cleducate.com  
+91-11-41281100/0800 +91-11-41281101  
CIN: L74899HR1996PLC076897

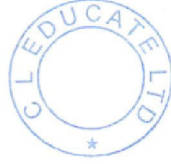


This is for your information and record.

Thanking you,

**For CL Educate Limited**

A handwritten signature in blue ink, appearing to read 'Rachna', is written over a horizontal line.



**Rachna Sharma**  
**Company Secretary & Compliance Officer**  
**ICSI M. No.: A17780**

**Place: New Delhi**  
**Date: August 16, 2021**

**CL EDUCATE LIMITED**

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

**www.cleducate.com**  
**compliance@cleducate.com**  
**+91-11-41281100/0800 +91-11-41281101**  
**CIN: L74899HR1996PLC076897**



**THE  
NEXT** **25** **YEARS**

# CONTENTS

Chairman's Message	.....	002
Financial Highlights	.....	004
Operational Highlights	.....	006
Core Values	.....	007
Management Discussion & Analysis	.....	014
Report on Corporate Governance	.....	030
Board's Report 2021	.....	060
Annexures to Board's Report	.....	081
Standalone Financial Statements	.....	110
Consolidated Financial Statements	.....	188
AGM Notice 2021	.....	274

## Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# CORPORATE INFORMATION

## Board of Directors (as on March 31, 2021)

### Mr. Satya Narayanan R

Chairman of the Board & Executive Director

### Mr. Gautam Puri

Vice Chairman & Managing Director

### Mr. Nikhil Mahajan

Executive Director & Group CEO Enterprise Business

### Mr. Girish Shivani

Non-Executive Independent Director

### Ms. Madhumita Ganguli

Non-Executive Independent Director

### Mr. Sanjay Tapriya

Non-Executive Independent Director

### Mr. Piyush Sharma

Non-Executive Independent Director

### Mr. Imran Jafar

Non-Executive Non-Independent Director

## Board Committees

### Audit Committee

**Mr. Girish Shivani**  
Chairman

**Ms. Madhumita Ganguli**  
Member

**Mr. Sanjay Tapriya**  
Member

**Mr. Gautam Puri**  
Member

### Nomination, Remuneration & Compensation Committee

**Mr. Sanjay Tapriya**  
Chairman

**Mr. Girish Shivani**  
Member

**Mr. Imran Jafar**  
Member

### Corporate Social Responsibility Committee

**Mr. Girish Shivani**  
Chairman

**Mr. Satya Narayanan R**  
Member

**Mr. Gautam Puri**  
Member

### Stakeholders Relationship Committee

**Mr. Girish Shivani**  
Chairman

**Mr. Gautam Puri**  
Member

**Mr. Nikhil Mahajan**  
Member

### Share Transfer Committee

**Mr. Satya Narayanan R**  
Chairman

**Mr. Gautam Puri**  
Member

**Mr. Nikhil Mahajan**  
Member

### Chief Financial Officer

**Mr. Arjun Wadhwa**

### Company Secretary and Compliance Officer

**Ms. Rachna Sharma**

### Bankers

HDFC Bank, ICICI Bank, RBL Bank, State Bank of India, IndusInd Bank, Wells Fargo, OCBC

### Corporate Office

A-45, First Floor, Mohan Co-operative Industrial Estate, New Delhi – 110044, India  
Tel: +91 (11) 4128 1100, Fax: +91 (11) 4128 1101

### Registered Office

Plot No.9A, Sector-27A, Mathura Road, Faridabad, Haryana – 121003, India  
Tel: +91 129-2273242  
Email: [compliance@cleducate.com](mailto:compliance@cleducate.com)  
Website: [www.cleducate.com](http://www.cleducate.com)



At times, a year feels like an eon! The past year certainly packed a generation in it, especially for EdTech. Before I delve into the business side of things, I hope and pray that each one of you reading this message is safe and secure, and managed to make it through these trying times unscathed. In the CL Educate family, we did witness the worst of COVID; and I convey our collective condolences to those of us who lost their loved ones to the pandemic. It also fills me with pride when I reflect upon the efforts from one and all.

As an organization, we have been operating completely remotely. Our teams across business units have done a tremendous job over the last 16–18 months. My congratulations to them for seeing us through this difficult phase. Predictably, given the nature of our business, there has been a dip in revenues; and we have also undertaken certain COVID-induced non-cash write-offs/provisions to ensure that the reality on the ground also reflects in our financials. Our business EBITDA, cash position, and EBITDA margins continue to be strong; and the significant shifts we have made over the last year—in terms of being a digital-first organization—are certain to hold us in good stead for the long term.

In the overall economy, there were several EdTech-significant actions, including the highest private equity infusion of US\$ 5 billion. On the other hand, COVID-19

played havoc with the education calendar and the lives of all the stakeholders in education. The disruption on the MarTech side of our B2B business was total. It was scary and exciting, at once! Interestingly, opportunities are the greatest where the disruption is maximum.

With that as the backdrop, I would like to focus on some key themes that are relevant to know and understand, as we move into the future.

### **Theme 1: Emergence of 4-5 EdTech players in the next few years**

One of the key points that has been proven last year is that the EdTech domain can be wide with tremendous depth, and is hugely scalable. This was an insurmountable perception (or belief) barrier for most during the last decade or two. I foresee 4–5 large, profitable, and listed EdTech stories playing out in the next 3–5 years. If you are looking for analogies, I would point you to the way IT services have emerged in the past two decades. Education will be no different! I also believe that some of the large industrial houses will make a strategic entry into education by focusing on asset-light, technology-driven products & services model. The Tatas, Reliance, HCL, Wipro are already invested here in some shape or form, as you are aware.

CL Educate has a headstart; and is, arguably, the only listed EdTech currently. We have great promise ahead of

us; and are focused on making this opportunity of India going global count over the next decade.

## **Theme 2: Policy reforms from NEP2020 have hit the ground running**

The National Education Policy (NEP) 2020, approved by the Parliament, has finally hit the ground. The number of policy initiatives translating into new institutions, courses, and exams is quite exciting, if not mind blowing! We, often, miss these invisible events that could signify a tectonic shift. Just a few samples, or examples, for you:

- Creation of the NTA to become the singular testing agency; and her gathering momentum over the past 12–18 months is a great sign for Indian education.
- Introduction of CUCET for entry into the 54 Central Universities and select private universities (top 100) is likely to emerge as the single-largest educational reform in India since 1947. It could involve more than 100 lakh exam takers, a number similar to that of Gaokao (China's annual national college-entrance examination).
- Launch of undergraduate sciences, liberal arts courses by the top institutions, including the IITs, IIMS, and NLUs.

## **Theme 3: Freedom and fuel for growth - Career Launcher and Kestone**

In the last 18 months, CL has transformed from a predominantly brick-and-mortar education company to a digital-first, omni-channel EdTech Player with product offerings covering almost the entire spectrum of the student population aged between 14 & 27 years. With cutting-edge technology, we are pivoting from a services alone company towards becoming a EdTech product company in the next 3 years. Over the upcoming 3–5 years, we see an additional investment of US\$ 10 million in creating a wide variety of products to win over various course streams. Our endeavor is that in 5 years' time, at least 33% of our total revenues should be product based; thus, making it hugely scalable. Premium teaching & mentoring services built on top of these scalable products will continue to contribute the bulk of the remaining revenues. We also foresee additional investments of US\$ 30–50 million, through a mix of accruals and external sources, so as to emerge as a serious EdTech leader during this period.

In the last 18 months, the Virtual Events platform, developed with cutting-edge technology by Kestone, has been adopted and accepted by some of the global IT and Tech companies. We are now in the process of ramping up our platform product sales, not only in India but also in North America, Europe, and Asia-Pacific.

Interestingly, close to 60% of the revenue of the product came from international markets. Over the next 24 months, we will continue to invest in new product creations. Two new products are likely to be put out in the market in the next 3 quarters. First, the DIY version of the events platform; and then, the Seminar/Webinar version of the platform. Both these products would be best in their class globally; and will be priced at close to 50% of similar-priced product offerings not only in India but also globally. We expect that the investments into new products to be over US \$5 million, which would enable these products to be of global scale.

Both Career Launcher and Kestone have done remarkably well during the COVID-19 crisis; and have pivoted exceptionally well to enter the digital-first world that is likely to prevail in the post-pandemic era. Both these businesses have their own direction to look at, their own aspirations to fulfil with great operating leadership teams; and I am sure of a future of success, as well as wealth creation for the employees and shareholders alike.

We, over the past year, have undertaken clear steps to convert this potential into a success story in the coming quarters. Board- and shareholder-approved ESOPs have begun to be rolled out for the team; as well as a fundraiser initiative from private equity into the digital subsidiaries of these businesses. I believe we are entering a very exciting place that could alter the orbit of the organization and our businesses in the next couple of years.

## **Theme 4: Shareholders' partnership**

As an organization, we have always tried to maintain a 360-degree perspective vis-à-vis all stakeholders, including students, parents, educationists, governments, and finally, you—the shareholder. Our efforts and focus will continue to make CL a meaningful part of your personal portfolio; and also make you a partner in our journey to impact society, youth, and education, while generating wealth.

We are creating an engagement program for our shareholders to participate in the journey of CL, details of which will be shortly available in the Investor Zone section of our website.

**Satya Narayanan R**  
Founder and Chairman  
CL Educate

# Financial Highlights

## STANDALONE (₹ In Lakhs)

Particulars	FY 2021	FY 2020
Total Income	10,823.99	17,569.11
EBITDA	352.76	507.49
EBITDA Margin (%)	3.3%	2.9%
Exceptional Item	-	4,150.05
Profit/(Loss) Before Tax	(625.35)	(5,283.52)
Profit/(Loss) After Tax	(512.80)	(5,317.35)
Basic EPS (In Rs.)	(3.62)	(37.54)
Net Worth	29,219.67	29,726.75

## CONSOLIDATED (₹ In Lakhs)

Particulars	FY 2021	FY 2020
Total Income	19,409.61	32,398.03
EBITDA	(76.62)	869.54
EBITDA Margin (%)	-	2.68%
Adjusted EBITDA	3,302.85	4,379.08
Adjusted EBITDA Margin (%)	17.02%	13.52%
Exceptional Item	-	4,150.05
Profit/(Loss) Before Tax	(1,474.90)	(5,512.97)
Profit/(Loss) After Tax	(1,182.04)	(5,305.79)
Basic EPS (In Rs.)	(8.46)	(38.29)
Net Worth	27,216.30	28,338.88

## SEGMENT REVENUE MIX (₹ In Lakhs)

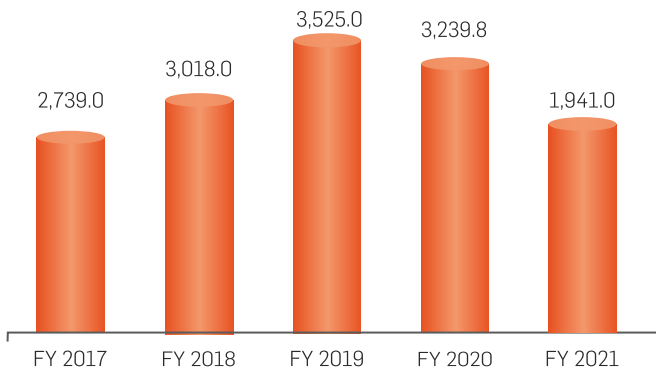
Consumer	FY 2021	FY 2020
<b>Consumer</b>	<b>10,042.14</b>	<b>17,302.30</b>
Digital	5,432.73	10,396.55
Partner	5,009.07	7,062.03
Consumer Publishing	(399.66)	(156.28)
<b>Enterprise</b>	<b>8,407.80</b>	<b>13,536.84</b>
Enterprise Corporate	7,562.10	11,535.06
Enterprise Institutional	845.70	2,001.78
Others	-	29.19
<b>Total Revenue from Operations</b>	<b>18,449.94</b>	<b>30,868.33</b>



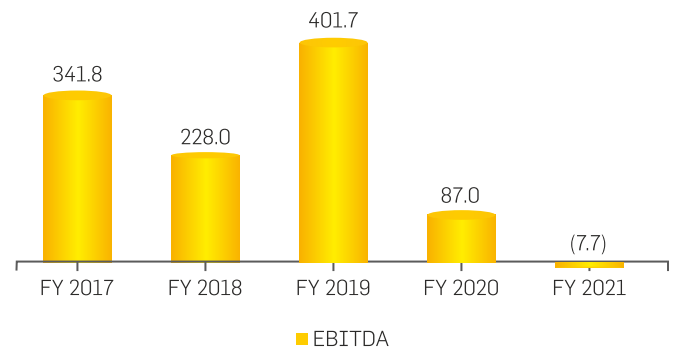


# CL EDUCATE CONSOLIDATED KEY FINANCIALS IN CHARTS

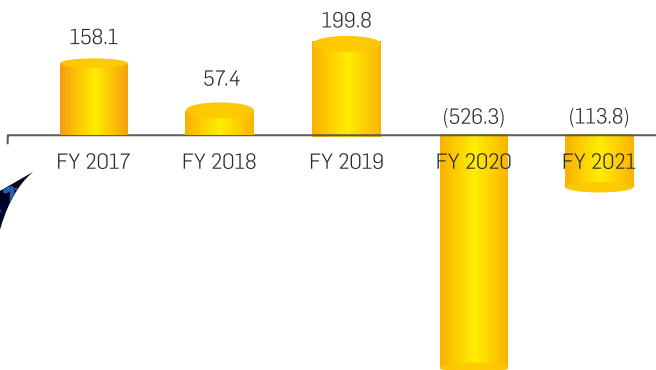
**Total Income (₹ in Mn)**



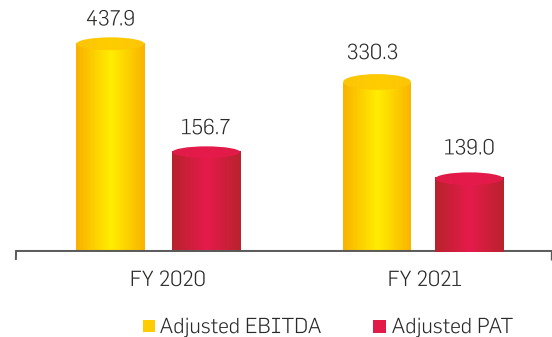
**EBITDA (₹ in Mn)**



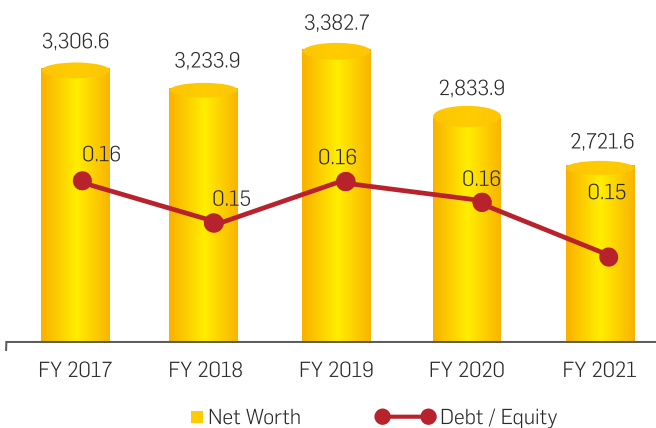
**Total Comprehensive Income (₹ In Mn)**



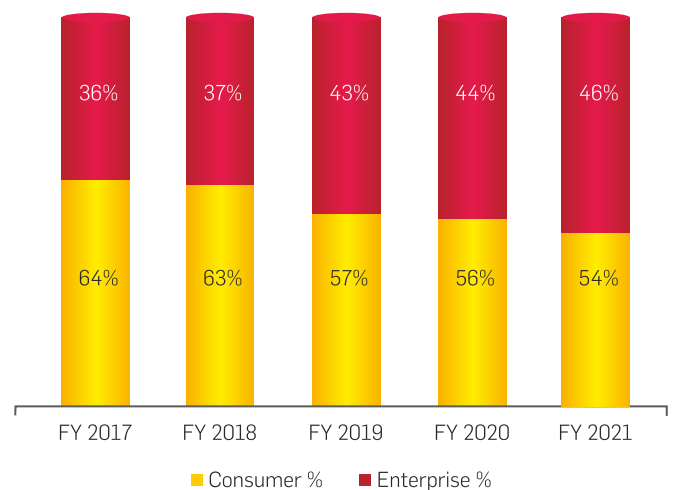
**Adjusted: EBITDA & PAT\* (₹ In Mn)**



**Net worth (₹ In Mn) & Debt / Equity**



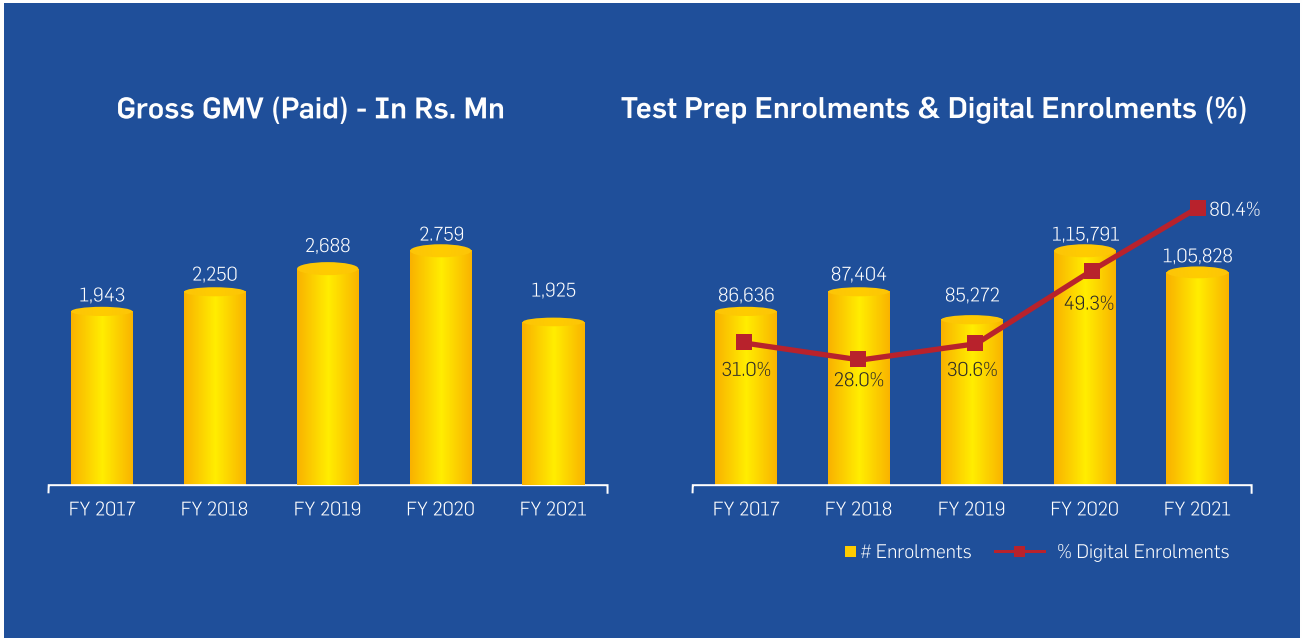
**Revenue Mix (%)**



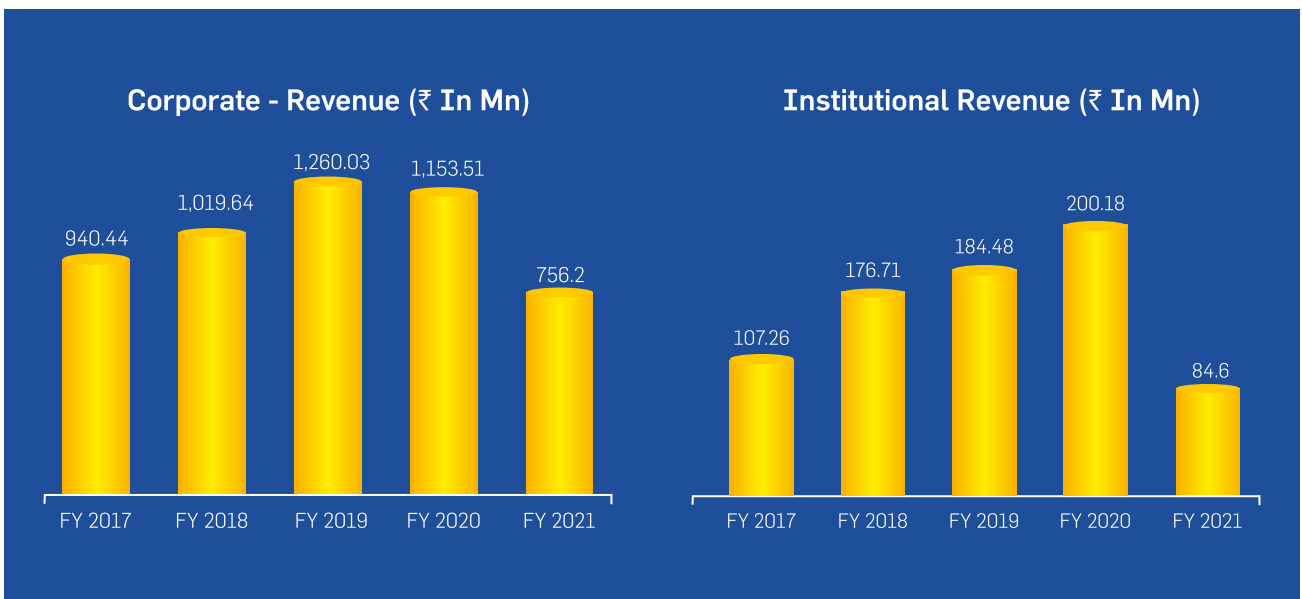
\*FY2020 & FY2021 - EBITDA & PAT Figures are adjusted figures for one-time exceptional expenses that company has incurred

# Operational Highlights

## CONSUMER



## ENTERPRISE





# Core Values and **Core Purpose**

The acronym **ROOHI** sums up our DNA, our organization's soul which we follow in all aspects of our operating practices and at all our locations. Even as we have changed over the years growing larger, diversifying, acquiring and integrating other companies, and operating in a rapidly changing world, our core ideology has remain unchanged, defining the very structure of our organization. We believe this gives us longevity as an organization and will enable us to grow our corporate brand to greater heights.

**R**

**Risk Taking:** Acting decisively based on sound judgment and intuition.

**O**

**Ownership:** Accepting responsibility for actions & carrying the team forward in a crisis situation.

**O**

**Openness:** Regularly sharing experiences with team members and customers, and encouraging feedback and initiative from them.

**H**

**Honesty & comitment to customers:** Communicating clearly & honestly to customers, the deliverables and expectations from them.

**I**

**Innovation:** Creating products, systems and processes with enhanced effectiveness to meet customer needs.

# The Honour **ROLL**



Test Prep

## MBA ENTRANCE



aspiration.ai

**2,636**

Students received calls from at least one IIM in CAT 2020

**VARC 1000**

15%ile increase in CAT VARC. Boost CAT VARC score in least time

## LAW ENTRANCE



**RANK-1**

Numero Uno!!  
AILET & CLAT 2020

**7 out of 10**

In AILET & CLAT 2020

**24X7**

Access to cutting edge tech platform - MyLST

## IPM / CUCET ENTRANCE

**IPM**

**87**

IIM-Indore Calls  
(IPM Batch 2020-25)

**CUCET**

(Central Universities  
Common Entrance Test)

**54**

Central Universities  
1.68 Lakh Seats

## INORGANIC GROWTH





## ENTERPRISE BUSINESS

250+

Cities covered in India & Singapore

100+

Esteemed Corporate Clients

200+

Virtual Events

10+

Connect to International Destinations

## VIRTUAL EVENTS PLATFORM



### One stop online solution for all kinds of events

- Includes – Campaign Creations, Audience Generation, Follow-up alerts, Networking connects, Creating themed campaigns, On demand video downloads, Live streaming Webinars, polling, quizzing and more
- Helps the clients:
  - For Internal Communication for all employees across locations
  - Host seminars
  - Organize and Manage Trade Fairs, Board meeting with Strategic Partners
  - Large scale virtual meetings with prospect leads and partners for promoting products/brands.



## WAIN CONNECT



### Wainconnect.com, India's first Industry Academia Collaboration Platform

3 year MoU with T-Hub Education in Telangana for building a collaborative environment for start-ups bringing industry and academia together on WAIN platform

### Featured WAIN Challenges

 <p><b>Conceptual Research Experience for School Students</b></p> <p>Initiator: CL Educate Ltd, Delhi No. of Innovators: 35 Tags: Innovation, K-12 Education</p>	 <p><b>Toxicity of Nanoparticles</b></p> <p>Initiator: Manav Rachna International University, Faridabad No. of Innovators: 04 Tags: Nanotechnology, Biology</p>	 <p><b>How Changes in Global Economy Affects Indian Rupee</b></p> <p>Initiator: Institute of Finance and International Management, Bengaluru No. of Innovators: 02 Tags: Economics, Monetary Policy</p>	 <p><b>A Study of Distribution Strategies of ITC</b></p> <p>Initiator: Institute of Computers and Business Management, Hyderabad No. of Innovators: 04 Tags: Marketing, Strategy</p>
---	--	--	---

## ASPIRATION.AI



Your bridge to success

- ◆ Next generation product, being developed in house, focused on providing and serving all education needs of a family
- ◆ Unified information portal built on leading edge technology
- ◆ 360° view of educational needs of the family including parental services
- ◆ Career exploration portal covering ~500 careers, parenting guidance lectures, parenting assessments
- ◆ Cutting edge analytics to help students compare their progress with others and create personalized learning paths for achieving their educational goals

# Our Directors

as on March 31, 2021

## **MR. SATYA NARAYANAN R**

Chairman and Executive Director

Aged 51 years, he is our Chairman and Executive Director. He holds a Bachelor's Degree in Computer Sciences from St. Stephen's College, University of Delhi and a Post Graduate Diploma in Management from the IIM-B. He has completed the program 'Human Interaction Laboratory' from the NTL Institute for Applied Behavioural Sciences and has received various awards, including the Karamveer Puraskar in 2009-10 by iCONGO and the Most Promising Entrepreneur Award in the Asia Pacific Entrepreneurship Awards 2009. He has over 23 years of experience in the education sector. He has been a Director on our Board since incorporation and was last re-appointed as an Executive Director of our Company with effect from April 01, 2020 for a period of 3 years.

## **MR. GAUTAM PURI**

Vice-Chairman & Managing Director

Aged 56 years, he is our Vice Chairman and Managing Director. He holds a Bachelor's Degree in Chemical Engineering from Punjab Engineering College, Chandigarh and a Post Graduate Diploma in Management Administration from the IIM-B. He has over 23 years of experience in the education sector. He has been a Director on our Board since incorporation and was last re-appointed as the Vice Chairman and Managing Director with effect from April 01, 2020 for a period of 3 years.

## **MR. NIKHIL MAHAJAN**

Executive Director & Group CEO Enterprise Business

Aged 50 years, he is our Executive Director and Group CEO Enterprise Business. He holds a Bachelor's Degree in Electrical Engineering from IIT-BHU and a Post Graduate Diploma in Management Administration from the IIM-B. He has over 22 years of experience in the field of finance and the education sector. He joined our Board on October 12, 2001 and was last re-appointed as an Executive Director with effect from April 01, 2020 for a period of 3 years.

## **MR. GIRISH SHIVANI**

Non-Executive Independent Director

Aged 50 years, he is our Non-Executive Independent Director. He holds a Post Graduate Diploma in Business Management from IMT, Ghaziabad (1993) and B.Sc. (Computer Science) from St. Stephen's College, Delhi (1991). He is the Co-founder and Managing Partner of YourNest Venture Capital, a SEBI registered early stage Venture Capital Fund. He has over 27 years of experience across multiple verticals and cross-functional exposure in IT consulting, Telecom, Media, Presales, Finance, Corporate Strategy and Operations. Amongst others, he has been associated with companies such as Teradata India Pvt. Ltd. (Lead CME Consultant (SEA)/ Principal Solutions Consultant (India), Bennett Coleman and Company Limited (General Manager (Corporate), Bharti Televentures Ltd. (Deputy General Manager (Marketing), Dabur Finance Ltd. (as Fund Manager and Head of Equity Research). He joined our Board on September 30, 2018 and holds office for a period of 5 years.

**MS. MADHUMITA GANGULI**

Non-Executive Independent Director

Aged 64 years, she is our Non-Executive Independent Director. She is a lawyer by qualification, with over 29 years of work experience. She is the member of the Executive Management at HDFC Ltd. She has been associated with HDFC for more than 40 years and has worked in diverse roles leading both Legal functions as well as Business Operations. She was a member of the National Housing Bank Working Committee on Standardizing of Loan Documentation for Retail Housing Loans and a committee set up by FICCI to formulate recommendations for the Government of India for the real estate sector. She has also been a speaker at various international and national seminars on housing finance. She joined our Board on July 02, 2017 and holds office for a period of 5 years.

**MR. SANJAY TAPRIYA**

Non-Executive Independent Director

Aged 60 years, he is our Non-Executive Independent Director. He is a Graduate in Commerce from Shri Ram College of Commerce (1981) and holds membership of the Institute of Chartered Accountants of India (1985) and the Institute of Company Secretaries of India (1985). He has over 31 years of experience across multiple verticals and cross functional exposure in Finance, Business restructuring, Corporate Strategy and Operations etc. Since 2014, He is working as CEO with Uniworld Sugars Private Limited and amongst others has been associated with Simbhaoli Sugars Limited as a Non-Executive Independent Director. He joined our Board on October 24, 2019 and holds office for a period of 5 years.

**MR. PIYUSH SHARMA**

Non-Executive Independent Director

Aged 54 years, he is our Non-Executive Independent Director. He holds a PhD in Marketing from Nanyang Technological University, Singapore (2006), a Post Graduate Programme in Marketing from the IIM-B, India (1993) and is a Bachelor of Engineering (Electrical), University of Delhi, India (1987). He is presently working as a Professor of Marketing in School of Marketing, Curtin Business School, Curtin University, Australia and has over 19 years of experience in academia. Amongst others, he has been associated with Companies such as Hometrade Limited (as Vice President Sales and Marketing), Becton Dickinson (as Marketing Manager South Asia), Dabur India Limited (as Senior Product Manager), ITC Limited (as Brand Manager) and Bharat Heavy Electricals Limited (as Quality Control Engineer). He joined our Board on July 17, 2020 and holds office for a period of 5 years.

**MR. IMRAN JAFAR**

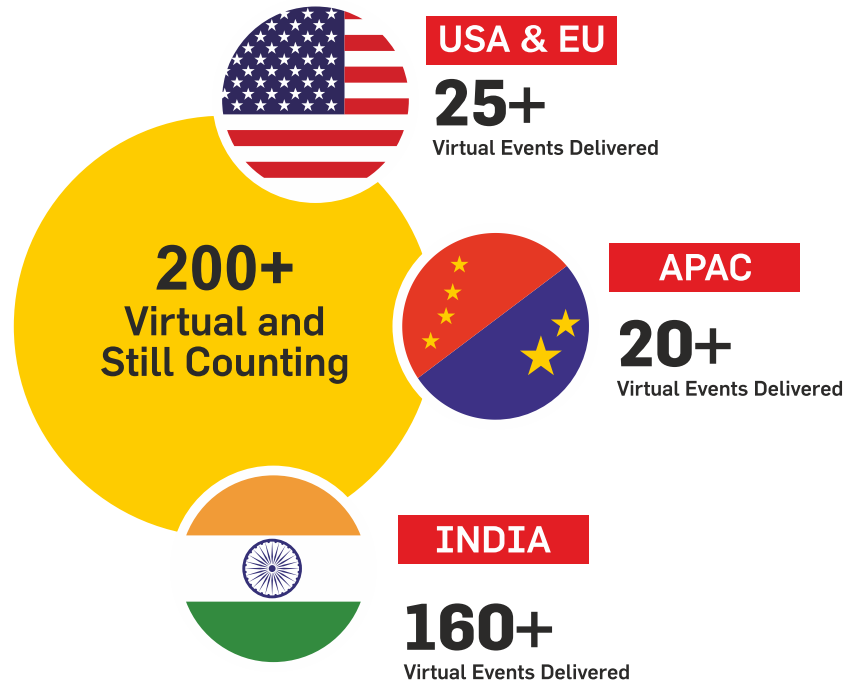
Non-Executive Non-Independent Director

Aged 46 years, he is our Non-Executive & Non-Independent Director. He holds a Post Graduate Diploma in Business Administration from the IIM-B and a Master's Degree in Software Engineering from BITS-Pilani. He is a co-founder and Managing Partner at Gaja Capital with over 20 years of experience in Private Equity, Pharmaceuticals and Technology Services. Gaja Capital is a leading Indian mid-market private equity firm focused on high growth opportunities. He has co-led investments in the education and consumer clusters. He joined our Board on November 02, 2018.



**Kestone  
Virtual Event Platform**

**EXCELLENCE  
AT A GLANCE**  
More Power to Your Events

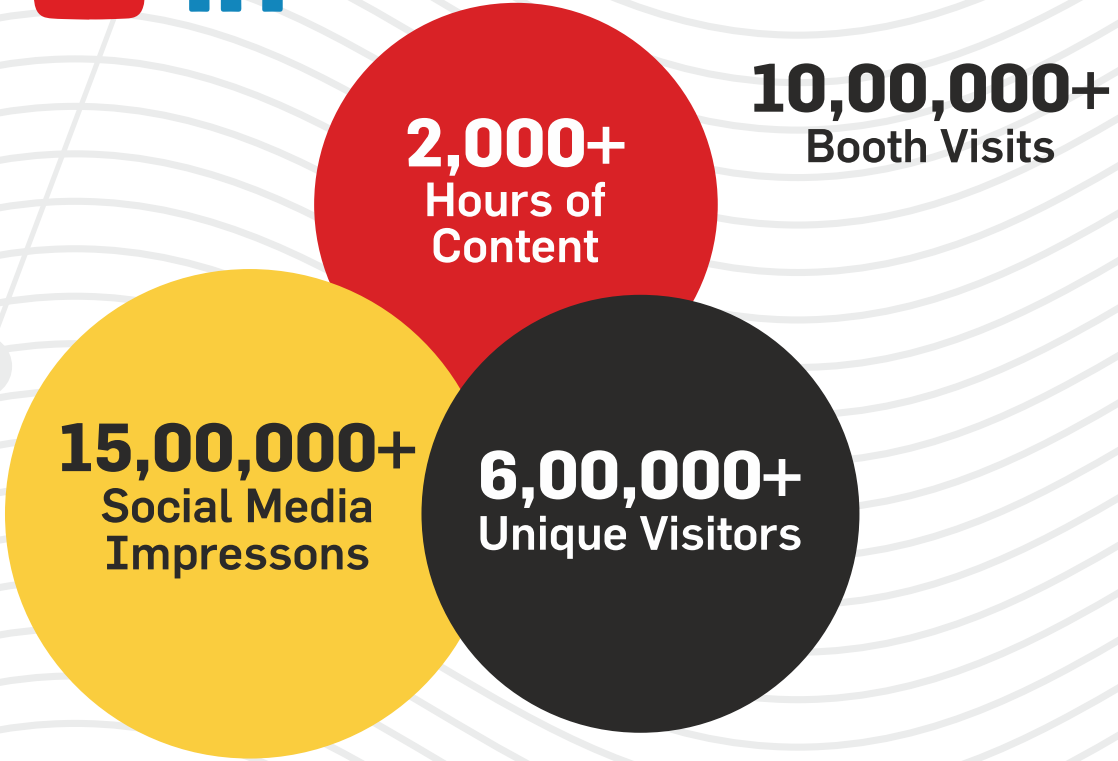


Catered Some of the  
**Leading Global Brands**



**#be  
realgo  
virtual**





## Key Industries Served



# CL Educate – Management Discussion & Analysis – Annual Report for Financial Year 2020-21

## The Industry Report: Education Sector

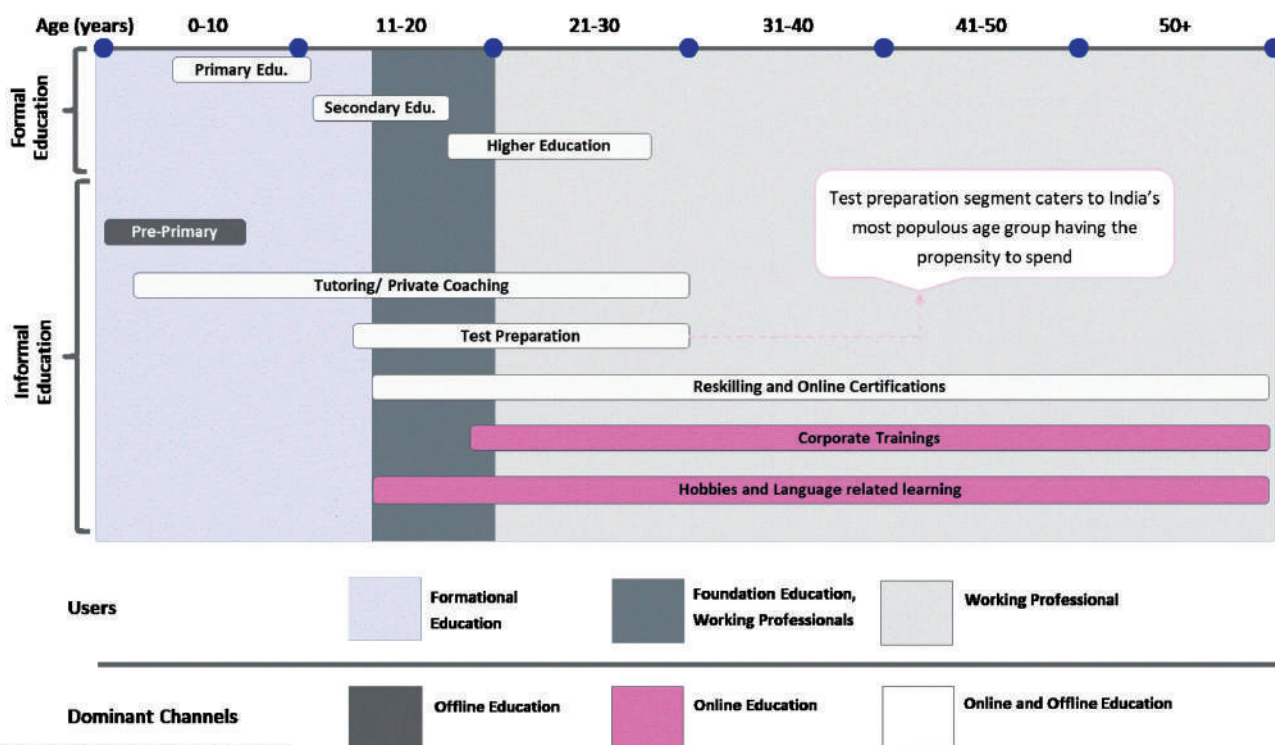
With a population of ~1.38 Bn, India is soon expected to eclipse China; and reach the numero uno position, in terms of highest population in a country, by 2025. With 37.3% population of the country in the age group of 10–30 years, the Indian education sector provides numerous opportunities of growth. The Indian education industry was estimated at \$117 Bn in FY'20 and is expected to reach \$225 Bn by FY'25 (Source: IBEF).

India has a multi-layered education system, with more than 260 Mn students enrolled across 1.6 Mn schools, ~39,000 colleges catering to 27.5 Mn under-graduate and 4 Mn post-graduate students. The Indian education system is primarily divided into: 1) Formal Education and 2) Informal Education.

Formal Education includes schools governed by the CBSE, ICSE, State, and International Boards. India has one of the largest higher-education systems in the world. Higher education in India is governed by the UGC, comprising universities, colleges, and courses.

Informal Education includes pre-schools, coaching classes for competitive exams (Test preparation), multimedia schools, vocational training centers, and educational-material suppliers. India has an extremely large informal-education market. Right from the pre-primary market, which has low entry barriers—and hence, has a large number of players—to the test-preparation segment, which is an evergreen category in India that mainly focuses on grades and admissions to reputed graduate and post-graduate colleges. The test-preparation coaching institutes prepare students for various competitive exams on graduation: BBA, IPM, Hotel Management, Law, IIT-JEE, NEET; and post-graduation levels: CAT/XAT/SNAP for Masters in Business Administration (MBA); IBPS – entrance exam for various banking institutions; UPSC, GPSC, TNPSC – entrance exams for Civil Services at Union and State levels.

According to the Union Budget 2021-22, the Government has allocated ₹ 54,873.66 crore (\$7.53 Bn) for school education and literacy programs. The Government of India's target of Gross Enrolment Ratio (GER) of 50% by 2035 for higher education is expected to drive investments in the education space. It is also



Source: KPMG Online Education report

planning to promote the education sector to help increase the share of overall services sector in the GDP of the country.

The New Education Policy (NEP) focuses on early childhood care and education. It proposes to replace the 10+2 structure with a 5+3+3+4 curricular structure for ages 3-8, 8-11, 11-14, and 14-18 years, respectively.

A new National Assessment Center, PARAKH (Performance Assessment, Review, and Analysis of Knowledge for Holistic Development) will be established as a standard-setting body.

NEP offers multiple exit options and appropriate certification within the undergraduate education period; while an Academic Bank of Credit will be established for digitally storing academic credits earned from different institutes, so that these can be

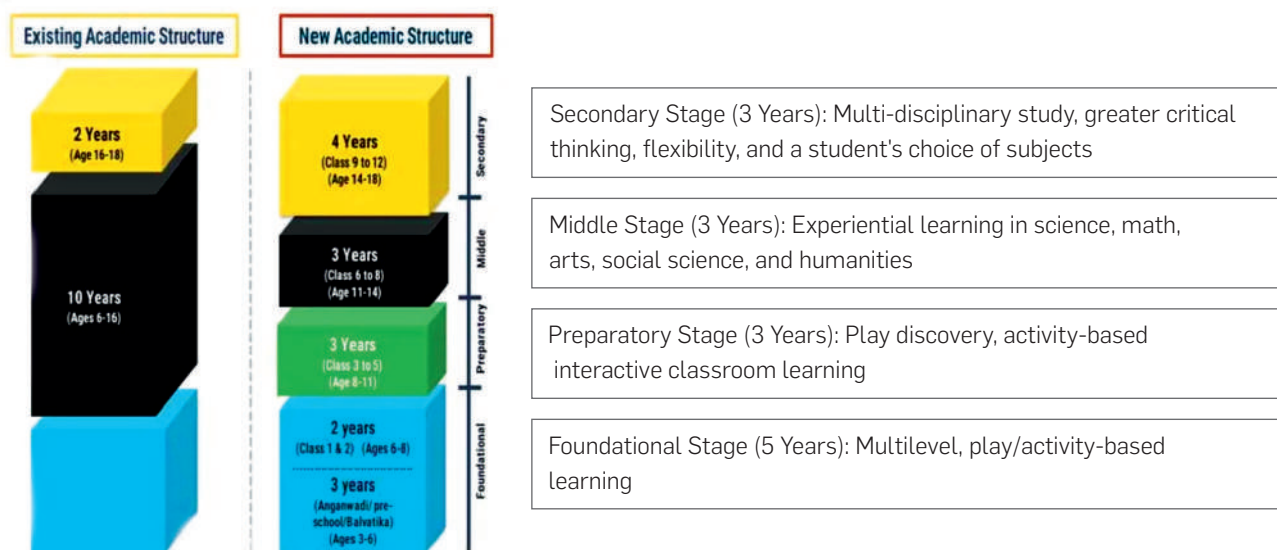
transferred and counted towards the final degree earned.

### Channels of Delivery

The Indian education sector has 2 modes of delivery of content:

1. Traditional Offline Classes – Brick & Mortar physical classes held in a conventional learning environment.
2. Cutting-Edge Digital Classes – Web/App-based learning, without the constraint of physical presence at a common location.

Delivery of classes through digital medium has created a new segment within the education sector, namely, the **EdTech Segment**.



### EdTech Market: A \$10-12 Bn Opportunity

The EdTech segment is estimated at \$2.8 Bn; and is expected to reach \$10 Bn by FY'25. Convenience & cost efficiency are the key drivers for the online education market.

The EdTech segment is broadly classified into:

**Test Preparation:** The evergreen branch for the EdTech segment. Post COVID, it has emerged as one of the fastest-growing segments in the EdTech universe. It is estimated at \$0.8 Bn; and is expected to rise to \$3.99 Bn by FY'25.

#### Key Drivers

- Availability of known players
- Large addressable market
- Price advantage over pure offline players
- Easy availability of Internet & mobile phones at much lower cost, as compared to the global average.

**Online Certification:** For a long time, certificates have validated specific skillsets; and the trend is likely to continue.

- Partnership with well-known colleges/universities
- Convenience & popularity among working professionals

**Skill Development:** Skill enhancement is essential in today's world. The EdTech segment is enabling faster skill development and further upskilling & reskilling of workers, and of those in entry-level technology roles.

#### Key Drivers

- Growing interest in upskilling
- Convenience

**K-12:** Offers online learning material, which supplements the school curriculum. It accounts for 41% of the total EdTech market. It is currently estimated at \$1.16 Bn; and is expected to surge 3.7x by FY'25.

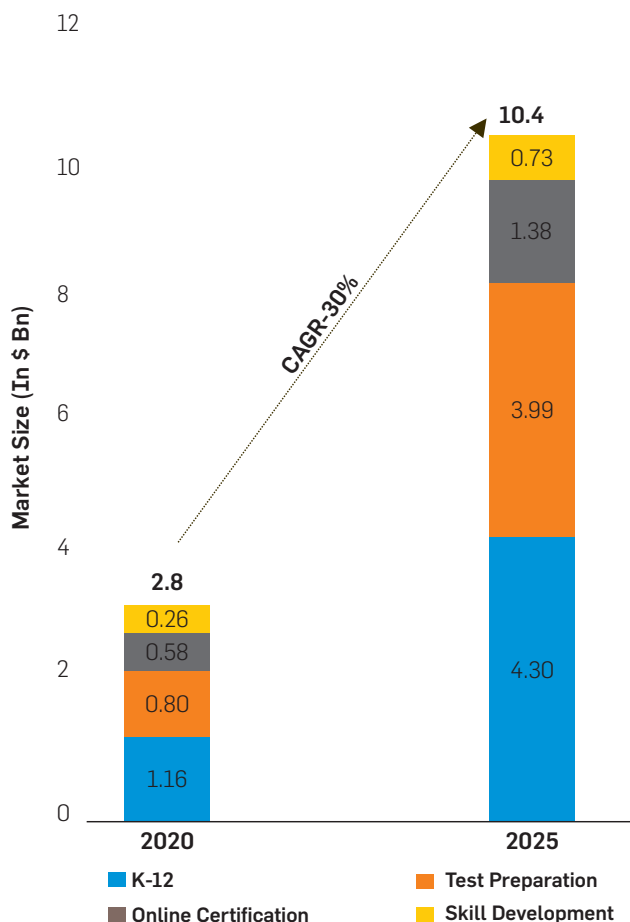
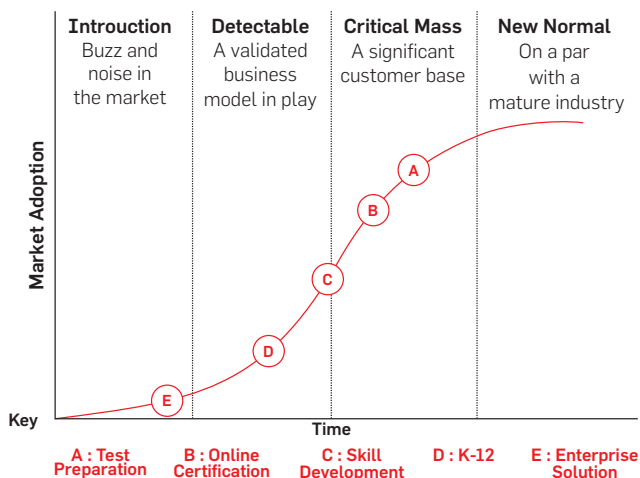
Key Drivers

- Increasing competitiveness among children
- Parents' desire to pay

**Enterprise Solutions:** This segment is still in its nascent stage; wherein, corporates are integrating solutions with learning to remain sustainable in the post-pandemic world.

Key Drivers

- Need for remote-workplace- management tools.



(Source : Inc42 Report)

COVID Challenge & Growth Acceleration

Education was one of the most-affected sectors due to COVID. Education institutes, such as, schools, colleges, universities, and test-preparation centers were the first to shut down to control the rapid rise in COVID cases; and were the last to reopen, post limited relaxations in the lockdown measures. The sector continued to face challenges, as the consequent waves and variants of COVID kept reappearing. Consequently, for the most part of 2020-21, education institutes remained closed.

However, this led to a sudden surge in the EdTech segment, which saw a steep increase in the number of users. The key development drivers propelling EdTech in India are the capacity to serve a large audience at essentially lower costs (compared to traditional classroom learning), critical growth in Internet & smartphone infiltration across India, and steady rise in disposable income of Indian families.

Present-day classrooms have moved beyond the clunky computers that were once the norm; and are now tech-infused with tablets, interactive digital courses, and even AI that can take notes and record lectures for students, who are unable to attend due to illness, etc.

A lot of innovations have been tested within the Indian EdTech industry to balance the dynamics of teachers & students from a traditional classroom to a virtual one. Technology is turning teacher-driven education into a more teacher-student arrangement. Smart classrooms are making teaching transparent and equivalent for every student in a way close to the genuine classroom-like experience.

CL Educate Limited – A Brief Overview

Incorporated in 1996, CL Educate is a technology-driven, asset-light organization present across the learning chain of a student's journey from K-12 to graduation to postgraduation to the onset of her career; and further reskilling of her talent for improving her career prospects.

CL Educate has 2 major business segments:

1. Consumer Test-Prep & Publishing

This segment, in turn, consists of:

1. Test Preparation
  - Market leader in aptitude products – MBA & Law
  - One of the fastest-growing segments in terms of

Knowledge Products – UPSC, IIT-JEE, and Medical

- Proprietary content, complemented by experienced faculty members & trainers
- Strong presence across digital platforms, with ~80% enrolments through digital mode

2. Publishing

- Strong presence in competitive exam segments – GATE, UPSC, SSC
- Present in physical, as well as e-books, space
- Notable online players like Amazon, Flipkart as distributors

Consumer business contributed 54% of the total revenue in FY'21, as compared to 56% in FY'20.

**2. Enterprise: Corporates & Universities**

Unique, integrated, solution-driven services for corporates, comprising:

- Go-to-Market and Capacity Building: Event management, marketing, training & research, improving sales-channel efficiency, and customer loyalty programs
- Virtual Events Platform launched in FY'21 to host events conducted by corporates
- Innovation: Funding, startup incubation, CSR projects, hackathons, etc.

Solutions for institutions (colleges & universities):

- Student enrolments: Focused & impactful targeting for quality international & domestic students
- Capacity-building for reputation, and benchmarking of best practices
- Innovation: Ranking consultancy, incubation of startups, investments

Enterprise business contributed 46% of the total revenue in FY'21, as compared to 44% in FY'20.

**CL Educate: Strengths**

- Strong digital presence in both consumer & enterprise businesses through renowned platforms:
- Consumer: Aspiration.AI
- Enterprise: Virtual Events Platform
- Strong presence in the Middle East, Singapore, and the USA. New offices opened in Mauritius

- Highly skilled in-house content development team, with domain & subject-matter expertise
- Long-term customer relationships
- Professional & qualified entrepreneurial management team
- High standards of corporate governance

**COVID-19: Digital is the New Normal**

The global pandemic struck late in Quarter 4 of FY'20. It brought the country to a standstill. And along with it, offline education also came to a halt. For the most part of the first half of this financial year (FY'21), educational institutes remained closed; impacting the business. The brick-and-mortar players were the most affected. Consequently, the online players gained maximum in this crisis. The number of users suddenly jumped; and so did the Gross Market Value (GMV) of these players.

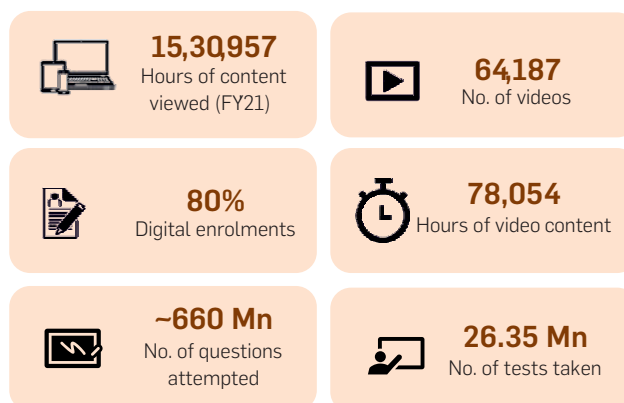
**Aspiration.ai – The COVID Response**

CL Educate Ltd, which already had a digital imprint, expanded rapidly in the digital space. The number of consumers (paid & unpaid) serviced online rose to ~3.87 lakh this year, as compared to ~2.75 lakh last year. The Company had already built its Aspiration.AI platform, as a central platform for all its student-related services. With the onset of COVID, several new features, including video library of lectures for various courses, integration with other apps, enhancement of tools for teaching & learning were integrated within the platform; making it robust for students of all courses.

Along with the above-mentioned features, some special features are also included, like:

**CAT Percentile Predictor:** AI-based feature, which helps users calculate their percentile in CAT with astonishing accuracy.

**MBA Profilizer:** CL's patented IIM-Call Predictor tool, which



helps the user predict from which IIM or B-school he/she can expect a call from, based on his/her CAT score and profile.

**VARC1000:** Minimum time, maximum outcome; result-oriented course, which is designed to boost a candidate's Verbal Ability & Reading Comprehension score in CAT in the least possible time.

Aspiration.AI uses AI tech to make a difference at every customer point.

**COVID: Rise of the Virtual Events Market**

Perhaps, the biggest impact of the pandemic was felt by the event management industry. With social distancing being observed around the globe, physical events were either postponed or completely cancelled. Worldwide, the \$1300 Bn industry faced its biggest challenge.

*Response to the Challenge – Virtual Events*

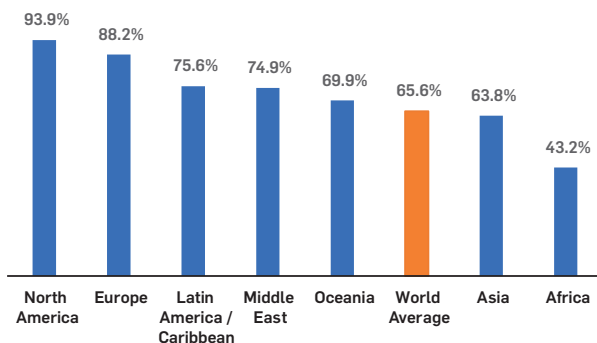
Globally, the virtual events market size was estimated at \$75 Bn in 2020. Due to the pandemic, the adoption rate for virtual events rose manifold; and the industry is now estimated to reach \$366.5 Bn by 2027.

(Source: brandessenceresearch.com)

The COVID-19 pandemic and the imposition of lockdown and social distancing norm have been boons for the virtual events industry. Businesses all around the globe had been forced to use virtual channels of communication for purposes such as meetings, live showcases, product reveals, and more. As a result, the adoption of virtual events as a go-to communication platform has been phenomenal.

The major factor driving the growth of global virtual events market is the rising number of Internet users across the world; who may require a stream of meet-ups, conferences, and entertainment, which can be catered to by virtual events and their myriad of platforms.

**Internet Penetration Rate - 2021**



Source: [www.internetworldstats.com](http://www.internetworldstats.com)

Along with deep penetration of Internet, the cost efficiency associated with such events has also led to a faster adoption rate of virtual events. The cost efficiency factor makes it possible to bring in a large number of attendees from all across the globe to a purposeful gathering. The increasing popularity of digitally simulated gatherings among event organizers and attendees, due to their time efficacy, is likely to fuel market growth during the forecast period. Furthermore, virtual events help organizations reduce the overall cost associated with organizing a physical seminar, conference, or meeting; as planners can save on venue, staff, meals, and attendees' accommodation & travel costs. Hence, organizations of all sizes are adopting virtual events, as opposed to physical events, as these are quick to arrange, inexpensive, and bring in the relevant people.

In 2020, North America accounted for the largest revenue share (of over 40%) in the virtual events market; and is expected to have a significant share on the market over the forecast period. This is attributed to the technological advancements, firm economy, and advanced networking infrastructure in the US and Canada. North America is considered a corporate hub; and registers a higher deployment rate of new & advanced technologies. Meanwhile, Latin America, the Middle East, and Africa are expected to witness noteworthy growth from 2021 to 2028. Asia-Pacific is expected to emerge as the fastest-growing region, with a CAGR of over 26.0% from 2021 to 2028. India and Australia are expected to witness a substantial increase in market share, owing to the increasing number of Small and Medium-Sized Businesses (SMBs) and the comprehensive adoption of technology in these regions.

(Source: grandviewresearch.com)

**Virtual Events Platform (VEP) – Among Top 10 Platforms Globally**

Kestone Virtual Events Platform is a one-stop solution for all kinds of events that clients would like to organize online. This solution offers end-to-end-features: from campaign creations across different digital platforms (including, but not limited to, emails, SMS, WhatsApp, and social media invites), Audience Generation, Follow-up Alerts, Registration, Networking Connects, Creating Online Events with various Indoor & Outdoor Themes, Chat (Group Chat, Private Chat, Video & Audio Conferencing within Private Chats, Sharing of Assets within Chat Rooms), Scheduling and Streaming of Pre-recorded Videos, On-demand Video Downloads, Live Streaming and Webinar with 1,000+ Audience, Sharing Screens, Polling, Quizzing, Gaming, Dashboards with Intelligent Insights around Chat Data (among participants and speakers, and also among the participants themselves), and Participants Scoreboard based on Participation Level.

This platform supports all the above, and more features for clients to use for their internal communication with all employees across locations (and connecting from homes), host

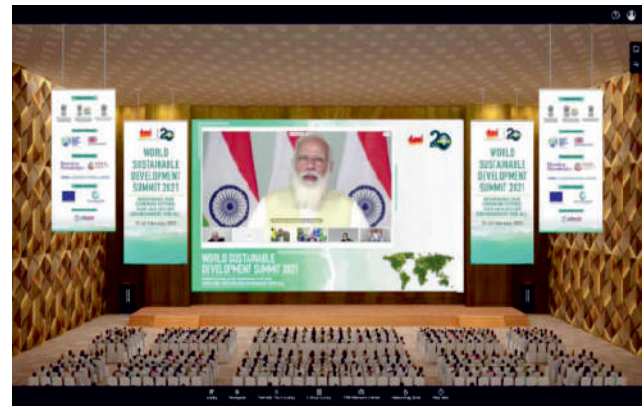
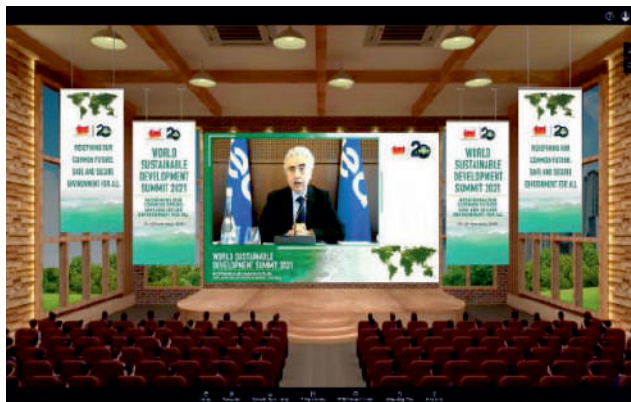
seminars, organize & manage trade fairs, hold board meetings with strategic partners, and conduct large-scale virtual meetings with prospective leads & partners for promoting products/brands. In short, this solution will provide everything a client looks for in an online event.

It provides real-time data visibility for effective performance management & monitoring; along with complete insights into delegates' movement, rooms visited, videos watched, resources downloaded, and more. Its AI-driven features include:

1. Event Analytics
2. Attendee Analytics
3. Engagement Analytics
4. Behavior Analytics
5. Sales Predictive Analytics
6. Resources & MQL Analytics

Kestone Virtual Events Platform successfully hosted the World Sustainable Development Summit (WSDS) 2021 – a three-day flagship summit by The Energy and Resources Institute (TERI).

The event was inaugurated by the Indian Prime Minister, Mr Narendra Modi. The Summit, marking 20 years of WSWS, was attended by 8000+ participants, with 100+ hrs of sessions and 14+ exhibitors.



**VIRSA – The Virtual Events AI Bot**



VIRSA is a first-of-its-kind innovation that is transforming the virtual event experience.

**Features**

- VIRSA observes to create data-driven insights that are aligned with your interests
- VIRSA thinks to create options that add value to your experience
- VIRSA recommends the path to an awesome virtual-event journey

The Virtual Events Platform (VEP) has been ranked among the top 10 platforms for events globally by Grand View Research in its Virtual Events Market Report, alongside top global brands including Microsoft, 6Connex, VFairs, Cisco, etc.

It has also been ranked among the top 5 Virtual Events Platform to Vouch For in 2021 by BrandEquity – The Economic Times.



# Business Environment

## Consumer Segment

### The Indian Test-Prep Market

The Indian test-prep market has moved steadily from a conventional classroom model to a more online-based teaching model; wherein, a student could access the lectures from within the safe environment of his/her home. The pandemic proved to be a boon for EdTech and hybrid players, who rapidly expanded their reach; and provided services to consumers through digital means. The test-prep segment is expected to grow from the current \$0.8 Bn in 2020 to \$3.99 Bn by 2025.

India's coaching segment has also evolved in terms of courses being offered. Although, coaching for conventional entrance exams, like CAT, GMAT, GRE, CLAT, UPSC, IBPS, SSC, and GATE still enjoy the maximum market share, but new skill-based training courses for exams, like CFA, FRM, Data Science, Python, R, Artificial Intelligence & Machine Learning are rapidly being adopted as a means for supplementing knowledge base and making oneself ready for employment.

### The Conventional Market

The Test-Prep market is sub-divided into:

1. **Aptitude Test-Prep Products** – Includes undergraduate entrance examinations for courses like Law, BBA/IPM; and post-graduation courses, like MBA, GMAT, Bank PO, SAT, IELTS, SSC, and GRE
  - a. **MBA:** In 2020, the number of students who registered for CAT decreased to 2.20 lakh, as compared to 2.44 lakh in 2019. MBA test-prep is a mature market, wherein the growth is limited by the number of students appearing for CAT. Other notable exams in the same category include XAT, SNAP, and Maharashtra CET.
  - b. **Law:** CLAT 2020 saw a significant surge in the number of applicants registering for the examination, which is a gateway to the prestigious law schools across the country. Nearly 75,000 candidates registered for the exam in 2020, as compared to ~60,000 registrations in 2019. Law is one of the fastest-growing segments of the test-preparation market with a CLAT score accepted by more than 70 law colleges across the country.
  - c. **IPM/BBA:** IPM (Integrated Program in Management) is a 5-year program launched by IIM-Indore in 2011 that has been accredited by the Association of MBAs (AMBA). This is one of the new & exciting segments,

which is gathering steam in the test-preparation market. Currently, IPMAT (IIM-Indore) scores are accepted by IIM Indore, IIM Ranchi, and Nirma University Institute of Management, Ahmedabad. IIM-Rohtak conducts its own IPMAT exam. IIM Bodh Gaya and IIM Jammu are starting their IPM programs from 2021, admissions to which will be on the basis of JIPMAT, to be conducted by the NTA.

- d. **CUCET:** The Central Universities Common Entrance Test is fast emerging as a new product/line of revenue with the implementation of the NEP 2020. It is a common entrance exam being administered by 54 Central Universities across the country to provide admissions to students in various courses in those universities. The number of universities participating in the exam has increased from 14 to 18 to 54, with many notable names, like DU, BHU, JNU, Jamia Millia also participating in CUCET. From 2022, the test is likely to be conducted twice a year.
2. **Knowledge-Based Products** – Includes products for undergraduate examinations, like IIT-JEE, NEET, BITSAT, AIIMS, JIPMER; and postgraduate examinations, like CACPT, UPSC, GATE etc. These exams test knowledge and expertise in one or more subject matters.
    - a. Almost 22 lakh students have registered for JEE Main 2021, (Engineering entrance examination) with more than half of those candidates opting for multiple attempts.
    - b. 15+ lakh students are expected to register for NEET 2021 (Medical entrance examination)

(Source: Various Internet reports)

### Non-Test-Preparation Courses

Job-oriented courses include training for CFA, FRM, NCFM, and Data Science (Python, R, Machine Learning, etc.).

Analytics services cover descriptive, predictive, and prescriptive analytics; and include data reporting, business intelligence, visualization, and analysis. Specialized courses in the domain of Data Science and Finance are being adopted by working professionals at a much faster rate; since these are viewed as the key to growth within an organization. These also enable working professionals to look for more lucrative jobs in the analytics industry, which is growing at a rapid pace.

The market size for the analytics domain increased to \$45.4 Bn in FY 2021—a 26.5% growth over last year (\$35.9 Bn). The



Indian analytics industry is predicted to grow to a market size of \$98.0 billion by 2025 and \$118.7 billion by 2026.

More than one-in-three (34.2%) analytics professionals in India are engineering graduates, and more than one-in-five (21.0%) are MBA postgraduates.

(Source: Analytics India Magazine research)

### Enterprise Segment

#### Advertisement & Digital Marketing

	Advertising Industry	Digital Advertising
2020	\$ 7.74 Bn	\$ 2.16 Bn
2021	\$ 8.57 Bn	\$ 2.59 Bn
2022	\$ 9.64 Bn	\$ 3.24 Bn
CAGR	11.59%	22.47%

(Source: smefutures)

Due to the rapid shift of consumers to online channels, businesses have also transformed themselves, and built their advertisement strategies around the digital space. Thus, there is a huge upward surge in the time that people are spending in the digital space. As per a report, advertising spending in the digital arena has increased from 20% in 2019 to a whopping 28% in 2020.

According to a study, television contributes the largest share of 41%, i.e., ₹ 23,201 crore to the Indian advertising market; followed by digital at 28% (₹ 15,782 crore) and print at 25% (₹ 13,970 crore).

As per the numbers, social media ad spend on digital is 29%. It is followed very closely by online video, which contributes 28%; while the paid search spend is 24%, followed by digital banners at 16%.

(Source: SMEFutures)

### Events Industry

The physical events industry suffered a major setback with imposition of lockdown due to the global pandemic. The events were either cancelled or postponed to the next year.

Under these testing circumstances, only the companies which focused on innovation evolved rapidly. Virtual events became the new norm; and is expected to grow significantly in India, mainly because of prevailing restrictions due to lockdown conditions. The events industry is expected to grow at a CAGR of 11% from 2021 to 2028.

(Source: explodingtopics.com)

### Research & Incubation

In 2021, India was ranked 50th (Previous Year: 54th) in the Bloomberg Innovation Index. It was the only South Asian

nation to be ranked in the Top 50. South Korea has returned to the top spot, which was earlier occupied by Germany. Singapore finished second, followed by Switzerland and Germany at third and fourth positions. Sweden (5), Denmark (6), Israel (7), Finland (8), Netherlands (9), and Austria (10) form the top 10 list. The Innovation Index usually considers the following criteria, while ranking the countries:

- a) R & D intensity
- b) Manufacturing value added
- c) Productivity
- d) High-tech density
- e) Tertiary efficiency
- f) Researcher concentration
- g) Patent activity

### Business Overview

CL Educate Limited is present across the educational value chain of a student. It caters to a wide age group from 16 to 35 years.

It operates in two main segments:

1. Consumer Test-Preparation: This segment caters to the competitive test-preparation market, as well as the rapidly growing non-test preparation courses (CFA, Data Science, etc.) under its popular brand "Career Launcher".

The segment is further divided into:

- a) Digital: Hybrid model of delivery & acquisition of students. The Company is responsible for complete servicing of students.
- b) Partner: Business conducted by Business Partners (Franchise/Network). The partners are completely responsible for servicing of students.

As a part of the test-preparation segment, Career Launcher offers:

- a) Aptitude Products, such as CAT, CLAT, Bank, SSC, GRE, GMAT, etc.
- b) Knowledge Products, such as Engineering exams (IIT-JEE, NATA, GATE, etc.), Medical exams (NEET, AIIMS, JIPMER, etc.), UPSC, etc.
- c) Non-Test-Preparation job-enhancing courses, like CFA, FRM, NISM, Data Science (Python, R, Machine

Learning & Artificial Intelligence).

2. Consumer Publishing: The Publishing arm operates under the brand GK Publications; and distributes titles under 3 categories:
  - a. Technical (comprising titles for GATE, technical vacancies in Central Public Works Department, etc.)
  - b. Non-technical (comprising titles for CAT, Bank/SSC examinations, Civil Services examination, etc.)
  - c. School Business (comprising titles relevant for students preparing for their Board exams)
3. Enterprise Corporate: As part of the same segment, under the brand Kestone Integrated Marketing Services, the Company offers the following services to corporates:
  - a. Experiential Marketing and Event Management Solutions (Virtual Events Platform - VEP)
  - b. Digital & MarComm. Services
  - c. Customized Engagement Programs (CEPs)
  - d. Manpower Management & Training Services
  - e. Strategic Business Solutions
4. Enterprise Institutional
  - a. Integrated solutions to educational institutions & universities across India
  - b. Student Recruitment Services
  - c. Research & Incubation Services (through its brands CL Media and Accendere)
  - d. Career Development Center

### Consumer Segment

#### Operational Highlights

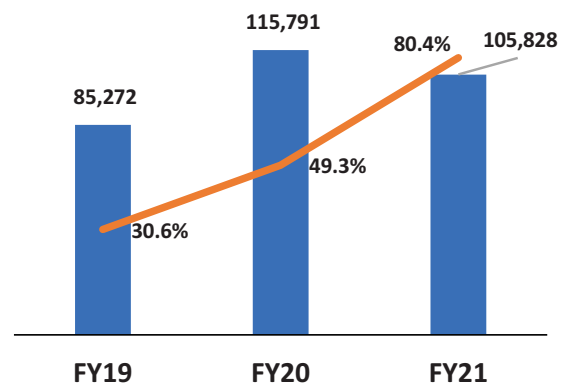
There has been a major shift in strategy for the Company since the onset of the global pandemic. Because of COVID, the Company completely shifted its acquisition of customer & delivery of services to the online mode. Since the lockdown was implemented for most of the year, the Company's centers remained closed as per the guidelines issued by the Center & respective State Governments. The Company continued to make inroads, and expand its digital reach despite the COVID challenge. As a result, the Company serviced ~4 lakh consumers (paid & unpaid) in FY'21, as compared to ~3 lakh consumers in FY'20.

In terms of product offerings, the Company continued its strategy of sachetization (breaking bigger products into smaller modules). The Company further improved its product offerings by adding products, such as CUCET, in its already available bouquet of products.

The gross enrolments across courses decreased by 8.6%—from ~115,000 to ~105,000—mainly to the global pandemic and the uncertainty surrounding the exam dates. Several major entrance exams, such as CLAT, JEE, NEET were postponed from their respective months due to the prevailing lockdown conditions in the country.

The online enrolments saw a significant jump— from 49% of the total enrolments to 80%.

#### Gross Enrolments - Digital Enrolments (%)



**Total Enrolments**      **Digital Enrolments**

#### Enterprise Corporate

#### Integrated Business, Marketing, and Sales Services for Corporates

Kestone Integrated Marketing Services Pvt. Ltd, which was acquired by CL Educate Ltd in 2008, represents the Enterprise Corporate segment of the Company.

Kestone's set of offerings includes:

1. Experiential Marketing and Event Management Solutions (Virtual Events Platform - VEP)
2. Digital & MarComm. Services
3. Customized Engagement Programs (CEPs)
4. Manpower Management & Training
5. Strategic Business Solutions

The impact of COVID was quite huge on the event management industry. However, despite the COVID challenge, the Company

was able to route its deliverables through its digital channels. Moreover, with the launch of the Virtual Events Platform (VEP), the Company has not only streamlined its costs and achieved better cost efficiencies, but it has also led to an increase in number of digital clients.

The services provided by Kestone to its clients, include:

**Experiential Marketing and Event Management Solutions**

- **Product Launches:** Product launches and brand activations are about giving our clients the ideas and platform needed to showcase their products, in order to propel them into the market in an effective manner.
- **Dealer Meets/Sales Conferences/Seminars:** In addition to flawlessly-run conferences, Kestone brings vision, flair, and 20 + years' experience to the designing & execution of genuinely inspiring meetings.
- **Exhibitions:** Dynamic, successful marketing events, whether in the form of networking hubs of a client's conference, or a standalone trade fair.
- **MICE:** Tailor-made MICE (Meetings, Incentives, Conferences, and Exhibitions) strategically planned and beautifully executed, designed to build relationships, motivate, and inspire.
- **Virtual Events Platform**

**Digital & Marketing Communication (MarComm.) Services**

● **Web Design & Development**

Collaboration of the best digital designs, front-end UI & CSS, and back-end programming minds in the region. Kestone designs websites that convert visitors into customers; and a user experience (UX) that is engaging enough to ensure multiple visits over time.

● **Content Marketing**

The team defends the written word to the end, crafting content that is in sync with the brand, is relevant, and that people want to share—be it in print, online, or via social media.

● **Social Media Marketing**

We put in place a pioneering combination of traditional marketing, search marketing, and social media to work for a client's brand, improve direct website traffic, generate brand buzz, and enhance search-engine rankings.

● **E-Mail Marketing**

We have honed our email marketing process to ensure a results-driven approach to messaging, Call-to-Action (CTA), lead capture, and conversion metrics.

● **Digital Advertising & Media Buying**

We make sure companies get the best ROI in social advertising through strategic planning, top-quality ad creatives, and ongoing campaign measurement & optimization.

**Manpower Services and Sales Management**

We study the business of the client, and develop a keen understanding of their business goals, talent-related needs; and deliver the best package to achieve their targets. The bouquet of services provided is as follows:

- **Enterprise Sales Program:** We provide the best manpower services to take what the client needs to newer heights.
- **Retail Sales Program:** Our manpower services offer resources who have mastered the art of sales.
- **Seller Enrolment Program:** We design exclusive enrolment programs to build relationships with vendors; and achieve sales targets of our client's businesses.
- **Direct Sales Program:** We work with organizations of all sizes to build teams that not only meet, but exceed, a company's goals.

**Customized Engagement Programs (CEPs)**

● **Loyalty Programs**

Designing relevant loyalty programs for a client's products & services for customer retention, taking care of registrations, and validation of the client's service offerings.

● **Rewards Programs**

Recommending an impeccable rewards program plan, especially for those customers making frequent purchases from a client; and getting them hooked to the brand.

● **Audience Generation and Management**

Giving the best audience definition for a client's business plan & program, along with the optimum audience generation possible with audience management for live events.

● **Pipeline Management**

Laying down an approach, both systematic and visual, for a

client to sell their products and services to the target audience, while generating the maximum ROI.

● **Lead Generation Activity**

Initiating the maximum customer interest through optimum lead-generation activities; and getting the best potential leads in the market.

**Enterprise Institutional**

**Integrated Solutions to Educational Institutions and Universities**

Through its subsidiary CL Media Private Ltd,

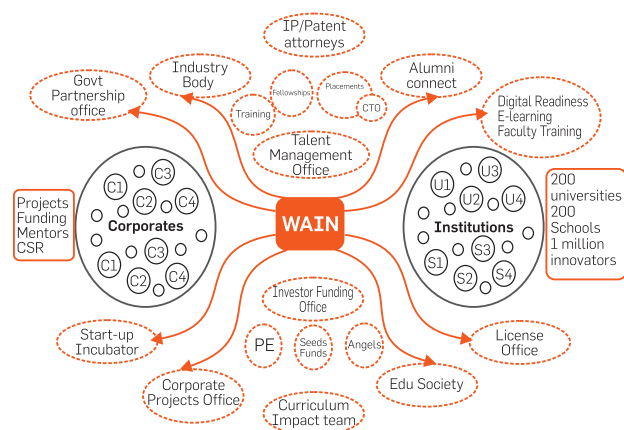
CL Educate offers the following services to educational institutions across India:

1. Integrated marketing solutions
2. Student enrolment services
3. Research & incubation services
4. Career Development Center

CL Media facilitates universities in reaching out to the right student set and improving their quality of intake. It offers the following services & benefits:

Business Solutions	Benefits to universities
- Project Consultancy	- Attract Smart Students
- Student Outreach Services	- Improved Research Output & Publishing
- Digital Marketing and Social Media Campaigns	- Seed Funding and CSR Projects
- Print Media Campaigns	- Attract Research Funds from Govt. & Industry
- Events	- NIRF, NAAC, QS, and Consultancy

**Research & Innovation**



Through its subsidiary, Accendere Knowledge Management Services Private Ltd., CL Educate provides research & innovation services. It facilitates universities in improving their rankings through research and start-up incubation. The introduction of the NIRF Ranking framework by the MHRD, which emphasizes on innovation, has provided a huge fillip to Accendere’s offerings, namely,

- Research Incubation Services
- Start-up Incubation Services
- Worldwide Academia-Industry Network
- Corporate Research Incubation and IP Management

**WAINConnect Platform:** Change is the only constant; and is what fuels evolution in all aspects of the economy. In the past couple of years, focus has been renewed on Research & Development, which has subsequently brought about a lot of challenges in terms of scalability. Industry and academia are two of the biggest contributors to the innovation quotient of an economy. They work in tandem to achieve the collective objective of new innovations and technological improvements.

The objective of the WAIN platform is to provide interlinked opportunities for academic institutions and corporates to work together.

**Financial Highlights**

(₹ in Lakhs)

	FY 2021	FY 2020
Revenue from Ops	18,449.9	30,868.3
Total Income	19,409.6	32,398.0
Operational Expenses	19,486.2	31,528.5
<b>Total Expenses</b>	<b>20,884.5</b>	<b>33,761.0</b>
EBITDA	(76.6)	869.5
Profit / (Loss) Before Tax	(1,474.9)	(1,362.9)
Exceptional Items	-	4,150.0
Profit / (Loss) Before Tax after Exceptional Items	(1,474.9)	(5,513.0)
<b>Net Profit / (Loss) for the Period</b>	<b>(1,182.0)</b>	<b>(5,305.8)</b>

(₹ in Lakhs)

	FY 2021	FY 2020
Adjusted EBITDA	3,302.8	4,379.1
Adjusted EBITDA Margin	17%	14%

Adjusted PBT	1,904.6	2,146.6
Adjusted PBT Margin	10%	7%

### Revenue

The Revenue from Operations at a Consolidated level decreased by ~40%—from ₹ 30,868.3 lakh in FY'20 to ₹ 18,449.9 lakh in FY'21. This was mainly on the account of COVID.

1. Consumer Test-Preparation: Although the Company responded quickly, and moved all of its delivery through its online channels, but the uncertainty with respect to exam dates and postponement of several key exams (JEE, NEET, CLAT) led to a lower revenue. The gross enrolments decreased by ~9%—from ~115,000 in FY'20 to ~105,000 in FY'21. The digital channels of the Company saw a huge rise in the number of users (paid). Digital enrolments were 80% of the total enrolments in FY'21, as compared to 49% in FY'20.

2. Consumer Publishing: The publishing business saw a steep increase in sales returns due to the pandemic. Since most of the distributors had to keep their point of sales closed due to imposed lockdown conditions, the gross revenue also fell by 43%.

3. Enterprise Corporate: The enterprise corporate segment relates to the Event Management, Digital Marketing, Managed Manpower services, Customized Engagement Programs (CEP) being carried out under the brand Kestone Integrated Marketing Services Pvt. Ltd. The segment was one of the most-affected ones at the beginning of the COVID era. The physical events came to a standstill, with imposed lockdown conditions.

The segment revenue decreased by 34%— from ₹ 11,535.1 lakh in FY'20 to ₹ 7,562.1 lakh in FY'21. The recovery was seen mainly due to the launch of the Virtual Events Platform (VEP).

4. Enterprise Institution: The segment revenue decreased by 58%—from ₹ 2,001.8 lakh in FY'20 to ₹ 845.7 lakh in FY'21—mainly due to shutting down of universities and colleges due to the COVID pandemic.

A brief break-up of segment-wise revenues is as follows:

(₹ in Lakhs)

	FY 2021	FY 2020
<b>Consumer (A)</b>	<b>10,042.1</b>	<b>17,302.3</b>
Partner	5,432.7	10,396.6

Digital	5,009.1	7,062.0
Consumer Publishing	(399.7)	(156.3)
<b>Enterprise (B)</b>	<b>8,407.8</b>	<b>13,536.8</b>
Enterprise Corporate	7,562.1	11,535.1
Enterprise Institutional	845.7	2,001.8
Others (C)	-	29.2
<b>Total Revenue from Ops (A+B+C)</b>	<b>18,449.9</b>	<b>30,868.3</b>

The revenue mix of the Company remained fairly similar.

	FY 2021	FY 2020
Consumer %	54%	56%
Enterprise %	46%	44%

### Expenses

#### Cost of Material Consumed

The cost of material consumed decreased by 71%—from ₹ 941.3 lakh in FY'20 to ₹ 269.2 lakh in FY'21—mainly due to shift in delivery channel and higher digital enrolments (80% in FY'21, as compared to 49% in FY'20).

#### Employee Benefit Expenses

The employee benefit expenses decreased by 25%—from ₹ 5303.9 lakh in FY'20 to ₹ 3964.0 lakh in FY'21. This was achieved through temporary pay reductions taken by personnel across levels, with the maximum being taken by those at the highest end of the spectrum.

#### Finance Cost

The finance cost of the Company decreased by 32%—from ₹ 831.0 lakh in FY'20 to ₹ 563.1 lakh in FY'21. This was mainly due to repayment of loans on regular basis. Despite COVID, the Company was regular in servicing its loans.

#### Depreciation

The depreciation cost decreased by 40%—from ₹ 1401.5 lakh in FY'20 to ₹ 835.2 lakh in FY'21. In line with the Company's asset-light strategy, the net block for property plant & equipment decreased by 18%, whereas the net block of intangible assets increased by 15%; signifying that the Company has been investing in the technology space to improve its offerings to the customer, and achieve greater cost efficiencies.

#### Franchise Expense

The franchise expense of the Company decreased by ~50%—from ₹ 7142.5 lakh in FY'20 to ₹ 3574.5 lakh in FY'21. This was mainly due to lower revenues generated by the business partners owing to the ongoing pandemic. Despite the COVID

challenge, the business partners generated revenue of ~₹ 5400 lakh during the year.

### Other Expenses

The other expenses of the Company decreased by ~38%— from ₹ 18,616.9 lakh in FY'20 to ₹ 11,629.2 lakh in FY'21. The other expenses include several COVID-enforced write-offs, as explained below. The Company has optimized its costs by delivering services through digital channels.

### COVID-Enforced Write-Offs

Due to the prevailing pandemic conditions, and as a prudent measure by the management of the Company, several COVID-enforced write-offs were taken by the Company, which include:

1. Vocational Write-Offs to the tune of ₹ 1450 lakh, along with an Expected Credit Loss provision of ₹ 23.4 lakh. The outstanding amount as of March 31, 2021 is ₹ 357.6 lakh. The management is confident of recovering the amount pertaining to these vocational projects.
2. Sales return in GK Publications, to the tune of ₹ 540 lakh.
3. CL Media Institutional customers, to the tune of ₹ 910 lakh.
4. COVID-enforced test-preparation write-offs amounting to ~₹ 480 lakh.

### Key Ratio Analysis

#### Interest Coverage Ratio

(₹ in Lakhs)

	Mar-21	Mar-20
EBITDA	(76.6)	869.5
Adjusted EBITDA	3,302.8	4,379.1
Adjusted EBIT (A)	2,467.7	2,977.6
Interest (B)	563.1	831.0
Adjusted Interest Coverage Ratio (A/B)	4.4	3.6

As explained earlier, the Company has taken several one-time write-offs. A scenario has also been presented above which represents the position of the Company, in case those write-offs were not taken by the Company. As a result, to get a correct picture of the Company's ability to service its loans, an adjusted Interest Coverage Ratio (post removal of one-time write-offs) is 4.4 in FY'21, as compared to a similar adjusted interest coverage ratio of 3.6 in FY'20. This is certainly visible

through the decrease in loan amount by the Company due to regular servicing of the debts availed.

### Profitability Ratios

(₹ in Lakhs)

	Mar-21	Mar-20
EBITDA	(76.6)	869.5
Adjusted EBITDA	3,302.8	4,379.1
Adjusted EBITDA Margin	17%	14%
Adjusted PBT	1,904.6	2,146.6
Adjusted PBT Margin	10%	7%
Adjusted PAT	1,390.3	1,567.0
Adjusted PAT Margin	7%	5%

The EBITDA of the Company declined by ₹ 946.2 lakh in FY'21, as compared to the previous year. This was mainly due to COVID-enforced write-offs taken by the Company. The Adjusted EBITDA Margin, if one were to put aside the one-time and extraordinary write-offs taken this year, increased from 14% to 17%. The Adjusted PBT and Adjusted PAT Margins also see significant growth.

### Strategy & Roadmap

#### Opportunities & Threats

##### Opportunities

##### Digital Space

The EdTech sector is expected to grow at a steep rate; and CL Educate is perfectly placed to take advantage of the upcoming growth in the sector. With a Hybrid model (presence in the digital, as well the physical worlds), CL Educate has an opportunity for accelerated growth in the digital space, while maintaining margins in the offline business through its partner channel.

##### New Products

With introduction of new test-preparation exams like CUCET and adoption of IPMAT by other colleges, a new business area has carved itself out in the test-preparation market. With CL Educate better placed among the top aptitude test-preparation brands in the market, it has a great opportunity to rapidly gain market share with its inhouse developed content, well-trained and tech-savvy faculty members, and a cutting-edge digital platform (Aspiration.AI) to serve all the needs of the student from latest curriculum of the exam, updated exam patterns, to customized notes on every subject, ably complemented by subject-matter experts to near-exam-like questions in the form of online tests with detailed analysis, and renowned mentors

available all the time for any support needed by the students.

The non-test-preparation market has also experienced rapid growth due to early adoption by working professionals as a means to further their career. With dedicated products to serve Finance and Data-Science related courses in its bouquet of offerings, CL Educate presents a unique growth opportunity in this segment, as well.

### Virtual Events Platform

Kestone's Virtual Events Platform is a one-stop solution for all kinds of events that clients can organize online. This solution offers end-to-end-features: from Campaign Creation across Digital Platforms, Audience Generation, Follow-up Alerts, Registration, Networking Connects, Creating Online Events with various Indoor & Outdoor Themes, Chat, Scheduling & Streaming of Pre-recorded Videos, On-demand Video Downloads, Live Streaming and Webinar with 1,000+ Audiences, Sharing Screens, Polling, Quizzing, Gaming, Dashboards with Intelligent Insights around Chat Data, and Participants Scoreboards.

The platform has already been ranked among the top 10 virtual events platforms globally (Source: Grand View Research report); and was among the top 6 platforms to watch out in 2021 (Source: BrandEquity – The Economic Times). The platform has been very well received by our customers; and has also brought in several new customers, who are equally delighted by the services offered through this platform.

### Threats

#### Government Policies & Structures

Changes in Central or State Government legislations lead to disruption of functioning of business. In recent times, the decision of the Government to delay the opening of schools, colleges, and various educational institutions has proved to be a bane—as well as a boon—for CL Educate Ltd. While the schools and colleges remained closed, online classes have taken the place of the conventional classroom environment. CL Educate has also shifted its entire focus from a hybrid form of customer acquisition to a more digital-driven approach, resulting in significant cost savings.

### Uncertainty with respect to Dates of Competitive Exams

While schools have remained shut for most part of the year, and several exams—including Board exams for Class 12—been cancelled, this has increased the pressure on students to perform well in competitive exams at the under-graduate level.

As a result, exams such as JEE, NEET, CLAT, IPMAT, etc., are now the only deciding factor for students' entry into renowned educational institutes. This presents a unique opportunity for Test-Preparation players like CL Educate to enhance its hold in the market. However, uncertainty with respect to dates of these exams have created a dilemma within the student community; as a result of which, the normal seasonal cycle of the education business has shifted.

### Mergers & Acquisitions

The advent of COVID saw a lot of well-established brick & mortar players in the market take a back seat, while those with online delivery & acquisition of students made a dash to improve their market share. This resulted in several acquisitions and aggregations within the education segment. The immense funding made available to pure online players makes them serious challengers in the EdTech market space, be it aggregators, or app-based players, or those who provide live-classes. While many of them are yet to turn profitable, the amount of money being spent by them on student acquisition increases the competitive intensity of the sectoral landscape, making it a very challenging playing field going forward.

### Internal Financial Control Systems and their Adequacy

As a diversified enterprise, CL Educate continues to focus on a systems-based approach to business risk management. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class businesses that best match organizational capabilities with market opportunities, focusing on building distributed leadership & succession planning processes, nurturing all-round skills, and enhancing organizational capabilities through timely developmental inputs. Accordingly, management of risk has always been an integral part of the Company's 'Strategy of Organization'; and straddles its planning, execution, and reporting processes



& systems. The Company's internal control system is commensurate with its nature, size, and complexities of operations.

The Audit Committee and CFO actively review the risk-control mechanisms, and suggest control-strengthening norms, where required. Respective business heads and the CFO are regularly apprised of Internal Audit findings; and take corrective action based on the same.

### **Risk Identification (Context)**

Risk context sets the criterion against which risks are identified and assessed, thus defining the external & internal parameters to be considered. The risk-management policy, framework, and supporting guidance spell out how to manage risks; such as, how to determine probability and impact, as well as instructions on how to translate these into an overall risk level.

### **Assessment**

We facilitate a risk-assessment process through discussions with the leadership, senior management, and key stakeholders from each business area. For each risk identified, the risk level is rated. The adequacy of action plans to address any remaining control gaps is then assessed. We do this for both new risks identified, as well as those already being monitored. Horizon scanning also takes place throughout the year to aid in the identification of new risks.

### **Treatment & Mitigation**

Once assessed, the most appropriate course of action for each risk is decided, taking into account the size of the gap between its current risk status as against its risk appetite target. This can include 'avoid' (i.e., not doing something); implementing mitigation or contingency plans to change the probability or reduce the impact of a risk; accepting increased risk in order to pursue an opportunity; or sharing the risk with another party or parties.

### **Monitoring and Review**

The Board, Audit Committee, and Risk Management Committee meet on a periodic basis. This gives them the opportunity to review, challenge, and validate the ERM process and key risks. The discussions revolve around the key risks identified, mitigation plans finalized, owners of risk identified, and progress monitoring.

With its operations in many different industry segments, CL Educate Ltd Is exposed to both internal & external risks. The Company has in place a structured, robust, and well-documented risk-management policy, which lists the identified

risks, their impact, and the mitigation strategy. The risks faced by CL under Key Risk Categories are:

#### **a) Strategic Risks**

- Significant operating revenues from a business segment; and, consequently, any failure to sustain, expand, and scale the revenues in that segment
- Limited operating history to new businesses/products; and lack of experience in addressing risks frequently encountered in these businesses
- Seasonality of different products/businesses
- Brands are important in this business; and dilution of the same

#### **b) Industry-Related Risks**

- Significant changes in test patterns and/or number of competitive exams
- Significant changes in delivery mechanism due to technology changes (or innovations)
- Significant changes in raw-material cost in publishing

#### **c) Market and Competition**

- Entry of new players with substantial financial muscle in the test-prep domain, and competition from other existing players may lead to market-share loss & lowered prices
- IPR plagiarizing/conflicts could result in loss of business
- Change in local market conditions impacting a specific product or market segment

#### **d) Resources**

- Loss of—or competition from—any key member of the management team
- Inability to attract/hire and retain new, young, and aspiring talent
- Failure to raise additional capital in the future
- Success of technology-driven products being dependent on student acceptability and/or ability to prevent any disruption of the equipment (or systems) required to deliver the service

#### **e) Operations**

- Inability to effectively advertise in the market; and subsequently, attract & enroll students



- Difficulty in introducing new courses, expanding network, continuing partnerships
- Inability to obtain statutory & regulatory licenses and permits required to operate
- Cost overruns and payment delays in case of fixed-price contracts
- Inability to establish new distribution channels in the publishing industry
- Operations primarily concentrated in North India; and the inability to retain & grow subscribers in the region
- Inability to attract & retain quality business partners and faculty members

**f) Regulatory Environment**

- Changes in Central (or State) Government policies, or legislation
- Increase in interest rate & raw material costs may adversely impact the Company's operations
- Volatility in political, economic, and social dynamics in India
- Instability in Indian financial markets
- Civil disturbances, regional conflicts, and other violent acts in India and abroad that may disrupt (or otherwise adversely affect) the Indian economy.

# Report on Corporate Governance for the Financial Year ended March 31, 2021

Your Directors present the Corporate Governance Report of CL Educate Limited (“Company” or “CL”) for the Financial Year ended March 31, 2021, in terms of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015” or “Listing Regulations”].

## I. Company’s Philosophy on Corporate Governance

The Company’s Corporate Governance framework is guided by its **Core Values – ‘ROOHI’** and is based on the following principles:

- ◆ **Risk Taking:** Acting decisively based on sound judgment and intuition.
- ◆ **Ownership:** Accepting responsibility for actions and carrying the team forward in a crisis situation.
- ◆ **Openness:** Regularly sharing experiences with team members and customers and encouraging feedback and initiative from them.
- ◆ **Honesty & commitment to customers:** Communicating clearly to the customer’s deliverables and expectations from them.
- ◆ **Innovation:** Creating products, systems and processes with increased effectiveness to meet customer needs.

The Board of Directors of the Company (“Board”) is responsible for and is committed to establish sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short term and long term interests of shareholders and other stakeholders associated with the Company. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices.

The Company has a strong legacy of fair, transparent and ethical governance practices.

### a. Code of Conduct

The Company has adopted a Code of Conduct - applicable to all the Directors & Senior Management Personnel which includes Code for Independent Directors which suitably incorporates the roles and duties of Independent Directors as laid down under the provisions of the Companies Act, 2013 (hereinafter referred as the “Act”). The Code of Conduct is displayed on the website of the Company ([www.cleducate.com](http://www.cleducate.com)). All Directors and Senior Management Personnel of the Company have affirmed compliance with the above Code of Conduct for the Financial Year 2020-21.

A declaration signed by Mr. Gautam Puri (Vice Chairman and Managing Director) dated June 06, 2021, to this effect is given below.

To  
The Board of Directors  
CL Educate Limited  
A-45, First Floor,  
Mohan Cooperative Industrial Estate,  
New Delhi-110044

**Sub: Declaration confirming compliance with the Code of Conduct applicable to the Members of the Board of Directors and Senior Management Personnel of the Company**

In accordance with the provision of Part D of Schedule V of the SEBI (LODR) Regulations, 2015, I, Gautam Puri, Vice Chairman and Managing Director of CL Educate Limited, hereby certify that the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them, for the financial year ended March 31, 2021.

Sd/-

**Name: Gautam Puri**

**Designation: Vice Chairman and Managing Director**

**Place: New Delhi**

**Date: June 06, 2021**

## **b. Code of Conduct for Prevention and Prohibition of Insider Trading**

In order to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the “**PIT Regulations**”) and to preserve the confidentiality, and to prevent misuse of Unpublished Price Sensitive Information, the Company has adopted the following:

- i. Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information, containing therein:
  - a. Policy for determination of legitimate purposes; and
  - b. Policy and procedures for inquiry in case of leak of unpublished price sensitive information.
- ii. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

The copies of the aforesaid Codes/policies are available on the website of the Company ([www.cleducate.com](http://www.cleducate.com)) at the web links;  
[www.cleducate.com/policies/code-of-conduct-to-report-trading-by-designated-person.pdf](http://www.cleducate.com/policies/code-of-conduct-to-report-trading-by-designated-person.pdf)  
[www.cleducate.com/policies/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf](http://www.cleducate.com/policies/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf)  
[www.cleducate.com/policies/Code\\_of\\_Conduct\\_CLEducate.pdf](http://www.cleducate.com/policies/Code_of_Conduct_CLEducate.pdf)

The Company has adhered to and complied with the Corporate Governance requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable.

## **II. Board of Directors**

An active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance and to bring objectivity and transparency in the management of the Company. A quality Board, being at the core of its Corporate Governance practices, plays the most pivotal role in overseeing how the management serves and protects the long term interests of all the stakeholders. The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value.

In terms of the requirements of the Act and provisions of the SEBI (LODR), Regulations, 2015, the Nomination, Remuneration and Compensation Committee has been designated to evaluate the need for change in the composition and size of the Board of the Company and to select members to fill the vacancies in the Board and nominating candidates for election by the shareholders at the Annual General Meeting.

### **Composition of the Board**

The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR), Regulations, 2015 read with Section 149 of the Act.

The Chairman of the Board, Mr. Satya Narayanan R is an Executive Director. As on March 31, 2021, the Board had 8 (Eight) Directors of which 4 (Four) Directors were Non-Executive Independent Directors (including a woman Independent Director), 1 (One) was Non-Executive Non Independent Director and 3 (Three) were Executive Directors. None of the Directors were related to each other.

**Composition of the Board of Directors as on March 31, 2021 and the number of equity shares of the Company held by them:**

Name of the Director with DIN	Designation on the Board	Category	No. of equity shares held as on March 31, 2021
Mr. Satya Narayanan R (00307326)	Chairman and Executive Director	Promoter	2,455,761
Mr. Gautam Puri (00033548)	Vice Chairman and Managing Director	Promoter	2,357,130
Mr. Nikhil Mahajan (00033404)	Executive Director and Group CEO Enterprise Business	Promoter	32,817
Ms. Madhumita Ganguli (00676830)	Non-Executive Independent Director	Non-Promoter	Nil
Mr. Girish Shivani (03593974)	Non-Executive Independent Director	Non-Promoter	Nil
Mr. Imran Jafar (03485628)	Non-Executive Non Independent Director	Non-Promoter	Nil
Mr. Sanjay Tapriya (00064703)	Non-Executive Independent Director	Non-Promoter	Nil
Mr. Piyush Sharma (08759840) <sup>1</sup>	Non-Executive Independent Director	Non -Promoter	Nil

<sup>1</sup> Mr. Piyush Sharma has been appointed as a Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.

As on March 31, 2021 and as on the date of this report, no Director(s) on the Board;

- i. Held directorship in more than twenty companies; out of which public companies\* were not more than ten; and listed entities were not more than seven.
- ii. Served as an Independent Director in more than seven listed entities.
- iii. Who is serving as a Whole Time Director/Managing Director in any listed Company, served as an Independent Director in more than three listed entities.
- iv. Was a member in more than ten committees, and/or acted as Chairperson of more than five committees across all Public Limited Companies in which he/she was a Director (Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act 2013 excluded. Audit Committee and Stakeholders' Relationship Committee alone have been considered for the purpose of determination of limit as per Regulation 26(1) of Listing Regulations).
- v. Had attained the age of seventy-five years.
- vi. Was debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

\* For reckoning the limit of public companies, directorships in private companies that are either holding or subsidiary companies of a public company have been included.

Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of,  
CL Educate Limited,  
PLOT NO. 9A, SECTOR-27A, MATHURA ROAD  
FARIDABAD HARYANA 121003

We have examined the relevant registers, records, forms, returns and disclosures relating to the Directors of **CL Educate Limited** (CIN: L74899HR1996PLC076897) having Registered Office at Plot No. 9A, Sector-27A, Mathura Road, Faridabad, HR - 121 003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company#
1.	Mr. Nikhil Mahajan	00033404	October 12, 2001
2.	Mr. Gautam Puri	00033548	April 25, 1996
3.	Mr. Satya Narayanan Ramakrishnan	00307326	April 25, 1996
4.	Ms. Madhumita Ganguli	00676830	July 02, 2017
5.	Mr. Imran Jafar	03485628	November 02, 2018
6.	Mr. Girish Shivani	03593974	September 30, 2018
7.	Mr. Sanjay Tapriya	00064703	October 24, 2019
8.	Mr. Piyush Sharma	08759840	July 17, 2020

# The date of appointment is as per the MCA website.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP  
Company Secretaries**

**Sd/-  
Sachin Sharma  
Designated Partner  
ACS: A46900  
CP No.: 20423  
UDIN: A046900C000298657  
Place: Jodhpur  
Date: 13<sup>th</sup> May, 2021**

## Other Directorships and Committee Chairmanships/ Memberships of the Directors

The number of Directorships and Committee Chairmanships / Memberships held by the Directors of your Company in other public limited companies, as on March 31, 2021, are given herein below.

Other Directorships do not include Directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership held only in the Audit Committee and Stakeholders' Relationship Committee (SRC) have been considered in accordance with Regulation 26(1) of the SEBI (LODR), Regulations, 2015.

Name of the Director	Designation	No. of Directorships in other entities including CL	No. of member-ships in Audit/ SRC Committee(s) including CL	No. of Chairmanship in Audit/ SRC Committee held in other entities including CL
Mr. Satya Narayanan R	Chairman and Executive Director	2	0	0
Mr. Gautam Puri	Vice Chairman and Managing Director	2	2	0
Mr. Nikhil Mahajan	Executive Director and Group CEO Enterprise Business	1	1	0
Ms. Madhumita Ganguli	Non-Executive Independent Director	4	1	0
Mr. Girish Shivani	Non-Executive Independent Director	2	0	2
Mr. Imran Jafar	Non-Executive Non-Independent Director	1	0	0
Mr. Sanjay Tapriya	Non-Executive Independent Director	3	2	0
Mr. Piyush Sharma <sup>1</sup>	Non-Executive Independent Director	1	0	0

<sup>1</sup> Mr. Piyush Sharma has been appointed as a Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.

### Names of all the listed entities where Director of your Company are directors (including CL) and the category of directorship:

S. No.	Name of Director	Name of listed company	Category of Directorship
1	Mr. Satya Narayanan R	CL Educate Limited	Chairman and Executive Director
2	Mr. Gautam Puri	CL Educate Limited	Vice Chairman and Managing Director
3	Mr. Nikhil Mahajan	CL Educate Limited	Executive Director and Group CEO Enterprise Business
4	Ms. Madhumita Ganguli	CL Educate Limited	Non-Executive Independent Director
		Indraprastha Medical Corporation Limited	Non-Executive Independent Director
5	Mr. Girish Shivani	CL Educate Limited	Non-Executive Independent Director
6	Mr. Imran Jafar	CL Educate Limited	Non-Executive Non-Independent Director
7	Mr. Sanjay Tapriya	CL Educate Limited	Non-Executive Independent Director
		Simbhaoli Sugars Limited	Non-Executive Non-Independent Director
8	Mr. Piyush Sharma <sup>1</sup>	CL Educate Limited	Non-Executive Independent Director

<sup>1</sup> Mr. Piyush Sharma has been appointed as a Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.

## Independent Director(s)

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR), Regulations, 2015 read with Section 149(6) of the Act. Independent Directors play a critical role in improving the Board's effectiveness with their judgment

on issues of strategy, performance, resources, standards of conduct, etc. besides providing valuable inputs to the Board.

The maximum tenure of Independent Directors is in compliance with the Act and the rules made thereunder. All the Independent Directors have confirmed that:

- a. They meet the criteria of independence as provided in Regulation 16(1)(b) of the SEBI (LODR), Regulations, 2015 read with Section 149(6) of the Act;
- b. They are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

As on March 31, 2021, there were 4 Independent Directors on the Board out of a total strength of 8 members, i.e., one-half of the Board of Directors of the Company comprised of Non-Executive Independent Directors, including a Woman Director. In relation to such Independent Directors, it is hereby confirmed that:

- i. The Independent Directors of the Company hold office for a term of up to 5 consecutive years and are eligible for re-appointment for another term of up to 5 consecutive years on passing of a special resolution by the Company.
- ii. The Company has issued formal letters of appointment to all the Independent Directors in the manner provided under the Companies Act, 2013.
- iii. The Nomination, Remuneration and Compensation Committee of the Board has laid down the evaluation criteria for the performance evaluation of the Independent Directors, which is based on the Guidance Note on Board Evaluation dated January 05, 2017 issued by SEBI. The procedure followed by the Company for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report.
- iv. During the Financial Year 2020-21, the Independent Directors of the Company held one separate meeting, on July 01, 2020, without the presence of Non- Independent Directors and/or the members of the Management, wherein only the Independent Directors of the Company were present. At this meeting, the Independent Directors;
  - a. Reviewed the performance of Non-Independent Directors and the Board as a whole for the Financial Year 2019-20;
  - b. Reviewed the performance of the Chairperson of the Company for the Financial Year 2019-20, taking into account the views of Executive Directors and Non-Executive Directors;
  - c. Assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.
- v. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in the SEBI (LODR), Regulations, 2015 and are independent of the management.

#### Appointments and Resignations of Independent Director(s) during the Financial Year 2020-21:

S.No.	Name of the Independent Director	Whether Appointment/Resignation	Date of Appointment/Resignation	Reason
1.	Mr. Piyush Sharma	Appointment	July 17, 2020	Not Applicable
2.	Mr. Viraj Tyagi	Resignation	November 02, 2020	Personal Reasons*

\*Mr. Viraj Tyagi has confirmed that there are no other material reasons, apart from his own personal reasons, for his resigning as a Non-Executive Independent Director from the Board.

#### Meetings of the Board

The Board met 5(Five) times during the Financial Year 2020-21 and there has not been a time gap of more than 120 days between any two meetings of the Board. Attendance of each Director at the meeting of the board of directors held during the Financial Year 2020-21 and at the previous Annual General Meeting ("AGM 2020") is given herein below:

S. No.	Name of Director	Designation	Q1		Q2	Q3	Q4	AGM
			June 13, 2020	June 29, 2020				
1	Mr. Satya Narayanan R (00307326)	Chairman and Executive Director (Promoter)	LOA	P(VC)	P(VC)	P(VC)	February 13, 2021	AGM 2020 September 30, 2020 P(VC)
2	Mr. Gautam Puri (00033548)	Vice Chairman and Managing Director (Promoter)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)
3	Mr. Nikhil Mahajan (00033404)	Executive Director and Group CEO Enterprise Business (Promoter)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)
4	Mr. Viraj Tyagi (01760948)	Non-Executive Independent Director (Non-Promoter)	LOA	LOA	LOA	NA (Resigned with effect from November 02, 2020)		LOA
5	Ms. Madhumita Ganguli (00676830)	Non-Executive Independent Director (Non-Promoter)	LOA	P(VC)	P(VC)	P(VC)	P(VC)	LOA
6	Mr. Girish Shivani (03593974)	Non-Executive Independent Director (Non-Promoter)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)
7	Mr. Imran Jafar (03485628)	Non-Executive Non-Independent Director (Non-Promoter)	LOA	P(VC)	P(VC)	LOA	P(VC)	LOA
8	Mr. Sanjay Tapriya (00064703)	Non-Executive Independent Director (Non-Promoter)	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)	LOA
9	Mr. Piyush Sharma (08759840)	Non-Executive Independent Director (Non-Promoter)	NA (Appointed on July 17, 2020)	NA	P(VC)	LOA	P(VC)	LOA
	<b>Board Strength</b>	-	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>
	<b>Total Present</b>	-	<b>4</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>4</b>
	<b>Leave of Absence</b>	-	<b>4</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>5</b>

**Notes:**

- Mr. Piyush Sharma has been appointed as a Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.
- Mr. Viraj Tyagi, Non-Executive Independent Director of the Company resigned from the Board of the Company with effect from November 02, 2020.
- This includes the meeting(s) attended by the Director(s) through audio-video conferencing facility as extended by the Company.
- The Attendance at the Board Meetings as given hereinabove does not consider/include the attendance of Directors participating in the meeting through tele-conferencing (only) facility.
- The necessary quorum was present at all the meetings.
- P=Present, LOA=Leave of Absence, VC= Video Conferencing, NA- Not Applicable



### Disclosure of relationships between Directors inter-se

None of the Directors of the Company are related to each other.

### Convertible Instrument

The Company has not issued any convertible instruments during the Financial Year under review.

### Number of shares and convertible instruments held by non-executive directors as on March 31, 2021

Names of the Director with DIN	Designation on the Board	No. of equity shares held as on March 31, 2021	No. of convertible instruments held as on March 31, 2021
Ms. Madhumita Ganguli (00676830)	Non-Executive Independent Director	Nil	Nil
Mr. Girish Shivani (03593974)	Non-Executive Independent Director	Nil	Nil
Mr. Imran Jafar (03485628)	Non-Executive Non Independent Director	Nil	Nil
Mr. Sanjay Tapriya (00064703)	Non-Executive Independent Director	Nil	Nil
Mr. Piyush Sharma (08759840) <sup>1</sup>	Non-Executive Independent Director	Nil	Nil

<sup>1</sup>Mr. Piyush Sharma has been appointed as a Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.

### Skills/Expertise/Competencies of the Board of Directors

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board are as following:

- Leadership experience in managing companies including general management.
- Industry experience including its entire value chain and in-depth experience in corporate strategy and planning.
- Expertise in the field of education, Knowledge services and Technology .
- Experience in finance, tax, risk management, legal, compliance and corporate Governance, human resources and communication.
- Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values.
- Having multiple geographical and cross-cultural experience.

### Matrix of expertise and skill of Directors

Skills/ Expertise/ Competence	Mr. Satya Narayanan R	Mr. Gautam Puri	Mr. Nikhil Mahajan	Ms. Madhumita Ganguli	Mr. Girish Shivani	Mr. Imran Jafar	Mr. Sanjay Tapriya	Mr. Piyush Sharma
Leadership experience in managing companies including general management.	✓	✓	✓	✓	✓	✓	✓	-
Industry experience including its entire value chain and in-depth experience in corporate strategy and planning.	✓	✓	✓	✓	✓	✓	✓	✓

Expertise in the field of Education, Knowledge services and Technology	✓	✓	✓	-	✓	✓	-	✓
Experience in finance, tax, risk management, legal, compliance and corporate governance, human resources and communication	✓	✓	✓	✓	✓	-	✓	-
Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values.	✓	✓	✓	✓	✓	✓	✓	✓
Having multiple geography and cross-cultural experience	✓	✓	✓	✓	✓	✓	✓	✓

The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of the business of the Company.

### Familiarization Programmes imparted to Independent Directors

The Board of Directors conducted regular familiarization programmes for its Independent/Non-Executive Directors during Financial Year 2020-21, in accordance with Regulation 25 of the SEBI (LODR), Regulations, 2015. The programmes aimed to provide them with an insight into the Company to enable the Independent Directors to understand the Company's business in-depth and contribute significantly to the strategic development of the Company. On a regular basis, the Company educated them regarding their roles, responsibilities and duties under the Act and the SEBI (LODR), Regulations, 2015.

During the Financial Year under review, the Company familiarized the Directors on the Company's policies and procedures on a regular basis. Presentations/briefings were made at the meetings of the Board of Directors and Committees by the senior executives of the Company, covering areas such as nature of the industry in which the Company operates, business model of the Company, Company's operating and financial performance, industrial relations status, marketing strategies, risk management etc.

The details of the familiarization programmes conducted during the financial year 2020-21 for the Independent Directors are available on the website of the Company at the web link [www.cleducate.com/policies/Familiarization-Programme-imparted-to-independent-directors-2020-21.pdf](http://www.cleducate.com/policies/Familiarization-Programme-imparted-to-independent-directors-2020-21.pdf).

### III. Audit committee

The primary objective of the Audit Committee is to act as a catalyst in helping the Company to achieve its objectives by overseeing:

- The Integrity of the Company's Financial Statements;
- Adequacy & reliability of the Internal Control Systems of the Company;
- Compliance with legal & regulatory requirements and the Company's Code of Conduct;
- Performance of the Company's Statutory & Internal Auditors.

Audit Committee monitors & supervises the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

### Composition, Meetings & Attendance during the Financial Year

The Board has constituted an Audit Committee in compliance with the provisions of the SEBI (LODR), Regulations, 2015 and

Section 177 of the Act. As on March 31, 2021, the Audit Committee comprised of 4 (Four) members, out of which 3 (three) are Independent Directors. The Chairman of the Audit Committee is a Non-Executive Independent Director.

During the Financial Year under review, 4 (Four) meetings of the Audit Committee were held and the time gap between any two meetings did not exceed 120 days. The details of the Audit Committee meetings held during 2020-21 are given as under:

S. No.	Name of Member	Designation on Committee	Designation on Board	Q1	Q2	Q3	Q4
				June 29, 2020	August 22, 2020	November 10, 2020	February 13, 2021
1	Mr. Girish Shivani	Chairman	Non-Executive Independent Director	P(VC)	P(VC)	P(VC)	P(VC)
2	Mr. Viraj Tyagi	Member	Non-Executive Independent Director	P(VC)	LOA	NA (Resigned on November 02, 2020)	
3	Ms. Madhumita Ganguli	Member	Non-Executive Independent Director	P(VC)	P(VC)	LOA	P(VC)
4	Mr. Sanjay Tapriya	Member	Non-Executive Independent Director	NA (Appointed on June 29, 2020)	P(VC)	P(VC)	P(VC)
5	Mr. Gautam Puri	Member	Vice Chairman & Managing Director	NA (Appointed on November 10, 2020)			P(VC)
	<b>Total no. of Members</b>			<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>
	<b>Total Present</b>			<b>3</b>	<b>3</b>	<b>2</b>	<b>4</b>
	<b>Leave of Absence</b>			<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

**Notes:**

- During the Financial Year 2020-21, the Audit Committee was reconstituted twice- on June 29, 2020 and on November 10, 2020 with the induction of Mr. Sanjay Tapriya, Non-Executive Independent Director, and Mr. Gautam Puri, Vice Chairman & Managing Director, as Members of the Audit Committee respectively.
- Mr. Viraj Tyagi, Non-Executive Independent Director resigned from the post of Directorship of the company and consequently from all the committees of the company with effect from November 02, 2020.
- The necessary quorum was present for all the meetings.
- P=Present, LOA=Leave of Absence, VC= Video Conferencing, NA= Not Applicable
- In addition to the members of the Audit Committee, these meetings were attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors, Tax Auditors and/or their representatives, with the Company Secretary in presence, wherever necessary, and by such executives of the Company as were considered necessary for providing inputs to the Committee.

### Terms of Reference for the Audit Committee

"The Audit Committee is responsible for, among other things, as may be required by the Act, SEBI (LODR), Regulations, 2015, and any other law/regulations, as may be applicable, from time to time, the following:

### Powers of Audit Committee

The Audit Committee has powers, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22. Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary (ies);
23. Reviewing annually the compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015, and verifying that the systems for internal control under SEBI (Prohibition of Insider Trading) Regulations 2015 are adequate and are operating effectively;
24. Review the report by the Compliance Officer on the trading by the designated persons and immediate relatives of such designated persons under the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015;
25. Review of the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - Appointment, removal and terms of remuneration of the Chief internal auditor;
  - Statement of Deviations:
    - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
    - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Company Secretary of the Company acts as the Secretary to the Audit Committee. As required under the SEBI (LODR), Regulations, 2015, the Audit Committee meets at least four times in a year, and not more than 120 days elapse between two meetings. The quorum is two members or one third of the members, whichever is greater, provided that there have to be a minimum of two Independent Directors present at the meeting."

## IV. Nomination, Remuneration and Compensation Committee

### Composition, Meetings & Attendance during the Financial Year

The Board has constituted a Nomination, Remuneration and Compensation Committee (hereinafter referred to as the "NRC Committee") under the SEBI (LODR), Regulations, 2015 which is in line with Section 178 of the Act. As on March 31, 2021, the NRC Committee comprised of 3 (Three) members all being Non-Executive Directors, with majority of them being Independent Directors. The Chairman of the NRC Committee is a Non-Executive Independent Director.

During the Financial Year under review, 5 (Five) meetings of the NRC Committee were held. The details of the composition of the NRC Committee and of its meetings held during the Financial Year 2020-21 are as under:

S. No.	Name of Member	Designation on Committee	Designation on Board	Q1	Q2		Q3	Q4
				June 29, 2020	July 11, 2020	August 22, 2020	November 10, 2020	February 13, 2021
1	Mr. Viraj Tyagi	Former Chairman	Non-Executive Independent Director	P(VC)	P(VC)	LOA	NA (Resigned on November 02, 2020)	
2	Mr. Sanjay Tapriya	Current Chairman	Non-Executive Independent Director	NA (Appointed on June 29, 2020)	P(VC)	LOA	P(VC)	P(VC)

3	Mr. Girish Shivani	Member	Non-Executive Independent Director	P(VC)	P(VC)	P(VC)	P(VC)	P(VC)
4	Mr. Imran Jafar	Member	Non-Executive Non-Independent Director	P(VC)	P(VC)	P(VC)	LOA	P(VC)
	<b>Total no. of Members</b>			<b>3</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>
	<b>Total Present</b>			<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>3</b>
	<b>Leave of Absence</b>			<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>

**Notes:**

- Mr. Viraj Tyagi, Non-Executive Independent Director resigned from the post of Directorship of the company and consequently from all the committees of the company with effect from November 02, 2020.
- The NRC Committee was reconstituted with induction of Mr. Sanjay Tapriya, Non-Executive Independent Director, initially as a Member of the Committee (with effect from June 29, 2020) and later as the Chairman of the Committee (with effect from November 10, 2020).
- P=Present, LOA=Leave of Absence, VC= Video Conferencing, NA = Not Applicable

### Terms of Reference for the NRC Committee

"The NRC Committee is responsible inter alia, for, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Implementation and administration of the Amended and Restated Career Launcher Employee Stock Options Plan 2014;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal; and
- Recommend to the Board, all remuneration, in whatever form, payable to the senior management personnel.

Ms. Rachna Sharma, Company Secretary, acts as the secretary to the Committee.

The NRC Committee meets at least once in a year and the quorum is either two members or one third of the members of the NRC Committee, whichever is greater, including at least one independent director in attendance."

### Performance evaluation criteria for Independent Directors

The NRC Committee of the Board has laid down the evaluation criteria for evaluating the performance of the Independent Directors.

The performance evaluation of independent directors is carried out by the entire Board of Directors, on an annual basis, which includes an assessment of the following:

- performance of the directors; and
- fulfillment of the independence criteria and their independence from the management.

In the above evaluation, the directors who are subject to evaluation do not participate.

## V. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted to look into various aspects of the interests of shareholders and other security holders (if any). The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Balance Sheet and/or non- receipt of declared dividends.

### Composition, Meetings & Attendance during the Financial Year

The Board has constituted a Stakeholders Relationship Committee (the "SRC Committee") in accordance with the SEBI (LODR), Regulations, 2015, which is in line with Section 178 of the Act. As on March 31, 2021, the SRC Committee comprised of 3 (Three) members. Mr. Girish Shivani, Non-Executive Independent Director, is the Chairman of the SRC Committee.

During the Financial Year under review, 4 (Four) meetings of the SRC Committee were held. The details of its composition and meetings held during the Financial Year 2020-21 are as under:

S. No.	Name of Member	Designation on Committee	Designation on Board	Q1	Q2	Q3	Q4
				June 29, 2020	August 22, 2020	November 10, 2020	February 13, 2021
1	Mr. Girish Shivani	Chairman	Non-Executive Independent Director	P(VC)	P(VC)	P(VC)	P(VC)
2	Mr. Gautam Puri	Member	Vice Chairman and Managing Director	P(VC)	P(VC)	P(VC)	P(VC)
3	Mr. Nikhil Mahajan	Member	Executive Director and Group CEO Enterprise Business	P(VC)	P(VC)	P(VC)	P(VC)
	<b>Total no. of Members</b>			<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
	<b>Total Present</b>			<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
	<b>Leave of Absence</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Notes:

- P=Present, LOA=Leave of Absence, VC= Video Conferencing, NA = Not Applicable

### Terms of Reference for the SRC Committee

"The SRC Committee is responsible inter alia, for the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Ms. Rachna Sharma, Company Secretary, acts as the secretary to the Committee.

The SRC Committee meets at least once in a year and the quorum is two members present."

### Details of investors' complaints received and redressed during the Financial Year 2020-21 are as follows:

Opening Balance	Received during the FY	Resolved during the FY	Closing Balance
0	0	0	0

## VI. Corporate Social Responsibility

The Board has constituted a Corporate Social Responsibility Committee ("CSR Committee") to assist the Board in setting the Company's Corporate Social Responsibility Policy and assessing its Corporate Social Responsibility performance.

### Composition, Meetings & Attendance during the Financial Year

The Board has constituted a CSR Committee pursuant to Section 135 of the Act. As on March 31, 2021, the CSR Committee comprised of 3 (Three) members. Chairman of the CSR Committee is a Non-Executive Independent Director.

During the Financial Year under review, 4 (Four) meetings of the CSR Committee were held. The details of the composition of the CSR Committee and of its meetings held during the Financial Year 2020-21 are as under:

S. No.	Name of Member	Designation on Committee	Designation on Board	Q1	Q2	Q3	Q4
				June 29, 2020	August 22, 2020	November 10, 2020	February 13, 2021
1	Mr. Girish Shivani	Chairman	Non-Executive Independent Director	P(VC)	P(VC)	P(VC)	P(VC)
2	Mr. Satya Narayanan R	Member	Chairman and Executive Director	P(VC)	P(VC)	P(VC)	P(VC)
3	Mr. Gautam Puri	Member	Vice Chairman and Managing Director	P(VC)	P(VC)	P(VC)	P(VC)
	<b>Total no. of Members</b>			<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
	<b>Total Present</b>			<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
	<b>Leave of Absence</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Notes:**

P=Present, LOA=Leave of Absence, V.C.=Video Conferencing, NA= Not Applicable

### Terms of Reference for the CSR Committee

"The CSR Committee shall be responsible for, inter alia, the following:

- Formulating and recommending to the Board, a corporate social responsibility policy which will indicate the activities to be undertaken by the Company, in accordance with Schedule VII of the Companies Act, 2013;
- Recommending the amount of expenditure to be incurred on such activities; and
- Monitoring the corporate social responsibility policy of the Company.

Ms. Rachna Sharma, Company Secretary, acts as the secretary to the Committee.

The CSR Committee meets as and when required. The quorum is two members present."

### VII. Share Transfer Committee

The Share Transfer Committee was constituted on May 17, 2017, to look in to share transfer requests and related applications received from Shareholders, with a view to accelerate the transfer procedures. The Committee comprises of the 3(three) Executive Directors of the Board. The Committee inter-alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard, in consultation with the Registrar and Transfer Agent of the Company. As per Regulation 40 of Listing Regulations, as amended, shares of the Company can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. The Committee is authorized to sign, affix seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. During the Financial Year under review, no meeting of the Share Transfer Committee was held. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

### VIII. Management Committee

The Management Committee was constituted to oversee routine operations that arise in the normal course of the business,



such as decisions on banking relations, borrowings upto the limits prescribed by the Board of Directors, delegation of operational powers, appointment of nominees under statutes, etc. The Committee comprises of the three Executive Directors of the Board. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

## IX. Remuneration of Directors

### a. All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity:

Apart from payment of commission, sitting fee and/or out of pocket expenses incurred for attending the Meetings of the Board/Committees etc., there are no other pecuniary relationships or transactions of the Non- Executive Directors of the Company vis-à-vis the Company.

During the year under review, the annual remuneration payable to a single Non-Executive Director did not exceed fifty per cent of the total annual remuneration payable to all the Non-Executive Directors of the Company.

The details pertaining to commission payable to the Non-Executive Directors for the Financial Year 2020-21 forms part of the Board's Report.

### b. Criteria of making payment to Non-Executive Directors:

Non-Executive Directors are paid sitting fees (of upto Rs. 20,000/- Rupees Twenty Thousand Only), for every meeting of the Board of Directors and Committees thereof, attended by them in person or through video conferencing (VC) or Other Audio Visual Means (OAVM), depending upon the type of meeting. The Company also reimburses expenses incurred by the directors for attending the meetings. The remuneration, by way of commission, payable to the independent directors is decided, keeping in view the recommendations of the NRC Committee, which is based on a number of factors, such as - the number of meetings attended by such directors during the year, contribution to the working of the Board and Committees, and level of participation in the decision making.

### c. All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.:

The required information for the Financial Year 2020-21 forms part of the Board's Report.

### d. The Details of fixed component and performance linked incentive, along with the performance criteria:

The required information forms part of the Board's Report.

### e. Service contracts, notice period, severance fees:

The Company does not enter into service contracts with the Directors as they are appointed/re-appointed with the approval of the shareholders for the period permissible under the applicable provisions of the Act and/or the SEBI (LODR), Regulations, 2015.

Independent Directors have been issued appointment letters which prescribe that any Independent Director may resign from the Company by giving a notice in writing to the Company stating the reasons for his/her resignation and also to the Registrar of Companies (ROC), if required. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Independent Directors in the notice, whichever is later.

The Company does not pay any severance fees or any other payment in lieu of severance to the Directors.

### f. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The required information is disclosed on the company's website at the web link <http://www.cleducate.com/policies/CL-Educate-ESOP-Disclosure-for-year-ended-31-03-2021.pdf>.

## X. Material Subsidiaries

The Company is in compliance with the provisions in relation to its material subsidiaries, wherever applicable.

The Company's 'Policy for determining material subsidiary' is available on the website of the Company at the web link

[www.cleducate.com/policies/Policy\\_for\\_Determining\\_Material\\_Subsiary\\_CLEduate.pdf](http://www.cleducate.com/policies/Policy_for_Determining_Material_Subsiary_CLEduate.pdf)

## XI. Management

### a. Management Discussion and Analysis Report:

The 'Management Discussion and Analysis Report' is given separately and forms part of this Annual Report.

### b. Disclosures on Related Party Transactions:

In compliance with the requirements of the SEBI (LODR), Regulations, 2015, the Board of Directors has adopted a 'Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions' to ensure proper approval and reporting of such transactions. The policy is available on the website of the Company at the web link [www.cleducate.com/policies/RPT\\_Policy\\_CLEduate.pdf](http://www.cleducate.com/policies/RPT_Policy_CLEduate.pdf)

The details of the Related Party Transactions are disclosed under Note no. 45 to the Standalone Financial Statements 2020-21, which forms part of the Annual Report.

During the year under review, there was no materially significant related party transaction that could have potential conflict with the interests of the Company at large.

### c. Disclosure of accounting treatment in preparation of financial statements:

#### Changes in Accounting Policies and Practices

Effective April 01, 2019 the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing as on April 01, 2019 using the modified retrospective method. Accordingly, comparatives for year ended March 31, 2019 have not been adjusted.

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

### d. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

The equity shares of the Company got listed on the stock exchange(s) i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") on March 31, 2017. Since the date of the listing, and till the date of this Report, there have been no instances of non-compliance by the Company on any matter related to the capital markets and no penalty has been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.

### e. CEO/CFO certification:

In terms of the requirement of Regulation 17(8) of SEBI (LODR) Regulations, 2015 both- Mr. Gautam Puri, Vice Chairman and Managing Director and Mr. Arjun Wadhwa, Chief Financial Officer of the Company, have furnished a certificate to the Board in the prescribed format certifying that the annual financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on June 24, 2021. The said certificate is given below.

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER FOR THE FINANCIAL YEAR 2020-21**

To

The Members of  
CL EDUCATE LIMITED  
A-45, First Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi - 110044

We, the undersigned, in our respective capacities as the "Vice Chairman & Managing Director" and "Chief Financial Officer" of CL Educate Limited (the "Company"), to the best of our knowledge and belief certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Gautam Puri  
Vice Chairman & Managing Director  
DIN: 00033548

Sd/-

Arjun Wadhwa  
Chief Financial Officer

Date: June 24, 2021

Place: New Delhi

**(f) Policy on Prevention, Prohibition, Redressal of Sexual Harassment of Women at Workplace:**

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. In order to empower women, and protect women against sexual harassment, your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment of Women at workplace in line with the provisions of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' (hereinafter "POSH") and the Rules framed thereunder. The Company has constituted Internal Complaints Committee and complied with provisions in this respect as applicable under the POSH.

All employees (permanent, contractual, temporary, trainees, or on adhoc basis) are covered under this policy. This policy allows employees to report instances of sexual harassment at the workplace. The Internal Complaints Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. During the Financial Year 2020-21, the Company did not receive any complaint relating to sexual harassment at workplace. There is no complaint pending or outstanding for redressal as on March 31, 2021.

In order to make the employees aware of the provisions under POSH, and of the Company Policy in this respect, the Company adopted the following means and measures:

- a) An abstract of the policy along with the names and email addresses of the members of the Internal Complaints Committee has been displayed at a conspicuous position in the office premises of the Company.
- b) A workshop on POSH (Prevention of Sexual Harassment) at Workplace was conducted on December 21, 2020, which was streamed LIVE across all CL locations.
- c) The Employees are informed of the Policy being in place, and of its salient features by way of e-mails sent by the HR Department from time to time and the Company conducts awareness programs in this respect at regular intervals.
- d) Newly inducted employees are made aware of the provisions of the policy as a part of their Induction programme.
- e) The policy against Sexual Harassment has been made available on the Company's intranet (CL Zone) as well as on the website of the Company at the web link [www.cleducate.com/policies/Policy-against-Sexual-Harassment.pdf](http://www.cleducate.com/policies/Policy-against-Sexual-Harassment.pdf)

**(g) Vigil mechanism and whistle blower policy:**

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors, Employees, retainers, franchisees) to report instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Employees are informed of the Policy being in place, and of its salient features by way of e-mails sent by the HR Department from time to time. The protected disclosures, if any, reported under this policy are to be appropriately and expeditiously investigated by the Ethics Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that the complaints received during the year were promptly addressed and resolved, with appropriate action taken thereon. The Vigil Mechanism/Whistle Blower Policy is available on the website of the Company at the web link [www.cleducate.com/policies/Vigil\\_Mechanism\\_Policy\\_CLEducate.pdf](http://www.cleducate.com/policies/Vigil_Mechanism_Policy_CLEducate.pdf)

## **XII. Compliance**

**a. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the applicable mandatory requirements contained in Regulation 17 to 27, and clause (b) to (i) and (t) of Regulation 46(2) of the SEBI (LODR), Regulations, 2015 and para C, D, and E of Schedule V.

**b. The Company has duly fulfilled the following discretionary requirement as prescribed in Part E of Schedule II of the SEBI (LODR), Regulations, 2015:**

- Reporting of Internal Auditors: The Internal Auditor reports directly to the Audit Committee.

### XIII. Shareholders

#### a. Means of communication:

Based on the recommendations of the Audit Committee, the Quarterly/Half-yearly/ Annual financial results of the Company are approved and taken on record by the Board of Directors and submitted to the Stock Exchange(s) as per the requirements of the SEBI (LODR), Regulations, 2015.

The Company's website [www.cleducate.com](http://www.cleducate.com) contains a separate dedicated section "Investors" where all the information relevant to the shareholders is available. Disclosures and filings done with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) by the Company are also posted on the website of the Company. Quarterly and Annual Financial Results, as well as the Annual reports of the Company are available on the Company's website. Press releases made by the Company from time to time are also displayed on the website.

#### b. Annual Report:

Annual reports are sent in electronic form via e-mail to the members and stakeholders whose e-mail IDs are registered with their Depository Participants; and physical copies of the Annual Reports are sent to the shareholders who have not registered their e-mail addresses. However, the Annual Report pertaining to the Financial year 2019-20, containing the Notice of the AGM and the Financial Statements (including Report of Board of Directors, Auditors' Report etc.) were dispatched to the stakeholders only in electronic mode, owing to the difficulties in printing and dispatching of physical copies of the Annual Report, due to the nationwide Covid 19 outbreak, in accordance with the MCA Circulars, and the SEBI Circulars issued from time to time in this respect.

**Note:** Members holding shares in demat form should get their email IDs registered with their Depository Participants. Members holding shares in physical form should get their email IDs registered with KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company. This would facilitate receipt of the annual report and other Company communications through email, thereby also supporting the Company's green initiative.

#### c. Publication of Financial Results:

The Quarterly/Half-yearly/Annual financial results of the Company are usually published in- (1) Financial Express, one of the leading newspapers in India and in (2) Dainik Bhaskar at regional level. The results are also displayed on the Company's website ([www.cleducate.com](http://www.cleducate.com)).

#### d. News Releases, Presentations etc.:

Press releases, Official news releases and official media releases are submitted to the Stock Exchanges and are also posted on the website of the Company ([www.cleducate.com](http://www.cleducate.com)).

#### e. Presentations made to Analysts / Investors:

Detailed Conference calls are held with the financial analysts on the quarterly, half-yearly and annual results of the company and the transcripts of such conference calls are uploaded on the website of the Company ([www.cleducate.com](http://www.cleducate.com)). Presentations made to the Institutional Investors/ other Analysts are uploaded on the Company's website from time to time.

#### f. Grievances of the Shareholders:

The Company has a dedicated e-mail ID [compliance@cleducate.com](mailto:compliance@cleducate.com) for investors to register their grievances, if any. The Company has displayed the said e-mail ID on its website for the information of investors.

#### g. General Body Meetings:

- No Extra Ordinary General Meeting was held during the Financial Year under review.
- Annual General Meeting ("AGM"): The location of last three AGMs of the Company and the details of the special resolutions passed thereat are mentioned below.

Financial Year	Date	Time	Location	Special Resolutions Passed
2017-18	August 07, 2018	02:30 PM	PHD Chamber of Commerce and Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016	<ol style="list-style-type: none"> <li>Approval to the renewal of the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' (hereinafter "ESOP Scheme"), for a period of 3 (three) years commencing from September 5, 2018;</li> <li>Approval to the shifting of Registered office of the Company from the "National Capital Territory (NCT) of Delhi" to the "State of Haryana" and consequential amendment in the Memorandum of Association of the Company.</li> </ol>
2018-19	September 28, 2019	11:00 AM	The Aravali Golf Course, New Industrial Town, Faridabad, Haryana-121001, India	<ol style="list-style-type: none"> <li>Re-appointment of Mr. Viraj Tyagi (DIN: 01760948) as a Non-Executive Independent Director on the Board of the Company;</li> <li>Re-appointment of Mr. Satya Narayanan R (DIN: 00307326) as the Chairman and Executive Director of the Company for a period of 3 (Three) years w.e.f. April 01, 2020, and approve the overall maximum remuneration payable to him;</li> <li>Re-appointment of Mr. Gautam Puri (DIN: 00033548) as the Vice-Chairman and Managing Director of the Company for a period of 3 (Three) years w.e.f. April 01, 2020, and approve the overall maximum remuneration payable to him;</li> <li>Re-appointment of Mr. Nikhil Mahajan (DIN: 00033404) as Executive Director &amp; Group CEO Enterprise Business of the Company for a period of 3 (Three) years w.e.f. April 01, 2020, and approve the overall maximum remuneration payable to him;</li> <li>Grant approval for making Investments, giving Loans/ Guarantees or providing Security in accordance with Section 186 of Companies Act, 2013.</li> </ol>
2019-20	September 30, 2020	11:00 AM	AGM held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Nil

#### h. Resolutions passed through Postal Ballot:

During the Financial Year under review, no resolution was passed through postal ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

## i. Additional Shareholder Information

i. **Financial Year:** April 01 to March 31.

ii. **Annual General Meeting (Financial Year 2021-22):**

Date	Time	Venue
September 07, 2021	11:00 AM	AGM will be held through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') only

iii. **Financial Calendar (Financial Year 2020-21):**

Quarterly Results for the:	Date of Results declaration
Quarter ended on June 30, 2020	August 22, 2020
Quarter ended on September 30, 2020	November 10, 2020
Quarter ended on December 31, 2020	February 13, 2021
Quarter ended on March 31, 2021	June 24, 2021

iv. **Financial Calendar (Financial Year 2021-22):**

Quarterly Results for	Tentative Schedule
Quarter ended on June 30, 2021	On or before August 14, 2021
Quarter ending on September 30, 2021	On or before November 14, 2021
Quarter ending on December 31, 2021	On or before February 14, 2022
Quarter ending on March 31, 2022	On or before May 30, 2022

v. **Dividend Payment date:**

During the Financial Year under review, the Board of Directors of the Company did not recommend any dividend.

vi. **Stock Exchanges and Stock Codes/Symbol:**

The equity shares of the Company are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") with the following Stock Codes/Symbol.

Name of the Stock Exchange	Address of the Stock Exchange	Stock Codes/Symbol
NSE	C-1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	CLEUCATE
BSE	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	540403

vii. **Annual Listing fees:**

The Company has duly paid the Annual Listing Fees to BSE and NSE for the Financial Years 2020-21 as well as 2021-22.

viii. **Corporate Identity Number (CIN) of the Company:** L74899HR1996PLC076897

ix. **ISIN of the Company:** INE201M01011

x. **Company's Recommendations to the Shareholders:** The Company recommends the following to the members with a view to mitigate/avoid risks while dealing in shares and related matters:

- a. Dematerialisation (demat) of shares:** Members are requested to dematerialize their physically held shares through any of the Depository Participants (DPs) to avoid the problems associated with holding shares in physical form, such as the possibility of loss, mutilation, etc. which would also ensure safe and speedy transactions in shares. Holding shares in dematerialized form would enable members to transfer their shareholding on an immediate basis. No stamp duty is payable on transfer of shares held in dematerialized form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

Pursuant to the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) 2015, any request for effecting transfer of securities held in physical form shall not be processed by the Company unless the securities are held in the dematerialized form. Hence, the members who have not yet got their shares dematerialized, are requested to get their physical holding converted into demat form.

- b. Register your National Electronic Clearing Service (NECS) Mandate:**

Members are encouraged to register NECS mandate with the Company or Registrar and Share Transfer Agent in case of shares held in physical form and ensure that correct and updated particulars of your bank accounts are registered with the DPs in case of shares held in dematerialised form. This would facilitate receiving direct credits of dividends etc. from Company and avoiding instances of postal delays and loss in transit.

- c. Encash your Dividends on time:** Members who have not registered their bank account details with Company or DP are requested to encash their dividend warrants promptly in order to avoid problems of revalidation/losing their right of claim owing to the Company's obligation to transfer the unclaimed dividends to Investor Education and Protection Fund after the specified period.

- d. To support the 'Green Initiative':** Members holding shares in dematerialized form are requested to register their email addresses with their Depository Participants and members holding shares in physical form are requested to register their email addresses with KFIN Technologies Private Limited, the Registrar and Share Transfer Agent of the Company. This would facilitate receipt of the annual report and other communications from the Company through email thereby supporting the Company's green initiative.

Further, in view of the continuing restrictions on the movement of persons at several places in the country, due to COVID-19 outbreak, the Ministry of Corporate Affairs vide its circular dated May 05, 2020 read with circular dated January 13, 2021, has allowed the Companies to conduct their AGM through Video Conferencing or other audio visual means. Hence, in order to ensure effective participation, the members of the Company are requested to update their email addresses for receiving the link of e-AGM. In accordance with the provisions of the said circular, Notice convening the 25th Annual General Meeting, Annual Audited Financial Statements, Board's Report, Auditor's Report and other documents pertaining to the Financial Year 2020-21 are being sent to the shareholders through electronic means to their email addresses registered with the relevant Depository Participants/ depositories/ Company's RTA. The shareholders are requested to update their email addresses to ensure that the Annual Report and other documents reach on their current and active registered email Ids.

- j. Book Closure:**

The dates of book closure are from September 01, 2021 to September 07, 2021 both days inclusive.

- k. Dividend policy:**

The Dividend policy of the Company (voluntarily adopted by the Board of Directors) is available on the website of the Company at the web link [www.cleducate.com/policies/Dividend-Policy.pdf](http://www.cleducate.com/policies/Dividend-Policy.pdf).

- l. Market price data- high, low during each month in last Financial Year:**

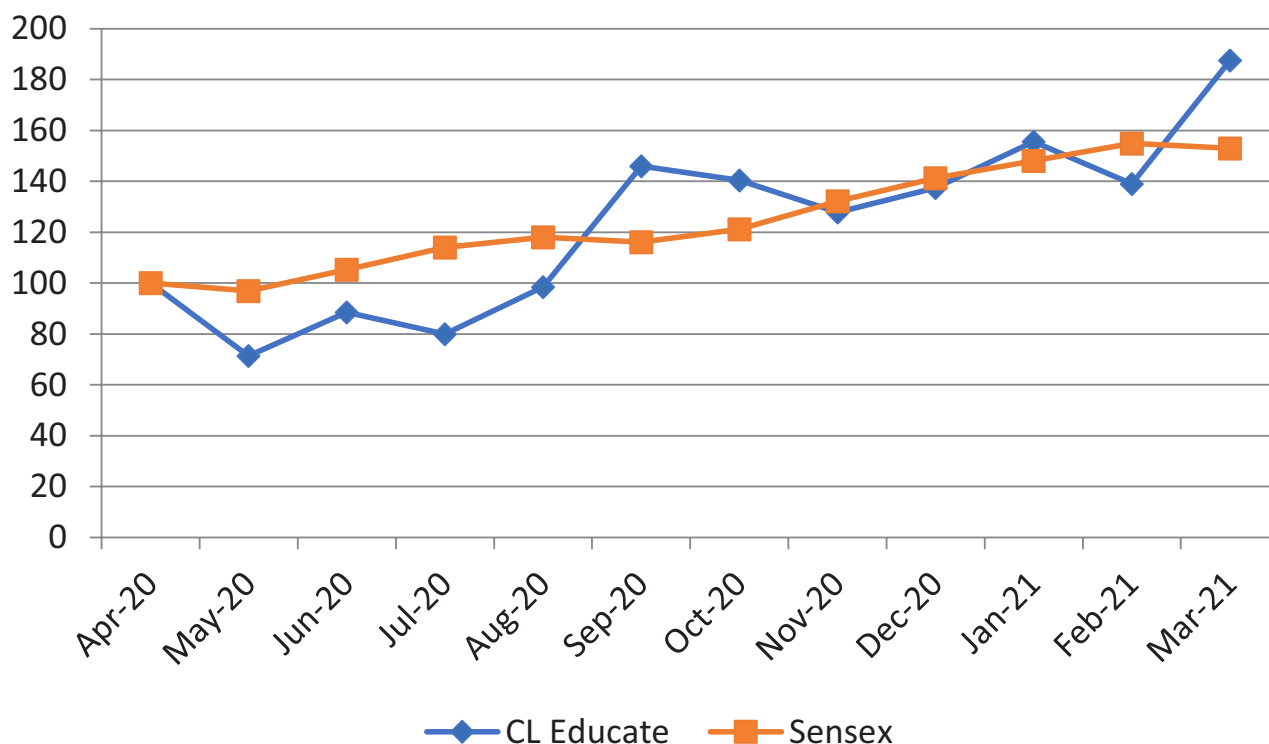
High, Low (based on daily closing prices) and number of equity shares traded during each month in the Financial Year 2020-21 on NSE and BSE;



Month	NSE			BSE		
	High Price (In ₹)	Low Price (In ₹)	Total Traded Quantity	High Price (In ₹)	Low Price (In ₹)	Total Traded Quantity
Apr-20	54.00	28.45	8,07,049	53.80	28.70	70,784
May-20	40.00	33.40	3,77,644	38.40	33.50	1,38,189
Jun-20	48.90	37.05	5,03,925	47.60	37.50	57,886
Jul-20	41.55	36.20	3,86,682	43.00	36.15	1,20,237
Aug-20	51.40	36.20	8,62,652	53.00	36.00	1,79,111
Sep-20	79.70	43.00	28,47,018	78.60	43.75	3,06,148
Oct-20	73.50	63.70	1,39,424	75.55	63.05	86,656
Nov-20	66.50	52.50	1,66,656	68.80	54.80	33,423
Dec-20	71.70	58.80	3,74,713	73.95	59.45	80,764
Jan-21	83.70	61.55	7,95,934	83.75	62.80	1,61,396
Feb-21	74.15	62.25	5,31,539	74.80	64.15	82,421
Mar-21	100.95	66.10	35,25,607	100.90	64.20	5,69,094

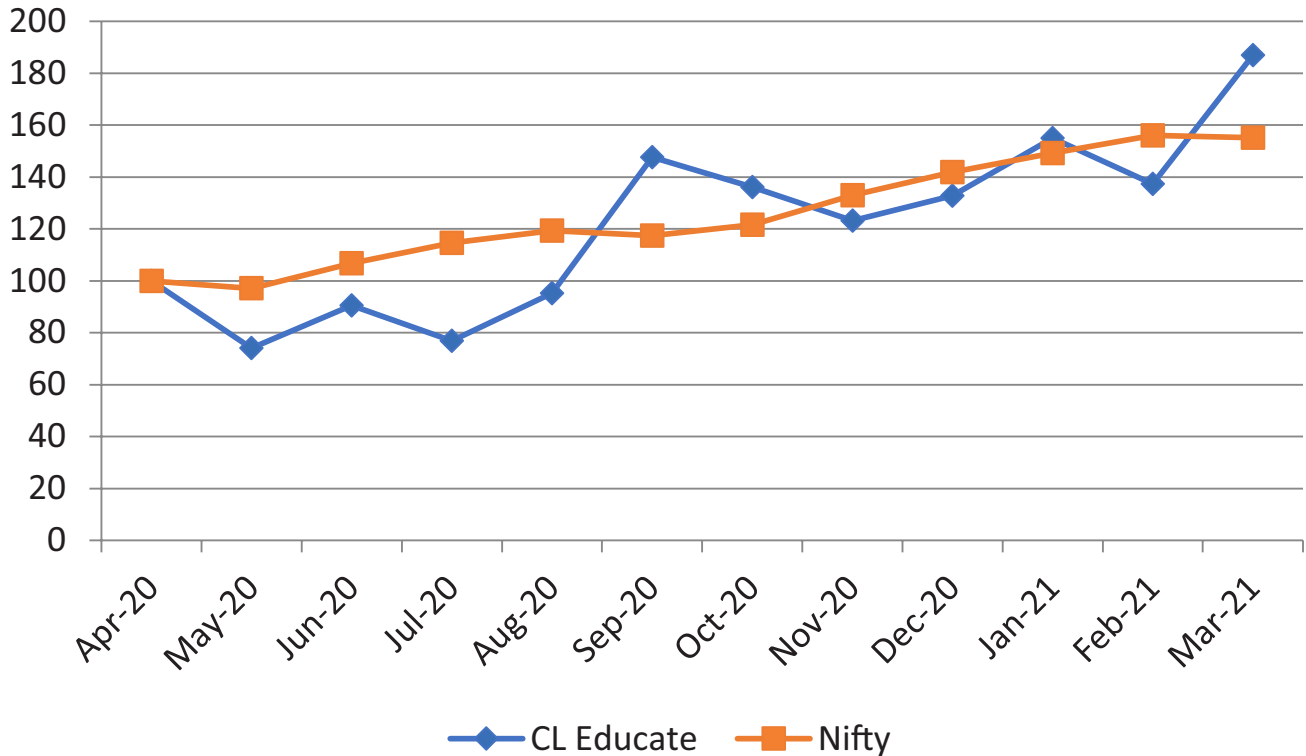
**m. Performance in comparison to broad-based indices such as BSE Sensex, and Nifty:**

**CL Educate share performance versus the BSE Sensex**



Note: The Monthly High share price of CL Educate Limited and index value of BSE Sensex in April, 2020 have been indexed to 100.

### CL Educate share performance versus the Nifty



Note: The Monthly High share price of CL Educate and index value of NSE Nifty in April, 2020 have been indexed to 100.

### n. Distribution of Shareholding:

Following is the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2021:

#### Distribution by size as on March 31, 2021

S. No.	Category	No of Shareholder	% of Shareholder	No. of Shares	% of Shares
1	1 - 5000	18,785	99.45	16,54,858	11.68
2	5001 - 10000	41	0.22	2,69,936	1.91
3	10001 - 20000	20	0.11	2,64,451	1.87
4	20001 - 30000	7	0.04	1,70,614	1.20
5	30001 - 40000	10	0.05	3,41,584	2.41
6	40001 - 50000	6	0.03	2,81,607	1.99
7	50001 - 100000	5	0.03	3,96,338	2.80
8	100001 and above	14	0.07	1,07,86,290	76.14
	<b>TOTAL</b>	<b>18,888</b>	<b>100.00</b>	<b>14165678</b>	<b>100.00</b>

#### Distribution of shareholding as on March 31, 2021

S. No.	Category of shareholder	No. of share holders	Total nos. shares held	Shareholding as a % of total no. of shares	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.	As a % of total Shares held	No.	As a % of total Shares held	

(A)	Promoter & Promoter Group	23	71,72,636	50.63	0	0.00	0	0.00	71,72,636
(B)	Public	18,865	69,93,042	49.37	0	0.00	0	0.00	69,25,957
(C)	Non Promoter-Non Public	0	0	0	0	0.00	0	0.00	0
(C1)	Shares underlying DRs	0	0	0	0	0.00	0	0.00	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0.00	0	0.00	0
	<b>Total</b>	<b>18,888</b>	<b>14,165,678</b>	<b>100</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>14,098,593</b>

**STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PROMOTER & PROMOTER GROUP" AS ON MARCH 31, 2021**

S. No.	Name of the Shareholder	Category	Total No of Shares Held	Shareholding (%)	Number of Locked in Shares		Number of equity shares held in dematerialized form
					No.	%	
1	Satya Narayanan R	Promoter	2,455,761	17.34	0	0.00	2,455,761
2	Gautam Puri	Promoter	2,357,130	16.64	0	0.00	2,357,130
3	Nikhil Mahajan	Promoter	32,817	0.23	0	0.00	32,817
4	Sujit Bhattacharyya	Promoter	203,062	1.43	0	0.00	203,062
5	R Sreenivasan	Promoter	353,698	2.50	0	0.00	353,698
6	R Shivakumar	Promoter	357,181	2.52	0	0.00	357,181
7	Bilakes Consulting Private Limited	Promoter	1,255,460	8.86	0	0.00	1,255,460
8	Shefali Acharya	Promoter Group	3,000	0.02	0	0.00	3,000
9	Sapna Puri	Promoter Group	38,863	0.27	0	0.00	38,863
10	Abhijit Bhattacharyya	Promoter Group	3,000	0.02	0	0.00	3,000
11	Samita Bhalla	Promoter Group	1,262	0.01	0	0.00	1,262
12	Parul Mahajan	Promoter Group	10,000	0.07	0	0.00	10,000
13	Uma Ramachandran	Promoter Group	1,900	0.01	0	0.00	1,900
14	Indira Ganesh	Promoter Group	1,800	0.01	0	0.00	1,800
15	Abhishek Bhattacharyya	Promoter Group	2,000	0.01	0	0.00	2,000
16	Seshadry Parvathy	Promoter Group	3,572	0.03	0	0.00	3,572
17	Rajlakshmi Ganesh Sonone	Promoter Group	134	0.00	0	0.00	134
18	Katyaini Mahajan	Promoter Group	13,500	0.10	0	0.00	13,500
19	Vitasta Mahajan	Promoter Group	13,500	0.10	0	0.00	13,500
20	Abhirup Bhattacharyya	Promoter Group	2,000	0.01	0	0.00	2,000
21	Sneha Krishnan	Promoter Group	2,000	0.01	0	0.00	2,000
22	Career Launcher Employees Welfare Society	Promoter Group	11,433	0.08	0	0.00	11,433
23	Gautam Puri HUF	Promoter Group	49,563	0.35	0	0.00	49,563
	<b>Total</b>	<b>23</b>	<b>7,172,636</b>	<b>50.63</b>	<b>0</b>	<b>0.00</b>	<b>7,172,636</b>

**STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES" AS ON MARCH 31, 2021**

S. No.	Name	No. of Shares	%	Category
1	GPE (India) Ltd	946,473	6.68	FB
2	Sundaram Mutual Fund A/C Sundaram Diversified Equity	7,79,311	5.50	MUT
3	Arjuna Fund Pte. Ltd	707,035	4.99	FPC
4	Housing Development Finance Corporation Limited	594,233	4.19	LTD
5	Gaja Trustee Company Private Limited	251,409	1.77	VCF
6	BNP Paribas Arbitrage – ODI	207,000	1.46	FPC
7	Vanderbilt University - Flowering Tree Investment	176,719	1.25	FPC
8	Ashoka Pte Ltd	141,818	1.00	FPC

**o. Dematerialization of shares and liquidity:**

As on March 31, 2021, 14,098,593 equity shares of the Company equivalent to 99.53% of total shares were held in electronic form. The equity shares of the Company are traded on BSE and NSE in electronic form.

**p. Outstanding GDRs or ADRs or warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2021, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**(q) Registrar to the Issue and Share Transfer Agents**

Name and Address	:	KFin Technologies Private Limited (Formerly known as "Karvy Fintech Private Limited") Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Rangareddy, Telangana, India
Telephone	:	1800-309-4001
E-mail	:	einward.ris@kfintech.com
Website	:	karisma.kfintech.com
Investor Grievance E-mail	:	einward.ris@kfintech.com
Contact Person	:	Mr. Mohd Mohsin Uddin
SEBI Registration Number	:	INR000000221

**(r) Share Transfer System**

Pursuant to the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities held in physical form shall not be processed by the Company/RTA till the time the securities are held in dematerialized form. Hence, the members who have not yet got their shares dematerialized, are requested to get their physical holding converted into dematerialised form. In this respect, the members are requested to contact any of the Depository Participants (DPs). The ISIN of the Company is INE201M01011.

**(s) Registered and Corporate Office address**

Registered Office Address: Plot No. 9A, Sector- 27A, Mathura Road, Faridabad, Haryana-121003  
Tel: +91 129-2273242  
Corporate/Head/Correspondence Office Address: A-45, First Floor, Mohan Co-operative Industrial Estate, New Delhi-110044  
Tel: +91 (11) 4128 1100  
Fax: +91 (11) 4128 1101  
E-mail for Investors: compliance@cleducate.com  
Website: www.cleducate.com

**(t) Plant locations**

In view of the nature of the Company's business viz. Educational Services, the Company operates from various centers in India and abroad.

**u) Confirmation of Compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46, during the financial year 2020-21:**

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1) & 17(1A)	Yes
Meetings of Board of directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meetings of Audit Committee	18(2)	Yes
Role of Audit Committee	18(3)	Yes
Composition & Role of Nomination, Remuneration and Compensation Committee	19(1), (2) & (4)	Yes
Quorum of Nomination, Remuneration and Compensation Committee	19(2A)	Yes
Meeting of Nomination, Remuneration and Compensation Committee	19(3A)	Yes
Composition & Role of Stakeholders Relationship Committee	20(1), (2), (2A) & (4)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Composition and Role of Risk Management Committee	21(1), (2), (3) & (4)	Not Applicable
Meeting of Risk Management Committee	21(3A)	Not Applicable
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1), (1A), (5), (6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2) & (3)	Yes
Approval for material related party transactions	23(4)	Not Applicable*
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	Yes
Secretarial Audit and Annual Secretarial Compliance Report	24A	Yes
Alternate Directorship & Tenure of Independent Directors	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization programmes for the independent directors	25(7)	Yes

Declaration form Independent Directors	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	Yes
Membership in Committees	26(1)	Yes
Affirmation of compliance with code of conduct from Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to obligations of directors and senior management	26(2) & (5)	Yes
Disclosures by Senior Management on material, financial and commercial Transactions	26(5)	Yes
Agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company	26(6)	Not applicable**
Maintenance of a functional Website containing basic information about the Company	46(2) (b) to (i)	Yes

\*There was no material Related Party Transaction during the Financial Year 2020-21, as no Transaction(s), individually or taken together with previous transactions during the financial year, exceeded 10% of the annual consolidated turnover of the Company as per the last audited financial statements.

\*\*The Company does not have any such agreement.

#### **XIV. Other Disclosures**

##### **a. Name and Designation of Compliance Officer:**

Ms. Rachna Sharma,  
 Company Secretary and Compliance Officer  
 Tel: +91 (11) 4128 1100, Fax: +91 (11) 4128 1101  
 E-mail: compliance@cleducate.com

##### **b. Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Commodity price risk is the possibility of impact from changes in the prices of raw materials, such as paper etc. While we seek to pass on commodity price increases to students enrolled in (all our courses offered across all group entities) our test prep courses, vocational training courses, as well as to our corporate customers, we may not be able to achieve this at all times or to the fullest extent.

The Company has limited Foreign Exchange exposures and the transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the period/year are recognized in the statement of profit and loss.

##### **c. The Company does not have any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad. Accordingly, the requirement of credit ratings is not applicable.**

##### **d. The Securities of the Company have never been suspended from trading.**

##### **e. During the Financial Year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR), Regulations, 2015.**

##### **f. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

This information forms part of the Board's Report.

##### **g. Disclosures by Senior Management Personnel pursuant to Regulation 26(5) of the SEBI (LODR), Regulations, 2015:**

The senior management personnel of the Company have disclosed to the Board that they did not have personal interest in any material, financial and/or commercial transactions entered during the Financial Year under review, which might have a potential conflict with the interest of the Company at large.

##### **h. Disclosures with respect to Equity shares in suspense account/ unclaimed suspense account:**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI (LODR), Regulations, 2015, the Company reports that there are no equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company.

- i. The Company has complied with all the requirements of corporate governance report as mentioned in sub-paras (2) to (10) of Para C of Schedule V of the SEBI (LODR), Regulations, 2015.

## XV. Other Disclosures and Certificates

### a. Corporate Governance Certificate

A certificate issued by M/s. S. Anantha & Ved LLP, Company Secretaries, Mumbai (LLP IN: AAH-8229) certifying compliance with the conditions of Corporate Governance under SEBI (LODR), Regulations, 2015, for the Financial Year ended March 31, 2021 is as below:

## Corporate Governance Certificate

To

The Members of  
CL EDUCATE LIMITED

We have examined the compliance of conditions of Corporate Governance by CL Educate Limited (CIN: L74899HR1996PLC076897) having Registered Office at Plot No. 9A, Sector-27A, Mathura Road, Faridabad, Haryana – 121 003 (hereinafter referred to as 'the Company'), for the financial year ended March 31, 2021, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is responsibility of the Management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 Pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP**  
**Company Secretaries**

Sd/-

**Sachin Sharma**

**Designated Partner**

**Membership No.: A46900**

**CP No.: 20423**

**UDIN: A046900C000453108**

**Date: 12th June, 2021**

**Place: Jodhpur**

## Board's Report 2021

Dear Member(s),

The Board of Directors of your Company takes pleasure in presenting the Twenty Fifth Board Report on the business and operations of CL Educate Limited (hereinafter referred to as the "Company" or "CL") together with the Company's Audited Standalone & Consolidated Financial Statements and the Independent Auditor's Report thereon for the Financial Year ended March 31, 2021.

### 1. Financial Summary and Highlights

(₹ in Lakhs)

S No.	Particulars	Standalone		Consolidated	
		FY 2021	FY 2020	FY 2021	FY 2020
I	Revenue from operations	9,986.49	16,334.73	18,449.94	30,868.33
II	Other income	837.50	1,234.38	959.67	1,529.70
III	<b>Total Income (I+II)</b>	<b>10,823.99</b>	<b>17,569.11</b>	<b>19,409.61</b>	<b>32,398.03</b>
IV	<b>Expenses</b>				
a)	Cost of material consumed	-	-	269.17	941.34
b)	Purchase of stock in trade	444.33	1,095.31	18.82	81.06
c)	Changes in inventories of finished goods, stock-in-trade and work in progress	75.29	(56.76)	30.54	(557.26)
d)	Employee benefits expenses	1,738.85	2,203.60	3,963.97	5,303.93
e)	Franchisee expenses	3,383.42	6,633.30	3,574.51	7,142.51
f)	Other expenses	4,829.33	7,186.17	11,629.22	18,616.91
V	Total Operating Expenses	10,471.21	17,061.62	19,486.22	31,528.49
	<b>EBITDA (III-V)</b>	<b>352.76</b>	<b>507.49</b>	<b>(76.62)</b>	<b>869.54</b>
g)	Finance costs	369.94	528.24	563.11	830.96
h)	Depreciation and amortization expenses	608.18	1,112.72	835.17	1,401.50
VI	Total Expenses	11,449.34	18,702.58	20,884.51	33,760.95
VII	<b>Profit / (Loss) Before Tax (III - VI)</b>	<b>(625.35)</b>	<b>(1,133.47)</b>	<b>(1,474.90)</b>	<b>(1,362.92)</b>
VIII	Exceptional Items	-	4,150.05	-	4,150.05
IX	<b>Profit / (Loss) Before Tax after Exceptional Items (VII+VIII)</b>	<b>(625.35)</b>	<b>(5,283.52)</b>	<b>(1,474.90)</b>	<b>(5,512.97)</b>
X	Share of net profit of associates accounted	-	-	(4.94)	(14.71)
XI	<b>Profit / (Loss) Before Tax from Continuing Operations (IX+X)</b>	<b>(625.35)</b>	<b>(5,283.52)</b>	<b>(1,479.84)</b>	<b>(5,527.68)</b>
XII	Tax Expenses	(112.55)	33.83	(281.57)	(102.96)
XIII	<b>Profit / (Loss) After Tax from Continuing Operations</b>	<b>(512.80)</b>	<b>(5,317.35)</b>	<b>(1,198.27)</b>	<b>(5,424.71)</b>
XIV	Profit Before Tax from Discontinuing Operations	-	-	16.23	118.92
XV	Tax Expenses for Discontinuing Operations	-	-	-	-
XVI	<b>Net Profit / (Loss) for the Period (XIII+XIV-XV)</b>	<b>(512.80)</b>	<b>(5,317.35)</b>	<b>(1,182.04)</b>	<b>(5,305.79)</b>
XVII	Other Comprehensive Income	3.22	6.50	44.03	42.89



<b>XVIII</b>	<b>Total Comprehensive Income for the Period (XVI + XVII)</b>	<b>(509.58)</b>	<b>(5,310.85)</b>	<b>(1,138.01)</b>	<b>(5,262.90)</b>
XIX	Earnings per Equity Share - Continued Operations				
	Basic	(3.62)	(37.54)	(8.46)	(38.29)
	Diluted	(3.62)	(37.54)	(8.46)	(38.29)

## 2. Review of Market, Business and Operations

An in-depth analysis of markets in which CL operates, along with its businesses, is a part of the Management, Discussion & Analysis section.

## 3. Segment Reporting & Operational Overview

### Standalone:

Of the total revenue for the year ended March 31, 2021, on a standalone basis, approx. 92.0% came from Revenue from Operations, while the remaining 8.0% came from Other Income.

The Company primarily operates in three segments: Digital, Partner & Vocational. The segments have been identified based on the nature of products, the differing risks and returns, the organizational structure, and the internal financial reporting systems. This is a distinct change from the previous financial year wherein there were two segments – Consumer Test Prep and Vocational – with the former having been broken down further into two aforementioned segments.

The Consumer Services business mainly consists of Test-Prep, which includes coaching for higher-education entrance exams like MBA, BBA, Law, Bank, SSC, Civil Services, GATE, etc.; and non-Test-preparation coaching, namely for technology-driven Data Science programs (Python, Machine Learning, and Artificial Intelligence), and Financial Skills programs like CFA, FRM, and NCFM.

Vocational training meanwhile included specific state- and central-government projects undertaken in the past. The revenue from operations this year was solely earned from the Consumer Test-Prep business. This was primarily due to the conscious decision of the Company to reduce its exposure to government vocational projects owing to its working capital-intensive nature and the slow recovery of receivables from the government. The Company, at present, is taking up no new projects in the Vocational training space.

Given the significant shift that the Company has made towards Digital sales and delivery in its Consumer Test Prep business, it felt that this was the appropriate year, to rework the Segments and break down the business into two new segments - Digital and Partner. The Digital business predominantly contains business sourced and / or serviced online by company personnel. This includes personnel deployed at Company Owned Company Operated (CoCo) Test Prep locations. The Partner business solely contains all business sourced and serviced by the Company's large Business Partner or Franchisee network across India and the Middle East.

The segmentation of revenues by business segments on a standalone basis is as follows:

(₹ in Lakhs)

	<b>FY 2021</b>	<b>% of Total</b>	<b>FY 2020</b>	<b>% of Total</b>
Partner	5,432.73	54.4%	10,396.55	63.6%
Digital	4,553.76	45.6%	5,938.18	36.4%
Vocational	-	0.0%	-	0.0%
<b>Total</b>	<b>9,986.49</b>	<b>100.0%</b>	<b>16,334.73</b>	<b>100.0%</b>

Our revenue from Partner segment decreased by 47.7%—from ₹ 10,396.55 in FY 2020 to ₹ 5,432.73 in FY 2021, while the Digital segment decreased by 23.3%—from ₹ 5,938.18 in FY 2020 to ₹ 4,533.76 in FY 2021; due to what was practically a year-long lockdown on all physical businesses run by the company due to the COVID-19 pandemic.

In terms of business strategy, the Company increased its focus on pouch and sachet-sized products this year, predominantly selling

them online; which has enabled the organization to retain and increase market share in critical markets, despite the lockdown.

The second segment classification done by the company is by geography, which is outlined below. Despite the global nature of the pandemic, our overseas business, based predominantly out of the UAE, had a better year in comparison to the domestic business, and grew its overall share of our business from 5.0% to 5.8%.

(₹ in Lakhs)

	FY 2021	% of Total	FY 2020	% of Total
Within India	9,406.64	94.2%	15,515.82	95.0%
Overseas	579.85	5.8%	818.91	5.0%
<b>Total</b>	<b>9,989.49</b>	<b>100.0%</b>	<b>16,334.73</b>	<b>100.0%</b>

### Consolidated:

Of the total revenues for the year ended March 31, 2021, on a consolidated basis, approx. 95.1% came from Operations, while 4.9% came from Other Income.

The group has identified the following reportable business segments as primary segments:

## 1. Consumer Business

- a. **Partner** – Includes coaching for higher education entrance exams like MBA, Law, BBA, RBI Grade-B, GRE, GMAT (under the brand 'Career Launcher'), and GATE coaching (under the brand 'ICE GATE Institute Pvt. Ltd. '), through our Business Partner (Franchisee) network.
- b. **Digital** - Includes coaching for higher education entrance exams like MBA, Law, BBA, RBI Grade-B, GRE, GMAT (under the brand 'Career Launcher'), and GATE coaching (under the brand 'ICE GATE Institute Pvt. Ltd. '), through the digital / online mode and offline counselling-cum-service centres owned and operated by the company.
- c. **Consumer Publishing** – Includes publishing & sale of educational books to related and third parties under the brand 'GK Publications'.

## 2. Enterprise Business

- a. **Enterprise Corporate** - The Company provides the following services to corporate clients under the brand 'Kestone'
  - i. Experiential Marketing and Event Management
  - ii. Digital & MarComm Services
  - iii. Customized Engagement Programs (CEPs)
  - iv. Manpower Management & Training
  - v. Strategic Business Solutions
- b. **Enterprise Institutional** – The Company provides the following services to institutional clients under the brand 'CL Media Pvt. Ltd' and 'Accendere Knowledge Management Services Pvt. Ltd'
  - i. Integrated Solutions to Universities
  - ii. Student Enrollment Services
  - iii. Research & Incubation Services
  - iv. Career Development Center

## 3. Others

Other business segments include Vocational Training and our discontinued K-12 Operations.

(₹ in Lakhs)

	FY 2021	% of Total	FY 2020	% of Total
Partner	5,432.73	29.5%	10,396.55	33.6%
Digital	5,009.07	27.1%	7,062.03	22.9%
Consumer Publishing	(399.66)	-2.2%	(156.28)	-0.5%
Enterprise Corporate	7,562.10	41.0%	11,535.06	37.4%
Enterprise Institutional	845.70	4.6%	2,001.78	6.5%
Others	-		29.19	0.1%
<b>Total</b>	<b>18,449.94</b>	<b>100.0%</b>	<b>30,868.33</b>	<b>100.0%</b>

Our Revenue from Operations on a consolidated basis decreased by 40.2%—from ₹ 30,868.33 lakh in FY 2020 to ₹ 18,449.94 lakh in FY 2021; due to the impact of COVID-19. The management has estimated the following loss of business due to the global pandemic:

- (i) **Partner:** The Partner business saw a decline of 47.7% — from ₹ 10,396.55 lakh, in FY 2020 to ₹ 5,432.73 lakh in FY 2021. The Company has recorded nearly 53% decline—from 44,099 paid enrollments in FY 2020 to 20,696 paid enrollments in FY 2021. The decline was prevalent across product categories due to physical study centers being shut for most of the year.
- (ii) **Digital:** The Digital business saw a decline of 29.1%—from ₹ 7,062.03 lakh, in FY 2020 to ₹ 5,009.07 lakh in FY 2021. Our non-partner business for FY'20 includes physical centers which were Company Owned and Company Operated, that were fully functional for at least 11 months of the year, therefore on a comparative basis the revenues predictably witnessed the aforementioned decline. However, in terms of paid enrolments in FY21 the numbers were 85,132 against 71,692 in FY20 which is about 19% higher. Given the shift in consumer behavior on account of the pandemic, the organization did a fantastic job of increasing market share despite the shift away from physical classes in key markets.
- (iii) **Consumer Publishing:** The revenues from the consumer publishing business were also heavily impacted by the pandemic, primarily due to the inability to transport books. Further for most of the year, distributors, retailers and wholesalers — which contribute the lion share of the business were all closed due to the lockdown.
- (iv) **Enterprise Corporate:** The revenue from Enterprise Corporate (operating under the Kestone brand) witnessed a decline of 34.4%—from ₹11,535.06 lakh in FY 2020 to ₹ 7,562.10 lakh in FY 2021. The impact of COVID-19 was felt massively in this business segment resulting in the better part of a ₹ 50-60 Cr physical events business being wiped out overnight by the pandemic. Due to the lockdown and social distancing norms in India and abroad, this line of business was completely impossible in FY 2021. The Company was quick to respond to the new challenges posed by COVID; and has successfully shifted its mode of business to online servicing by introducing a Virtual Events Platform (VEP) whose production and implementation was accelerated considerably on account of the pandemic. The platform, which was developed inhouse, has been globally recognized amongst the best in the world, and was used for more than 200 events in FY 2021.
- (v) **Enterprise Institutional:** The revenue from this segment also witnessed decline of 57.8%—from ₹ 2,001.78 lakh in FY 2020 to ₹ 845.70 lakh in FY 2021 - due to the pandemic. With universities and colleges operating remotely, and their cash inflows reduced drastically due to the prevalent UGC norms, most institutions were significantly cash strapped and didn't spend the usual amount on either customer acquisition or on research.

(₹ in Lakhs)

	FY 2021	% of Total	FY 2020	% of Total
Within India	17,168.84	93.1%	28,480.59	92.3%
Overseas	1,281.10	6.9%	2,387.74	7.7%
<b>Total</b>	<b>18,449.94</b>	<b>100.0%</b>	<b>30,868.33</b>	<b>100.0%</b>

#### 4. Change in the nature of business, if any

There was no change in the nature of business of the Company during the year under review.

#### 5. Scheme of Amalgamation

Pursuant to the recommendation of the Audit Committee and approval of the Board of Directors of the Company, both dated November 27, 2018, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") for the proposed Amalgamation of 5 wholly owned subsidiary Companies of CL Educate Limited (CL Educate)- Career Launcher Education Infrastructure and Services Limited (CLEIS), CL Media Private Limited (CLM), Accendere Knowledge Management Services Private Limited (AKMS), G.K. Publications Private Limited (GKP) and Kestone Integrated Marketing Services Private Limited (Kestone) with CL Educate Limited (CL Educate). The scheme has been approved by the NSE & BSE.

The First Motion Petition with respect to the proposed Amalgamation was filed by the Company with the Hon'ble NCLT Chandigarh on August 28, 2019. NCLT Chandigarh heard the First Motion Application filed by the Company on November 14, 2019 and issued its 1st Motion Order dated December 11, 2019.

As per the directions given by the NCLT Chandigarh in its 1st Motion Order, the meetings of Equity Shareholders of CL Educate and of the Unsecured Creditors with value of INR 1 lakh or more of Kestone were held on February 01, 2020, at 10:00 AM and 12:00 Noon, respectively.

The proposed scheme of Amalgamation was duly approved by the Shareholders of CL Educate and Unsecured Creditors of Kestone.

The 2nd Motion Petition with respect to the proposed Amalgamation was filed by the Company with the Hon'ble NCLT Chandigarh on February 14, 2020, which was heard by the NCLT on March 05, 2020. While NCLT was satisfied with the Petition, it directed the Companies, CL Educate Limited and Kestone to file respective affidavits that no objections had been received from any stakeholder against the Scheme. These Affidavits were filed by the respective Companies on March 17, 2020.

However, on account of the nationwide lockdown, and limited functioning of the NCLT Bench, the hearing of the 2nd Motion Petition of CL Educate Limited has been adjourned by the NCLT Chandigarh Bench each time it was scheduled.

On August 12, 2020, the Company filed an application for early hearing of its 2nd Motion Petition with the Hon'ble NCLT Chandigarh Bench. The NCLT Bench heard this application on October 27, 2020 and passed an Order which was pronounced on November 25, 2020 in which the Companies were directed to issue notices to the regulatory authorities and publish the same in two newspapers. Further, the Scheme was listed for hearing on January 28, 2021. As per the directions contained in the Order, the notices were issued and advertisements were published by the Companies and Affidavits to this extent were filed with the NCLT Bench.

The 2nd Motion Petition filed by the Company was heard by the NCLT Bench on July 30, 2021. It has, vide its order dated July 30, 2021, directed the Petitioner Companies to issue fresh notices to the Regional Director and Registrar of Companies. The next date of hearing has been fixed as October 29, 2021.

#### 6. Details of Subsidiaries/Joint Ventures/Associate Companies as on the date of this Report

As on date, CL Educate Limited has 12 (Twelve) subsidiaries (including 4 (four) indirect subsidiaries) and 1 (one) associate company to carry on its business activities of imparting education and training programmes, publishing, digital marketing, providing research related services to Institutions and Universities etc. A brief profile of our subsidiaries and associate companies is given hereunder:

##### i. **Kestone Integrated Marketing Services Private Limited (Kestone):**

Kestone was acquired as a wholly owned subsidiary of the Company on April 01, 2008. Under our brand Kestone, we enjoy

strong relationships with corporates to whom we provide our integrated business, marketing and sales services. Kestone focuses on a wide variety of corporates, across various segments and industries.

Kestone provides services including event management, marketing support (including digital marketing support in the form of online marketing initiatives), customer engagement (including audience generation, lead generation, loyalty and reward programs and contest management), managed manpower and training services.

The total income of Kestone was ₹ 7,628.66 lakh in FY 2021, as against ₹ 10,915.74 lakh in FY 2020, recording a decrease by 30.1% over the previous Financial Year. The decrease is mainly attributed to the spread of global pandemic during the last year of the FY 2021. The management estimates ~ ₹ 40-50 crore of loss of business due to COVID-19.

#### **a.1. Kestone CL Asia Hub Pte. Ltd., Singapore (Kestone CL Asia)**

Kestone CL Asia Hub Pte. Ltd. (Previously Known as 'Kestone Asia Hub Pte. Ltd'), Singapore is a Step-Down Subsidiary of the Company. Kestone CL Asia started doing business in Singapore from Financial Year 2016-17. It is currently engaged in providing integrated marketing solutions for products and services, to conduct educational & consulting programs, research related services, etc. for and on behalf of inland and overseas customers. Kestone CL Asia has also started a branch office in Dubai, inter alia, to provide integrated sales & marketing service to corporates & institutions in the Middle East.

The total income of Kestone CL Asia Hub Pte. Ltd. decreased by 9.9 % to ₹ 1,252.00 lakh in FY 2021 from ₹ 1,385.93 lakh in FY 2020 due to COVID.

#### **a.2. Kestone CL US Limited, Delaware, USA (Kestone CL US):**

Kestone CL Asia has incorporated a wholly owned subsidiary in USA on March 22, 2018, by the name of Kestone CL US Limited, with an objective to provide integrated sales & marketing services to corporates & institutions in the Americas, especially USA. During the year, Kestone CL US had a total income of US\$ 402,900 .

#### **a.3. CL Educate (Africa) Limited, Mauritius:**

Kestone CL Asia has incorporated a 90% subsidiary in Mauritius on January 13, 2020, by the name of CL Educate (Africa) Limited with an objective to take its product and services offerings to the African market. Due to COVID-19 pandemic the business operations of this venture are still at a very nascent stage.

#### **ii. CL Media Private Limited (CL Media)**

CL Media was incorporated as a wholly owned subsidiary of CL on February 01, 2008. CL Media provides integrated solutions to educational institutions and universities including business advisory and outreach support services.

The total income from CL Media was ₹ 1,374.42 lakh in FY 2021, as compared to ₹ 3,828.42 lakh in FY 2020. The significant decrease in the business of CL Media is on two accounts, firstly due to the decision to cease the publishing business that used to run in this entity and move those operations to another wholly owned subsidiary of CL Educate – CLIP. This happened with effect from 1st April 2021 and hence there is no material impact of this shift at a Consolidated level for the company. Secondly, due to the COVID-19 pandemic, a large number of CL Media's clients had to deal with changing examination cycles / academic calendars, lower fees collection due to non-campus based education, and a decline in student admission. This has had a cascading effect on CL Media's business operations, resulting in a dip in revenues.

CL Media has responded to the challenge by reworking its services offerings and adapting to the digital world by changing its digital inventory to continue to remain competitive in these times.

#### **iii. G.K. Publications Private Limited (GKP)**

GKP was acquired as a subsidiary of the Company on November 12, 2011 and is now a wholly owned subsidiary. GKP is currently engaged in the business of distribution of test preparation guides, books and other academic material.

The total income of GK Publications decreased by 89.5%—to ₹ 40.35 lakh in FY 2021 from ₹ 385.91 lakh in FY 2020. A more accurate depiction of business performance though can be ascertained by comparing the gross sales in the two

aforementioned years which stood at ₹ 1,154.31 lakh (FY 2021) as against ₹ 2,026.38 lakhs (FY 2020) .

The nationwide lockdown imposed by the COVID-19 pandemic has meant that the organization has been forced to take an enormous amount of sales return during the year which have brought down the net revenue figures dramatically. The sales returns has resulted in a lot of reusable inventory of books coming back to the company, which the organization will refurbish and sell in the coming months. The publishing industry had also been reeling the previous year due to several policy changes done by the Government with respect to online distributors and the pandemic only accentuated the situation. To combat the abovementioned environmental factors, the organization has made significant changes to its distribution network, title list and payment processes, and believes that these will start giving returns in the coming years.

#### **iv. Accendere Knowledge Management Services Private Limited (AKMS)**

AKMS was incorporated on September 19, 2008 and became a wholly owned subsidiary of the Company on April 12, 2017. AKMS is engaged in the business of improving the research and innovation output of educational institutions and establishing their institutional credibility, international presence and thought leadership. However, as the COVID-19 pandemic severely curtailed access to students and funds for institutions, the total income of Accendere decreased by 49.6% to ₹ 145.74 lakh in FY 2021 from ₹ 289.25 lakh in FY 2020.

#### **v. Career Launcher Education Infrastructure and Services Limited (CLEIS)**

Incorporated on June 16, 2005, CLEIS is a wholly owned subsidiary of the Company as on date. Engaged in the business of providing various infrastructure facilities, soft skills, educational and consulting programs, the business of CLEIS has since been transferred, details of which are given below:

Pursuant to a Business Transfer Agreement dated March 16, 2017, amended on July 18, 2017, executed amongst CLEIS and B&S Strategy Services Private Limited, with CL as a confirming party, the business of running and operating pre-schools and providing school management services carried on by CLEIS has since been sold.

##### **A.1. Career Launcher Infrastructure Private Limited (CLIP)**

CLIP, a wholly owned subsidiary of CLEIS, and hence a stepdown subsidiary of CL, was incorporated on February 20, 2008. CLIP's lines of business include providing infrastructure facilities for K-12 schools, printing and publishing of education content in the form of books, tests, analyses, etc. and printing competitive books and Test Preparation material.

The total income of CLIP increased to Rs. 1,040.11 Lakhs in FY 2021 from ₹ 6,559.00 Lakhs in FY 2020. This was mainly due to publishing business which was shifted at the beginning of the year from CL Media Pvt Ltd. to CLIP.

#### **vi. ICE GATE Educational Institute Private Limited (ICE GATE)**

ICE GATE was incorporated under the Companies Act, 2013 on August 12, 2015. ICE GATE is engaged in the business of providing education for students preparing for Graduate Aptitude Test in Engineering (GATE) and related exams. Pursuant to the Share Purchase cum Shareholders Agreement entered into amongst CL, ICE GATE and its Promoters dated October 18, 2017, CL acquired a 50.70% stake (5070 equity shares) in ICE GATE. ICE GATE became a subsidiary of the Company with effect from October 31, 2017. As on March 31, 2021, CL Educate Limited had increased its shareholding to 58.95% in ICE GATE.

The total income of ICE GATE decreased by 65.2% to ₹ 466.68 lakh in FY 2021 from ₹ 1,339.26 lakh in FY 2020.

#### **vii. Career Launcher Foundation (CLF), Section 8 Company**

CLF was incorporated on November 06, 2020 under Section 8 of the Companies Act, 2013, as a wholly owned subsidiary of CL, to undertake CSR related activities permissible under the Companies Act, 2013. CLF acts as an implementing agency of the Company and its group companies to implement their CSR projects / programmes / activities. CLF can also act as the implementing agency for companies other than CL group companies in the future.

The CSR funds that were made available to CLF to spend in FY 2021 were ₹ 57.58 Lakhs.

### viii. Career Launcher Private Limited (CLPL)

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. Subject to the approval of the shareholders by way of a Special Resolution, it is proposed to transfer the existing Digital Business of CL Educate Limited to CLPL to give it an opportunity to chart its own journey towards becoming a premier brand in the EdTech space.

### ix. Threesixtyone Degree Minds Consulting Private Limited (361DM), Associate Company

361DM, incorporated under the Companies Act, 1956 on July 06, 2006, delivers large scale yet effective learning and education solutions to individuals, organizations and educational institutions. Pursuant to the Investment cum Shareholders Agreement dated August 03, 2017 entered into amongst the Company, 361DM and its Promoters, the Company holds 500,000, 5% Compulsorily Convertible Preference Shares of 361DM of INR 10 each issued at a premium of INR 90/- per share. The Company also holds 909 Equity shares of 361DM aggregating to 4.41% of paid-up equity share capital of 361DM.

The total Income of 361DM decreased by 8.7% to ₹ 581.06 lakh in FY 2021 from ₹ 636.34 lakh in FY 2020.

#### Change in the status of subsidiaries/associate companies/joint venture during the Financial Year:

There was no change in the status of subsidiaries/associate companies/joint ventures during the Financial Year 2020-21, except as mentioned below:

S. No.	Name of the Company	Date of becoming subsidiaries/Associate	Subsidiaries/Associate
1.	Career Launcher Foundation (Section 8 Company)	November 06, 2020	Subsidiary
2.	Career Launcher Private Limited	March 15, 2021	Subsidiary

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of the Company's Subsidiaries and Associate companies in **Form AOC-1** is attached to this report as **Annexure I**.

Pursuant to the provisions of Section 136 of the Act, the Audited Standalone & Consolidated Financial Statements of the Company along with the Audited Financial Statements of its Subsidiaries are available on the website of the Company at the web link [www.cleducate.com/financial.html](http://www.cleducate.com/financial.html).

### Shareholding in Subsidiary Companies

As on March 31, 2021, the Company's shareholding in its direct subsidiaries was as follows:

- 10,00,000 Equity Shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in Kestone Integrated Marketing Services Private Limited;
- 1,90,000 Equity Shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in G. K. Publications Private Limited;
- 10,000 Equity Shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in CL Media Private Limited;
- 12,000 Equity shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in Accendere Knowledge Management Services Private Limited;
- 94,47,606 Equity Shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in Career Launcher Education Infrastructure and Services Limited;
- 5,895 Equity Shares of Face Value of ₹ 10/- each comprising of 58.95% Equity Share Capital in ICE GATE Educational Institute Private Limited;

- g. 5,000 Equity Shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in Career Launcher Foundation (Section 8 Company); and
- h. 10,000<sup>1</sup>, Equity Shares of Face Value of ₹ 10/- each comprising of 100% Equity Share Capital in Career Launcher Private Limited.

<sup>1</sup>As on date of this report, the Company's shareholding in the Equity Share Capital of Career Launcher Private Limited is comprising of 1,00,000, Equity Shares of Face Value of ₹ 1/- each constituting 100% of Equity Share Capital.

### Shareholding in Associate Companies

As on March 31, 2021, the Company's holding in its Associate Companies was as follows:

- a. 5,00,000, 5% Convertible Preference Shares of Face Value of ₹ 10 each comprising of 78.62% of Preference Share Capital in Threesixtyone Degree Minds Consulting Private Limited; and
- b. 909 Equity shares of Face Value of ₹ 10 each comprising of 4.41% of Equity Share Capital in Threesixtyone Degree Minds Consulting Private Limited.

## 7. Corporate Governance

Pursuant to the applicable provisions of the SEBI (LODR) Regulations, 2015, a detailed report on Corporate Governance forms part of this Annual Report. A certificate from M/s. S. Anantha & Ved LLP, Company Secretaries, (LLP IN: AAH-8229) confirming compliance with the conditions of Corporate Governance for the Financial Year 2020-21, as stipulated under the Listing Regulations forms part of this Report.

## 8. Management Discussion & Analysis

Management Discussion and Analysis (MDA) Report for the Financial Year 2020-21 on the operations and state of affairs of your Company, as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 is given in a separate section forming part of this Annual Report.

## 9. Dividend

Owing to the losses incurred during the year, the Board of Directors does not recommend any Dividend for the Financial Year 2020-21.

The Dividend policy of the Company (voluntarily adopted by the Board of Directors) is available on the website of the Company at the web link [www.cleducate.com/policies/Dividend-Policy.pdf](http://www.cleducate.com/policies/Dividend-Policy.pdf).

## 10. Transfer of unclaimed dividend to Investor Education and Protection Fund

There is no amount which is required to be transferred to the Investor Education and Protection Fund as per the provisions of Section 125(2) of the Act.

## 11. Transfer to Reserves

In view of the losses incurred by the Company during the Financial Year 2020-21, no amount has been transferred to reserves during this Year.

## 12. Capital and Finance

The paid up Equity Share Capital of the Company as on March 31, 2021 was INR 1416.57 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares, and does not have any scheme to fund its employees to purchase shares of the Company.

During the Financial year the company took advantage of the Guaranteed Emergency Credit Line (GECL) offered by the government on account of COVID-19. The GECL facility is of the tune of ₹ 5 crore, has a payback period of 4 years, with no payments required to be made during the first year. The facility also had a lower interest rate than the company's existing loan facilities. Meanwhile, the company continued to reduce the limits of the overdraft facility taken by it through HDFC Bank as per the conditions of the Dropline OD.



### 13. Material changes and commitments

1. At its meeting held on June 24, 2021, the Audit Committee as well as the Board of Directors of the Company have, subject to the approval of shareholders of the Company, approved the Transfer/Sale of the Digital Business of CL Educate Limited to its Wholly Owned Subsidiary Company- Career Launcher Private Limited as a going concern through a slump sale for a lump sum consideration based on the Book Value of the Digital Business Undertaking rounded off to the nearest higher crore (book value to be determined by an independent valuer) and the consideration to be fully discharged by way of a mix of issue of debt and/or equity.
2. At its meeting held on August 03, 2021, The Board of Directors has, subject to the approval of shareholders of the Company, approved the sub-division (split) of the equity shares of the Company from Face Value of Rs.10/- per share to Rs.5/- per share and consequent alteration of the Memorandum of Association of the Company.

Both the matters have been included in the Notice calling the 25th Annual General Meeting of the Company for the approval of the Shareholders of the Company.

### 14. Material and Significant Orders Passed by Regulators & Courts

There are no significant material orders passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### 15. Internal Financial Control Systems

The Company has aligned its current system of Internal Financial Controls with the requirements of the Companies Act, 2013. The Internal Control Systems are intended to increase transparency and accountability in an organisation's process of designing and implementing a system of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. The Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. CL has a well-defined delegation of power with authority limits for approving revenues as well as expenditures. Processes for formulating and reviewing annual and long-term business plans have been laid down. CL uses a state-of-the-art enterprise resource planning (ERP) system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices.

Your management assessed the effectiveness of the Company's internal controls over financial reporting as of March 31, 2021. The assessment involved management review, internal audit and statutory audit.

The Internal Controls over Financial Reporting are routinely tested and reported by Statutory as well as Internal Auditors, in a process that involves a review of the internal controls and risks in its operations and processes such as IT and general controls, accounting and finance, procurement, employee engagement, etc.

During the year under review, the internal audit was conducted based on the risk-based internal audit plan approved by the Audit Committee. Significant audit observations and follow up actions thereon were reported to the Audit Committee.

Pursuant to Section 143 of the Act, the Statutory Auditor has issued an attestation report on our Internal Financial Controls over financial reporting.

### 16. Public Deposits

Your Company has not invited or accepted any deposits from the public/members and there are no outstanding deposits as on March 31, 2021.

## 17. Auditors and Auditors' Report

### Statutory Auditors

Pursuant to the recommendation of the Audit Committee dated May 12, 2020, the Board of Directors and Members of the Company, at their respective meetings held on May 12, 2020 and September 30, 2020, had approved the appointment of Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No.: 001076N/N500013), as the Statutory Auditors of the Company for a term of five (5) consecutive years ("First Term") commencing from the Financial Year 2020-2021. Hence, Walker Chandiook & Co LLP, Chartered Accountants shall hold office till the conclusion of the 29th Annual General Meeting of the Company to be held during the Financial Year 2025-26.

### Fees paid/payable to Statutory Auditors

The Total Fee (Excluding other expenses and taxes, if any), for all services, paid /payable by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor (Walker Chandiook & Co LLP, Chartered Accountants) and all entities in the network firm/network entity of which the Statutory Auditor is a part, for the Financial Year 2020-21, is mentioned below:

(₹ in Lakhs)

S. No.	Particulars	CL Educate		Kestone	GKP	CL Media	CLEIS	CLIP	AKMS	Total
		Haribhakti & Co	Walker Chandiook & Co. LLP							
a.	Statutory Audit Fees	-	35.00	2.00	1.50	1.50	1.50	3.00	1.50	46.00
b.	Audit of Consolidated Financials	-	3.00	-	-	-	-	-	-	3.00
c.	Limited Review Fees	6.00	8.00	-	-	-	-	-	-	14.00
d.	Other assignments Fees (please specify)	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>6.00</b>	<b>46.00</b>	<b>2.00</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>3.00</b>	<b>1.50</b>	<b>63.00</b>

### Statutory Auditor's Report

The Statutory Auditor's Report/CARO Report does not contain any qualification, reservation, adverse remark or disclaimer, except as mentioned below:

- i. The Company has granted interest bearing unsecured loans to Companies and an interest free loan given to a party covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest except wherein Company has granted interest free unsecured loan to one party, amounting to Nil (year-end balance 462.77 lacs), in respect of which adequate explanation has not been provided to us of any benefit accruing to the Company for giving such a loan, therefore we are unable to comment as to whether the terms and conditions of grant of such loans are, prima facie, prejudicial to the interest of the Company.
  - (b) In respect of interest bearing loans given to companies, the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular while in case of interest free loan given to the party, the schedule of

repayment of the principal has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) There is no overdue amount in respect of loans granted to such companies while for interest free loan given to the party, in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

ii. In our opinion, the Company has complied with the provisions of Sections 185 of the Act. In our opinion, the Company has not complied with the provisions of Section 186 of the Act. The details of the non-compliances are given below:

Particulars	Name of Party	Amount involved (₹ in lacs)	Balance as on March 31, 2021 (₹ in lacs)	Remarks
Loan given at a rate lower than prescribed	Career Launcher Education Foundation	462.77	462.77	Interest free loan given to Company

**Director's Response:** - Rs. 462.77 lakhs loan is outstanding as at 31st March 2021 and to ensure that the interests of the Company are protected, the outstanding loan amount has been guaranteed by our Promoter entity, Bilakes Consulting Private Limited. Therefore it is not prejudicial to interest of The Company.

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (LODR) Regulations, 2015, based on the recommendation of the Audit Committee, your Directors have appointed M/s. S. Anantha & Ved LLP, Company Secretaries, Mumbai (LLP IN: AAH-8229) as the Secretarial Auditor of the Company for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year 2020-21 issued by the Secretarial Auditor does not contain any qualification, reservation, observation or adverse remark.

The Secretarial Audit Report for the FY 2020-21 is annexed as **Annexure II (A)**.

### Secretarial Audit of Material Unlisted Subsidiaries:

The Secretarial Audit of the Company's material unlisted subsidiaries, i.e., Kestone Integrated Marketing Services Private Limited (Kestone), Career Launcher Education Infrastructure and Services Limited (CLEIS) and CL Media Private Limited (CL Media), for the financial year ended March 31, 2021, has been carried out by M/s. Jain D & Co., Company Secretaries, (C.P No.: 11434). The Secretarial Audit Reports of the respective Companies for the FY 2020-21 do not contain any qualification, reservation, observation or adverse remark and are annexed as **Annexure II (B)**.

### Internal Auditor

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, and based on the recommendation of the Audit Committee, your Directors have appointed M/s. Value Square Advisors Private Limited, Business Advisors and Chartered Accountants, as the Internal Auditor of the Company for the Financial Year 2021-22.

### Cost Auditor

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 and the Notification dated December 31, 2014 issued by the Ministry of Corporate Affairs, your Company is required to get its cost records audited by a Cost Auditor.

Based on the recommendation of the Audit Committee, your Directors have appointed M/s. Sunny Chhabra & Co., Cost Accountants, as the Cost Auditor of the Company for the Financial Year 2021-22. The Cost Audit Report 2020-21 issued by the Cost Auditor does not contain any qualification, observation or adverse remark. The same shall be placed before the members at the ensuing AGM.

The remuneration payable to the cost auditor is subject to ratification/approval by the members of the Company. Accordingly, a resolution seeking members' ratification/ approval for the remuneration payable to the Cost auditor is included in the Notice convening the 25th Annual General Meeting, along with the relevant details, including the proposed remuneration.

### Reporting of fraud by Auditors

During the year under review no instance of fraud has been reported by the Statutory Auditor, Cost Auditor or the Secretarial Auditor.

## 18. Directors and Key Managerial Personnel

### a. Appointments & Cessations during the Financial Year 2020-21:

Mr. Piyush Sharma (DIN: 08759840)- appointed as a Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.

Mr. Viraj Tyagi (DIN: 01760948)- resigned as an Independent Director with effect from November 02, 2020.

### b. Appointments & Cessations after the end of Financial Year i.e., March 31, 2021 till the date of this Report:

Ms. Madhumita Ganguli's current term as a Non- Executive Independent Director on the Board of the Company will lapse on July 01, 2022. The Nomination Remuneration and Compensation Committee and Board has recommended the reappointment of Ms. Madhumita Ganguli as a Non-Executive Independent Director of the Company for a second term of five (5) consecutive years commencing from July 02, 2022 up to July 01, 2027, subject to the approval of the shareholders of the Company, by way of a Special Resolution.

Resolution seeking Members approval to the reappointment of Ms. Madhumita Ganguli has been incorporated in the notice of 25th Annual General Meeting of the Company.

### c. Retirement by Rotation:

Mr. Imran Jafar (DIN: 03485628), Non-Executive Non Independent Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. Resolution seeking Members' approval to the re-appointment of Mr. Imran Jafar has been incorporated in the notice convening the 25th Annual General Meeting of the Company.

### d. Proposed appointments at the ensuing AGM:

- Mr. Imran Jafar (DIN: 03485628), Non-Executive Non Independent Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- Reappointment of Ms. Madhumita Ganguli (DIN: 00676830) as a Non-Executive Independent Director of the Company for a second term of five (5) consecutive years commencing from July 02, 2022 up to July 01, 2027.

### e. Declaration by Independent Directors

Pursuant to sub-section (7) of Section 149 of the Act, the Company has received declarations from all the Independent Directors on Board that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI (LODR) Regulations, 2015, and that there was no change in their status as Independent Directors during the Financial Year 2020-21.

A brief profile of each Independent Director on Board of the Company, along with the terms and conditions of appointment of Independent Directors are available on the website of the Company at the web link [www.cleducate.com/advisory-board.html](http://www.cleducate.com/advisory-board.html) and [www.cleducate.com/policies/Draft-Appointment-Letter.pdf](http://www.cleducate.com/policies/Draft-Appointment-Letter.pdf).

### f. Separate Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Act, during the Financial Year 2020-21, the Independent Directors of the Company met separately on July 01, 2020, to inter-alia;

- a. Review the performance of Non-Independent Directors and the Board as a whole;

- b. Review the performance of the Chairperson of the Company; and
- c. Assess the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**g. Disclosure of Interest in other concerns:**

The Company has received the Annual disclosure(s) from all the Directors, disclosing their Directorship/Interest in other concerns in the prescribed format, for the Financial Years 2020-21 and 2021-22.

The Company has received confirmation from all the Directors that as on March 31, 2021, none of the Directors were disqualified to act as Directors by virtue of the provisions of Section 164(2) of the Act, or were debarred from holding the office of Director by virtue of any order of SEBI or any other such authority.

**h. Details of Board & Committee Meetings held during the Financial Year 2020-21**

The Board of Directors of the Company met 5 (Five) times during the Financial Year under review. The details of the meetings of the Board including those of its Committees and of the Independent Directors are given in the Report on the Corporate Governance forming part of this Annual Report.

**i. Annual Evaluation by the Board**

The Nomination, Remuneration and Compensation Committee (NRC Committee) and the Board has adopted a methodology for carrying out the performance evaluation of the Board, Committees, Independent Directors and Non- Independent Directors of the Company, which includes criteria, manner and process for performance evaluation. Criteria in this respect includes; the Board composition and structure, effectiveness of board processes, information and functioning, contribution of the individual director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Evaluation of Performance of the Board, its Committees, every Director and Chairperson, for the financial year 2020-21 has been done as per the adopted methodology which includes review, discussion and feedback from directors.

**j. Key Managerial Personnel**

As on March 31, 2021, the following persons were the designated Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the rules made thereunder:

- i) Mr. Satya Narayanan R, Chairman & Executive Director,
- ii) Mr. Gautam Puri, Vice Chairman & Managing Director,
- iii) Mr. Nikhil Mahajan, Executive Director and Group CEO Enterprise Business,
- iv) Ms. Rachna Sharma, Company Secretary and Compliance Officer, and
- v) Mr. Arjun Wadhwa, Chief Financial Officer.

**19. Composition of the Audit Committee**

Audit Committee of the Board is duly constituted in accordance with the provisions of Section 177 (8) of the Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The details of its composition, powers, functions, meetings held during the Financial Year 2020-21 etc. are given in the Report on Corporate Governance forming part of this Annual Report. All recommendations of the Audit Committee were accepted by the Board during the Financial Year 2020-21.

**20. Vigil Mechanism / Whistle Blower Policy**

Your Company has established a Vigil Mechanism/ Whistle Blower Policy in compliance with the provisions of Section

177(9) and (10) of the Act, read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (LODR) Regulations, 2015 and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations 2015 to enable stakeholders (including Directors, Employees, retainers, franchisees etc.) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or instances of leak of unpublished price sensitive information. The Policy provides for adequate safeguards against victimization of Director(s)/ employee(s) and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any, reported under this Policy are to be appropriately and expeditiously investigated by the Ethics Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that the complaints received during the Financial Year were promptly addressed and resolved, with appropriate action taken thereon. The Vigil Mechanism/ Whistle Blower Policy is available on the website of the Company at the web link [www.cleducate.com/policies/Vigil\\_Mechanism\\_Policy\\_CLEducate.pdf](http://www.cleducate.com/policies/Vigil_Mechanism_Policy_CLEducate.pdf)

## 21. Corporate Social Responsibility

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a Corporate Social Responsibility Committee (the "CSR Committee"). The Composition and the terms of reference of the CSR Committee are provided in the Report on Corporate Governance forming part of this Annual Report. The CSR Policy is available on the website of the Company at the web link [www.cleducate.com/policies/CL%20Educate%20Limited\\_CSR%20Policy.pdf](http://www.cleducate.com/policies/CL%20Educate%20Limited_CSR%20Policy.pdf)

### CSR Funds (Past & Present)

Particulars	Amount (₹ in Lakhs)
<b>Accumulated CSR amount pending to be spent (as on March 31, 2020)</b>	<b>38.82</b>
Add: CSR amount required to be spent during Financial Year 2020-21	-
Less: CSR amount spent in the Financial Year 2020-21	53.25
<b>Accumulated CSR amount pending to be spent (as on March 31, 2021) (excess amount spent)</b>	<b>(14.43)</b>

### CSR Projects

The Board of Directors has, on the recommendation of the CSR Committee, approved CSR projects / programmes / activities to be undertaken by the Company either itself, or through its implementing Agency, Career Launcher Foundation, a list of which is available on the Company's website at [www.cleducate.com/policies/CL-CSR-Projects.pdf](http://www.cleducate.com/policies/CL-CSR-Projects.pdf)

### CSR Spend 2020-21

Particulars	Amount (₹ in Lakhs)
<b>CSR amount required to be spent during Financial Year 2020-21</b>	<b>-</b>
Less: CSR amount spent on ongoing projects during the Financial Year 2020-21	50.00
Less: CSR amount spent on other than ongoing projects during the Financial Year 2020-21	3.25
Less: Administrative overheads relating to CSR Activities carried out during FY 2020-21	-
<b>Closing Balance as on March 31, 2021</b>	<b>53.25</b>

During the Financial Year 2020-21, the Company incurred an excess CSR expenditure of Rs. 53.25 Lakhs, calculated as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee as well as the Board of Directors of the Company both approved the set-off of the excess amount spent during the Financial Year 2020-21 against the Company's CSR liability over the successive three financial years.

The Annual report on CSR Activities is annexed as **Annexure III**.

## 22. Directors' Nomination and Remuneration Policy

The Nomination Remuneration and Compensation Committee (NRC Committee) of the Company formulates the criteria for determining qualifications, positive attributes and independence of a director, and recommends to the Board the criteria for determining the remuneration for the Directors, key managerial personnel and/or other senior level employees of the Company.

The process of determining the Remuneration of the Directors is initiated with the general body of shareholders approving the overall maximum managerial remuneration that may be paid to the Directors, generally over a period of 3 years. Within this overall limit, the actual payout is decided by the Board, on the specific recommendation of the Nomination, Remuneration and Compensation Committee (comprising of all Non-Executive Directors, with majority of them being independent), while keeping the provisions of the Companies Act, 2013 in mind.

**Details of the remuneration approved by the NRC Committee as well as the Board of Directors for Executive Directors for the Financial Year 2020-21:**

(₹ in Lakhs)

S. No.	Executive Director	Fixed Compensation (Upto)	Variable Compensation (Upto)	Total Compensation (Upto)
1	Mr. Satya Narayanan R	86.00	43.05	129.05
2	Mr. Gautam Puri	86.00	43.05	129.05
3	Mr. Nikhil Mahajan	83.69	41.69	125.38

**Details of the Remuneration actually paid / payable to Executive Directors for the Financial Year 2020-21:**

(₹ in Lakhs)

S. No.	Executive Director	Fixed Compensation	Variable Compensation (Please Refer note 1 below)	Total Compensation
1	Mr. Satya Narayanan R	53.61	Nil	53.61
2	Mr. Gautam Puri	53.61	Nil	53.61
3	Mr. Nikhil Mahajan <sup>1</sup>	60.67	Nil	60.67

<sup>1</sup>Includes an amount equivalent to 1,08,000 AED that is the remuneration payable to Mr. Nikhil Mahajan out of Company's Dubai business operations for the Financial Year 2020-21.

**Commission paid/payable to Non-Executive Directors for the Financial Year 2020-21:**

S. No.	Non-Executive Independent Directors	Commission paid/payable for Financial Year 2020-21	
		Recommended (% of Net Profits)	Amount payable (Please refer note 1 below)
1	Mr. Girish Shivani	Upto 0.15% of the net profits	Nil
2	Mr. Viraj Tyagi <sup>2</sup>	Upto 0.15% of the net profits	Nil
3	Ms. Madhumita Ganguli	Upto 0.15% of the net profits	Nil
4	Mr. Sanjay Tapriya	Upto 0.15% of the net profits	Nil
5	Mr. Piyush Sharma <sup>1</sup>	Upto 0.15% of the net profits	Nil

<sup>1</sup> Mr. Piyush Sharma was appointed as a Non-Executive Independent Director on the Board of the Company on and with effect July 17, 2020.

<sup>2</sup> Mr. Viraj Tyagi, Non-Executive Independent Director of the Company resigned from the Board of the Company with effect from November 02, 2020.

**Note:**

- As the Company has incurred losses during the financial year 2020-21, the Non-Executive Directors of the Company are not entitled to any Commission payment for the Financial Year 2020-21. For the same reasons, the Executive Directors of the Company have voluntarily decided to waive off their variable payout for the Financial Year 2020-21. The Remuneration policy (Recommendation report of NRC Committee for the financial year 2020-21) is available on the website of the Company at

the web link [www.cleducate.com/policies/recommendation-report-of-nrc-committee-2020-21.pdf](http://www.cleducate.com/policies/recommendation-report-of-nrc-committee-2020-21.pdf).

Salient features of the process of determination of the Remuneration of Directors are mentioned below:

**i. Approval of the Shareholders:**

The general body of shareholders approves the overall maximum managerial remuneration that may be paid to the Directors (Executive as well as Non-Executive), generally over a period of 3 years.

**ii. Recommendation to the Board by the NRC Committee:**

Within the overall limit approved by the shareholders, the remuneration payable for a particular year is recommended by the Nomination, Remuneration and Compensation (NRC) Committee (comprising of all non-executive Directors, with majority of them being independent) to the Board, taking into account the following key considerations:

**a. For Executive Directors:**

- i) The provisions of Companies Act, 2013 and any other law for the time being in force relating to Companies;
- ii) Market factors;
- iii) The executive and operational responsibilities carried out by the Directors for the Company;
- iv) Market salary of people with similar background/educational qualification/ experience, to ensure that Directors receive a fair compensation and there is "headroom" to pay competitive salaries to the Director's direct reports and for attracting new talent in the Company;
- v) Compensation trends for the past years; and
- vi) Inflation index.

The NRC Committee recommends the split between fixed and variable salaries payable to the Executive Directors of the Company for any Financial Year.

For calculating the variable compensation to be actually paid to the Executive Directors for any Financial Year, NRC Committee considers the % achievement vs. budget on two metrics- Total Revenue and Total EBIDTA, giving equal weightage (50% each) to the two metrics, according to a pre-decided formula. Audited results are used for all actual performance metrics. If audited results are not available, then latest interim results are used.

**b. For Non-Executive Directors:**

- i) The provisions of Companies Act, 2013 and any other law for the time being in force relating to Companies;
- ii) number of meetings attended by the director during the year,
- iii) contribution to the Board and Committees and
- iv) participation in the Board matters.

**iii. Approval by the Board:**

Based on the recommendation of the NRC Committee, the Board approves the remuneration, in whatever form, payable to the Directors for the year.

**iv. Ensuring Compliance with the Companies Act, 2013**

At the year end, the Remuneration paid / payable during / for the year is checked against the provisional profitability position of the Company, in order to comply with the relevant provisions of the Companies Act, 2013 and the Rules made thereunder.

## 23. Particulars of Employees

People are our most valuable asset and your Company places the engagement, development and retention of talent as its highest priority, to enable achievement of the organizational vision.

The relevant information required to be provided under Section 197(12) of the Act read with Rule 5(1) of the Companies



(Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure IV**.

The relevant information required to be provided under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, is given in **Annexure V**.

## 24. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has a policy against sexual harassment at the workplace and has constituted an Internal Complaints Committee and has complied with the provisions in this respect as are applicable under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. There was no complaint received from any employee during the year, nor is any complaint pending or outstanding for redressal as on March 31, 2021. The Company conducts awareness programs at regular interval / provide necessary updates / guidance through its website and through other employee communication channels.

The Company's Policy on sexual harassment at the workplace is available on the website of the Company at the web link [www.cleducate.com/policies/Policy-against-Sexual-Harassment.pdf](http://www.cleducate.com/policies/Policy-against-Sexual-Harassment.pdf)

## 25. Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments made by the Company, covered under the provisions of Section 186 of the Act, are given in the notes to the Financial Statements.

## 26. Particulars of Contracts or Arrangements with Related Parties

All arrangements or transactions entered by the Company with Related Parties during the Financial Year 2020-21- were in the Ordinary Course of Business and on an Arm's Length basis. As a matter of practice, all Related party transactions are placed for approval before the Audit Committee and are brought to the notice of the Board on a periodic basis.

During the year under review, the Company has not entered into any contracts / arrangements / transactions with related parties which could be considered as material in accordance with the policy of the Company on material related party transactions or under Section 188(1) of the Act. Accordingly, there are no particulars to be reported in Form AOC-2.

Details of the Related Party Transactions, as required under Listing Regulations and the relevant Accounting Standards are given in note no. 45 to the Standalone Financial Statements.

The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of the Company at the web link : [www.cleducate.com/policies/Policy\\_for\\_Determining\\_Material\\_Subsiary\\_CLEducate.pdf](http://www.cleducate.com/policies/Policy_for_Determining_Material_Subsiary_CLEducate.pdf)

## 27. Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the Financial Year 2020-2021 is available on the website of the Company at the web link [www.cleducate.com/pdf/agm/2021/notices/Annual-Return-March-31-2021.pdf](http://www.cleducate.com/pdf/agm/2021/notices/Annual-Return-March-31-2021.pdf)

## 28. Details of the Amended and Restated CL ESOP Plan 2014 (Formerly known as CL ESOP Plan 2008)

The current validity of the CL ESOP Plan 2014 expires on September 04, 2021. The Board of Directors has, on the recommendation of the Nomination, Remuneration and Compensation Committee of the Company, approved the extension of the term of the CL ESOP Plan 2014 for a period of 4 years i.e., from September 05, 2021 to September 04, 2025, subject to approval of the Shareholders of the Company by way of a Special Resolution. The Resolution to renew the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' (hereinafter "ESOP Scheme"), for a period of 4 (four) years forms part of the Notice of the 25th AGM.

The Company's ESOP Plan - Career Launcher Employee Stock Options Plan 2014 ("CL ESOP Plan 2014" or "ESOP Scheme") is administered and monitored by the Nomination, Remuneration & Compensation Committee of the Board.

**Status update on CL ESOP Plan 2014 as on the date of this report:**

Particulars	No. of Options
Options Reserved	2,50,000
Options Exercised	82,475
Options Outstanding	1,67,525

A Certificate dated July 26, 2021 has been issued by the Statutory Auditor of the Company, certifying that the current ESOP Scheme of the Company is being implemented in accordance with Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014. The same shall be made available by the Company for inspection of the members at the 25th Annual General Meeting.

The details as required to be disclosed under the Act and SEBI (Share Based Employee Benefits) Regulations, 2014 are available at the website of the Company at the following web link [www.cleducate.com/policies/CL-Educate-ESOP-Disclosure-for-year-ended-31-03-2021.pdf](http://www.cleducate.com/policies/CL-Educate-ESOP-Disclosure-for-year-ended-31-03-2021.pdf)

## 29. Disclosure of Energy conservation, Technology Absorption & Foreign Exchange Earnings & Outgo

The Company does not carry out any manufacturing activity. However, wherever possible and feasible, continuous efforts have been made for conservation of energy and to minimize energy costs and to upgrade the technology with a view to increase the efficiency and to reduce cost of operations.

At CL, our aim is to transform the way students learn. With the advent of artificial intelligence and industry 4.0 technologies which promise to transform our everyday lives, it becomes imperative for us to utilize them to significantly impact learning outcomes.

In this pursuit of transforming the way our students learn every year, we developed our AI-enabled platform christened as Aspiration.AI. This platform brings together various intuitive features that come together to make this a truly smart experience.

1. **CAT Percentile Predictor (CAT PP):** Take, for example, the CAT percentile predictor which has, over the years, correctly predicted the CAT percentiles of many students up to the second digit after the decimal point. CAT PP works on a model that takes into account a student's performance in their Mock (practice) CATs. That coupled with the database of students we have accumulated over the years gives the model the desired accuracy.
2. **IIM Profilizer:** It is one of our most important efforts to add value to the students' preparation. IIM Profilizer helps the students by giving them a true picture of which IIMs and B-schools can they really make it to and at what percentile. This is a tool that is AI-driven and has been patented by CL a few years ago and has continued to make students more focused in their preparation since then.
3. **CAT Analytics:** Our CAT Analytics tool compares the Mock CATs that are given to the students and superimposes their difficulty level onto the actual CAT paper (for each of the slots). This gives a ring-side view on how each Mock CAT paper is made closest to the actual CAT not only in the overall level of difficulty but also drilled down to section wise and topic wise level. This gives the student writing a Mock a simulation of the actual exam difficulty much before she encounters the real CAT.
4. **Identity Stitching:** With the help of a 3rd party tool, Snowplow, today we are able to stitch the user identity and the behavior coming in from various sources. The result of this is our DMP data which gives the complete and exact picture of the user journey on our digital property. It includes crucial things right from the user source up till the purchase and post-purchase stages.
5. **AI-driven Digital Marketing:** While the DMP data gives our marketing efforts a big boost, we utilize AI algorithms to deploy the outcomes of the user analysis. For example, we utilize the user experience (depicted through the Lead Score)

to algorithmically decide which advertorial banner to show to the user on the website. This has taken our marketing to an extremely personalized level.

6. **Sales and Academic Nudges:** Basis the analysis of the user intent, we show our online e-store visitor relevant nudges. These nudges improve the users' confidence in the product. This is a result of our analysis of the user-intent so that relevant nudges can be shown to the audience.
7. **Lead nurturing using a high-end platform** - With the use of Netcore, we are able to do automated lead nurturing using emailers, web pushes and SMSes to increase engagement. The platform allows us to do persona-based targeting to visitors on our website, thus allowing us to run personalised campaigns. With Netcore's researched approach, email 'inboxing' improved, resulting in better Open Rates in addition to 60% reduction in the cost of emailing.
8. **Analytics tool** - We have invested in Matomo as a tool to help us understand online user behavior. With the help of heatmaps, scrolls, etc. we are now able to track user behavior and journeys. This helps us in better placement of our content and key pointers on important pages.

These and other such efforts continue to serve students who are our paramount importance.

During the Financial Year under review, the Foreign Exchange earnings and outgo were as follows:

**The foreign exchange earnings and outgo (on Standalone basis) are detailed below:**

(₹ in Lakhs)

Particulars	FY 2021	FY 2020
Test-preparation training services	351.08	420.58
Sale of study material	262.62	426.82
Other income	-	17.85
<b>Total</b>	<b>613.70</b>	<b>865.25</b>

**Expenditure in Foreign Currency (on accrual basis) (on a Standalone basis):**

(₹ in Lakhs)

Particulars	FY 2021	FY 2020
Traveling and conveyance	-	9.17
Bank charges	11.70	10.72
Rent	99.16	116.26
Salary and wages	23.52	75.52
Faculty expenses	110.73	84.58
Others	493.70	440.32
<b>Total</b>	<b>738.81</b>	<b>736.57</b>

### 30. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)

Your Company complies with the mandatory Secretarial Standards issued by the ICSI.

### 31. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, the Board of Directors makes the following statements in terms of Section 134(3)(c) of the Act:

- a. in the preparation of the Annual Accounts for the Financial Year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of

the Financial Year ended March 31, 2021 and of the Losses of the Company for that period;

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the Annual Financial Statements / Annual Accounts on a 'going concern' basis;
- e. the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 32. Acknowledgement

Your Directors take this opportunity to thank the Company's customers, shareholders, vendors and bankers for their support and look forward to their continued support in the future.

Your Directors also place on record their appreciation for the excellent contribution made by all employees who are committed to strong work ethics, excellence in performance and commendable teamwork and have thrived in a challenging environment.

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

**Sd/-  
Gautam Puri**

Vice Chairman & Managing Director

DIN: 00033548

Address: R-90, Greater Kailash-I,  
New Delhi – 110 048

**Sd/-  
Nikhil Mahajan**

Executive Director & Group CEO Enterprise Business

DIN: 00033404

Address: House No. 457, Sector – 30,  
Faridabad - 121 003, Haryana

Place: New Delhi

Date: August 03, 2021

# Annexures to Board's Report 2021

## Annexure I

### Form AOC – I Features of Financial Statement of Subsidiaries

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures  
PART "A": Subsidiaries

(₹ in Lakhs)

S. No.	Particulars	1		2		3		4		5		6		7		8		9		10	
		INR Lakhs	INR Lakhs	SGD Lakhs	INR Lakhs	USD Lakhs	INR Lakhs	INR Lakhs	MUR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
1	Name of the Subsidiary	Kestone Integrated Marketing Services Private Limited	Kestone CL Asia Hub Pte. Ltd., Singapore <sup>1</sup>	Kestone CL US Limited <sup>2</sup>	CL Educate (Africa) Ltd <sup>3</sup>	GK Publications Private Limited	CL Media Private Limited	Accendere Knowledge Management Services Private Limited	Career Launcher Education Infrastructure and Services Limited	Career Launcher Infrastructure Private Limited <sup>4</sup>	ICE Gate Educational Institute Private Limited										
2	Financial Period Ended	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021
3	Reporting Currency and Exchange Rate	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
4	Share Capital (Nos. of Equity & Preference shares) (In No.)	10,00,000	9,46,561	10,00,000	36,000	1,90,000	10,000	12,000	94,47,606	2,48,468	10,000										
5	Reserves & Surplus	3696.91	1.65	54.41	-	-631.58	5389.90	-4.55	2190.95	2149.55	29.63										
6	Total Assets	6772.47	25.82	1,407.96	4.83	3749.42	5900.44	68.64	5237.94	4779.68	360.69										
7	Total Liabilities	2975.52	12.24	667.45	3.28	4362.00	509.53	71.98	2102.24	2620.28	330.06										
8	Investments	478.74	0.03	1.64	-	-	-	-	3982.66	-	-										
9	Turnover	6883.23	17.81	959.57	2.27	40.35	1374.42	145.74	16.07	1040.11	466.68										
10	Profit / (Loss) Before Taxation (PBT)	151.04	3.39	174.96	1.19	-13.07	-740.28	14.33	-190.89	314.49	-32.64										

11	Provisions for Taxation	34.66	-	-	0.10	7.50	-	-	-	3.97	-161.33	-0.27	0.10	55.85	2.82
12	Profit/ Loss from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-152.21	-
13	Tax expenses of Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Profit for the Year from discontinuing operations	-	-	-	-	-	-	-	-	-	-	-	-	-152.21	-
15	Profit / (Loss) After Taxation (PAT)	116.38	3.39	174.96	1.27	92.90	1.19	1.51	-17.04	-578.95	14.60	-191.00	106.44	-35.46	
16	Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
17	% of share Holding	100%	100%	100%	100%	100%	90%	90%	100%	100%	100%	100%	100%	100%	58.95%

<sup>1</sup> Wholly owned subsidiary of Keystone Integrated Marketing Services Private Limited.

<sup>2</sup> Wholly owned subsidiary of Keystone CL Asia Hub Pte. Ltd.

<sup>3</sup> Subsidiary of Keystone CL Asia Hub Pte. Ltd.

<sup>4</sup> Wholly owned subsidiary of Career Launcher Education Infrastructure & Services Limited

**Notes:**

1. Names of subsidiaries which are yet to commence operations: Career Launcher Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year: None

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NAME OF THE ASSOCIATES/JOINT VENTURES	Threesixtyone Degree Minds Consulting Private Limited	
1. Latest audited Balance Sheet Date	March 31, 2021	
2. Shares of Associate / Joint Ventures held by the Company on the year end	March 31, 2021	
No.	909 Equity Shares	5,00,000 5% Compulsorily Convertible Preference Shares (CCPS)
Amount of Investment in Associate/Joint Venture	₹49,99,500	₹ 5,00,00,000
Extend of Holding %	4.41%	80.65%
3. Description of how there is significant influence	361DM is an Associate Company of CL Educate. CL has representation on the board of 361DM and it also participates in all significant financial and operating decisions	
4. Reason why the associate/joint Venture is not consolidated	Not Applicable	
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	33.56	
6. Profit / Loss for the year	(111.92)	
i. Considered in Consolidation	Yes	
ii. Not Considered in Consolidation	No	

Notes:

- Names of associates or joint ventures which are yet to commence operations: None
- Names of associates or joint ventures which have been liquidated or sold during the year: None

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

**Sd/-**  
**Satya Narayanan R**  
Chairman &  
Executive Director  
DIN: 00307326

**Sd/-**  
**Gautam Puri**  
Vice-Chairmen &  
Managing Director  
DIN: 00033548

**Sd/-**  
**Rachna Sharma**  
Company Secretary  
& Compliance Officer  
ICSI M. No.: A17780

**Sd/-**  
**Arjun Wadhwa**  
Chief Financial  
Officer

Place: New Delhi  
Date: June 24, 2021

## Annexure II (A)

Form No. MR-3

### SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To  
The Members  
CL Educate Limited

We have conducted the Secretarial Audit of the Compliance of Applicable Statutory provisions and the adherence to good corporate practices by **CL Educate Limited** having CIN L74899HR1996PLC076897 (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable** for the year under review);
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable** for the year under review);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable** for the year under review); and
  - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**Not Applicable** for the year under review).



(vi) There are no laws that are specifically applicable to the Company based on their sector/industry except The Trade Marks Act, 1999; The Patents Act, 1970 and The Copyright Act, 1957.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / Company Secretary / Chief Financial Officer / Key Managerial Personnel taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, environmental laws and all other applicable laws, rules, regulations and guidelines. The Company has, wherever applicable, responded to compliance requirements, notices for demands, claims, penalties etc. levied, by statutory/regulatory authorities and initiated actions for corrective measures and compliance thereof.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**We further report that**

Adequate notice is given to all Directors / Members to schedule the Board Meetings / Committee Meetings along with the agendas generally at least seven days in advance and detailed notes on agenda are sent well in advance before the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously/by majority, as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, the following is the major event carried out by the Company and complied with the necessary requirements:

Pursuant to the recommendations/approval of the Audit Committee and the Board of Directors of the Company, both dated November 27, 2018, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") for the proposed Amalgamation of 5 wholly owned subsidiary Companies of CL Educate Limited - Career Launcher Education Infrastructure and Services Limited, CL Media Private Limited, Accendere Knowledge Management Services Private Limited, G.K. Publications Private Limited and Kestone Integrated Marketing Services Private Limited (Kestone) (Amalgamating Companies) with CL Educate Limited (Amalgamated Company). (The Amalgamating Companies and the Amalgamated Company shall collectively, hereinafter be referred to as 'the Petitioner Companies'), that was approved by the NSE & BSE.

A joint First Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on August 28, 2019. NCLT Chandigarh heard the First Motion Application on November 14, 2019 and issued its 1st Motion Order dated December 11, 2019.

As per the directions given by the NCLT Chandigarh in its 1st Motion Order, the meetings of Equity Shareholders of CL Educate Limited and of the Unsecured Creditors with value of INR 1 lakh or more of Kestone were held on February 01, 2020, at 10:00 AM and 12:00 Noon, respectively.

The proposed scheme of Amalgamation was duly approved by the Shareholders of CL Educate Limited and Unsecured Creditors of Kestone.

A joint 2nd Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on February 14, 2020, which was heard by NCLT on March 05, 2020. While NCLT was satisfied with the Petition, it had directed the Companies- CL Educate Limited and Kestone to file respective Affidavits that no objections had been received from any stakeholder against the Scheme. These Affidavits were filed by the respective Companies on March 17, 2020.

However, on account of the nationwide lockdown, and limited functioning of the NCLT Benches, the hearing of the 2nd Motion Petition had been adjourned by the NCLT Chandigarh Bench from time to time.

On August 12, 2020, the Petitioner Companies filed a joint application for early hearing of its 2nd Motion Petition with the Hon'ble NCLT Chandigarh Bench. The NCLT Bench heard this application on October 27, 2020 and passed the Order which was pronounced on November 25, 2020 in which the Companies were directed to issue notices to the regulatory authorities and publish the same in two newspapers. Further, the Scheme was listed for hearing on January 28, 2021. In accordance with the directions contained in the Order, the notices were issued and advertisements were published by the Companies and Affidavits with respect to the same been done, were filed with the NCLT Bench.

However, on various accounts, including the outbreak of Covid-19 pandemic, the hearing has been adjourned by the NCLT Chandigarh Bench from time to time and the matter is pending with the Bench.

**We further report that** during the year under review, there were **no events** viz.:

- i) Public/Right/Debtenture/Sweat Equity Shares;
- ii) Redemption/Buy-back of securities.
- iii) Major decisions taken by the members pursuant to Section 180 of the Companies Act, 2013;
- iv) Merger / amalgamation / reconstruction, etc., except the one mentioned above; and
- v) Foreign technical collaborations; or such other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having any bearing on the Company's affairs.

**For S. Anantha & Ved LLP**  
**Company Secretaries**

**Sd/-**  
**Sachin Sharma**  
**Designated Partner**  
**Membership No.: A46900**  
**CP No.: 20423**  
**UDIN: A046900C000506722**

**Date: 24th June, 2021**

**Place: Jodhpur**

**Note: This report should be read with letter of even date by the Secretarial Auditors.**

## Annexure

To

**The Members**

**CL Educate Limited**

**A-45, First Floor,**

**Mohan Co-operative Industrial Estate,**

**New Delhi - 110044**

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP  
Company Secretaries**

**Sd/-  
Sachin Sharma  
Designated Partner  
Membership No.: A46900  
CP No.: 20423**

**Date: 24th June, 2021**

**Place: Jodhpur**

## Annexure II (B)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**CL MEDIA PRIVATE LIMITED**  
**PLOT NO. 9A, SECTOR-27A, MATHURA ROAD**  
**FARIDABAD HARYANA 121003**

We have conducted the Secretarial Audit of the compliance of all applicable statutory provisions and the adherence to good corporate practices by **CL MEDIA PRIVATE LIMITED** (hereinafter called as "the Company") for the financial year ended on 31st March, 2021 (hereinafter called as the "period under review"). The Company is Material unlisted subsidiary of Listed Company (CL Educate Limited). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes book, registers, forms and returns filed and other records maintained by **CL MEDIA PRIVATE LIMITED ("the Company")** for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; To the extent applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; To the extent applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; To the extent applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013, and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

*To the best of our knowledge and as per the explanations and clarifications given to us and the representations made by the management, during the period under review, the Company has complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, law etc. as mentioned above, to the extent applicable to it.*

We further report that;

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Changes made in the composition of the Board of Directors and management of the Company are as follows:
  - a. Re-Appointment of Mr. Shiva Kumar Ramachandran (DIN: 00033503) as a Director liable to retire by rotation at the Annual General Meeting held on 29th September, 2020.
  - b. Re-Appointment of Mr. Shiva Kumar Ramachandran, (DIN: 00033503) as a Whole-time Director of the Company w.e.f. 1st April 2021, at the Extra-ordinary General Meeting held on 10th March, 2021.
  - c. Appointment of Mr. Girish Shivani (DIN: 03593974) as a Non-executive Independent Director of the Company at the Board Meeting of the Company held on 26th March, 2021.
2. Adequate notices were given to all Directors to schedule the Board Meetings. Also, agenda and detailed notes on agenda were sent to all the Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at Board Meetings and Committee Meetings were carried out unanimously and/or with majority, and were captured and recorded in the minutes of the respective meetings.
4. The compliances relating to Financials laws, like Direct and Indirect taxes and Labour Law Compliances, have not been reviewed by us in this Audit as the same are subject to review by Statutory Auditor of the Company or other designated professionals.
5. There are adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, the following major event was carried out by the Company, and it complied with the necessary requirements:

### **Scheme of Amalgamation**

Pursuant to the respective approvals received from the Board of Directors of all Companies involved, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") by CL Educate Limited (100% Holding Company), for the proposed Amalgamation of five (5) of its wholly owned subsidiary Companies - Career Launcher Education Infrastructure and Services Limited (CLEIS), CL Media Private Limited (CLM), Accendere Knowledge Management Services Private Limited (AKMS), G.K. Publications Private Limited (GKP) and Keystone Integrated Marketing Services Private Limited (Keystone) (Amalgamating Companies) with CL Educate Limited (Amalgamated Company). (The Amalgamating Companies and the Amalgamated Company shall collectively, hereinafter be referred to as 'the Petitioner Companies'), that was approved by the NSE & BSE.

A joint First Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble

NCLT Chandigarh on August 28, 2019. NCLT Chandigarh heard the First Motion Application on November 14, 2019 and issued its 1st Motion Order dated December 11, 2019.

As per the directions given by the NCLT Chandigarh in its 1st Motion Order, the meetings of Equity Shareholders of CL Educate Limited and of the Unsecured Creditors with value of INR 1 lakh or more of Kestone were held on February 01, 2020, at 10:00 AM and 12:00 Noon, respectively.

The proposed scheme of Amalgamation was duly approved by the Shareholders of CL Educate Limited and Unsecured Creditors of Kestone.

A joint 2nd Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on February 14, 2020, which was heard by the NCLT on March 05, 2020. While NCLT was satisfied with the Petition, it directed the Companies- CL Educate Limited and Kestone to file respective affidavits that no objections had been received from any stakeholder against the Scheme. These Affidavits were filed by the respective Companies on March 17, 2020. However, on account of the nationwide lockdown, and limited functioning of the NCLT Benches, the hearing of the 2nd Motion Petition has been adjourned by the NCLT Chandigarh Bench from time to time.

On August 12, 2020, the Petitioner Companies filed a joint application for early hearing of its 2nd Motion Petition with the Hon'ble NCLT Chandigarh Bench. The NCLT Bench heard this application on October 27, 2020 and passed the Order which was pronounced on November 25, 2020 in which the Companies were directed to issue notices to the regulatory authorities and publish the same in two newspapers. Further, the Scheme was listed for hearing on January 28, 2021. In accordance with the directions contained in the Order, the notices were issued and advertisements were published by the Companies and Affidavits with respect to the same been done, were filed with the NCLT Bench.

However, on various accounts, including the outbreak of Covid-19, the hearing has been adjourned by the NCLT Chandigarh Bench from time to time and the matter is pending with the Bench.

**For Jain D & Co.  
Company Secretaries**

**Sd/-  
Deepak Jain  
Proprietor  
COP No: 24308  
Membership No. : 11434  
UDIN:-A024308C000572163**

**Place: New Delhi  
Date: 03.07.2021**

**Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

## Annexure A

To,

The Members,

**CL MEDIA PRIVATE LIMITED**

**PLOT NO. 9A, SECTOR-27A, MATHURA ROAD**

**FARIDABAD HARYANA 121003**

**Our report of even date is to be read along with this letter:**

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jain D & Co.**

**Company Secretaries**

Sd/-

**Deepak Jain**

**Proprietor**

**COP No: 24308**

**Membership No. : 11434**

**UDIN:-A024308C000572163**

**Place: New Delhi**

**Date: 03.07.2021**

## Annexure II (B)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members,

**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**PLOT NO. 9A, SECTOR-27A, MATHURA ROAD**  
**FARIDABAD HARYANA 121003**

We have conducted the Secretarial Audit of the compliance of all applicable statutory provisions and the adherence to good corporate practices by **Career Launcher Education Infrastructure and Services Limited** (hereinafter called as "the Company") for the financial year ended on 31st March, 2021 (hereinafter called as the "period under review"). The Company is Material unlisted subsidiary of Listed Company (CL Educate Limited). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes book, registers, forms and returns filed and other records maintained by **Career Launcher Education Infrastructure and Services Limited ("the Company")** for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; To the extent applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; To the extent applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; To the extent applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;



- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

*To the best of our knowledge and as per the explanations and clarifications given to us and the representations made by the management, during the period under review, the Company has complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, law etc. as mentioned above, to the extent applicable to it.*

#### **We further report that;**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Changes made in the composition of the Board of Directors and management of the Company are as follows:
  - a) Re-Appointment of Mr. Gautam Puri (DIN: 00033548) and Mr. Satya Narayanan Ramakrishnan (DIN: 00307326) as Directors liable to retire by rotation at the Annual General Meeting held on 29th September, 2020.
2. Adequate notices were given to all Directors to schedule the Board Meetings. Also, agenda and detailed notes on agenda were sent to all the Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at Board Meetings and Committee Meetings were carried out unanimously and/or with majority, and were captured and recorded in the minutes of the respective meetings.
4. The compliances relating to Financials laws, like Direct and Indirect taxes and Labour Law Compliances, have not been reviewed by us in this Audit as the same are subject to review by Statutory Auditor of the Company or other designated professionals.
5. There are adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, the following major event was carried out by the Company, and it complied with the necessary requirements:

#### **Scheme of Amalgamation**

Pursuant to the respective approvals received from the Board of Directors of all Companies involved, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") by CL Educate Limited (100% Holding Company), for the proposed Amalgamation of five (5) of its wholly owned subsidiary Companies - Career Launcher Education Infrastructure and Services Limited (CLEIS), CL Media Private Limited (CLM), Accendere Knowledge Management Services Private Limited (AKMS), G.K. Publications Private Limited (GKP) and Kestone Integrated Marketing Services Private Limited (Kestone) (Amalgamating Companies) with CL Educate Limited (Amalgamated Company). (The Amalgamating Companies and the Amalgamated Company shall collectively, hereinafter be referred to as 'the Petitioner Companies'), that was approved by the NSE & BSE.

A joint First Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on August 28, 2019. NCLT Chandigarh heard the First Motion Application on November 14, 2019 and issued its 1st Motion Order dated December 11, 2019.

As per the directions given by the NCLT Chandigarh in its 1st Motion Order, the meetings of Equity Shareholders of CL Educate Limited and of the Unsecured Creditors with value of INR 1 lakh or more of Kestone were held on February 01, 2020, at 10:00 AM and 12:00 Noon, respectively.

The proposed scheme of Amalgamation was duly approved by the Shareholders of CL Educate Limited and Unsecured Creditors of Kestone.

A joint 2nd Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on February 14, 2020, which was heard by the NCLT on March 05, 2020. While NCLT was satisfied with the Petition, it directed the Companies- CL Educate Limited and Kestone to file respective affidavits that no objections had been received from any stakeholder against the Scheme. These Affidavits were filed by the respective Companies on March 17, 2020. However, on account of the nationwide lockdown, and limited functioning of the NCLT Benches, the hearing of the 2nd Motion Petition has been adjourned by the NCLT Chandigarh Bench from time to time.

On August 12, 2020, the Petitioner Companies filed a joint application for early hearing of its 2nd Motion Petition with the Hon'ble NCLT Chandigarh Bench. The NCLT Bench heard this application on October 27, 2020 and passed the Order which was pronounced on November 25, 2020 in which the Companies were directed to issue notices to the regulatory authorities and publish the same in two newspapers. Further, the Scheme was listed for hearing on January 28, 2021. In accordance with the directions contained in the Order, the notices were issued and advertisements were published by the Companies and Affidavits with respect to the same been done, were filed with the NCLT Bench.

However, on various accounts, including the outbreak of Covid-19, the hearing has been adjourned by the NCLT Chandigarh Bench from time to time and the matter is pending with the Bench.

**For Jain D & Co.**

**Company Secretaries**

**Sd/-**

**Deepak Jain**

**Proprietor**

**COP No: 24308**

**Membership No. : 11434**

**UDIN:-A024308C000572152**

**Place: New Delhi**

**Date: 03.07.2021**

**Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

## Annexure A

To,

The Members,

**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**

**PLOT NO. 9A, SECTOR-27A, MATHURA ROAD**

**FARIDABAD HARYANA 121003**

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jain D & Co.**

**Company Secretaries**

Sd/-

**Deepak Jain**

**Proprietor**

**COP No: 24308**

**Membership No. : 11434**

**UDIN:-A024308C000572152**

**Place: New Delhi**

**Date: 03.07.2021**

## Annexure II (B)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members,

**KESTONE INTEGRATED MARKETING SERVICES PRIVATE LIMITED**

**PLOT NO. 9A, SECTOR-27A, MATHURA ROAD**

**FARIDABAD HARYANA 121003**

We have conducted the Secretarial Audit of the compliance of all applicable statutory provisions and the adherence to good corporate practices by **Kestone Integrated Marketing Services Private Limited** (hereinafter called as "the Company") for the financial year ended on 31st March, 2021 (hereinafter called as the "period under review"). The Company is Material unlisted subsidiary of Listed Company (CL Educate Limited). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes book, registers, forms and returns filed and other records maintained by **Kestone Integrated Marketing Services Private Limited ("the Company")** for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; To the extent applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; To the extent applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; To the extent applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013, and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

*To the best of our knowledge and as per the explanations and clarifications given to us and the representations made by the management, during the period under review, the Company has complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, law etc. as mentioned above, to the extent applicable to it.*

We further report that;

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Changes made in the composition of the Board of Directors and management of the Company are as follows:
  - a. Re-Appointment of Mr. Satya Narayanan Ramakrishnan (DIN: 00307326) as a Director liable to retire by rotation at the Annual General Meeting held on 29th September, 2020.
  - b. Appointment of Ms. Shikha Sanduja as the Company Secretary of the Company with effect from 21st December, 2020.
2. Adequate notices were given to all Directors to schedule the Board Meetings. Also, agenda and detailed notes on agenda were sent to all the Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - a. Further during the period under review, the resolutions passed by the Board of Directors of the Company by way of Circulation were recorded in the minutes of the next Meeting of the Board of Directors.
3. All decisions at Board Meetings and Committee Meetings were carried out unanimously and/or with majority, and were captured and recorded in the minutes of the respective meetings.
4. The compliances relating to Financials laws, like Direct and Indirect taxes and Labour Law Compliances, have not been reviewed by us in this Audit as the same are subject to review by Statutory Auditor of the Company or other designated professionals.
5. There are adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, the following major event was carried out by the Company, and it complied with the necessary requirements:

### **Scheme of Amalgamation**

Pursuant to the respective approvals received from the Board of Directors of all Companies involved, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") by CL Educate Limited (100% Holding Company), for the proposed Amalgamation of five (5) of its wholly owned subsidiary Companies - Career Launcher Education Infrastructure and Services Limited (CLEIS), CL Media Private Limited (CLM), Accendere Knowledge Management Services Private Limited (AKMS), G.K. Publications Private Limited (GKP) and Keystone Integrated Marketing Services Private Limited (Keystone) (Amalgamating Companies) with CL Educate Limited (Amalgamated Company). (The Amalgamating Companies and the Amalgamated Company shall collectively, hereinafter be referred to as 'the Petitioner Companies'), that was approved by the NSE & BSE.

A joint First Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on August 28, 2019. NCLT Chandigarh heard the First Motion Application on November 14, 2019 and issued its 1st Motion Order dated December 11, 2019.

As per the directions given by the NCLT Chandigarh in its 1st Motion Order, the meetings of Equity Shareholders of CL Educate Limited and of the Unsecured Creditors with value of INR 1 lakh or more of Kestone were held on February 01, 2020, at 10:00 AM and 12:00 Noon, respectively.

The proposed scheme of Amalgamation was duly approved by the Shareholders of CL Educate Limited and Unsecured Creditors of Kestone.

A joint 2nd Motion Petition with respect to the proposed Amalgamation was filed by the Petitioner Companies with the Hon'ble NCLT Chandigarh on February 14, 2020, which was heard by the NCLT on March 05, 2020. While NCLT was satisfied with the Petition, it directed the Companies- CL Educate Limited and Kestone to file respective affidavits that no objections had been received from any stakeholder against the Scheme. These Affidavits were filed by the respective Companies on March 17, 2020. However, on account of the nationwide lockdown, and limited functioning of the NCLT Benches, the hearing of the 2nd Motion Petition has been adjourned by the NCLT Chandigarh Bench from time to time.

On August 12, 2020, the Petitioner Companies filed a joint application for early hearing of its 2nd Motion Petition with the Hon'ble NCLT Chandigarh Bench. The NCLT Bench heard this application on October 27, 2020 and passed the Order which was pronounced on November 25, 2020 in which the Companies were directed to issue notices to the regulatory authorities and publish the same in two newspapers. Further, the Scheme was listed for hearing on January 28, 2021. In accordance with the directions contained in the Order, the notices were issued and advertisements were published by the Companies and Affidavits with respect to the same been done, were filed with the NCLT Bench.

However, on various accounts, including the outbreak of Covid-19, the hearing has been adjourned by the NCLT Chandigarh Bench from time to time and the matter is pending with the Bench.

**For Jain D & Co.**

**Company Secretaries**

**Sd/-**

**Deepak Jain**

**Proprietor**

**COP No: 24308**

**Membership No. : 11434**

**UDIN:-A024308C000572196**

**Place: New Delhi**

**Date: 03.07.2021**

**Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

## Annexure A

To,

The Members,

**KESTONE INTEGRATED MARKETING SERVICES PRIVATE LIMITED**

**PLOT NO. 9A, SECTOR-27A, MATHURA ROAD**

**FARIDABAD HARYANA 121003**

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jain D & Co.**

**Company Secretaries**

**Sd/-**

**Deepak Jain**

**Proprietor**

**COP No: 24308**

**Membership No. : 11434**

**UDIN:-A024308C000572196**

**Place: New Delhi**

**Date: 03.07.2021**

## Annexure III

### Annual Report on

### Corporate Social Responsibility (CSR) Activities for the Financial Year 2020-21

#### 1. Brief outline on CSR Policy of the Company:

Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors has constituted a CSR Committee. The Board has framed a CSR Policy and modified it in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder. The said policy is placed on the website of the Company and is available on the web link: [http://www.cleducate.com/policies/CL%20Educate%20Limited\\_CSR%20Policy.pdf](http://www.cleducate.com/policies/CL%20Educate%20Limited_CSR%20Policy.pdf)

In line with its CSR Policy and in accordance with Schedule VII to the Act, the Company has identified the following key areas to undertake the CSR projects:

- Education
- Skill & Livelihood Development
- Sustainability & Environment
- Research & Incubation
- Promoting health care

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the financial year 2020-21	Number of meetings of CSR Committee attended during the financial year 2020-21
1	Mr. Girish Shivani	Chairman(Non-Executive Independent Director)	4	4
2	Mr. Satya Narayanan R	Member (Chairman & Executive Director)	4	4
3	Mr. Gautam Puri	Member (Vice Chairman & Managing Director)	4	4

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

Particulars	Web-Link
Composition of CSR committee	<a href="http://www.cleducate.com/corporate-governance-pdf.html">http://www.cleducate.com/corporate-governance-pdf.html</a>
CSR Policy	<a href="http://www.cleducate.com/policies/CL%20Educate%20Limited_CSR%20Policy.pdf">http://www.cleducate.com/policies/CL%20Educate%20Limited_CSR%20Policy.pdf</a>
CSR Projects	<a href="http://www.cleducate.com/policies/CL-CSR-Projects.pdf">http://www.cleducate.com/policies/CL-CSR-Projects.pdf</a>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):. Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs. Lakhs)	Amount required to be set-off for the financial year, if any (in Rs. Lakhs)
-	-	-	-

#### 6. Average net profit of the company as per section 135(5): Rs. (1694.00) Lakhs



7. (a). Two percent of average net profit of the company as per section 135(5): Nil  
 (b). Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil  
 (c). Amount required to be set off for the financial year, if any: Nil  
 (d). Total CSR obligation for the financial year (7a+7b-7c): Nil
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
53.25	Nil				

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial Year (in Rs.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Indian Technology-Innovation & Entrepreneurship Conclave 2019-2022 (Promoting Potent Research and Innovation Projects)	(ii) and (ix)(a)	Yes	Karnataka -Bangalore	(The conclave was done by Ministry of education/UGC/AICTE that addresses the nation). Held in Bangalore. The projects were from all states of South India.	6 months to 3 years	INR 7,50,000 of the earmarked INR 25 Lakhs for the 3 year program	11,12,500	Nil	No	Career Launcher Foundation with the help of Ministry of Human Resource Department	CSR00007402
2.	Government Schools Support Program 2019-2022 (India Education Uninterrupted)	(ii)	Yes	Delhi – All Districts	(The major segment of the project is catered to Govt. of Delhi in the last year).	6 months to 3 years	INR 27 Lakhs for F.Y. 20-21, INR 50 Lakhs for future projects	16,67,229	Nil	No	Career launcher Foundation	CSR00007402

3.	Student Outreach for Free Distribution of Books (SOFDB 2021)	(ii)	Yes	Uttar Pradesh – Greater Noida (The current executed project is limited to NCR).	3 years	INR 2.5 Crores	20,00,000	Nil	No	Career Launcher Foundation	CSR00007402	
4.	Merit cum Means Scholarship to National Toppers	(ii)	Yes	1. Kerala - Thiruvananthapuram 2. Karnataka - Bangalore (As the name suggests, deserving from entire nation).	3 years	INR 20 Lakhs	2,20,000	Nil	No	Career Launcher Foundation	CSR00007402	
<b>Total</b>								<b>49,99,729</b>				

**(c) Details of CSR amount spent against “other than ongoing projects” for the financial year:**

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in Rs.)	(7) Mode of implementation –Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Covid-19 Awareness Program	(i)	Yes	Madhya Pradesh	Indore (Using various media, reaches to national level too, apart from doing programs on the ground).	3,25,000	No	Career Launcher Foundation	CSR00007402
<b>Total</b>						<b>3,25,000</b>			

**(d) Amount spent in Administrative Overheads:** Nil

**(e) Amount spent on Impact Assessment, if applicable:** Not Applicable

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. 53,24,729/-

**(g) Excess amount for set off, if any**

Sr. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	53.25
(iii)	Excess amount spent for the financial year (ii-i)	53.25
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	53.25

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Lakhs)	Amount spent in the reporting Financial Year (in Rs. Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. Lakhs)
				Name of the Fund	Amount (in Rs. Lakhs)	Date of transfer	
Nil							

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing
Nil								

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

## (Asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Sd/-

Girish Shivani  
Chairman of CSR Committee  
CL Educate Limited

Sd/-

Gautam Puri  
Vice Chairman & Managing Director  
CL Educate Limited

Place: New Delhi

Date: August 03, 2021

## Annexure IV

### Particulars of Employees and Related Disclosure

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

S. No.	Particulars	Remarks		
1.	The ratio of the remuneration/commission of each director to the median remuneration* of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year 2020-21	<b>Name of the Directors/KMP</b>	<b>Ratio to median remuneration</b>	<b>% increase in remuneration in the Financial Year 2020-21</b>
		<b>Non-Executive Directors</b>		
		Mr. Girish Shivani	Nil	Nil <sup>3</sup>
		Ms. Madhumita Ganguli	Nil	Nil <sup>3</sup>
		Mr. Viraj Tyagi <sup>1</sup>	Nil	Nil <sup>3</sup>
		Mr. Piyush Sharma <sup>2</sup>	Nil	Nil <sup>3</sup>
		Mr. Imran Jafar	Nil	Nil <sup>3</sup>
		Mr. Sanjay Tapriya	Nil	Nil <sup>3</sup>
		<b>Executive Directors</b>		
		Mr. Satya Narayanan R (Chairman & Executive Director)	11.17	-37.28% <sup>4</sup>
		Mr. Gautam Puri (Vice Chairman & Managing Director)	11.17	-36.83% <sup>4</sup>
		Mr. Nikhil Mahajan (Executive Director & Group CEO Enterprise Business)	12.64	-25.18% <sup>4</sup>
		<b>Chief Financial Officer</b>		
		Mr. Arjun Wadhwa	-	-22.14% <sup>4</sup>
		<b>Company Secretary and Compliance Officer</b>		
		Ms. Rachna Sharma	-	-21.28% <sup>4</sup>
2.	The percentage increase in the median remuneration of employees in the Financial Year	The percentage decrease in the median remuneration of employees in the Financial Year 2020-21, as compared to the median remuneration of employees in the immediate preceding financial year 2019-20, was 7.10%. The decrease in the median remuneration of employees as well as in salaries of Directors, Chief Financial Officer, and Company Secretary was on account of salary deductions made on account of Covid-19.  Median remuneration of employees in the year under review was Rs. 4.80 Lakhs approx.		
3.	The number of permanent employees on the rolls of Company	As on March 31, 2021, there were 225 permanent employees on the rolls of the Company.		

<p>4. <b>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</b></p>	<p>Average percentile decrease in the salaries of employees other than the managerial personnel in the last financial year was approx. 13.32%<sup>4</sup>, whilst the average percentile decrease in the managerial remuneration in the last financial year was 33.09%<sup>5</sup>.</p> <p><b>Note:</b> Due to outbreak of Covid-19 Pandemic during the Financial Year 2020-21, all employees including the Managerial Personnel were paid salaries at reduced rates. Also, Executive Directors of the Company voluntarily waived off their variable payout for the Financial Year 2020-21, after considering the decline in the business of the Company due to the Pandemic, as well as the salary deductions of employees owing to the Pandemic.</p>
<p>5. <b>Affirmation that the remuneration is as per the remuneration policy of the Company</b></p>	<p>The Company affirms that the remuneration is as per the remuneration policy (Recommendation Report of NRC Committee) of the Company.</p>

<sup>1</sup>Mr. Viraj Tyagi, Non-Executive Independent Director of the Company resigned from the Board of the Company on and with effect from November 02, 2020.

<sup>2</sup>Mr. Piyush Sharma was appointed as Non-Executive Independent Director on the Board of the Company on and with effect from July 17, 2020.

<sup>3</sup>Since the Company incurred losses during the FY 2020-21, no Commission payment was made to Non-Executive Directors. Sitting Fee paid to the Non-Executive Directors for attending Meetings of the Board and Committees during Financial Year 2020-21 has not been considered as remuneration.

<sup>4</sup>Similarly, the % increase/decrease in the salaries of employees and Directors for the year has also been calculated on the basis of the actual remuneration (Fixed + Variable) received by them, pertaining to the Financial Years 2019-20 and 2020-21.

<sup>5</sup>For the purpose of determining average percentile decrease in the managerial remuneration in the last financial year, only the remuneration of Executive Directors has been considered.

**Notes:**

- All the figures of Remuneration/ Commission quoted above are the 'Actually Paid Remuneration/Commission Figures pertaining to Financial Year 2020-21'.
- For the purpose of determining average percentile decrease in the salaries of employees other than the managerial personnel, the salaries of only those employees have been considered who were there both during Financial Year 2019-20 as well as 2020-21.

**For and on behalf of Board of Directors of**

**CL Educate Limited**

**Sd/-**

**Gautam Puri**  
**Vice Chairman & Managing Director**  
**DIN: 00033548**  
**Address: R-90, Greater Kailash-I,**  
**New Delhi – 110 048**

**Sd/-**

**Nikhil Mahajan**  
**Executive Director & Group CEO Enterprise Business**  
**DIN: 00033404**  
**Address: House No.457, Sector-30,**  
**Faridabad - 121 003, Haryana**

**Place: New Delhi**

**Date: August 03, 2021**



**Annexure V**

Information as per Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top 10 employees in terms of remuneration during the financial year 2020-21

S. No.	Name of the Employee	Designation	Remuneration for the Financial Year 2020-21 (Rs. in Lakhs)	Nature of employment	Educational Qualification	Experience (in years)	Date of Joining	Age (in years)	Previous employment	Equity holding in the Company as on March 31, 2021	Name of director or manager who is the relative of Employee
1	Mr. Nikhil Mahajan <sup>1</sup>	Executive Director and Group CEO Enterprise Business	60.67	Whole Time Employee	B.Tech (Electrical) - IIT(BHU) Varanasi, PGDM-IIM (Bangalore)	22	28.12.1998	50	AF Ferguson and Modipon Limited	32,817 (0.23%)	None
2	Mr. Satya Narayanan R	Chairman and Executive Director	53.61	Whole Time Employee	B.Sc (Computer Science) - St. Stephen's College- DU, PGDM - IIM (Bangalore)	23	25.04.1996 (Since Incorporation)	51	Ranbaxy Laboratories Limited	24,55,761 (17.34%)	None
3	Mr. Gautam Puri	Vice Chairman and Managing Director	53.61	Whole Time Employee	B.E. (Chemical) - Punjab Engineering College, Chandigarh, PGDB - IIM (Bangalore)	23	25.04.1996 (Since Incorporation)	56	Vam Organics Chemicals Limited	23,57,130 (16.64%)	None
4	Mr. Arjun Wadhwa	Chief Financial Officer	39.44	Whole Time Employee	B.Sc (H). Statistics- DU, Advanced Diploma Software Technology - PGPM - MDI	20	12.04.2017	41	Goals for Souls	627 (0.00%)	None
5	Mr. Akkapaddi Ramakrishna Satyasrinivas	President - Business Development (MBA)	38.82	Whole Time Employee	B.E (Electronics & Communication) -Osmania University, MBA - IIM (Calcutta)	24	21.07.2017	47	Vistamind Education Pvt. Ltd., Vanguard Business School, T.I.M.E., Maruti Udyog Ltd.	600 (0.00%)	None
6	Mr. Sujit Bhattacharyya	Chief Digital Officer	32.21	Whole Time Employee	B.Tech (Electronics & Electrical Communication) - IIT Kharagpur, PGDM - IIM (Bangalore)	28	01.04.2015	54	Wipro and Dharma Systems	2,03,062 (1.43%)	None



7	Mr. Himanshu Jain	President & Chief Operating Officer – Network	30.13	Whole Time Employee	B.Com - DU	28	28.09.2011	49	KarROX Technologies Ltd. ,Prof earning Solutions India Ltd., CL, FIITJEE, Sri Sidharth Industries, A&M Communications and STG International Ltd	896 (0.00%)	None
8	Mr. Ashish Bahri	Senior Vice President- Digital Marketing	29.15	Whole Time Employee	B.Com – DU, Diploma in Management(All India Management Association)	26	07.11.2014	47	NIIT Limited, CLEIS, Bajaj Allianz Life Insurance Ltd.	00 (0.00%)	None
9	Mr. Vivek Sinha	Senior Vice President - Business Operations	26.55	Whole Time Employee	B.Sc (H), Vinoba Bhave University, Hazaribagh, Diploma in Software and Quality Management – NIIT	22	19.01.2005	47	STG International Ltd	29 (0.00%)	None
10	Ms. Rachna Sharma	Vice President - Company Secretary and Compliance Officer	20.14	Whole Time Employee	Associate Member of ICSTI, Master's Diploma in Business Administration – Symbiosis, Pune, LL.B. from CCS University.	21	02.03.2009	45	Himachal Futuristic Communications Limited, Citiport Financial Service Ltd., Jindal Leasefin Limited and UKLI Real Estate Private Ltd.	29 (0.00%)	None

<sup>i</sup> Includes an amount equivalent to 1,08,000 AED that is the remuneration payable to Mr. Nikhil Mahajan out of Company's Dubai business operations.

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

Sd/-

Gautam Puri

Vice Chairman and Managing Director

DIN: 00033548

Address: R-90, Greater Kailash-I,

New Delhi – 110 048

Date: August 03, 2021

Place: New Delhi

Sd/-

Nikhil Mahajan

Executive Director and Group CEO Enterprise Business

DIN: 00033404

Address: House No. 457, Sector – 30,

Faridabad – 121 003, Haryana

## Independent Auditor's Report

To the Members of CL Educate Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of CL Educate Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 59 to the standalone financial statements, which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations of the Company and accompanying standalone financial statements as at the balance sheet date, the extent of which is significantly dependent on future developments as they evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (Refer Note 2(ii) and Note 37 to the accompanying standalone financial statements) We refer to the Company's significant accounting policies in note 2(ii) and the revenue related	Our audit procedures included but were not limited to the following:

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

<p>disclosures in note 37 of the standalone 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 discounts offered to the customers, allocation of such transaction price to the identified performance obligations, and assessing satisfaction of the performance obligations to ensure the revenue is booked in correct periods.</p> <p>Further, for fixed price contracts, the management assesses progress towards complete satisfaction of performance obligations basis the pattern in which content is delivered by the Company to the students over a period of time.</p> <p>Considering significant volume of transactions, the materiality of amounts involved, and significant judgements involved as above, revenue recognition was identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Company's revenue recognition policy in accordance with Ind AS 115 including evaluation of management's assessment of performance obligations determined to be satisfied over time and related method of measuring progress towards complete satisfaction of such performance obligation.</li> <li>• Understood, evaluated and tested the design and operating effectiveness of key controls implemented by the Company in relation to revenue recognition including discounts.</li> <li>• Performed test of details for samples selected from revenue transactions recorded during the year by inspecting invoices and other related supporting documents for such samples. Further, evaluated whether the revenue has been recognized as per the accounting policy of the Company for such samples.</li> <li>• Performed substantive analytical procedures which included review of price, quantity and discounts variances and month-to-month ratio analysis based on customer level and company level data.</li> <li>• Tested the calculations related to discounts and other supporting documents, on a test check basis.</li> <li>• Evaluated the adequacy and accuracy of relevant disclosures made in the standalone/ consolidated financial statements in accordance with Ind AS 115.</li> </ul>
---	--

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

Key audit matters (cont'd)	How our audit addressed the key audit matter (cont'd)
<p>Loss allowance for Trade Receivables (Refer Note 2(x) and Note 17 to the accompanying standalone financial statements)</p> <p>The Company has trade receivables of Rs. 1,508.62 lacs as at 31 March 2021 (net of impairment of Rs 166.95 lacs). During the year, the Company has recorded a charge of Rs 1,934.47 lacs towards bad debts for such trade receivables.</p> <p>Owing to the nature of operations of the Company and related customer profiles, the Company has significant long standing trade receivable balances, for which appropriate loss allowance is required to be created for expected credit losses using simplified approach in accordance with the requirements of Ind AS 109, Financial Instruments, measuring the loss allowance equal to lifetime expected credit losses.</p> <p>For the purpose of expected credit loss assessment of trade receivables, significant judgment is required by the management to estimate the timing and amount of realisation of these receivables basis the past history, customer profiles, and consideration of other internal and external sources of information, including the impact of COVID 19 pandemic in aforesaid estimates.</p> <p>Considering the significant judgement involved, increased complexities due to the pandemic, high estimation uncertainty and materiality of the amounts involved, we have identified loss allowance on trade receivables as a key audit matter for current year audit.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the trade receivables process with regards to valuation and testing of controls designed and implemented by the management.</li> <li>• Testing the accuracy of ageing of trade receivables at year end on sample basis.</li> <li>• Obtained a list of outstanding receivables, identified significant long outstanding receivables, and discussed plan of recovery with management.</li> <li>• Circularized balance confirmations to a sample of non-student trade receivables and reviewed the reconciling items, if any.</li> <li>• Verified the appropriateness of judgments regarding provisions for trade receivables and assess as to whether these provisions were calculated in accordance with the Company's provisioning policies.</li> <li>• Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, as applicable.</li> <li>• Verified the related disclosures made in notes to the standalone financial statements in accordance with Ind AS 115 and Ind AS 109.</li> </ul>
<p>Recoverability of investments made and loans given to certain subsidiaries</p> <p>As disclosed in note 9 to the accompanying standalone financial statements, the Company has a carrying value of Rs. 14,181.60 lacs as at 31 March 2021 in respect of its investment in four of its subsidiary companies and has outstanding long-term loans recoverable from such subsidiaries aggregating to Rs. 3,923.58 lacs as on the reporting date.</p> <p>Considering the decline in business and stress on profitability over the years by aforementioned subsidiary companies, the management has identified that indicators exist that requires the management to test the carrying value of such loans and investments for possible impairment.</p>	<p>Our audit work included, but was not limited to, performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process to estimate the recoverable value of the investments made in and loans given to subsidiaries outstanding as at the reporting date,</li> <li>• Evaluated design and tested operating effectiveness of controls on identification of indicators of impairment of the carrying value of investment and loans under Ind AS 36</li> </ul>

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

Key audit matters (cont’d)	How our audit addressed the key audit matter (cont’d)
<p>Management’s assessment of the recoverable amount of investments in and loans given to these subsidiary companies requires estimation and judgement around assumptions used in the Discounted Cash Flow valuation model adopted by the Company for the purpose. The principal driver of recoverable value is the estimated growth in the operations of the subsidiaries and ability to generate cash profits in the future. Other significant estimates include expected operating, investing and finance costs, terminal growth rates and the weighted average cost of capital (discount rate).</p> <p>Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of the investment in subsidiary companies. Complexity involved in such assumptions and estimates increased in the current year due to the impact of COVID-19 pandemic outbreak on the Company’s operations as disclosed in Note 59 to the accompanying financial statements.</p> <p>Considering the significance of the amounts involved, and auditor attention required to test the appropriateness of accounting estimate that involves high estimation uncertainty and significant management judgement, this matter has been determined to be a key audit matter for the current year audit.</p>	<p>‘Impairment of assets’ and Ind AS 109 ‘Financial Instruments’ respectively.</p> <ul style="list-style-type: none"> <li>• Assessed the professional competence, objectivity and capabilities of the specialist used by the management for performing required valuations to estimate the recoverable value of the investment in such subsidiary companies;</li> <li>• Involved auditor’s experts to assess the appropriateness of the valuation model used by the management and to test reasonability of the valuation assumptions used therein relating to discount rates, risk premium, industry growth rates, etc., including the impact of COVID-19 on such assumptions;</li> <li>• Tested the future business projections, used for performing above said valuations, for the subsidiary from the business plans approved by the board of directors of the subsidiary company, and ensured its consistency with our understanding of future business plans of the subsidiary companies obtained through interviews with both operating and senior management;</li> <li>• Assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs and forecasted business plans;</li> <li>• Performed sensitivity analysis on management’s calculation of future projections such as growth rates during explicit period, terminal growth rate and the discount rate used in the valuations performed;</li> <li>• Tested the arithmetical accuracy of the valuation workings performed by the management expert;</li> <li>• Evaluated the adequacy and accuracy of disclosures made in the standalone financial statements in respect of aforesaid matter in accordance with the requirements of the accounting standards.</li> </ul>

**Information other than the Financial Statements and Auditor’s Report thereon**

7. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and

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

our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements**

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for

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

expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern;
  - 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;
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

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

### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company.
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 June 2021 as per Annexure II expressed unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 47(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

**Sd/-**

Neeraj Goel  
Partner  
Membership No.: 099514  
UDIN: 21099514AAAADU6444

Place: Gurugram, Haryana  
Date: 24 June 2021



**Annexure I to the Independent Auditor's Report of even date to the members of CL Educate, on the standalone financial statements for the year ended 31 March 2021**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment (PPE), right-of-use assets, intangible assets and intangibles under development.
- (b) The Company has a regular program of physical verification of its PPE and right-of-use assets under which assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'PPE' and 'right-of-use assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest bearing unsecured loans to Companies and an interest free loan given to a party covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest except in case of one loan wherein the Company has granted unsecured loan to one party in the earlier years, having outstanding balance of Rs. 462.77 lacs as at 31 March 2021, is prejudicial to the Company's interest as no interest has been charged on such loan given to the party.
- (b) In respect of interest bearing loans given to companies, the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular while in case of interest free loan given to the party, the schedule of repayment of the principal has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted to such companies, however, in respect of interest free loan given to the party, in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 of the Act. In our opinion, the Company has not complied with the provisions of Section 186 of the Act. The details of the non-compliances are given below:

S. No.	Particulars	Name of Party	Amount involved (₹ in lacs)	Balance as on 31 March 2021 (₹ in lacs)	Remarks
1	Loan given at a rate lower than prescribed	Career Launcher Education Foundation	Nil	462.77	Interest free loan given

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

- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹) in lacs	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	166.36	October 2010 to September 2011	Commissioner of Service tax, New Delhi
Finance Act, 1994	Service Tax	125.53	October 2011 to June 2012	Commissioner of Service tax, New Delhi
Finance Act, 1994	Service Tax	46.54	September 2004 to March 2007	Central Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	15.69	October 2007 to March 2008	Commissioner of Service tax, New Delhi
Finance Act, 1994	Service Tax	400.97	April 2008 to March 2012	Commissioner of Service tax, New Delhi
Income Tax Act, 1961	Income Tax	607.96	Assessment year (A.Y.) 2013-14	Commissioner of Income tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	240.93	A.Y. 2017-18	Commissioner of Income tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	49.87	A.Y. 2014-15	Income tax Appellate Tribunal, New Delhi

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

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

- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Sd/-**

Neeraj Goel  
Partner  
Membership No.: 099514  
UDIN: 21099514AAAADU6444

Place: Gurugram, Haryana  
Date: 24 June 2021

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

Annexure II

**Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of CL Educate Limited (the 'Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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

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

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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

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

**Sd/-**

Neeraj Goel  
Partner  
Membership No.: 099514  
UDI N: 21099514AAAADU6444

Place: Gurugram, Haryana  
Date: 24 June 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,468.63	3,121.73
Right of use assets	4	305.62	755.92
Investment property	5	294.16	299.91
Goodwill	6	212.38	212.38
Other intangible assets	7	2,043.07	1,997.78
Intangible assets under development	8	51.10	102.81
Investments	9	15,698.57	15,696.22
Financial assets			
(i) Loans	10	64.03	116.42
(ii) Other financial assets	11	4.40	401.92
Deferred tax assets (net)	12	422.13	290.30
Non-current tax assets (net)	13	933.15	900.59
Other non-current assets	14	83.50	45.79
<b>Total non-current assets</b>		<b>22,580.74</b>	<b>23,941.77</b>
<b>Current assets</b>			
Inventories	15	465.40	540.69
Financial assets			
(i) Investments	16	3,852.91	3,716.34
(ii) Trade receivables	17	1,508.62	3,301.16
(iii) Cash and cash equivalents	18	362.04	434.79
(iv) Bank balances other than (iii) above	19	432.36	19.20
(v) Loans	20	4,591.97	4,957.00
(vi) Other financial assets	21	385.41	772.35
Other current assets	22	2,296.64	2,468.47
<b>Total current assets</b>		<b>13,895.35</b>	<b>16,210.00</b>
Assets held for sale	23	546.16	-
<b>Total assets</b>		<b>37,022.25</b>	<b>40,151.77</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share capital	24	1,416.57	1,416.57
Other Equity	25	27,803.10	28,310.18
<b>Total Equity</b>		<b>29,219.67</b>	<b>29,726.75</b>

Continue to next page

CL Educate Limited

Standalone Balance Sheet as at March 31, 2021

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

Continued from previous page

		As at March 31, 2021	As at March 31, 2020
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	26	470.83	83.58
(ii) Lease Liability	27	130.05	391.54
Provisions	28	345.08	317.88
Other non-current liabilities	29	97.07	37.25
<b>Total non-current liabilities</b>		<b>1,043.03</b>	<b>830.25</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	30	2,433.45	3,433.39
(ii) Trade payables	31		
- total outstanding dues of micro enterprises and small enterprises; and		763.63	636.77
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,609.62	2,901.93
(iii) Lease Liability	32	81.11	286.92
(iv) Other financial liabilities	33	831.87	898.65
Other current liabilities	34	1,030.81	1,428.84
Provisions	35	9.06	8.27
<b>Total current liabilities</b>		<b>6,759.55</b>	<b>9,594.77</b>
<b>Total liabilities</b>		<b>7,802.58</b>	<b>10,425.02</b>
<b>Total equity and liabilities</b>		<b>37,022.25</b>	<b>40,151.77</b>

Summary of significant accounting policies

2

The accompanying notes 1 to 61 form an integral part of these standalone financial statements.

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

For **Walker Chandok and CO LLP**

Chartered Accountants  
FRN No. 001076N/N500013

Sd/-

**Neeraj Goel**

Partner

Membership No.:099514

Place: Gurugram, Haryana

Date: 24 June 2021

For and on behalf of the Board of Directors of

**CL Educate Limited**

Sd/-

**Satya Narayanan R**

Chairman and

Executive Director

DI N: 00307326

Sd/-

**Gautam Puri**

Vice Chairman and

Managing Director

DI N: 00033548

Sd/-

**Rachna Sharma**

Company Secretary

and Compliance Officer

ICSI M. No.: A17780

Place: New Delhi

Date: 24 June 2021

Sd/-

**Arjun Wadhwa**

Chief Financial Officer

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	37	9,986.49	16,334.73
Other income	38	837.50	1,234.38
<b>Total income</b>		<b>10,823.99</b>	<b>17,569.11</b>
<b>Expenses</b>			
Purchases of stock-in-trade	39	444.33	1,095.31
Changes in inventories of stock-in-trade	40	75.29	(56.76)
Employee benefits expense	41	1,738.85	2,203.60
Finance costs	42	369.94	528.24
Depreciation and amortisation expenses	43	608.18	1,112.72
Franchisee expenses		3,383.42	6,633.30
Other expenses	44	4,829.33	7,186.17
<b>Total expenses</b>		<b>11,449.34</b>	<b>18,702.58</b>
<b>Loss before exceptional items and tax</b>		<b>(625.35)</b>	<b>(1,133.47)</b>
<b>Exceptional Items</b>	45	-	4,150.05
<b>Loss before tax after exceptional items</b>		<b>(625.35)</b>	<b>(5,283.52)</b>
<b>Tax expense/(benefit)</b>	36		
- Current tax		-	-
- Deferred tax		(133.07)	83.88
- Tax related to prior years		20.52	(50.05)
<b>Total tax expense</b>		<b>(112.55)</b>	<b>33.83</b>
<b>Loss for the year</b>		<b>(512.80)</b>	<b>(5,317.35)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of profit and loss</b>			
Remeasurement of defined benefit plans		4.46	9.01
Income-tax relating to these items		(1.24)	(2.51)
<b>Total other comprehensive income for the year</b>		<b>3.22</b>	<b>6.50</b>
<b>Total comprehensive loss for the year</b>		<b>(509.58)</b>	<b>(5,310.85)</b>
<b>Earnings per equity share in Rs.</b>			
	46		
Basic		(3.62)	(37.54)
Diluted		(3.62)	(37.54)

Summary of significant accounting policies 2

The accompanying notes 1 to 61 form an integral part of these standalone financial statements.

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

 For **Walker Chandiok and CO LLP**  
 Chartered Accountants  
 FRN No. 001076N/N500013

**Sd/-**  
**Neeraj Goel**  
 Partner  
 Membership No.:099514

 For and on behalf of the Board of Directors of  
**CL Educate Limited**
**Sd/-**  
**Satya Narayanan R**  
 Chairman and  
 Executive Director  
 DI N: 00307326

**Sd/-**  
**Gautam Puri**  
 Vice Chairman and  
 Managing Director  
 DI N: 00033548

 Place: Gurugram, Haryana  
 Date: 24 June 2021

**Sd/-**  
**Rachna Sharma**  
 Company Secretary  
 and Compliance Officer  
 ICSI M. No.: A17780

 Place: New Delhi  
 Date: 24 June 2021

**Sd/-**  
**Arjun Wadhwa**  
 Chief Financial Officer



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

(a) Equity share capital Particulars	Amount
Balance as at March 31, 2019	1,416.57
Change in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>1,416.57</b>
Change in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>1,416.57</b>

Particulars	Attributable to owners of the Company						Total
	Retained earnings	Security premium	Employee stock options outstanding amount	General reserve	Deemed equity contribution	Capital reserve	
<b>Balance as at April 1, 2019</b>	<b>3,812.25</b>	<b>29,853.46</b>	<b>34.80</b>	<b>30.60</b>	<b>55.25</b>	<b>0.20</b>	<b>33,786.56</b>
Loss for the year	(5,317.35)	-	-	-	-	-	(5,317.35)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-
- Remeasurement of defined benefit plan	6.50	-	-	-	-	-	6.50
<b>Total comprehensive loss for the year</b>	<b>(5,310.85)</b>	-	-	-	3.09	-	<b>(5,310.85)</b>
Net gain on investments for financial guarantee received from promoters	-	-	2.15	-	-	-	3.09
Recognition of share based payment expenses	-	-	(36.95)	177.13	-	-	2.15
Transfer from employee stock option outstanding account on forfeiture of options	(140.18)	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>	<b>(140.18)</b>	<b>-</b>	<b>-</b>	<b>177.13</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interim Dividend paid during the year*	-	-	-	(170.77)	-	-	(170.77)
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>(1,638.78)</b>	<b>29,853.46</b>	<b>-</b>	<b>36.96</b>	<b>56.34</b>	<b>0.20</b>	<b>28,310.18</b>
Loss for the year	(512.80)	-	-	-	-	-	(512.80)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-
- Remeasurement of defined benefit plan	3.22	-	-	-	-	-	3.22
<b>Total comprehensive income/(loss) for the year</b>	<b>(509.58)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.50</b>	<b>-</b>	<b>(509.58)</b>
Net gain on investments for financial guarantee received from promoters	-	-	-	-	-	-	2.50
<b>Balance as at March 31, 2021</b>	<b>(2,148.36)</b>	<b>29,853.46</b>	<b>-</b>	<b>36.96</b>	<b>60.84</b>	<b>0.20</b>	<b>27,803.10</b>

The accompanying notes 1 to 61 form an integral part of these standalone financial statements.

This is standalone statement of changes in equity referred to in our report of even date.

For **Walker Chandlok and CO LLP**  
Chartered Accountants  
FRN No. 001076/N/500013

**Sd/-**  
**Neeraj Goel**  
Partner  
Membership No: 099514

Place: Gurugram, Haryana  
Date: 24 June 2021

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

**Sd/-**  
**Satya Narayanan R**  
Chairman  
and Executive Director  
DIN: 00307326

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

**Sd/-**  
**Rachna Sharma**  
Company Secretary  
and Compliance  
Officer  
ICSI M. No.: A17780

**Sd/-**  
**Arjun Wadhwa**  
Chief Financial Officer

Place: New Delhi  
Date: 24 June 2021

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

	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Net Profit/(Loss) before tax</b>	(625.35)	(5,283.52)
Adjustment For:		
Depreciation and amortisation expense	608.18	1,112.72
Gain on sale of property, plant and equipment	(1.40)	-
Finance cost	369.94	528.24
Rent income on investments property	(11.10)	(26.49)
Advances written off	32.61	418.32
Liability no longer required written back	(222.83)	(126.78)
Interest income on security deposits	(15.70)	(19.16)
Employee share-based payment expenses	-	2.16
Unrealised foreign exchange gain (net)	-	(57.67)
Commission income on financial guarantee	(1.85)	(1.65)
Interest income	(425.02)	(499.61)
Bad debts written off	1,934.47	2,397.94
Gain on mutual fund	-	(225.23)
Net gain on fair value change	(136.57)	(112.42)
Gain on lease modification	(12.49)	-
Impairment of investment in equity shares	-	4,150.05
<b>Operating profit before working capital changes</b>	<b>1,492.89</b>	<b>2,256.90</b>
Adjustment for (increase)/decrease in assets		
- Inventories	75.29	(46.70)
- Trade receivables	(141.93)	(1,115.91)
- Current and non current loans	10.95	(18.27)
- Other current financial assets	380.81	(195.86)
- Other non current and current assets	191.77	(620.98)
<b>Adjustment for increase/(decrease) in liabilities</b>		
- Non-current and current provisions	23.53	61.83
- Other non current and current liabilities	(362.96)	705.27
- Trade payables	(942.62)	(61.22)
- Other current financial liabilities	(0.48)	(84.43)
<b>Cash Generated from operations</b>	<b>727.25</b>	<b>880.63</b>
Less: Income tax paid (net of refunds)	(53.08)	(146.26)
<b>Net cash generated from operating activities (A)</b>	<b>674.17</b>	<b>734.37</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital creditors and capital advances)	(96.08)	(65.45)
Purchase/development of other intangible assets (including intangibles under development)	(392.55)	(599.12)
Proceeds from sale of property, plant and equipment	48.76	-
Purchase of investment of in subsidiaries/associates and businesses	(3.00)	(76.32)
Purchase of investment (mutual fund)	-	(1,905.00)
Sale of Investment (mutual fund)	-	1,156.98
Rent income on investments property	11.10	26.49
Loans given to subsidiaries	389.56	(8.88)
Term deposits with original maturity of more than three months	(15.64)	1,085.90
Interest received	428.60	96.81
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>370.75</b>	<b>(288.59)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(170.21)	(159.89)
Proceeds from long-term borrowings	500.00	-
Net decrease/(increase) in working capital borrowings	(999.95)	391.94
Payment of lease liabilities	(120.27)	(243.23)
Interest expense Paid	(329.74)	(520.07)
Dividend paid	-	(170.77)
<b>Net cash used in financing activities (C)</b>	<b>(1,120.17)</b>	<b>(702.02)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(75.25)</b>	<b>(256.24)</b>
<b>Balance at the beginning of the year</b>		
Cash and cash equivalents at the beginning of the year	434.79	691.03
Cash and cash equivalents at the end of the year	<b>359.54</b>	<b>434.79</b>
<b>Notes to cash flow statement</b>		
<b>(i) Components of cash and cash equivalents</b>		
Balances with banks		
Current account	266.98	340.14
Cheques/drafts on hand	7.87	2.33
Cash on hand	87.19	92.32
	<b>362.04</b>	<b>434.79</b>

**CL Educate Limited**

**Standalone Statement of Cash Flow for the year ended March 31, 2021**

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

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

Particulars	balance sheet for liabilities arising from financing activities:			
	Non-current borrowings (including current maturities)	Current borrowings	Interest on borrowings	Lease liabilities
<b>Balance as on March 31, 2021</b>				
Balance as at April 1, 2020	325.06	3,433.39	0.34	678.46
Loan drawals (in cash) /interest accrued during the year	500.00	-	332.36	31.94
Loan repayments/interest payment during the year	(170.21)	(999.95)	(367.32)	(120.27)
Other non cash changes	2.61	-	37.58	(378.97)
<b>Balance as at March 31, 2021</b>	<b>657.46</b>	<b>2,433.44</b>	<b>2.96</b>	<b>211.16</b>
<b>For the year ended March 31, 2020</b>				
Balance as at April 1, 2019	491.17	3,041.45	0.19	856.62
Loan drawals (in cash) /interest accrued during the year	-	391.94	513.85	92.89
Loan repayments/interest payment during the year	(166.27)	-	(528.09)	(243.23)
Other non cash changes	0.16	-	14.39	(27.82)
<b>Balance as at March 31, 2020</b>	<b>325.06</b>	<b>3,433.39</b>	<b>0.34</b>	<b>678.46</b>

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

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

(iv) The above standalone statement of cash flows should be read in conjunction with the accompanying notes 1 to 61.

Summary of significant accounting policies 2

This is standalone statement of Cash Flow referred to in our report of even date.

For **Walker Chandlok and CO LLP**  
Chartered Accountants  
FRN No. 001076N/N500013

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

**Sd/-**  
**Neeraj Goel**  
Partner  
Membership No.:099514

**Sd/-**  
**Satya Narayanan R**  
Chairman  
and Executive Director  
DI N: 00307326

**Sd/-**  
**Gautam Puri**  
Vice Chairman and Managing  
Director  
DI N: 00033548

Place: Gurugram, Haryana  
Date: 24 June 2021

**Sd/-**  
**Rachna Sharma**  
Company Secretary  
and Compliance Officer  
ICSI M. No.: A17780

**Sd/-**  
**Arjun Wadhwa**  
Chief Financial Officer

Place: New Delhi  
Date: 24 June 2021

*(This space has been intentionally left blank)*

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

## Reporting Entity

CL Educate Limited (the 'Company') is a company domiciled in India, with its registered office situated at Plot No.9A, Sector 27A, Mathura Road, Faridabad, Haryana -121003 and corporate office at A-45, Mohan Cooperative Industrial Area, Mathura Road, New Delhi - 110044. The Company was incorporated in India on April 25, 1996 to conduct various educational and consulting programmes. The Company is providing education and test preparation training programmes which include tuitions to school students and coaching to aspirants for a variety of entrance examinations both at the school and graduate / post graduate levels.

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

### 1. Basis of preparation.

#### (i) Statement of compliance:

These standalone financial statements ("financial statements") of the Company 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 financial statements are authorised for issue on 24 June 2021 in accordance with a resolution of the Board of Directors. The Board of Directors can permit the revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

These standalone financial statements 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 standalone financial statements, unless stated otherwise

The financial statements 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 Company 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

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

- 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 Company has identified twelve months as its operating cycle.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the 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.

## 2. Significant accounting policies

### (i) Fair value measurements

The Company 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 Company 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 Company 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 Company 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 Company 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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

The Company 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 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 Company 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 Company 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 Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 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 Company has received consideration (or an amount of consideration is due) from the customer. Amounts billed and received or recoverable prior to the reporting date for services and such services or part of such services are to be performed after the reporting date are recorded as contract liabilities as per the provisions of the Ind AS-115 and shown in other current liabilities.

##### 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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

Interest income

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

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

Dividend

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

(iii) 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 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 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

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

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 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 Company 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 Company 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 Company 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.



CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

(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 statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

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

Intangible assets	Useful Life (in years)
Brand	10
Software	5
Website	5
Content development	10
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 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 Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

(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 Company 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 Company 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 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 Company 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 Company'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 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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

#### 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 Company 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 Company 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

Company 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 Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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 Company

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

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 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 Company 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 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 Statement of Profit and Loss. The losses arising from impairment are recognised in the 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 Company 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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. The Company 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 Statement of Profit and Loss.

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

If the Company 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 Company 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 Company 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 Company 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 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 Company'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:

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

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 Company 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 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 Company as a lessee

The Company 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 Company 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 Company assesses whether:

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

- 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 Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- c) The Company 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 Company 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 Company 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 Company 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 Company's incremental borrowing rate. Generally, the Company 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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company 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 Company 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 Company.

The Company 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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

(xii) Investment in subsidiaries and associate

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it 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.

Thus, an investor controls an investee if and only if the investor has all the following:

- a) power over 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 the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investment carried at cost is tested for impairment as per Ind-AS 36.

(xiii) Non-current assets classified as held for sale

Non-current assets classified as held for sale are presented separately in the 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 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 Company 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.

(xiv) Employee benefits

Contribution to provident and other funds

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

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company 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



CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

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 Statement of Profit and Loss on the earlier of:

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

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

The Company recognises the following changes in the net defined benefit obligation as an expense in the 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 Company 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 Statement of Profit and Loss and are not deferred. The Company 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 Company 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 Company 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 Statement of Profit and Loss in the period in which the employee renders the related service.

#### (xv) Share-based payments

The Employee Stock Option Scheme ('the Scheme') provides for the grant of equity shares of the Company to its employees. The Scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company 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.

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

##### Initial recognition

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

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

#### 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 Company'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 Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

#### (xvii) 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.

#### (xviii) Provisions

Provisions are recognised when the Company 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 Company 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 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.

#### (xix) 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 Company'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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallowable expenditure.
3. Income which relates to the Company 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 Company as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 57 for segment information.

(xx) 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 Company 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 Company 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.

(xxi) 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.

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

The preparation of the Company'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 Company 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 Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, 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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of tangible/intangible assets

The Company 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 Company 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 Company 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, Company 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

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Standalone Financial Statements for the year ended 31 March 2021

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.

*(This space has been intentionally left blank)*



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

3. Property, plant and equipment

Reconciliation of carrying amount	Freehold land (refer note vi)	Leasehold land (refer note vi)	Buildings (refer note vi)	Plant and equipment	Leasehold improvements	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
<b>Gross carrying amount</b>										
Balance as at April 1, 2019	518.65	196.78	2,525.87	30.58	222.54	84.12	183.49	324.44	64.21	4,150.68
Additions during the year	-	-	-	2.69	15.61	1.85	7.72	24.46	17.65	69.98
Reclassification on account of IND AS 116 (refer note vi)	-	(196.78)	-	-	-	-	-	-	-	(196.78)
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>518.65</b>	-	<b>2,525.87</b>	<b>33.27</b>	<b>238.15</b>	<b>85.97</b>	<b>191.21</b>	<b>348.90</b>	<b>81.86</b>	<b>4,023.88</b>
Additions during the year	-	-	-	-	6.40	3.85	0.74	6.69	17.61	35.29
Reclassification on account of Asset held for Sale (refer note vi)	(518.65)	-	(30.25)	-	-	-	-	-	-	(548.90)
Disposals during the year	-	-	-	-	(38.87)	(11.95)	(8.61)	(2.96)	-	(62.39)
<b>Balance as at March 31, 2021</b>	-	-	<b>2,495.62</b>	<b>33.27</b>	<b>205.68</b>	<b>77.87</b>	<b>183.34</b>	<b>352.63</b>	<b>99.47</b>	<b>3,447.88</b>
<b>Accumulated depreciation</b>										
Balance at April 1, 2019	-	7.53	131.78	11.99	160.58	27.98	99.48	253.23	23.84	716.41
Depreciation for the year	-	2.27	44.31	2.75	40.15	12.29	45.37	40.44	7.96	195.54
Reclassification on account of IND AS 116	-	(9.80)	-	-	-	-	-	-	-	(9.80)
<b>Balance as at March 31, 2020/April 1, 2020</b>	-	-	<b>176.09</b>	<b>14.74</b>	<b>200.73</b>	<b>40.27</b>	<b>144.85</b>	<b>293.67</b>	<b>31.80</b>	<b>902.15</b>
Depreciation for the year	-	-	44.19	2.60	23.53	5.80	19.90	15.75	7.86	119.63
Disposals during the year	-	-	-	-	(30.27)	(2.78)	(4.95)	(1.79)	-	(39.79)
Reclassification on account of Asset held for Sale (refer note vi)	-	-	(2.74)	-	-	-	-	-	-	(2.74)
<b>Balance as at March 31, 2021</b>	-	-	<b>217.54</b>	<b>17.34</b>	<b>193.99</b>	<b>43.29</b>	<b>159.80</b>	<b>307.63</b>	<b>39.66</b>	<b>979.25</b>
<b>Carrying amount (net)</b>										
Balance as at March 31, 2020	518.65	-	2,349.78	18.53	37.42	45.70	46.36	55.23	50.06	3,121.73
Balance as at March 31, 2021	-	-	2,278.08	15.93	11.69	34.58	23.54	45.00	59.81	2,468.63

Notes:

- Please refer note 47 for capital commitments.
- Please refer note 48 for details of assets held under lease.
- The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020.
- All property, plant and equipment, are subject to charge against secured borrowings of the Company referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts. (refer note 26 and 30).
- There are no impairment losses recognised during the year and previous year.
- During the previous year Leasehold land at Greater Noida have been reclassified from property, plant and equipment to Right of Use Assets in accordance with IND AS- 116. Leases (refer note 4).
- During the year ended March 31, 2021, the Company has classified freehold land amounting to Rs. 518.65 lacs and building amounting to Rs. 27.51 lacs located at Faridabad as asset held for sale. (refer note 23 for details)

(This space has been intentionally left blank)

## CL Educate Limited

## Notes to the standalone financial statements for the year ended March 31, 2021

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

## 4. Right of use assets

Particulars	Amount
<b>Gross Carrying Amount</b>	
Balance as at April 1, 2019	-
Recognition on transition to Ind AS 116, leases	1,043.59
<b>Balance as at March 31, 2020/April 1,2020</b>	<b>1,043.59</b>
Adjustment on account of termination/modification of lease	(498.77)
<b>Balance as at March 31, 2021</b>	<b>544.82</b>
<b>Accumulated Depreciation</b>	
Balance as at April 1, 2019	-
Depreciation for the year	287.67
<b>Balance as at March 31, 2020/April 1,2020</b>	<b>287.67</b>
Depreciation for the year	83.82
Adjustment on account of termination/modification of lease	(132.29)
<b>Balance as at March 31, 2021</b>	<b>239.20</b>
<b>Carrying amount (net)</b>	
<b>Balance at March 31, 2020</b>	<b>755.92</b>
<b>Balance at March 31, 2021</b>	<b>305.62</b>

## Note :

i) During the year 2019-20, the Company recognised right of use assets as per Ind AS 116 "Leases" (Refer note 48)

(This space has been intentionally left blank)

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

## 5. Investment property

### A. Reconciliation of carrying amount

	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
Opening balance	323.54	323.54
<b>Total</b>	<b>323.54</b>	<b>323.54</b>
<b>Accumulated depreciation</b>		
Opening balance	23.63	17.87
Depreciation for the year	5.75	5.76
<b>Total</b>	<b>29.38</b>	<b>23.63</b>
<b>Carrying amounts</b>		
Balance at date	<b>294.16</b>	<b>299.91</b>

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

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

### C. Measurement of fair value

	As at March 31, 2021	As at March 31, 2020
Investment property	770.00	770.00
	<b>770.00</b>	<b>770.00</b>

### D. Estimation of fair values

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

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

#### Valuation technique:

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

#### Fair value hierarchy

The fair value measurement for the investment property has been categorised as a Level 3 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 3 of the fair value hierarchy is as follows:

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

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

### E. Leasing arrangements

The Company has given its investment properties on cancellable operating lease to its franchisee. Lease receipts recognized in the Statement of profit and loss (including of depreciation of Rs. 5.75 lacs (March 31, 2020: Rs. 5.76 lacs) during the year amounts to Rs. 11.10 lacs (March 31, 2020: Rs. 26.49 lacs).



## CL Educate Limited

## Notes to the standalone financial statements for the year ended March 31, 2021

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

## 6. Goodwill

## Reconciliation of carrying amount

	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
Opening balance	212.38	212.38
<b>Total</b>	<b>212.38</b>	<b>212.38</b>

## 6.1 Impairment tests for Goodwill

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

	As at March 31, 2021	As at March 31, 2020
Consumer test prep	212.38	212.38

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

The Company 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, 2021	As at March 31, 2020
Sales volume (% annual growth rate)	15.00%	15.00%
Long term growth rate (%)	6.00%	6.00%
Pre-tax discount rate (%)	16.00%	16.00%

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

## Assumption Approach used to determining values

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

*(This space has been intentionally left blank)*

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

7. Other intangible assets

Reconciliation of carrying amount	Intellectual property rights and trademarks	Softwares	Content development	CAT online module	Non compete fees	Brand	Wain Connect	IOM	Melting Pot	Online Video content	Aspiration- AI	Total
<b>Gross carrying amount</b>												
Balance as at April 1, 2019	739.08	142.38	1,549.76	26.97	94.00	330.00	22.50	118.40	124.77	43.50	-	3,191.36
Additions – internally developed (refer note a below)	-	-	-	-	-	-	-	-	-	-	81.40	81.40
Additions during the year	-	12.40	392.51	-	10.00	-	-	-	-	-	174.45	589.36
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>739.08</b>	<b>154.78</b>	<b>1,942.27</b>	<b>26.97</b>	<b>104.00</b>	<b>330.00</b>	<b>22.50</b>	<b>118.40</b>	<b>124.77</b>	<b>43.50</b>	<b>255.85</b>	<b>3,862.12</b>
Additions – internally developed (refer note a below)	-	-	101.37	-	-	-	-	-	-	-	25.98	127.35
Additions during the year	-	10.61	292.55	-	-	-	-	-	13.76	-	-	316.92
<b>Balance as at March 31, 2021</b>	<b>739.08</b>	<b>165.39</b>	<b>2,336.19</b>	<b>26.97</b>	<b>104.00</b>	<b>330.00</b>	<b>22.50</b>	<b>118.40</b>	<b>138.53</b>	<b>43.50</b>	<b>281.83</b>	<b>4,306.39</b>
<b>Accumulated amortisation</b>												
Balance as at April 1, 2019	417.43	49.48	591.21	15.58	61.99	66.00	5.63	14.82	14.10	4.35	-	1,240.59
Amortisation for the year	125.91	28.38	324.10	5.81	32.63	33.09	4.51	11.87	13.72	8.74	34.99	623.75
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>543.34</b>	<b>77.86</b>	<b>915.31</b>	<b>21.39</b>	<b>94.62</b>	<b>99.09</b>	<b>10.14</b>	<b>26.69</b>	<b>27.82</b>	<b>13.09</b>	<b>34.99</b>	<b>1,864.34</b>
Amortisation for the year	33.60	29.01	227.67	5.58	9.38	33.00	1.59	11.84	21.17	8.70	17.44	398.98
<b>Balance as at March 31, 2021</b>	<b>576.94</b>	<b>106.87</b>	<b>1,142.98</b>	<b>26.97</b>	<b>104.00</b>	<b>132.09</b>	<b>11.73</b>	<b>38.53</b>	<b>48.99</b>	<b>21.79</b>	<b>52.43</b>	<b>2,263.32</b>
<b>Carrying amount (net)</b>												
Balance as at March 31, 2020	195.74	76.92	1,026.96	5.58	9.38	230.91	12.36	91.71	96.95	30.41	220.86	1,997.78
Balance as at March 31, 2021	162.14	58.52	1,193.21	-	-	197.91	10.77	79.87	89.54	21.71	229.40	2,043.07

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

Note:

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

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

(This space has been intentionally left blank)

## CL Educate Limited

## Notes to the standalone financial statements for the year ended March 31, 2021

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

## a. Details of internally generated intangible assets

Reconciliation of carrying amount	Content	Aspiration. AI	Total
<b>Cost or deemed cost (Gross carrying amount)</b>			
Balance as at April 1, 2019	-	-	-
Additions during the year	-	81.40	81.40
<b>Balance as at March 31, 2020/April 1, 2020</b>	-	<b>81.40</b>	<b>81.40</b>
Additions during the year	101.37	25.98	127.35
<b>Balance as at March 31, 2021</b>	<b>101.37</b>	<b>107.38</b>	<b>208.75</b>
<b>Accumulated amortisation</b>			
Balance as at April 1, 2019	-	-	-
Amortisation for the year	-	16.32	16.32
<b>Balance as at March 31, 2020/April 1, 2020</b>	-	<b>16.32</b>	<b>16.32</b>
Amortisation for the year	10.87	10.09	20.96
<b>Balance as at March 31, 2021</b>	<b>10.87</b>	<b>26.41</b>	<b>37.28</b>
<b>Carrying amount (net)</b>			
As at March 31, 2020	-	65.08	65.08
As at March 31, 2021	90.50	80.97	171.47

## 8. Intangibles assets under development

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	102.81	174.45
Add: Addition during the year	75.64	184.21
Less: Capitalized during the year	(127.35)	(255.85)
<b>Closing Balance</b>	<b>51.10</b>	<b>102.81</b>

(This space has been intentionally left blank)

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

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
<b>(a) Investment in equity shares</b>		
<b>Unquoted, at cost - Trade</b>		
9,447,606 (March 31, 2020: 9,447,606) fully paid up equity shares of Rs. 10 each of Career Launcher Education Infrastructure and Services Limited	13,528.43	13,528.43
Less: Investment Impaired (Refer Note 45)	4,150.05	4,150.05
	<u>9,378.38</u>	<u>9,378.38</u>
10,000 (March 31, 2020: 10,000) fully paid up equity shares of Rs. 10 each of CL Media Private Limited	1.00	1.00
1,000,000 (March 31, 2020: 1,000,000) fully paid up equity shares of Rs. 10 each of Keystone Integrated Services Private Limited.	691.00	691.00
190,000 (March 31, 2020: 190,000) fully paid up equity shares of Rs. 10 each of G K Publications Private	1,433.89	1,433.89
12,000 (March 31, 2020:12,000) fully paid of equity shares of Rs. 10 each of Accendere Knowledge Services Private Limited	2,669.40	2,669.40
909 (March 31, 2020: 909) fully paid up equity shares of Rs. 10 each of Threesixtyone Degree Minds Consulting Private Limited (refer note i)	50.00	50.00
5,895 (March 31, 2020: 5,895) fully paid up equity shares of Rs. 10 each of Ice Gate Educational Institute Limited	699.93	699.93
5,000 (March 31, 2020 :Nil) fully paid up equity shares of Rs. 10 each of Career Launcher Foundation	0.50	-
<b>(b) Investment in preference shares (at fair value through profit and loss [FVTPL]) - Trade</b>		
500,000 (March 31, 2020: 500,000) Compulsory convertible preference share (CCPS) of Rs 100 each (face 10 each) of Threesixtyone Degree Minds Consulting Private Limited	736.98	736.98
<b>Deemed investment on account of financial guarantee issued for:</b>		
- Career Launcher Infrastructure Private Limited	20.33	20.32
- Career Launcher Education Infrastructure and Services Limited	6.45	6.45
- Keystone Integrated Marketing Services Private Limited	10.71	8.87
	<u>15,698.57</u>	<u>15,696.22</u>
<b>Aggregate amount of unquoted investments</b>	15,698.57	15,696.22
<b>Aggregate amount of impairment in value of investments (Refer Note 45)</b>	4,150.05	4,150.05

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

Name of entities	Relationship	Place of business	% of ownership interest	Accounting method
Career Launcher Education Infrastructure and Services Limited	Subsidiary	India	100%	Cost
CL Media Private Limited	Subsidiary	India	100%	Cost
Keystone Integrated Marketing Services Private Limited	Subsidiary	India	100%	Cost
G K Publications Private Limited	Subsidiary	India	100%	Cost
Accendere Knowledge Management Services Private Limited	Subsidiary	India	100%	Cost
Career Launcher Foundation Private Limited	Subsidiary	India	100%	Cost
Ice Gate Educational Institute Private Limited	Subsidiary	India	58.95%	Cost
Threesixtyone Degree Minds Consulting Private Limited	Associate	India	4.41%	Cost

**Note :**

i. Threesixtyone Degree Minds Consulting Private Limited became an associate Company on August 3, 2017, due to compulsory representation in board of directors by the director nominated by the Company.

*(This space has been intentionally left blank)*

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

10 Non-current financial assets - loans

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security deposits	64.03	116.42
	<b>64.03</b>	<b>116.42</b>

Note:

(i) The Company's exposure to credit and currency risks and loss allowances are disclosed in Note 56.

11 Other non-current financial assets

	As at March 31, 2021	As at March 31, 2020
Bank deposits with remaining maturity of more than twelve months	4.40	401.92
	<b>4.40</b>	<b>401.92</b>

Note:

(i) Non-current bank balance includes deposits of Rs. 4.40 Lacs (March 31, 2020 Rs. 401.92 lacs) for issue of guarantees in favor of various authorities.

12 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (net) (refer note 36)	422.13	290.30
	<b>422.13</b>	<b>290.30</b>

13 Non-current tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provisions)	933.15	900.59
	<b>933.15</b>	<b>900.59</b>

14 Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Capital advances	59.78	-
Advances other than capital advances		
- financial guarantee commission	-	0.59
- prepaid rent	16.96	10.47
- franchisee recurring payments	6.76	34.73
	<b>83.50</b>	<b>45.79</b>

(This space has been intentionally left blank)

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

	As at March 31, 2021	As at March 31, 2020
<b>Valued at lower of cost and Net Realisable value</b>		
Stock-in-trade (text books)	471.41	546.70
Less: Provision for loss allowance	(6.01)	(6.01)
	<b>465.40</b>	<b>540.69</b>

Note: Inventories are pledged as securities for borrowings taken from banks (refer note 26 and 30)

**16 Current Investments**

	As at March 31, 2021	As at March 31, 2020
<b>Quoted, measured at fair value through profit and loss, non trade</b>		
Investment in mutual funds	3,852.91	3,716.34
	<b>3,852.91</b>	<b>3,716.34</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	3,852.91	3,716.34

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

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

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

Note:

- There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.
- Investments are pledged as securities for borrowings taken from banks (refer note 30)

**17 Trade receivables**

	As at March 31, 2021	As at March 31, 2020
Unsecured considered good	1,508.62	3,301.16
Credit Impaired	166.95	515.23
Less: Allowances for bad and doubtful debts	(166.95)	(515.23)
	<b>1,508.62</b>	<b>3,301.16</b>

Note:

- Trade receivable are non interest bearing and are normally received in normal operating cycle.
- The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 56.
- Trade receivable are pledged as securities for borrowings taken from banks (refer note 26)
- Refer note 50 for trade receivable from related parties.

**18 Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- On current accounts	266.98	340.14
Cheques/ drafts on hand	7.87	2.33
Cash on hand	87.19	92.32
	<b>362.04</b>	<b>434.79</b>

Note:

- The Company's exposure to liquidity risks are disclosed in Note 56

*(This space has been intentionally left blank)*

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

19 Bank balances other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend account- bank balance	2.56	2.56
Deposits with original maturity for more than three months but remaining maturity of less than twelve months (refer note i)	429.80	16.64
	<b>432.36</b>	<b>19.20</b>

Note :

- (i) Deposits of Rs. 419.29 Lacs (March 31,2020: Nil) pledged with various authorities
- (ii) The Company's exposure to liquidity risks are disclosed in Note 56.

20 Loans - Current

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Loans to employees	23.17	25.59
Security deposits	182.45	155.50
Loans to related parties	4,386.35	4,775.91
<b>Unsecured, considered doubtful</b>		
Loans to Career Launcher USA I nc. (refer note iii)	399.49	399.49
Less: Provision for loss allowance	(399.49)	(399.49)
Security deposits	-	28.05
Less: Provision for loss allowance	-	(28.05)
	<b>4,591.97</b>	<b>4,957.00</b>

Note:

- (i) Refer note 50 for transactions with related party
- (ii) The Company's exposure to credit and currency risks are disclosed in Note 56.
- (iii) The Company has applied to relevant authorities for loan given regularised.

The Company has given unsecured loan to their group companies/parties for meeting their working capital requirement. Details of the same as on 31st March 2021 and 31st March 2020 are as below:

Company Name	Amount given during the year*	Rate of interest	March 31, 2021
Accendere Knowledge Management Services Private Limited	5.17	11.55%	-
Career Launcher Education Infrastructure and Services Limited	176.07	9.95%	1,916.72
Career Launcher Infrastructure Private Limited	169.13	9.95%	1,659.35
G K Publications Private Limited	47.85	9.95%	282.72
Ice Gate Educational Institute Private Limited	16.32	10.5% : 11.55%	64.80
Career Launcher Education Foundation	-	Nil	462.76
<b>Total</b>	<b>414.54</b>		<b>4,386.35</b>

Company Name	Amount given during the year*	Rate of interest	March 31, 2020
Accendere Knowledge Management Services Private Limited	11.42	9.95% : 11.55%	120.97
Career Launcher Education Infrastructure and Services Limited	197.39	9.95% : 11.55%	1,990.75
Career Launcher Infrastructure Private Limited	192.46	9.95% : 11.55%	1,690.22
G K Publications Private Limited	40.87	9.95% : 11.55%	462.13
Ice Gate Educational Institute Private Limited	46.89	10.5% : 11.55%	49.08
Career Launcher Education Foundation	14.80	Nil	462.76
<b>Total</b>	<b>503.83</b>		<b>4,775.91</b>

\* Includes conversion of interest into loans.

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**21 Other current financial assets**

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
<b>Unsecured, considered good</b>		
Interest accrued but not due on fixed deposits	0.96	4.54
Other receivables from related parties	258.35	514.92
Other receivables from other parties (refer note iii)	126.10	252.89
	<u><b>385.41</b></u>	<u><b>772.35</b></u>

**Note:**

(i) Refer note 50 for transactions with related party

(ii) The Company's exposure to credit and currency risks are disclosed in Note 56.

(iii) Receivable from other parties includes payment received by franchisee on behalf of the Company

**22 Other current assets**

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Prepaid expenses	1,830.49	1,809.59
Advances		
-Advances to suppliers	182.43	286.15
-Advances to employees	42.01	54.18
-Advances to related parties (refer note i)	61.07	60.82
Balance with Government Authorities	180.64	257.73
	<u><b>2,296.64</b></u>	<u><b>2,468.47</b></u>

**Note:**

(i) Refer note 50 for transactions with related party

**23 Assets held for sale**

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Property, plant and equipment	546.16	-
	<u><b>546.16</b></u>	<u><b>-</b></u>

During the current year, the Company 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 Company 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 31st March, 2022. Thus the Company 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 statement of profit and loss account.

*(This space has been intentionally left blank)*



CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

**24 Equity Share capital**

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

**a. Terms and rights attached to equity shares**

**Voting**

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

**Dividends**

The 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.

	As at March 31, 2021	As at March 31, 2020
During the year, the Company has distributed the Interim Dividend as follow	Nil	Rs. 1.00 per share

**Liquidation**

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

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

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

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Percentage	No. of shares	Percentage
<b>Promoters' Holding</b>				
Mr. Gautum Puri	2,357,130	16.64%	2,310,104	16.31%
Mr. Satya Narayanan R	2,455,761	17.34%	2,327,806	16.43%
Bilakes Consulting Private Limited	1,255,460	8.86%	1,255,460	8.86%
GPE (India) Limited	946,473	6.68%	946,473	6.68%
Sundaram Assets Management Company Limited	779,311	5.50%	872,526	6.16%
Flowering Tree Investment Management Pte. Ltd. (along with its Persons Acting in Concern i.e. Arjuna Fund Pte. Ltd and Ashoka Pte. Ltd.)	1,025,572	7.24%	895,772	6.32%
	<b>8,819,707</b>	<b>62.26%</b>	<b>8,608,141</b>	<b>60.76%</b>

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

- i. The Company has not issued equity shares as fully paid without payment being received in cash during the financial years 2016-17 to 2020-21.
- ii. The Company has issued equity shares aggregating 45,971 (March 31, 2020: 74,800) of Rs. 10 each fully paid up during the financial years 2015-16 to 2020-21

(2014-15 to 2019-20), on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

iii. Nil equity shares has been issued by way of bonus shares during the financial years 2015-16 to 2020-21.

iv. Nil equity shares bought back pursuant to Section 68, 69 and 70 of the Companies Act, 2013 during the financial years 2015-16 to 2020-21.

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

**f. Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option of the Company (refer to Note 54)

(This space has been intentionally left blank)

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**25 Other equity**

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
<b>25.1. Securities premium</b>		
Balance at the beginning/end of the year (A)	29,853.46	29,853.46
<b>25.2. Capital reserves</b>		
Balance at the beginning/end of the year (B)	0.20	0.20
<b>25.3. General reserves</b>		
Opening balance	36.96	30.59
Add: Transfer from surplus/(deficit) in Profit and loss account	-	140.18
Add: Transfer from Employee stock option outstanding	-	36.96
Less: Interim Dividend paid during the year	-	(170.77)
<b>Closing balance (C)</b>	<b>36.96</b>	<b>36.96</b>
<b>25.4. Employee stock option outstanding</b>		
Gross employee stock compensation for options granted in earlier years	-	34.80
Add: Gross compensation for options for the year	-	2.15
Less: Transfer to General reserve	-	(36.95)
<b>Closing balance (D)</b>	<b>-</b>	<b>-</b>
<b>25.5. Retained Earnings</b>		
Opening balance	(1,638.78)	3,812.25
Less: Transfer to General Reserve	-	(140.18)
Add: Net profit/(loss) for the year	(512.80)	(5,317.35)
<b>Other comprehensive income</b>		
Remeasurement of defined benefit plans	3.22	6.50
<b>Closing balance (E)</b>	<b>(2,148.36)</b>	<b>(1,638.78)</b>
<b>25.6. Deemed equity</b>		
Opening balance	58.34	55.25
Add: Addition during the year	2.50	3.09
<b>Closing balance (F)</b>	<b>60.84</b>	<b>58.34</b>
<b>Total reserves and surplus (A+B+C+D+E+F)</b>	<b>27,803.10</b>	<b>28,310.18</b>

**Nature and purpose of other reserves**

- (i) **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.
- (ii) **Capital reserve**  
The capital reserve was generated on account of acquisition of erstwhile Paragon classes in the FY 2001-02.
- (iii) **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.
- (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 54 for further details on these plans.
- (v) **Retained earnings**  
Retained earnings are created profit/loss of the Company.
- (vi) **Deemed equity**  
The Company have received financial guarantee from its promoters and accordingly accounted under Ind AS 109.

*(This space has been intentionally left blank)*

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

26 Borrowings - Non current

	As at March 31, 2021	As at March 31, 2020
<b>Secured loan</b>		
From Banks		
- Vehicle loan (refer note i)	40.79	31.73
- Term loan (refer note ii)	616.67	293.32
	-	-
<b>Total non-current borrowings</b>	<b>657.46</b>	<b>325.05</b>
Less: Current maturities of non-current borrowings (included in note 33)	183.67	241.13
Less: Interest accrued but not due on borrowings (included in note 33)	2.96	0.34
	<b>470.83</b>	<b>83.58</b>

The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 56.

**Notes:**

- i Vehicle loans from banks have been taken from HDFC Bank Ltd and Kotak Bank Ltd, and are secured against hypothecation of concerned vehicles. Vehicle loans from banks carrying an interest rate ranging from 8.25 % to 9.18 % (31 March, 2020 : 8.25 % to 9.18 %). The weighted-average remaining tenure for these loans is 2.99 years (31 March, 2020 : 2.01 years); with a total equal monthly installment of Rs. 1.20 lacs per month (31 March, 2020 : Rs. 0.85 lacs per month)

ii. Secured term loans from banks

**a) Term & rate of loan from Ratnakar Bank Limited (RBL)**

The Company had taken a term loan from Ratnakar Bank Limited (RBL). Year end balances of the loan is Rs. 116.67 lacs (March 31, 2020: 293.32 lacs). Company has availed the moratorium facility provided by the RBI on account of Covid 19.

**Interest rate:**

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

**Repayment schedule:**

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

**Primary security**

(i) These loans together with current borrowings are secured by 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 Company.

(ii) Lien on fixed deposit of Rs. 371.35 Lacs ( March 31, 2020 Rs. 371.35 lacs) to be kept with Bank during the tenure of Loan which is going to end on September 20, 2021.

**Collateral security:**

Loan 1: The loan is secured by personal guarantees of the promoter and directors (Satyanarayan R., Gautam Puri and Nikhil Mahajan) of the Company.

**b) Term & rate of loan from HDFC Bank**

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

**Interest rate:**

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

**Repayment schedule:**

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

- iii. Aggregate amount of loans guaranteed by the directors of the Company are Rs. 1,974.93 lacs (March 31, 2020: Rs. 2,891.62 lacs) includes amount of Rs. Nil (March 31, 2020: Rs.59.99 lacs) disclosed under non-current borrowings and Rs. 116.67 lacs (March 31, 2020: Rs. 233.33 lacs (Refer note 33)) disclosed under current maturities of non-current borrowings and current borrowings amounting Rs. 1,858.26 lacs (March 31, 2020: Rs.2,598.30 lacs) (Refer note 30).

(This space has been intentionally left blank)

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

27 Lease Liability - Non Current	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer Note 48)	130.05	391.54
	<b>130.05</b>	<b>391.54</b>
28 Non-current provisions	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits (refer note 49)</b>		
Gratuity	163.26	158.11
Compensated absences	181.82	159.77
	<b>345.08</b>	<b>317.88</b>
29 Other non-current liabilities	As at March 31, 2021	As at March 31, 2020
Unearned revenue	97.07	37.25
	<b>97.07</b>	<b>37.25</b>
30 Borrowings - Current	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
-From banks		
-Cash credit (Refer note below)	2,433.45	3,433.39
<b>Total current borrowings</b>	<b>2,433.45</b>	<b>3,433.39</b>

**Note:**

(i) Details of these loans are as follows:

Cash credit represents overdrafts from HDFC and I C I C I Bank which are repayable on demand.

**(a) HDFC Bank**

The Company had entered into a finance facility agreement with limit amounting Rs.3,000.00 lacs (March 31, 2020 :Rs.3,000.00 lacs ) with HDFC Bank Limited comprising of Rs. 750.00 lacs as an overdraft facility & Rs. 2,250.00 lacs as a dropline overdraft facility.

**Interest rate**

These loans carry interest at bank's base rate + 3.75% (March 31, 2020: bank's base rate + 3.75%) per annum.

**Repayment schedule**

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

**Security**

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

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

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

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

**(b) ICICI Bank**

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

**Interest rate**

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

**Repayment schedule**

The overdraft facility is only for 1 year tenure period.

**Security**

The facility is secured by the Mutual Funds I nvested by the Company.

(ii) The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 56.

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

31 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro enterprises and small enterprises; (Refer note 53)	763.63	636.77
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,609.62	2,901.93
	<b>2,373.25</b>	<b>3,538.70</b>

Note:

- i. For trade payables to related parties please refer note 50.
- ii. Other creditor are non interest bearing and are normally settled in normal trade cycle.
- iii. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in Note 56.

32 Current Lease Liability

	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer Note 48)	81.11	286.92
	<b>81.11</b>	<b>286.92</b>

33 Other current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current term loan from banks (refer note 26)	172.22	233.33
Current maturities of non-current vehicle loan (refer note 26)	11.45	7.80
Interest accrued but not due on borrowings	2.96	0.34
Refundable Security Deposit	-	5.00
Unpaid dividends	2.56	2.56
Advance received on behalf of other	11.97	-
Creditors for property, plant and equipment		
-to related parties (refer note 50)	148.55	148.55
Employee related payables	454.10	473.01
Payable to selling shareholders	28.06	28.06
	<b>831.87</b>	<b>898.65</b>

Note:

- i. refer note 50 for payable to related parties
- ii. The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 56.

34 Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Unearned revenue	894.59	1,314.71
Statutory dues payable	98.63	99.19
Employee imprest	12.84	14.94
Advance received against sale of property (refer note 23)	24.75	-
	<b>1,030.81</b>	<b>1,428.84</b>

35 Current provisions

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (refer note 49)		
Gratuity	2.86	2.72
Compensated absences	6.20	5.55
	<b>9.06</b>	<b>8.27</b>

(This space has been intentionally left blank)

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**36 Income tax**
**A. Amounts recognised in profit or loss**

		Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax expense</b>			
Current year		-	-
Related to prior years		20.52	(50.05)
<b>Total Current Tax Expense</b>	(A)	<u>20.52</u>	<u>(50.05)</u>
<b>Deferred tax expense</b>			
Current year		(133.07)	83.88
<b>Total Deferred Tax Expense</b>	(B)	<u>(133.07)</u>	<u>83.88</u>
<b>Total Tax Expense</b>	(A + B)	<u><u>(112.55)</u></u>	<u><u>33.83</u></u>

**B. Amounts recognised in Other Comprehensive Income**

		Year ended March 31, 2021	Year ended March 31, 2020
<b>Income tax relating to items that will not be reclassified to</b>			
- Income tax relating to remeasurement of defined benefit plans		(1.24)	(2.51)
		<u>(1.24)</u>	<u>(2.51)</u>

**C. Reconciliation of effective tax rate**

	Year ended March 31, 2021		Year ended March 31, 2020	
	Rate	Amount	Rate	Amount
<b>Profit before tax</b>	27.82%	(625.35)	27.82%	(5,283.52)
Tax using the Company's domestic tax rate (A) (refer note i)		(173.97)		(1,469.87)
<b>Tax effect of:</b>				
Non-deductible expenses		83.47		1,284.15
Non-taxable income		(46.35)		(92.61)
Tax pertaining to earlier years		20.52		303.11
Others		3.78		9.06
<b>Total (B)</b>		<u>61.42</u>		<u>1,503.71</u>
<b>Tax expense recognise in standalone statement of profit and loss (A)+(B)</b>		<u><u>(112.55)</u></u>		<u><u>33.83</u></u>

**Note:**

- (i) The Taxation Laws (Amendment) Ordinance, 2019 (2019 Tax Ordinance) provides the Company 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 Company has reviewed the implications of 2019 Tax Ordinance on its tax liability for the year and has decided not to opt for the new tax provisions. The Company will reassess the option to adopt the new tax provision every year and adjustments, if any, will be considered in due course.

*(This space has been intentionally left blank)*

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

D. Movement in deferred tax balances

For the year ended March 31, 2021	As at March 31, 2020	Recognized in P&L	Recognized in OCI	As at March 31, 2021
<b>Deferred Tax Assets</b>				
Provision for employee benefit	90.73	(9.03)	1.24	98.52
Provision for obsolescence of inventory	1.67	-	-	1.67
Provision for doubtful current loan	118.94	7.80	-	111.14
Provision for expected credit loss	143.34	96.89	-	46.45
Provision for incentive	45.47	(17.01)	-	62.48
Impact of discontinuing of security deposits	11.91	11.91	-	-
Lease liability	188.75	130.01	-	58.74
MAT credit entitlement	32.45	-	-	32.45
Unabsorbed depreciation allowance and business loss carried	317.83	(276.50)	-	594.33
<b>Sub-total (a)</b>	<b>951.09</b>	<b>(55.93)</b>	<b>1.24</b>	<b>1,005.78</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	(318.94)	10.84	-	(329.78)
Right to use of assets	(158.32)	(125.31)	-	(33.01)
Investment in subsidiaries and associates	(75.84)	0.52	-	(76.36)
Amortisation of prepaid rent	(15.60)	2.89	-	(18.49)
Impact for EIR adjustment on borrowings	(0.28)	(0.28)	-	-
Intangibles	(74.71)	34.37	-	(109.08)
Impact on other current assets- financial guarantee	(0.87)	(0.87)	-	-
Other equity- deemed equity contribution	(16.23)	0.70	-	(16.93)
<b>Sub-total (b)</b>	<b>(660.79)</b>	<b>(77.14)</b>	<b>-</b>	<b>(583.65)</b>
<b>Net Deferred Tax Asset (a)+(b)</b>	<b>290.30</b>	<b>(133.07)</b>	<b>1.24</b>	<b>422.13</b>

For the year ended March 31, 2020

For the year ended March 31, 2020	As at March 31, 2019	Recognized in P&L	Recognized in OCI	As at March 31, 2020
<b>Deferred Tax Assets</b>				
Provision for employee benefit	76.05	(17.19)	2.51	90.73
Provision for obsolescence of inventory	1.67	-	-	1.67
Provision for doubtful current loan	118.94	-	-	118.94
Provision for expected credit loss	187.79	44.45	-	143.34
Provision for incentive	55.64	10.17	-	45.47
Deferred revenue- franchise fees	124.11	124.11	-	-
Deferred revenue- admission fees	261.51	261.51	-	-
Impact of discontinuing of security deposits	87.63	75.72	-	11.91
Lease liability	16.33	(172.42)	-	188.75
MAT credit entitlement	-	(32.45)	-	32.45
Unabsorbed depreciation allowance and business loss carried forward	-	(317.83)	-	317.83
<b>Sub-total (a)</b>	<b>929.67</b>	<b>(23.93)</b>	<b>2.51</b>	<b>951.09</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	(307.85)	11.09	-	(318.94)
Right to use of assets	-	158.32	-	(158.32)
Investment in subsidiaries and associates	(34.65)	41.19	-	(75.84)
Amortisation of prepaid rent	(10.44)	5.16	-	(15.60)
Impact for EIR adjustment on borrowings	(0.94)	(0.66)	-	(0.28)
Intangibles	(111.45)	(36.74)	-	(74.71)
Loans	(87.65)	(87.65)	-	-
Impact on other current assets- financial guarantee	-	0.87	-	(0.87)
Other equity- deemed equity contribution	-	16.23	-	(16.23)
<b>Sub-total (b)</b>	<b>(552.98)</b>	<b>107.81</b>	<b>-</b>	<b>(660.79)</b>
<b>Net Deferred Tax Asset (a)+(b)</b>	<b>376.69</b>	<b>83.88</b>	<b>2.51</b>	<b>290.30</b>

E. The carry forward tax losses and unabsorbed depreciation as at March 31, 2021 expires as follows:

Assessment Year	Losses with expiry		Losses with no expiry	
	Tax losses	Expires on	Unabsorbed depreciation	Expires on
2020-21	310.71	March 31, 2028	771.32	NA
2021-22	319.52	March 31, 2029	734.79	NA

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**37 Revenue from operations**

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products:		
- Text books	1,846.71	2,838.99
Sale of services:		
- Education and training programmes	7,920.74	13,152.69
Other operating revenue		
- Start up fees from franchisees	219.04	343.05
	<b>9,986.49</b>	<b>16,334.73</b>

	For the year ended March 31, 2021		
	Geographical markets		
	India	Overseas	Total
Disaggregated revenue information as per geographical markets			
Education and training programmes	7,603.53	317.21	7,920.74
Sale of Education Material	1,584.07	262.64	1,846.71
Start up fees from franchisees	219.04	-	219.04
	<b>9,406.64</b>	<b>579.85</b>	<b>9,986.49</b>

	For the year ended March 31, 2020		
	Geographical markets		
	India	Overseas	Total
Disaggregated revenue information as per geographical markets			
Education and training programmes	12,760.60	392.09	13,152.69
Sale of Education Material	2,412.17	426.82	2,838.99
Start up fees from franchisees	343.05	-	343.05
	<b>15,515.82</b>	<b>818.91</b>	<b>16,334.73</b>

**Changes in contract liability are as follows:-**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Balance at the beginning of the year</b>	<b>1,351.96</b>	<b>605.47</b>
Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year	(1,666.22)	(324.81)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	1,641.14	1,180.26
Gross Unearned revenue	1,326.88	1,460.92
Reclassification of unearned revenue that is not yet collected in cash from trade receivables	(335.23)	(108.96)
<b>Balance at the end of the year</b>	<b>991.65</b>	<b>1,351.96</b>

**Note:**

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

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

	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	894.59	1,314.71
More than one year	97.07	37.25

**Details of contract assets related to sales of goods, services and other operating income are:**

	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables	1,508.62	3,301.16

*(This space has been intentionally left blank)*



CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

38 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets measured at amortised cost		
-Security deposits	15.69	19.16
-Fixed deposits	25.42	78.43
-Loan to related parties (refer note 50)	399.61	421.18
Gain on fair value change of current investment	136.57	112.42
Gain on sale of mutual funds	-	225.23
Liabilities no longer required written back	222.84	126.78
Gain on modification and termination of lease	12.49	-
Advertising income	-	132.03
Rent income on investment property (refer note 5)	11.10	26.49
Net gain on foreign currency transactions and translation	-	57.67
Gain on sale of property, plant and equipment	1.40	-
Finance income on financial guarantees	1.85	1.65
Miscellaneous income	10.53	33.34
	<b>837.50</b>	<b>1,234.38</b>

39 Purchases of stock-in-trade

	Year ended March 31, 2021	Year ended March 31, 2020
Text books	444.33	1,095.31
	<b>444.33</b>	<b>1,095.31</b>

40 Changes in inventories of stock-in-trade

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year	471.41	546.70
Inventories at the beginning of the year	546.70	489.94
Net decrease/(increase) in inventories of stock-in-trade	<b>75.29</b>	<b>(56.76)</b>

41 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	1,530.93	1,953.18
Contribution to provident and other funds	85.83	101.18
Expenses related to post-employment defined benefit plans (refer note 49)	32.41	35.81
Expenses related to compensated absences	39.57	38.48
Share-based payment to employees (refer note 54)	-	2.16
Staff welfare expenses	50.11	72.79
	<b>1,738.85</b>	<b>2,203.60</b>

42 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on loans from banks	332.36	427.33
Interest on lease liabilities (refer note 48)	31.94	92.89
Interest on financial guarantees	5.64	8.02
	<b>369.94</b>	<b>528.24</b>

(This space has been intentionally left blank)

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**43 Depreciation and amortisation expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	119.63	195.54
Amortisation of intangible assets (refer note 7)	398.98	623.75
Amortisation on Right of use assets (refer note 4)	83.82	287.67
Depreciation on Investment Property (refer note 5)	5.75	5.76
	<b>608.18</b>	<b>1,112.72</b>

**44 Other expenses**

	Year ended March 31, 2021	Year ended March 31, 2020
Repairs to:		
-Buildings	19.83	68.69
-Others	26.73	50.85
Insurance	21.28	41.12
Rates and taxes	178.97	76.56
Faculty expenses	246.46	804.24
Rent	246.24	310.66
Advertisement, publicity and sales promotion	17.26	316.58
Business promotion	31.75	178.24
Digital marketing expenses	529.27	279.47
Digital Learning support expenses	174.22	119.83
Legal and professional charges (refer note i below)	333.34	443.04
Travelling and Conveyance	29.95	212.71
Communication expenses	56.13	98.36
Material printing cost	170.38	300.93
Office expenses	425.86	604.98
Equipment hire expenses	46.74	127.10
Sales incentive	54.24	66.48
Vocational Business Servicing Costs	3.13	74.49
Loans and Advances written-off	32.61	418.32
Bad Debts	1,934.47	2,397.94
Research and Development expenses	2.50	10.69
Net loss on foreign currency transactions and translation	53.25	-
Commission including sitting fees to non executive directors	7.20	11.52
Corporate Social Responsibility (refer note 51)	53.25	4.40
Miscellaneous expenses	134.27	168.97
Amount Written off:		
Bad Debts Written Off	348.28	159.77
Less: Provision made in earlier years	348.28	159.77
	-	-
	<b>4,829.33</b>	<b>7,186.17</b>

**Note:**
**(i) Payment to Auditor (excluding GST) as:**

	Year ended March 31, 2021	Year ended March 31, 2020
- Auditors	38.00	27.00
- for other services	14.00	18.00
- for reimbursement of expenses	0.50	2.37
	<b>52.50</b>	<b>47.37</b>

*(This space has been intentionally left blank)*

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

**45 Exceptional Items**

**Impairment of investment in equity shares**

Career Launcher Education and Infrastructure Services Limited (Refer footnote 1)

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

**Note:**

1.The Company has an investment in Career Launcher Education Infrastructure and Services Limited, a wholly owned subsidiary (hereinafter referred as 'CLEIS' or the 'Wholly Owned Subsidiary'). The Wholly owned Subsidiary was set up to provide various infrastructure facilities, soft skills, educational and consulting programs. During the FY 2017-18, CLEIS entered into an agreement with B&S Services Private Limited (B&S), an Associate, to manage its School Business vertical (K 12 Business). CLEIS holds a 44.18% in equity share of B&S at an investment amounting to Rs.4,745 Lacs. Further, an overdue amount of Rs. 400 Lacs is recoverable by CLEIS from B&S towards cash consideration as per aforesaid agreement.

Over the period, the numbers of admissions have declined in the school and with insufficient cash being generated by the business, the Management did not intend to make further investments. The situation has been accentuated by the onset of COVID-19, forcing schools to shut early and the present management has failed to collect final term fees of FY 2019-20 and for the first quarter of the new Academic Year. In view of the aforesaid factors and based on an independent valuers' report, CLEIS fair valued its investment in B&S at Rs.595 Lacs as at March 31, 2020 thereby resulting in an impairment of Rs. 4,150.05 Lacs.

Previous year in view of the above, the Company also performed an impairment testing of its investments in CLEIS as at the year end. Based on the impairment testing performed, the Company has recognised impairment loss of Rs. 4,150.05 Lacs on its investment in CLEIS and has disclosed it as an exceptional item.

**46 Earning per share**

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

Attributable to the equity holders of the Company

(3.62)

(37.54)

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

Attributable to the equity holders of the Company

(3.62)

(37.54)

**(c) Reconciliations of earnings used in calculating earnings per share**

**Basic earnings per share**

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

(512.80)

(5,317.35)

**(512.80)**

**(5,317.35)**

**Diluted earnings per share**

Profit/(loss) attributable to the equity share holders

(512.80)

(5,317.35)

**Profit/(loss) attributable to the equity holders of the Company used in calculating diluted earnings per share**

**(512.80)**

**(5,317.35)**

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

Weighted average number of equity shares used as the denominator in calculating basic earnings per share

14,165,678

14,165,678

Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share

14,165,678

14,165,678

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

**Options:** Options granted to employees are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share, since there are no options outstanding as at the end of March 31, 2021 and March 31, 2020.

*(This space has been intentionally left blank)*

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**47 Contingent liabilities, commitments and litigations**
**A. Commitments**

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Estimated amount of contracts remaining to be executed on capital account and not provided for	10.95	190.44

**B. Contingent liabilities and litigations**

i. Corporate guarantee given to bank/ financial institutions for loan taken by subsidiary (Refer Note 50)	1,850.00	1,850.00
ii. Claims against the Company not acknowledged as debts (refer note a)	1,752.93	1,770.99

**Note a: Details of claims against the Company not acknowledged as debt**

Particulars	Year pertaining		
Service Tax and CENVAT	Matters in dispute/under appeal for various years	755.09	755.09
Income Tax	Matters in dispute/under appeal for various years	898.76	915.82
Other cases	Matters in dispute/under appeal #	99.08	100.08
<b>Total</b>		<b><u>1,752.93</u></b>	<b><u>1,770.99</u></b>

**Remarks:**

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

**# Other cases**

- i) Triangle Education, a franchisee of the Company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The Company has filed a statement of claim before the sole Arbitrator amounting Rs. 190.00 lacs (March 31, 2020: Rs. 190.00 lacs) against triangle education. Triangle Education also filed a counter claim against the Company amounting Rs. 32.06 lacs (March 31, 2020: Rs. 32.06 lacs). The Sole arbitrator has passed the final order partially in favour of the Company. The Company is planning to challenge the said orders to next appellate authority .
- ii) A student, has filled a case against the Company for refund of fees amounting Rs. 6.20 lacs (March 31, 2020: Rs. 6.20 lacs) on the ground that he paid fees to Brilliant Tutorials considering the fact that the Company has a tie-up with Brilliant Tutorial which was subsequently called off by the Company. The matter was fixed for final argument on April 20, 2020 but due to Covid 19, date of argument shifted to next available slot.
- iii) The Director of Industries and Commerce cum Chairman MSE- Chandigarh has sent a notice amounting Rs. 12.31 lacs (March 31, 2020: Rs.12.31 lacs including interest of Rs. 3.30 lacs) on behalf of Reivera Fabricators regarding non payment of dues on account of uniforms supplied to Indus World Schools. The 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 Company for recovery of rent /arrears amounting Rs.46.88 Lacs for non payment of rent, Company engaged a local lawyer who will filed necessary application to transfer the case to New Delhi as the rent agreement have arbitration clause, which will be decided in new Delhi. The matter is fixed for final argument on June 17, 2021.
- v) Ritesh Manchanda, a student has filed a case against the Company citing deficiency of services provided amounting to Rs. 1.63 lacs (March 31, 2020: Rs. 1.63 lacs) . The case is pending at consumer court, Chandigarh.
- vi) Apart from those disclosed above, the Company 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 Company in respect of these litigations.

**C. Other litigations**

- i) In the financial year 2009-10, the Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and IT Training Institute to provide test preparation services in Dubai (UAE). In the financial year 2012-13, the Company had terminated the franchise agreement on account of non-recovery of fees collected by the franchisee from students. At the time of the cancellation of agreement the total amount of receivables from and payable to Ms Monica Oli were AED 1,019,842 (Rs. 150.88 lacs) and AED 261,318 (Rs. 38.66 lacs) respectively. The 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 Company including damages. The 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 Company has filed legal cases against certain debtors for recovery of outstanding receivables amounting Rs 136.34 lacs (March 31, 2020: Rs 136.34 lacs). The Company is of the view that all such balances are fully recoverable and no provision is required. Further, the Company has also filed cases against certain parties for recovery of damages arising from fraudulent use of Company's brand name, violation of terms and conditions of employment etc, amounting Rs 728.12 lacs (March 31, 2020: Rs. 728.12). The amount likely to be realised, in all these cases, is currently not ascertainable but the Company, based on discussion with concerned lawyers and the proceedings of the cases is hopeful that there would not be any adverse impact on the financial position, and the realisation would be more than the outstanding amount. The Company has recorded all expenses pertaining to legal and professional charges in respect of all such cases.

**CL Educate Limited**

**Notes to the standalone financial statements for the year ended March 31, 2021**

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

**48 Leases**

The Company has applied Ind AS 116 in previous year with the date of initial application of April 01, 2019.

**Company as "Lessee"**

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

**Lease liabilities**

The movement in lease liabilities during the year ended

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	678.46	856.62
Reclassified on account of adoption of Ind AS 116	-	58.69
Reassessed during the year	(378.97)	-
Finance cost accrued during the year	31.94	92.89
Payment of lease liabilities*	(120.27)	(329.74)
<b>Closing Balance</b>	<b>211.16</b>	<b>678.46</b>
<b>Non-current Lease liabilities</b>	130.05	391.54
<b>Current Lease liabilities</b>	81.11	286.92

\*Payment of lease liabilities includes payment of principal of lease liabilities amounting of Rs. 88.34 lacs (Previous year: Rs. 236.85 lacs) and interest of lease liabilities amounting of Rs. 31.94 lacs (Previous year: Rs. 92.89 lacs).

The details of the contractual maturities of lease liabilities as at year end on undiscounted basis are as follows :

	As on March 31, 2021		
	Lease Payments	Finance charges	Net present values
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:			
not later than one year	91.35	10.24	81.11
later than one year and not later than five years	146.47	16.42	130.05
later than five years	-	-	-
<b>Total</b>	<b>237.82</b>	<b>26.66</b>	<b>211.16</b>
	As on March 31, 2020		
	Lease Payments	Finance charges	Net present values
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:			
not later than one year	328.02	41.10	286.92
later than one year and not later than five years	409.69	51.33	358.36
later than five years	37.93	4.75	33.18
<b>Total</b>	<b>775.64</b>	<b>97.18</b>	<b>678.46</b>

**Note:** For disclosures in respect of Right-of-use assets refer note 4.

*(This space has been intentionally left blank)*

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**49 Employee benefits**

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

**(i) Defined contribution plans:**

The Company 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 Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	Year Ended March 31, 2021	Year Ended March 31, 2020
Employers contribution to provident fund	84.46	97.42
Employers contribution to state insurance	1.37	1.08

**(ii) Defined benefit plan:**
**Gratuity**

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The Company contributes to a trust set up by the Company 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 Company's financial statements as at balance sheet date:

	As at March 31, 2021	As at March 31, 2020
<b>Net defined benefit (asset)/liability</b>		
Gratuity (funded)	166.12	160.83
<b>Total employee benefit liabilities</b>	166.12	160.83
Non-current	163.26	158.11
Current	2.86	2.72

**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:

	Year ended March 31, 2021			Year ended March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	162.55	(0.78)	161.77	142.87	(1.60)	141.27
<b>Included in profit or loss</b>						
Current service cost	21.54	-	21.54	24.99	-	24.99
Interest cost (income)	10.99	(0.12)	10.87	10.94	(0.12)	10.82
	32.53	(0.12)	32.41	35.93	(0.12)	35.81
<b>Included in OCI</b>						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	(0.55)	-	(0.55)	(14.85)	-	(14.85)
- experience adjustment	(2.57)	-	(2.57)	5.88	-	5.88
Return on plan assets	-	(1.34)	(1.34)	-	0.04	(0.04)
	(3.12)	(1.34)	(4.46)	(9.91)	0.04	(9.01)
<b>Other</b>						
Contributions paid by the employer	-	(24.67)	(24.67)	-	7.23	(7.23)
Acquisition adjustment	-	-	-	-	-	-
Fund management charges	-	1.07	1.07	-	0.01	(0.01)
Benefits paid	(20.76)	20.76	-	(6.34)	(6.34)	-
	(20.76)	(2.84)	(23.60)	(6.34)	0.90	(7.24)
Balance at the end of the year	171.20	(5.08)	166.12	162.55	(0.78)	160.83

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

	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	21.54	24.99
Net interest cost	10.87	10.82
	32.41	35.81

**C. Plan assets**

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company 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.

	As at March 31, 2021	As at March 31, 2020
Funds Managed by Insurer ( investment with insurer)	100%	100%

**CL Educate Limited**

**Notes to the standalone financial statements for the year ended March 31, 2021**

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

**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 Company.

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.79%	6.76%
Expected rate of future salary increase	6.00%	6.00%

**b) Demographic assumptions**

	As at March 31, 2021	As at March 31, 2020
i) Retirement age (years)	58	58
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages	Withdrawal rate (%)	Withdrawal rate (%)
Upto 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

**E. Sensitivity analysis**

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

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

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(8.94)	9.75	(9.05)	9.89
Expected rate of future salary increase (0.5% movement)	8.50	(7.80)	8.47	(7.75)

Description of risk exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company 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 and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Duration of defined benefit obligation</b>		
Less than 1 year	2.86	2.73
Between 1-2 years	20.45	2.49
Between 2-5 years	24.22	36.68
Over 5 years	123.67	120.65
<b>Total</b>	<b>171.20</b>	<b>162.55</b>

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 is Rs. 39.89 lacs (March 31, 2020: Rs. 45.89 lacs)

**(ii) Other long-term employee benefits:**

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The present value obligation in respect of earned leave is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

(This space has been intentionally left blank)

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

## 50 Related parties

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

### A. Names of related parties and description of relationship:

#### List of the Related parties with whom transaction have taken place and relationship

Direct Subsidiaries	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
	Kestone Integrated Marketing Services Private Limited	India	100%	100%
	CL Media Private Limited	India	100%	100%
	G K Publications Private Limited	India	100%	100%
	Career Launcher Education Infrastructure and Services Limited	India	100%	100%
	Accendere Knowledge Management Services Private Limited	India	100%	100%
	Career Launcher Foundation (w.e.f. November 06, 2020)	India	100%	-
	ICE Gate Educational Institute Private Limited	India	58.95%	58.95%
Indirect Subsidiaries	Name of the Company	Country of Incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
	<b>Subsidiaries of Kestone Integrated Marketing Services Private Limited</b>			
	Kestone CL Asia Hub Pte. Limited	Singapore	100%	100%
	<b>Subsidiaries of Kestone CL Asia Hub Pte. Limited</b>			
	Kestone CL US Limited	USA	100%	100%
	CL Educate (Africa) Ltd (w.e.f. January 13, 2020)	Mauritius	90%	90%
	<b>Subsidiaries of Career launcher Education Infrastructure and Services Limited</b>			
	Career Launcher Infrastructure Private Limited	India	100%	100%
Associate Company	Three Sixty One Degree Minds Consulting Private Limited			
Enterprises in which key management personnel or their relatives are able to exercise significant influence	Bilakes Consulting Private Limited, India Career launcher Education Foundation, India			
Key management personnel (KMP)	Mr. Satya Narayanan R (Chairman and Executive Director) Mr. Gautam Puri (Vice Chairman and Managing Director) Mr. Nikhil Mahajan (Executive Director and Group CEO Enterprise Business) Mr. 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. Imran Jafar (Non-Executive Non-Independent Director) Mr. Piyush Sharma (Non-Executive Independent Director) (w.e.f. July 17, 2020) Mr. Sanjay Tapriya (Non-Executive Independent Director) (w.e.f. October 24, 2019)			
Relatives of KMP	Mr. R Sreenivasan Mr. R Shivakumar			

B. Transactions during the year:	Year ended March 31, 2021	Year ended March 31, 2020
<b>i Other Income</b>		
<b>a. Interest on loans</b>		
<b>Subsidiary Companies</b>		
- Career Launcher Education Infrastructure and Services Limited	186.29	195.60
- G K Publications Private Limited	33.37	45.41
- Career Launcher Infrastructure Private Limited	168.45	165.38
- Accendere Knowledge Management Services Private Limited	5.74	12.69
- Ice Gate Educational Institute Private Limited	5.76	2.10
	<b>399.61</b>	<b>421.18</b>
<b>b. Advertising income</b>		
<b>Subsidiary Companies</b>		
- CL Media Private Limited	-	132.03
	-	<b>132.03</b>

(This space has been intentionally left blank)



CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

B.	Transactions during the year:	Year ended March 31, 2021	Year ended March 31, 2020
ii	<b>Purchase of traded goods</b> <b>Subsidiary Companies</b> - CL Media Private Limited - G K Publications Private Limited - Career Launcher Infrastructure Private Limited	- 18.89 424.40	1,009.81 72.21 -
		<b>443.29</b>	<b>1,082.02</b>
iii	<b>Other expenses</b> <b>Subsidiary Companies</b> <b>a. Material development and printing expenses</b> - CL Media Private Limited - G K Publications Private Limited <b>b. Franchisee expense</b> - CL Media Private Limited <b>c. Marketing research</b> - Kestone Integrated Marketing Services Private Limited <b>d. Legal and professional charges</b> - Kestone Integrated Marketing Services Private Limited <b>d. Business Promotion</b> - Kestone Integrated Marketing Services Private Limited	133.31 1.34 - - 15.60 18.00	166.98 - 102.92 30.33 17.49 -
		<b>168.25</b>	<b>317.72</b>
iv	<b>Employee benefits expense</b> <b>Key management personnel</b> <b>Short term employee benefits:</b> - Mr. Gautam Puri - Mr. Satya Narayanan R - Mr. Nikhil Mahajan <b>Post employment benefits:</b> - Mr. Gautam Puri - Mr. Satya Narayanan R - Mr. Nikhil Mahajan <b>Other long term benefits</b> - Mr. Gautam Puri - Mr. Satya Narayanan R - Mr. Nikhil Mahajan	53.43 53.43 62.77 1.07 0.68 0.63 1.36 4.64 17.49	46.81 51.87 69.47 1.37 1.16 1.13 10.57 9.32 1.32
v	<b>Reimbursement of expense from related parties</b> <b>Subsidiary Companies</b> - Career Launcher Education Infrastructure and Services Limited - Kestone Integrated Marketing Services Private Limited - Accendere Knowledge Management Services Private Limited - G K Publications Private Limited - Career Launcher Infrastructure Private Limited - I CE Gate Educational Institute Private Limited - CL Media Private Limited <b>Enterprises in which KMP and their relative can exercise the significant influence</b> - Bilakes Consulting Private Limited	1.29 9.24 3.52 5.83 3.43 4.67 49.17 0.24	1.20 58.76 4.20 7.20 - - 90.38 -
		<b>77.39</b>	<b>161.74</b>
vi	<b>Reimbursement of expense to related parties</b> <b>Subsidiary Companies</b> - CL Media Private Limited - Kestone Integrated Marketing Services Private Limited - I CE Gate Educational Institute Private Limited	57.78 6.44 20.17	268.10 - -
		<b>84.39</b>	<b>268.10</b>

(This space has been intentionally left blank)

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

B.	Transactions during the year:	Year ended March 31, 2021	Year ended March 31, 2020
vii	<b>Loans given to related party</b>		
	<b>Subsidiary Companies</b>		
	- Career Launcher Education Infrastructure and Services Limited	3.74	21.35
	- Career Launcher Infrastructure Private Limited	13.31	43.61
	- I CE Gate Educational Institute Private Limited	11.00	46.00
	- G K Publications Private Limited	16.98	-
	<b>Enterprises in which KMP and their relative can exercise the significant influence</b>		
	- Career Launcher Education Foundation	-	14.80
		<b>45.03</b>	<b>125.76</b>
vii	<b>Conversion of interest into loan</b>		
	<b>Subsidiary Companies</b>		
	- Career Launcher Education Infrastructure and Services Limited	172.32	176.04
	- G K Publications Private Limited	30.87	40.87
	- Career Launcher Infrastructure Private Limited	155.82	148.85
	- Accendere Knowledge Management Services Private Limited	5.17	11.42
	- I CE Gate Educational Institute Private Limited	5.32	0.89
		<b>369.50</b>	<b>378.07</b>
viii	<b>Repayment of loan given</b>		
	<b>Subsidiary Companies</b>		
	- G K Publications Private Limited	227.26	-
	- Career Launcher Infrastructure Private Limited	200.00	11.35
	- Career Launcher Education Infrastructure and Services Limited	250.09	5.00
	- Accendere Knowledge Management Services Pvt. Ltd.	126.14	-
	- I CE Gate Educational Institute Pvt.Ltd	0.60	7.06
	- Career launcher education foundation	-	210.02
		<b>804.09</b>	<b>233.43</b>
ix	<b>Commission to non-executive Directors</b>		
	- Mr. Viraj Tyagi	0.40	2.79
	- Mrs. Madhumita Ganguli	1.40	3.09
	- Mr. Girish Shivani	3.10	2.55
	- Mr. Sanjay Tapriya	1.90	-
	- Mr. Piyush Sharma	0.40	-
	- Mr. Sushil Kumar Roonqta	-	3.09
x	<b>Purchase of assets from related party</b>		
	<b>Subsidiary Companies</b>		
	- CL Media Private Limited	199.96	190.44
	- Kestone Integrated Marketing Services Private Limited	13.76	81.40
xi	<b>Interim Dividend Paid</b>		
	- Bilakes Consulting Private Limited	-	12.55
	- Mr. Satya Narayanan R	-	22.98
	- Mr. Gautam Puri	-	22.76
	- Mr. Nikhil Mahajan	-	0.30
	- Mr. R Sreenivasan	-	3.50
	- Mr. R Shivakumar	-	3.50
xii	<b>Amount paid towards CSR expenditure</b>		
	- Career Luancher Foundation	20.00	-

(This space has been intentionally left blank)

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

C. Related party balances as at the year end:	As at March 31, 2021	As at March 31, 2020
<b>Subsidiary Companies</b>		
<b>Current Loans</b>		
- Career Launcher Education Foundation	462.76	462.76
- G K Publications Private Limited	282.72	462.13
- Career Launcher Education Infrastructure and Services Limited	1,916.72	1,990.75
- Career Launcher Infrastructure Private Limited	1,659.35	1,690.22
- Accendere Knowledge Management Services Private Limited	-	120.97
- Ice Gate Educational Institute Private Limited	64.80	49.08
<b>Other receivables from related parties:</b>		
- Career Launcher Education Infrastructure and Services Limited	93.19	91.67
- Career Launcher Infrastructure Private Limited	4.09	-
- G K Publications Private Limited	23.10	16.21
- Kestone Integrated Marketing Services Private Limited	11.42	0.38
- CL Media Private Limited	53.21	352.88
- Accendere Knowledge Management Services Private Limited	43.38	53.72
- Ice Gate Educational Institute Private Limited	29.05	0.06
- Career Launcher Education Foundation	0.91	-
<b>Trade payables</b>		
- CL Media Private Limited	739.29	1,334.82
- G K Publications Private Limited	15.38	245.46
- Kestone Integrated Marketing Services Private Limited	678.31	609.42
- Kestone Asia Hub Private Limited	3.69	3.69
- Career Launcher Infrastructure Private Limited	3.56	-
- Ice Gate Educational Institute Private Limited	0.21	-
<b>Payable for property, plant and equipment</b>		
- Kestone Integrated Marketing Services Private Limited	148.55	148.55
<b>Guarantees given for loan taken by subsidiary companies</b>		
- Kestone Integrated Marketing Services Private Limited	1,850.00	1,850.00
<b>Enterprises in which KMP and their relatives are able to exercise significant influence</b>		
<b>Other Advances</b>		
- Bilakes Consulting Private Limited	61.07	60.82
<b>Guarantee received:</b>		
- Bilakes Consulting Private Limited	457.58	457.58
<b>Key management personnels</b>		
<b>Short term employee benefits:</b>		
- Mr. Gautam Puri	27.21	43.28
- Mr. Satya Narayanan R	24.28	45.74
- Mr. Nikhil Mahajan	11.08	42.96
<b>Post employment benefits:</b>		
- Mr. Gautam Puri	17.82	17.74
- Mr. Satya Narayanan R	12.79	15.10
- Mr. Nikhil Mahajan	12.09	14.46
<b>Other long term benefits</b>		
- Mr. Gautam Puri	34.69	33.33
- Mr. Satya Narayanan R	36.78	32.14
- Mr. Nikhil Mahajan	40.98	23.49

**Note:** apart from above, Key management personnels has given personal guarantees against loan and overdraft facilities, the balance amount of loans guaranteed are Rs. 1,974.93 lacs (March 31, 2020: Rs. 2,891.62 lacs)

**Terms and Conditions:**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and are at market value.
- Current loans are repayable on demand. The aforesaid loan other than given to Career Launcher Education Foundation (CLEF) bears interest rate ranges from 9.95% to 11.55% (Previous year : from 9.95% to 11.55%). The accrued interest on loan is added to the loan amount at the end of every financial year, when it comes due.

(This space has been intentionally left blank)

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

**51 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, the 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	(Amount Rs. in lacs)	
	March 31, 2021	March 31, 2020
A. Amount required to be spent during the year	-	11.01
B. Shortfall amount of previous year	38.82	32.21
C. Total (A+B)	38.82	43.22
D. Amount spent during the year on-		
- On purposes other than construction/acquisition of any asset		
- Paid in cash	53.25	4.40
<b>Total</b>	<b>53.25</b>	<b>4.40</b>
<b>Shortfall amount carried forward to next year</b>	<b>-</b>	<b>38.82</b>

**52** The Company 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 61 for expected credit loss.

Vocational trade receivables	Total Outstanding Amount	Amount O/s. for more than 3 years (out of total amount O/s)	Expected Credit Loss (ECL) Provision on outstanding amount	Amount of write off
March 31, 2021	357.59	357.59	23.44	1,450.00
March 31, 2020	1,807.59	1,807.59	381.15	1,025.00

**53** In terms of the clause 22 of chapter V of Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act 2006), the disclosure of payments due to any supplier are as follows:

	As at March 31, 2021	As at March 31, 2020
a) 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	763.63	636.77
Interest due on above	0.20	0.49
	<b>763.83</b>	<b>637.26</b>
b) 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	-	-
c) 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.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
e) 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.	-	-

**54 Share based payments**

Pursuant to the resolution passed by the Board of Directors at its meeting on March 6, 2008 and the Special Resolution passed by the members in the EGM held on March 31, 2008, the Company introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants, unless otherwise stated in the grant letter. As on March 31, 2021 and March 31, 2020 the Company had 167,525 and 167,525 number of options that can be granted under the scheme respectively.

*(This space has been intentionally left blank)*

**CL Educate Limited**

**Notes to the standalone financial statements for the year ended March 31, 2021**

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

**Share based payments (cont'd)**

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

The Company has "Amended and Restated Career Launcher Employee Stock Options Plan 2014 (CL ESOP-2014)" which provides for the issue of 250,000 stock options to directors and employees of the Company and its subsidiary companies. The plan entitles directors and employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. The vesting period for the share options is 3 years from the grant date, unless otherwise stated in the grant letter. All exercised options shall be settled by physical/demat delivery of equity shares. As per the plan holders of vesting options are entitle to purchase one equity share for each option. Till date 312,468 (March 31, 2020: 312,468) stock options have been granted under this scheme.

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

No options were granted during the year

**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 years)
<b>Employees</b>			
March 31, 2021	Nil	3 years' service from the grant date	-
March 31, 2020	Nil	3 years' service from the grant date	-

**Reconciliation of outstanding share options:**

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

**ESOP to person other than directors of the Company**

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

\*includes 41,000 options voluntarily surrendered during the financial year 2019-20.

**Fair value of options granted:**

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

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Dividend yield (%)	-	-
Expected volatility (%)	-	0.00%
Risk-free interest rate (%)	-	7.69%
Weighted average share price (in Rs.)	-	590.00
Exercise price (in Rs.)	-	210-430
Carrying amount of liability-included in employee benefit obligations		

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

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense was Rs. Nil (Previous year : Rs. 2.16 lacs)

(This space has been intentionally left blank)

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

**55 Segment information**

**A. Basis for Segmentation**

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

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

Previously, the Company had considered "Consumer Test Prep" and "Others" as the only reportable segments of the Company. During the year, based on the increasing growth and focus on Digital delivery of services and the consequent changes to the nature of internal reporting provided to the CODM, the management has reassessed the Company's segments both from a product and geographic perspective and have identified the following reportable segments of its business:

**Reportable segments**

a) Partner

b) Digital

c) Vocational

**Operations**

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

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

This comprises primarily the scaled down vocational training business.

The Company's board reviews the results of each segment on a quarterly basis. The Company's board of directors uses Profit before tax to assess the performance of the operating segments.

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

Year ended March 31, 2021	Reportable segment			
	Partner	Digital	Vocational	Total
<b>Segment revenue</b>				
- External revenues	5,432.73	4,553.76	-	9,986.49
<b>Total segment revenue</b>	<b>5,432.73</b>	<b>4,553.76</b>	<b>-</b>	<b>9,986.49</b>
Segment results	999.47	435.45	(1,250.23)	184.69
<b>Segment profit before income tax includes:</b>				
Depreciation and amortisation expense	104.98	373.21	1.06	479.25
<b>Segment assets</b>	<b>4,361.50</b>	<b>3,060.65</b>	<b>397.71</b>	<b>7,819.86</b>
Segment assets include:				
Capital expenditure during the year	10.60	427.42	-	438.02
<b>Segment liabilities</b>	<b>1,643.60</b>	<b>1,590.01</b>	<b>695.30</b>	<b>3,928.91</b>

Year ended March 31, 2020	Reportable segment			
	Partner	Digital	Vocational	Total
<b>Segment revenue</b>				
- External revenues	10,396.55	5,938.18	-	16,334.73
<b>Total segment revenue</b>	<b>10,396.55</b>	<b>5,938.18</b>	<b>-</b>	<b>16,334.73</b>
Segment results	1,611.85	(491.77)	(1,378.93)	(258.85)
<b>Segment profit before income tax includes:</b>				
Depreciation and amortisation expense	228.83	745.08	3.28	977.19
<b>Segment assets</b>	<b>4,821.80</b>	<b>4,159.21</b>	<b>1,493.22</b>	<b>10,474.23</b>
Segment assets include:				
Capital expenditure during the year	29.08	595.61	0.29	624.98
<b>Segment liabilities</b>	<b>2,594.86</b>	<b>2,451.43</b>	<b>923.95</b>	<b>5,970.24</b>

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

C. Reconciliations of information on reportable segments

	Year ended March 31, 2021	Year ended March 31, 2020	
<b>i. Revenues</b>			
<b>Total revenue for reportable segments</b>			
Partner	5,432.73	10,396.55	
Digital	4,553.76	5,938.18	
Vocational	-	-	
Unallocated amounts	-	-	
<b>Total revenue</b>	<b>9,986.49</b>	<b>16,334.73</b>	
<b>ii Profit before tax</b>			
Total profit before tax for reportable segments	184.69	(258.85)	
<b>Unallocated income:</b>			
Other income	837.50	1,234.38	
<b>Unallocated expenses:</b>			
Finance cost	369.94	528.24	
Other expenses	1,277.60	1,580.76	
<b>Profit/(loss) before tax</b>	<b>(625.35)</b>	<b>(1,133.47)</b>	
Less: Exceptional I tems	-	4,150.05	
<b>Profit/(Loss) before tax after exceptional items</b>	<b>(625.35)</b>	<b>(5,283.52)</b>	
Tax expense	(112.55)	33.83	
<b>Profit/(loss) after tax</b>	<b>(512.80)</b>	<b>(5,317.35)</b>	
<b>Other comprehensive income</b>			
I tems that will not be reclassified to profit or loss	3.22	6.50	
<b>Total comprehensive income/(expense)</b>	<b>(509.58)</b>	<b>(5,310.85)</b>	
<b>iii Assets</b>			
<b>Total assets for reportable segments</b>			
Partner	4,361.50	4,821.80	
Digital	3,060.65	4,159.21	
Vocational	397.71	1,493.22	
<b>Unallocated amounts</b>			
I nvestments in subsidiaries and associate	15,698.57	15,696.22	
Deferred tax assets	422.13	290.30	
Other corporate assets	13,081.69	13,691.02	
<b>Total assets</b>	<b>37,022.25</b>	<b>40,151.77</b>	
<b>iv Liabilities</b>			
<b>Total liabilities for reportable segments</b>			
Partner	1,643.60	2,594.86	
Digital	1,590.01	2,451.43	
Vocational	695.30	923.95	
<b>Unallocated amounts</b>			
Other corporate liabilities	3,873.67	4,454.78	
<b>Total liabilities</b>	<b>7,802.58</b>	<b>10,425.02</b>	
<b>v Other material items</b>			
<b>Year ended March 31, 2021</b>	<b>Reportable segment total</b>	<b>Others</b>	<b>Total</b>
Interest revenue	-	440.71	440.71
Interest expense	-	369.94	369.94
Capital expenditure during the year	438.02	41.54	479.56
Depreciation and amortisation expense	479.25	128.93	608.18
Other significant non cash items	-	-	-

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**Year ended March 31, 2020**

	Reportable segment total	Others	Total
Interest revenue	-	518.77	518.77
Interest expense	-	528.24	528.24
Capital expenditure during the year	624.98	115.76	740.74
Depreciation and amortisation expense	977.19	135.53	1,112.72
Other significant non cash items	-	-	-

**D. Geographic information**

The geographic information analyses the Company's revenue and non-current assets by the Company'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 Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:

**a) Revenues from different geographies**

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	9,406.64	15,515.82
Outside India	579.85	818.91
	<b>9,986.49</b>	<b>16,334.73</b>

**b) Non-current assets**

	As at March 31, 2021	As at March 31, 2020
Within India	22,077.86	23,126.91
Outside India	12.32	6.23
	<b>22,090.18</b>	<b>23,133.14</b>

Non-current assets other than financial instruments & deferred tax assets and post-employment benefit assets.

**E. Major customers**

During the years ended March 31, 2021 and March 31, 2020 no single customer represents 10% or more of the Company's total revenue.

*(This space has been intentionally left blank)*



CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

56. 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.

i. As at March 31, 2021

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Loans	-	-	64.03	64.03	-	-	-
Other financial assets	-	-	4.40	4.40	-	-	-
<b>Current</b>							
Investments	3,852.91	-	-	3,852.91	3,852.91	-	-
Trade receivables	-	-	1,508.62	1,508.62	-	-	-
Cash and cash equivalents	-	-	362.04	362.04	-	-	-
Bank Balances other than cash and cash	-	-	432.36	432.36	-	-	-
Loans	-	-	4,591.97	4,591.97	-	-	-
Other financial assets	-	-	385.41	385.41	-	-	-
<b>Total</b>	<b>3,852.91</b>	<b>-</b>	<b>7,348.83</b>	<b>11,201.74</b>	<b>3,852.91</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	470.83	470.83	-	-	-
Lease Liability	-	-	130.05	130.05	-	-	-
<b>Current</b>							
Borrowings	-	-	2,433.45	2,433.45	-	-	-
Lease Liability	-	-	81.11	81.11	-	-	-
Trade payables	-	-	2,373.25	2,373.25	-	-	-
Other financial liabilities	-	-	831.87	831.87	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,320.56</b>	<b>6,320.56</b>	<b>-</b>	<b>-</b>	<b>-</b>

ii. As at March 31, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Loans	-	-	116.42	116.42	-	-	-
Other financial assets	-	-	401.92	401.92	-	-	-
<b>Current</b>							
Investments	3,716.34	-	-	3,716.34	3,716.34	-	-
Trade receivables	-	-	3,301.16	3,301.16	-	-	-
Cash and cash equivalents	-	-	434.79	434.79	-	-	-
Bank Balances other than cash and cash equivalents	-	-	19.20	19.20	-	-	-
Loans	-	-	4,957.00	4,957.00	-	-	-
Other financial assets	-	-	772.35	772.35	-	-	-
<b>Total</b>	<b>3,716.34</b>	<b>-</b>	<b>10,002.84</b>	<b>13,719.18</b>	<b>3,716.34</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	83.58	83.58	-	-	-
Lease Liability	-	-	391.54	391.54	-	-	-
<b>Current</b>							
Borrowings	-	-	3,433.39	3,433.39	-	-	-
Lease Liability	-	-	286.92	286.92	-	-	-
Trade payables	-	-	3,538.70	3,538.70	-	-	-
Other financial liabilities	-	-	898.65	898.65	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,632.78</b>	<b>8,632.78</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CL Educate Limited****Notes to the standalone financial statements for the year ended March 31, 2021**

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

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2021 and March 31, 2020.

**Valuation technique used to determine fair value**

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

**b. Financial risk management**

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

- Credit risk;
- Liquidity risk; and
- Market risk

**Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company'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 Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities.

*(This space has been intentionally left blank)*

**CL Educate Limited**

**Notes to the standalone financial statements for the year ended March 31, 2021**

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

**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	As at
	March 31, 2021	March 31, 2020
Trade receivables	1,508.62	3,301.16
Cash and cash equivalents	362.04	434.79
Bank Balances other than cash and cash equivalents	432.36	19.20
Loans	4,656.00	5,073.42
Other financial assets	389.81	1,174.27

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

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

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

ii. Credit risk on cash and cash equivalents is limited as the Company 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 Company does monitor the economic environment in which it operates and the Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the Company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable within the credit period allowed. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

The gross carrying amount of trade receivables is Rs. 1,675.57 lacs (March 31, 2020 3,816.39 lacs). Trade receivables are generally realised within the credit period. (refer note 52)

The Company believes that the unimpaired amounts that are past due by more than the credit period allowed are still collectible in full, based on historical payment behaviour.

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

Particulars	Gross carrying amount	
	As at March 31, 2021	As at March 31, 2020
Not Due	119.70	-
0-90 days past due	514.29	695.79
90 to 180 days past due	174.12	329.08
180-365 days	248.67	564.58
365-730 days	84.51	228.01
More than 730 days	534.28	1,998.93
	<b>1,675.57</b>	<b>3,816.39</b>

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	515.23	675.00
Reversed during the year	348.28	159.77
Balance at the end	<b>166.95</b>	<b>515.23</b>

*(This space has been intentionally left blank)*

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

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

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company 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 Company'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 Company'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 Company's liquidity position on the basis of expected cash flows.

**Exposure to liquidity risk**

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

As at March 31, 2021	Carrying Value	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
- From banks					
a) Vehicle loans	40.79	40.79	14.41	26.38	-
b) Other term loans	616.67	616.67	172.22	444.45	-
Current borrowings					
- Cash credit from banks	2,433.45	2,433.45	2,433.45	-	-
Trade payables	2,373.25	2,373.25	2,373.25	-	-
Lease Liability (current & non current)	211.16	211.16	81.11	130.05	-
Other financial liabilities					
Unpaid Dividend	2.56	2.56	2.56	-	-
Payable for property, plant and equipment	148.55	148.55	148.55	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	454.10	454.10	454.10	-	-
<b>Total</b>	<b>6,308.59</b>	<b>6,308.59</b>	<b>5,707.71</b>	<b>600.88</b>	<b>-</b>

As at March 31, 2020	Carrying Value	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
- From banks					
a) Vehicle loans	31.73	31.73	7.80	23.93	-
b) Other term loans	293.32	293.32	293.32	-	-
Current borrowings					
- Cash credit from banks	3,433.39	3,433.39	3,433.39	-	-
Trade payables	3,538.70	3,538.70	3,538.70	-	-
Lease Liability (current & non current)	678.46	678.46	286.92	358.36	33.18
Other financial liabilities					
Unpaid Dividend	2.56	2.56	2.56	-	-
Payable for property, plant and equipment	148.55	148.55	148.55	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	473.01	473.01	473.01	-	-
<b>Total</b>	<b>8,627.78</b>	<b>8,627.78</b>	<b>8,212.31</b>	<b>382.29</b>	<b>33.18</b>

The above amounts reflects the contractual undiscounted cash flows except Lease liabilities/finance lease obligation, which may differ from the carrying value of the liabilities at the reporting date.

(This space has been intentionally left blank)

CL Educate Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

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

**iii. Market risk**

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

**Currency risk**

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

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

**Exposure to currency risk**

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

Particulars	As at March 31, 2021			
	AED	Amount	USD	Amount
<b>Financial assets</b>				
Trade receivables	24.75	493.69	-	-
Other financial asset	0.93	18.55	7.69	399.49
Other bank balances	4.86	96.94	-	-
	30.54	609.18	7.69	399.49
<b>Financial liabilities</b>				
Trade payables and other Liabilities	1.35	26.93	-	-
	1.35	26.93	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>29.19</b>	<b>582.25</b>	<b>7.69</b>	<b>399.49</b>

Particulars	As at March 31, 2020			
	AED	Amount	USD	Amount
<b>Financial assets</b>				
Trade receivables	30.31	615.63	-	-
Other financial asset	0.53	10.59	7.69	399.49
Other bank balances	5.03	103.35	-	-
	35.87	729.57	7.69	399.49
<b>Financial liabilities</b>				
Trade payables and other Liabilities	2.58	52.95	-	-
	2.58	52.95	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>33.29</b>	<b>676.62</b>	<b>7.69</b>	<b>399.49</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2021 and March 31, 2020 would have affected the measurement of 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
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2021</b>				
AED	5.82	(5.82)	4.20	(4.20)
USD	3.99	(3.99)	2.88	(2.88)
<b>Total</b>	<b>9.81</b>	<b>(9.81)</b>	<b>7.08</b>	<b>(7.08)</b>
<b>For the year ended March 31, 2020</b>				
AED	6.77	(6.77)	4.88	(4.88)
USD	3.99	(3.99)	2.88	(2.88)
<b>Total</b>	<b>10.76</b>	<b>(10.76)</b>	<b>7.76</b>	<b>(7.76)</b>

AED: United Arab Emirates Dirham and USD: United States Dollar.

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**B. Financial risk management (continued)**
**iii. Market risk**
**Interest rate risk**

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

**Exposure to interest rate risk**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans from banks	616.67	293.32
Vehicle loans from banks	40.79	31.73
Cash credit from banks	2,433.45	3,433.39
<b>Total</b>	<b>3,090.91</b>	<b>3,758.44</b>

**Cash flow sensitivity analysis for variable-rate instruments**

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

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on loans from banks</b>				
For the year ended March 31, 2021	16.58	(16.58)	(11.97)	11.97
For the year ended March 31, 2020	16.58	(16.58)	(11.97)	(11.97)

**57 Capital Management**

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

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company 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 Company may return capital to shareholders, raise new debt or issue new shares.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	3,090.91	3,758.44
Less : Cash and cash equivalent	362.04	434.79
<b>Adjusted net debt (A)</b>	<b>2,728.87</b>	<b>3,323.65</b>
<b>Total equity (B)</b>	<b>29,219.67</b>	<b>29,726.75</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>9.34%</b>	<b>11.18%</b>

- (b) Dividends

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

## CL Educate Limited

## Notes to the standalone financial statements for the year ended March 31, 2021

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

- 58 The Board of Directors of the Company has approved a scheme of arrangement for amalgamation of its subsidiary companies into the Company ("the Scheme") in its meeting held on November 27, 2018. The Scheme has been approved by National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). During the year, an application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Company Law Tribunal (NCLT), for the proposed amalgamation of Career Launcher Education Infrastructure and Services Limited, CL Media Private Limited, Accendere Knowledge Management Services Private Limited, G.K. Publications Private Limited and Kestone Integrated Marketing Services Private Limited ("Amalgamating Company") with CL Educate Limited ("Amalgamated Company"). The Scheme will be effective upon approval from NCLT, which is pending as on date predominantly on account of the COVID-19 pandemic. The appointed date as proposed date by the Company is April 1, 2019. The Company has filed a petition in NCLT to expedite the process of merger. The next hearing is scheduled to be held on July 30, 2021. Pending hearing for NCLT, no adjustment has been taken in the books of account.
- 59 The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the education sector as well, as all of the Company's study centers across India continued to remain shut right through the year ended March 31, 2021. The Management had however, made necessary adjustments to its service and customer acquisition processes, moving largely to Digital model, thereby minimizing the business impact of the pandemic. During the current year, the Management has re-evaluated the likely impact of COVID-19 on its business operations, demand for its products/services, profitability, capital and financial resources, liquidity position, ability to service debt arrangements and financial and non-financial assets, etc. Based on the projected cash flows drawn for the current financial year, the Management has concluded that the Company will have sufficient liquidity to continue its operations in an uninterrupted manner. Also, the Management is of the view that there is no material impact and confident of recovering the carrying amount of all the assets. Any possibilities of delays in collection are covered by the Expected Credit Loss Model. For the aforesaid evaluation, the Management has considered internal and external source of information up to the date of approval of these financial statements. The actual impact of pandemic may however, differ from that estimated as at date of approval of these financial statements and the Management will continue to closely monitor any material changes to future economic conditions.
- 60 The standalone financial statements for the year ended March 31, 2021 were approved by board of directors on June 24, 2021.
- 61 Previous year's notes / 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 Chandiok & CO LLP**  
Chartered Accountants  
FRN No. 001076N/N500013

**Sd/-**  
**Neeraj Goel**  
Partner  
Membership No.:099514

Place: Gurugram, Haryana  
Date: 24 June 2021

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

**Sd/-**  
**Satya Narayanan R**  
Chairman  
and Executive Director  
DIN: 00307326

**Sd/-**  
**Rachna Sharma**  
Company Secretary  
and Compliance Officer  
I CSI M. No.: A17780

Place: New Delhi  
Date: 24 June 2021

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

**Sd/-**  
**Arjun Wadhwa**  
Chief Financial Officer

## Independent Auditor's Report

### To the Members of CL Educate Limited

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

#### Opinion

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

#### Basis for Opinion

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

#### Emphasis of Matters

4. We draw attention to:
  - a) Note 57A to the accompanying consolidated financial statements, with regard to Business Transfer Agreement with I-Take Care Private Limited (the "Buyer") for the sale of infrastructure services business (the "Assets") on slump sale basis. As on date, the transaction is pending closure as the Buyer has not been able to arrange the requisite funds to close the transactions. As detailed in said note, the Management is also in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As further stated in the said Note, the delay is caused by the events and circumstances beyond Career Launcher Infrastructure Private Limited ("CLIP")'s control and that Management remains committed to its plan to sell the assets. As a result, CLIP continues to disclose such Assets as "Disposal group-Assets held for sale" as on the balance sheet date.
  - b) Note 65 and Note 66 to the accompanying consolidated financial statements, which describes that the group has initiated a legal action against B&S Strategy Services Private Limited ('B&S') before the Honourable Delhi High Court for recovery of outstanding cash consideration of Rs. 400 lacs from sale of its school business vertical. Further, as stated in the said note, the Group has receivables from Nalanda Foundation amounting to Rs 500 lacs which are long outstanding. Based on legal advice and its assessment of the merits of the case, the Management is of the view that the aforesaid receivable



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

balances are good and recoverable and hence, no adjustment is required in the consolidated financial statements of the Group as at the balance sheet date.

- c) Note 67 to the consolidated Ind AS financial statements, which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations of the Group and the accompanying consolidated Ind AS financial statements as at the balance sheet date, the extent of which is significantly dependent on future developments as they evolve.

Our opinion is not modified in respect of these matters.

**Key Audit Matters**

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

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition (Refer Note 2(ii) and Note 38 to the accompanying consolidated financial statements)</b></p> <p>We refer to the Group's significant accounting policies in Note 2(ii) and the revenue related disclosures in Note 38 of the consolidated financial statements.</p> <p>Revenue is a key business driver for the Company and is therefore, susceptible to misstatement. Revenue recognition under Ind AS 115, 'Revenue from contracts with customers' ('Ind AS 115') involves significant judgement by the management in identification of separate performance obligations in contracts with multiple performance obligations, determining transaction price in view of discounts offered to the customers, allocation of such transaction price to the identified performance obligations, and assessing satisfaction of the performance obligations to ensure the revenue is booked in correct periods.</p> <p>Further, for fixed price contracts, the management assesses progress towards complete satisfaction of performance obligations basis the pattern in which content is delivered by the Company to the students over a period of time.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Group's revenue recognition policy in accordance with Ind AS 115 including evaluation of management's assessment of performance obligations determined to be satisfied over time and related method of measuring progress towards complete satisfaction of such performance obligation.</li> <li>• Understood, evaluated and tested the design and operating effectiveness of key controls implemented by the Company/ Group in relation to revenue recognition including discounts.</li> <li>• Performed test of details for samples selected from revenue transactions recorded during the year by inspecting invoices and other related supporting documents for such samples. Further, evaluated whether the revenue has been recognized as per the accounting policy of the Company for such samples.</li> </ul>

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

Key audit matters	How our audit addressed the key audit matter
<p>Considering significant volume of transactions, the materiality of amounts involved, and significant judgements involved as above, revenue recognition was identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Performed substantive analytical procedures which included review of price, quantity and discounts variances and month-to-month ratio analysis based on customer level and company level data.</li> <li>• Tested the calculations related to discounts and other supporting documents, on a test check basis.</li> <li>• Evaluated the adequacy and accuracy of relevant disclosures made in the consolidated financial statements in accordance with Ind AS 115.</li> </ul>
<p><b>Loss allowance for Trade Receivables (Refer Note 2(ii) and Note 17 to the accompanying consolidated financial statements)</b></p> <p>The Company has trade receivables of Rs. 5,247.56 lacs as at 31 March 2021 (net of impairment of Rs. 269.61 lacs). During the year, the Company has recorded a charge of Rs 2,853.42 lacs towards bad debts for such trade receivables.</p> <p>Owing to the nature of operations of the Company and related customer profiles, the Company has significant long standing trade receivable balances, for which appropriate loss allowance is required to be created for expected credit losses using simplified approach in accordance with the requirements of Ind AS 109, Financial Instruments, measuring the loss allowance equal to lifetime expected credit losses.</p> <p>For the purpose of expected credit loss assessment of trade receivables, significant judgment is required by the management to estimate the timing and amount of realisation of these receivables basis the past history, customer profiles, and consideration of other internal and external sources of information, including the impact of COVID 19 pandemic in aforesaid estimates.</p> <p>Considering the significant judgement involved, increased complexities due to the pandemic, high estimation uncertainty and materiality of the amounts involved, we have identified loss allowance on trade receivables as a key audit matter for current year audit.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the trade receivables process with regards to valuation and testing of controls designed and implemented by the management.</li> <li>• Testing the accuracy of ageing of trade receivables at year end on sample basis.</li> <li>• Obtained a list of outstanding receivables, identified significant long outstanding receivables, and discussed plan of recovery with management.</li> <li>• Circularized balance confirmations to a sample of non-student trade receivables and reviewed the reconciling items, if any.</li> <li>• Verified the appropriateness of judgments regarding provisions for trade receivables and assess as to whether these provisions were calculated in accordance with the Company's provisioning policies.</li> <li>• Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, as applicable.</li> <li>• Verified the related disclosures made in notes to the consolidated financial statements in accordance with Ind AS 115 and Ind AS 109.</li> </ul>
<p><b>Impairment assessment of Goodwill</b></p>	

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

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

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

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

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

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

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

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

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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group and its associate company, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and its associate.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

### Other Matters

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company and one subsidiary company, covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that six subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies. Further, as stated in paragraph 17, financial statements of one associate company, covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such company has not paid any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such associate company.
20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

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

- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) the one matter described in paragraph 4(c) of the Emphasis of Matters section, in our opinion, may have an adverse impact effect on the functioning of the Group;
- f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company covered under the Act, none of the directors of the Group companies and its associate company, covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate, as detailed in Note 49 to the consolidated financial statements;
  - ii. the Holding Company, its subsidiary companies and associate, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate, during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

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

Place: Gurugram, Haryana  
Date: 24 June 2021

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

#### Annexure 1

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

##### Holding Company

1. CL Educate Limited

##### Subsidiaries

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

##### Associate

1. Threesixtyone Degree Minds Consulting Private Limited



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

## Annexure II

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

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

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

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

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate company as aforesaid.

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

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

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

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

### Opinion

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

### Other Matters

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

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

on the corresponding internal financial controls with reference to financial statements reports certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

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

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

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

**CL Educate Limited**
**Consolidated Balance Sheet as at March 31, 2021**

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

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

Continue to next page

## Consolidated Financial Statements



CL Educate Limited

Consolidated Balance Sheet as at March 31, 2021

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

Continued from previous page

### Liabilities

#### Non-current liabilities

Notes	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
(i) Borrowings	26 566.85	358.37
(ii) Lease liabilities	27 146.00	448.25
Provisions	28 588.83	562.36
Deferred tax liabilities (net)	29 9.40	3.36
Other non-current liabilities	30 108.48	71.29
<b>Total non-current liabilities</b>	<b>1,419.56</b>	<b>1,443.63</b>

#### Current liabilities

Financial liabilities		
(i) Borrowings	31 3,276.08	3,918.08
(ii) Lease liabilities	32 115.24	435.74
(iii) Trade payables	33	
- total outstanding dues of micro and small enterprises; and	944.09	802.68
- total outstanding dues of creditors other than micro and small enterprises	1,536.05	3,263.66
(iv) Other financial liabilities	34 1,321.84	1,361.84
Other current liabilities	35 1,822.75	2,530.08
Provisions	36 12.65	12.21
Current tax liabilities (net)	37 9.66	12.18
<b>Total current liabilities</b>	<b>9,038.36</b>	<b>12,336.47</b>

#### Total equity and liabilities

**37,686.72** **42,145.87**

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

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

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

**Sd/-**  
**Neeraj Goel**  
Partner  
Membership No.:099514

Place: Gurugram, Haryana  
Date: June 24, 2021

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

**Sd/-**  
**Satya Narayanan R**  
Chairman and  
Executive Director  
DIN: 00307326

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

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

**Sd/-**  
**Arjun Wadhwa**  
Chief Financial Officer

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

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

Continue to next page

## CL Educate Limited

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

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

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

Summary of significant accounting policies

1

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

ICAI Firm registration No. 001076N/N500013

Sd/-

**Neeraj Goel**

Partner

Membership No.:099514

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

Sd/-

**Satya Narayanan R**Chairman and  
Executive Director

DIN: 00307326

Sd/-

**Gautam Puri**Vice-Chairman and  
Managing Director

DIN: 00033548

Sd/-

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

Place: New Delhi

Date: June 24, 2021

Sd/-

**Arjun Wadhwa**

Chief Financial Officer

Place: Gurugram, Haryana

Date: June 24, 2021

**CL Educate Limited**
**Consolidated Statement of Cash Flow for the year ended March 31, 2021**

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

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



## CL Educate Limited

## Consolidated Statement of Cash Flow for the year ended March 31, 2021

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

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

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

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

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

(iii) The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind

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

Summary of significant accounting policies

1

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

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm registration No. 001076N/N500013

Sd/-

**Neeraj Goel**

Partner

Membership No.:099514

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

Sd/-

**Satya Narayanan R**

Chairman and

Executive Director

DIN: 00307326

Sd/-

**Gautam Puri**

Vice-Chairman and

Managing Director

DIN: 00033548

Sd/-

**Rachna Sharma**

Company Secretary

ICSI M. No.: A17780

Sd/-

**Arjun Wadhwa**

Chief Financial Office

Place: Gurugram, Haryana

Date: June 24, 2021

Place: New Delhi

Date: June 24, 2021



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

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

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

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

For **Walker Chandok & Co LLP**  
 Chartered Accountants

ICAI Firm registration No. 001076/N/MS00013

**Sd/-**  
**Neeraj Goel**  
 Partner  
 Membership No. 099514

Place: Gurugram, Haryana  
 Date: June 24, 2021

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

**Sd/-**  
**Satya Narayanan R**  
 Chairman and  
 Executive Director  
 DIN: 00307326

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

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

**Sd/-**  
**Arijun Wadhwa**  
 Chief Financial Officer

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

## Reporting Entity

CL Educate Limited (the 'Holding Company') is a company domiciled in India, with its registered office situated at Plot No.9A, Sector 27A, Mathura Road, Faridabad, Haryana -121003 and corporate office at A-45, Mohan Cooperative Industrial Area, Mathura Road, New Delhi - 110044. The Holding Company was incorporated in India on April 25, 1996 to conduct various educational and consulting programmes. The Holding Company is providing education and test preparation training programmes which include tuitions to school students and coaching to aspirants for a variety of entrance examinations both at the school and graduate / post graduate levels.

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

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

## 1. A. Basis of preparation.

## (i) Statement of compliance:

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

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

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

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

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

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

All other assets are classified as non-current.

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

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

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

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

All other liabilities are classified as non-current.

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

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

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

**B. Basis of consolidation**

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

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

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

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

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

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

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

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

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

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

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

**2. Significant accounting policies****(i) Fair value measurements**

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

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

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

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

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

**(ii) Revenue**

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

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

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

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.

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021****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



## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

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

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

security deposit adjusted and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

**(v) Investment property**

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

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

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and category of the investment property being valued. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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

**(vi) Intangible assets**

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

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

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

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

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

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

The reassessed useful lives of intangible assets are as follows:

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

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the consolidated Statement of Profit and Loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

**(vii) Business combination and goodwill**

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

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

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

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

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.

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

**(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:

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**a) Debt instruments at amortised cost

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

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

b) Debt instruments at fair value through other comprehensive income

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

c) Debt instruments at fair value through profit or loss

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

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

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

d) Equity instruments

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

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition

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

Impairment of financial assets

The Group measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

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**

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

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,



## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

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

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

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

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

- a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale; and
- b) its recoverable amount at the date of the subsequent decision not to sell.

**(xiii) Employee benefits***Contribution to provident and other funds*

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

*Gratuity*

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

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

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.

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

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.

**CL Educate Limited****Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021**

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:

## CL Educate Limited

## Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

## 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.

CL Educate Limited

Summary of significant accounting policies and explanatory information on the Consolidated Financial Statements for the year ended 31 March 2021

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.

*(This space has been intentionally left blank)*

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

3. Property, plant and equipment

Reconciliation of carrying amount	Freehold land	Leasehold land Refer note	Buildings	Buildings improvement	Plant and machinery	Leasehold improvement	Furniture and fixtures	Office equipments	Computers	Vehicles	Printing Negative Films	Total
<b>Cost or deemed cost (Gross carrying amount)</b>												
Deemed cost as at April 1, 2019	1,072.39	196.78	2,525.87	7.89	50.34	222.54	253.60	366.56	590.90	132.93	9.44	5,429.24
Additions during the year	-	-	-	-	2.69	15.65	10.15	15.34	61.60	17.65	12.03	135.11
Re-classification on account of IND AS 116	-	(196.78)	-	-	-	-	-	-	-	-	-	(196.78)
Disposals during the year	-	-	-	-	-	-	-	-	(0.89)	-	-	(0.89)
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>1,072.39</b>	<b>393.56</b>	<b>2,525.87</b>	<b>7.89</b>	<b>53.03</b>	<b>238.19</b>	<b>263.75</b>	<b>381.90</b>	<b>651.61</b>	<b>150.58</b>	<b>21.47</b>	<b>5,356.68</b>
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)
<b>Balance as at March 31, 2021</b>	<b>1,591.04</b>	<b>393.56</b>	<b>2,556.12</b>	<b>7.89</b>	<b>53.03</b>	<b>283.44</b>	<b>294.25</b>	<b>460.02</b>	<b>702.45</b>	<b>208.56</b>	<b>21.47</b>	<b>4,717.91</b>
<b>Accumulated depreciation</b>												
Balance as at April 1, 2019	-	7.55	131.77	2.52	16.45	160.58	76.36	205.21	452.95	48.88	0.70	1,102.97
Depreciation for the year	-	2.27	44.31	1.51	4.27	40.15	31.00	77.94	73.70	16.55	5.59	297.30
Re-classification on account of IND AS 116	-	(9.80)	-	-	-	-	-	-	-	-	-	(9.80)
Disposals during the year	-	-	-	-	-	-	-	-	(0.81)	-	-	(0.81)
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>-</b>	<b>-</b>	<b>176.08</b>	<b>4.03</b>	<b>20.72</b>	<b>200.73</b>	<b>107.36</b>	<b>283.15</b>	<b>525.84</b>	<b>65.43</b>	<b>6.29</b>	<b>1,389.65</b>
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)	(26.84)	-	(152.09)
Reclassified to disposal group - assets held for sale	-	-	(2.74)	-	-	-	-	-	-	-	-	(2.74)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>223.01</b>	<b>5.53</b>	<b>24.83</b>	<b>263.74</b>	<b>153.17</b>	<b>368.79</b>	<b>605.49</b>	<b>106.35</b>	<b>13.46</b>	<b>1,454.70</b>
<b>Net carrying amount</b>												
<b>As at March 31, 2020</b>	<b>1,072.39</b>	<b>393.56</b>	<b>2,349.79</b>	<b>3.86</b>	<b>32.31</b>	<b>37.46</b>	<b>156.39</b>	<b>98.75</b>	<b>125.77</b>	<b>85.15</b>	<b>15.18</b>	<b>3,977.03</b>
<b>As at March 31, 2021</b>	<b>1,591.04</b>	<b>393.56</b>	<b>2,333.11</b>	<b>2.36</b>	<b>28.20</b>	<b>19.70</b>	<b>141.08</b>	<b>91.23</b>	<b>96.96</b>	<b>102.21</b>	<b>8.01</b>	<b>3,263.21</b>

Notes:

- For details related to assets identified for slump sale (discontinued operations) (Refer note 57)
- Please refer note 50 for details of assets held under finance lease
- Please refer note 49 for capital commitments.
- The Group has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020.
- Certain property, plant and equipment, are subject to charge against secured borrowings of group companies referred in notes as secured term loans from others and secured term loans from banks and bank overdrafts. (Refer note 26 and 31).
- There are no impairment losses recognised during the year.
- During the previous year, Leasehold land at Greater Noida have been reclassified from Property, plant and equipment to right-of-use assets in accordance with IND AS- 116: Leases (refer note 4).
- During the year ended March 31, 2021, the Group has classified the freehold land amounting to Rs. 518.65 lacs (previous year : nil) and building amounting to Rs. 27.51 lacs (previous year : nil) located at Faridabad as assets held for sale.

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

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

**4. Right-of-use assets**

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

Note :

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

*(This space has been intentionally left blank)*



## CL Educate Limited

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

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

## 5. Investment property

## A. Reconciliation of carrying amount

	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
Balance at the beginning of the year	323.54	323.54
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>323.54</b>	<b>323.54</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	23.63	17.87
Depreciation for the year	5.75	5.76
<b>Balance at the end of the year</b>	<b>29.38</b>	<b>23.63</b>
<b>Carrying amounts</b>	<b>294.16</b>	<b>299.91</b>
<b>B. Amounts recognised in consolidated statement of profit and loss for investment property</b>		
Rental income	11.10	26.49
<b>Profit from investment properties before depreciation</b>	<b>11.10</b>	<b>26.49</b>
Depreciation	5.75	5.76
<b>Income from investment property</b>	<b>5.35</b>	<b>20.73</b>
<b>C. Measurement of fair value</b>		
Investment property	770.00	770.00
	<b>770.00</b>	<b>770.00</b>

## D. Estimation of fair values

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

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

**Valuation technique:**

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

**Fair value hierarchy**

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

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

**Valuation technique**

Market method

**Observable inputs**

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

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

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

**6. Goodwill**

**Reconciliation of carrying amount**

	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
Balance at the beginning of the year	3,273.42	3,273.42
Impairment charge	-	-
<b>Total</b>	<b>3,273.42</b>	<b>3,273.42</b>

**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, 2021	As at March 31, 2020
a) Consumer test prep	826.6	826.6
b) Consumer publishing	538.81	538.81
c) Enterprise corporate	488.2	488.2
d) Enterprise institutional	1,351.33	1,351.33
e) Others	68.48	68.48
	<b>3,273.42</b>	<b>3,273.42</b>

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

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

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

	Consumer test prep	Consumer publishing	Enterprise corporate	Enterprise institutional	Others
<b>March 31, 2021</b>					
Sales volume (% annual growth rate)	15.00%	10.00%	10.00%	15.00%	2.00%
Long term growth rate (%)	6.00%	6.00%	6.00%	6.00%	6.00%
Pre-tax discount rate (%)	16.00%	11.55%	12.00%	12.00%	10.70%
<b>March 31, 2020</b>					
Sales volume (% annual growth rate)	15.00%	10.00%	10.00%	15.00%	2.00%
Long term growth rate (%)	6.00%	6.00%	6.00%	6.00%	6.00%
Pre-tax discount rate (%)	16.00%	11.55%	12.00%	12.00%	10.70%

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

**Assumption Approach used to determining values**

Sales volume :

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

Long-term growth rate:

This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Pre-tax discount rates:

Reflect specific risks relating to the relevant segments and the countries in which they operate.

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

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

7. Other intangible assets

Reconciliation of carrying amount	Intellectual property rights and trademarks	Computer Softwares	License fees Refer	Content development	CAT online module	Non compete fees	Brand	Wain Connect	10M	Melting Pot	Online Video content	Aspiration. AI	Website	GATE Fix	Distribution Network	Total
<b>Cost or deemed cost (Gross carrying amount)</b>																
Balance as at April 1, 2019	739.08	200.49	87.29	1,589.57	26.98	99.00	330.00	22.50	118.40	124.77	43.50	-	22.04	-	28.56	3,432.18
Additions - others	-	34.04	-	202.06	-	10.00	-	-	-	-	-	174.45	-	-	-	420.55
Additions - internally developed (refer note 8)	-	-	-	276.79	-	-	-	-	-	-	-	81.40	-	61.08	-	419.27
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>739.08</b>	<b>234.53</b>	<b>87.29</b>	<b>2,068.42</b>	<b>26.98</b>	<b>109.00</b>	<b>330.00</b>	<b>22.50</b>	<b>118.40</b>	<b>124.77</b>	<b>43.50</b>	<b>255.85</b>	<b>22.04</b>	<b>61.08</b>	<b>28.56</b>	<b>4,272.00</b>
Additions - others	-	342.33	-	315.89	-	-	-	-	-	13.76	-	25.98	-	-	-	671.98
Additions - internally developed (refer note 8)	-	-	(87.29)	101.37	-	-	-	-	-	-	-	-	(22.04)	-	-	127.35
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(109.33)
<b>Balance as at March 31, 2021</b>	<b>739.08</b>	<b>576.86</b>	<b>-</b>	<b>2,485.68</b>	<b>26.98</b>	<b>109.00</b>	<b>330.00</b>	<b>22.50</b>	<b>118.40</b>	<b>138.53</b>	<b>43.50</b>	<b>281.83</b>	<b>-</b>	<b>61.08</b>	<b>28.56</b>	<b>4,962.00</b>
<b>Accumulated amortisation</b>																
Balance as at April 1, 2019	417.46	59.85	79.16	555.07	15.58	66.99	66.00	5.63	14.82	14.10	4.35	-	14.73	-	28.56	1,342.30
Amortisation for the year	125.91	39.91	8.13	339.93	5.81	32.63	33.09	4.51	11.87	13.72	8.72	34.99	7.31	-	-	666.53
<b>Balance as at March 31, 2020/April 1, 2020</b>	<b>543.37</b>	<b>99.76</b>	<b>87.29</b>	<b>895.00</b>	<b>21.39</b>	<b>99.62</b>	<b>99.09</b>	<b>10.14</b>	<b>26.69</b>	<b>27.82</b>	<b>13.07</b>	<b>34.99</b>	<b>22.04</b>	<b>-</b>	<b>28.56</b>	<b>2,008.83</b>
Amortisation for the year	33.60	39.82	-	272.59	5.57	9.38	33.00	1.59	11.84	21.17	8.70	17.45	-	12.21	-	466.92
Disposals during the year	-	-	(87.29)	-	-	-	-	-	-	-	-	-	(22.04)	-	-	(109.33)
<b>Balance as at March 31, 2021</b>	<b>576.97</b>	<b>139.58</b>	<b>-</b>	<b>1,167.59</b>	<b>26.96</b>	<b>109.00</b>	<b>132.09</b>	<b>11.73</b>	<b>38.53</b>	<b>48.99</b>	<b>21.77</b>	<b>52.44</b>	<b>-</b>	<b>12.21</b>	<b>28.56</b>	<b>2,366.42</b>
<b>Net carrying amount</b>																
Balance as at March 31, 2020	195.71	134.77	-	1,173.42	5.59	9.38	230.91	12.36	91.71	96.95	30.43	220.86	-	61.08	-	2,263.17
Balance as at March 31, 2021	162.11	437.28	-	1,318.09	0.02	-	197.91	10.77	79.87	89.54	21.73	229.39	-	48.87	-	2,595.68

Refer note 9 for intangible assets under development.

Note :

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

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

(This space has been intentionally left blank)

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

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

**8. Details of internally generated intangible assets**

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

**9. Intangibles assets under development**
**Particulars**

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

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

*(This space has been intentionally left blank)*

## CL Educate Limited

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

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

## 10 Non-current financial assets - loans

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Security deposits	98.09	167.66
	<b>98.09</b>	<b>167.66</b>

**Note:**

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

## 11 Other non-current financial assets

	As at March 31, 2021	As at March 31, 2020
Deposits with remaining maturity for more than 12 months from reporting date (refer note below)	61.71	956.61
	<b>61.71</b>	<b>956.61</b>

**Note:**

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

## 12 Non-current tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provision)	2,180.63	2,686.72
	<b>2,180.63</b>	<b>2,686.72</b>

## 13 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (net) (refer note 62)	1,752.29	1,325.88
	<b>1,752.29</b>	<b>1,325.88</b>

## 14 Other non-current assets

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Capital advances	75.78	16.00
Prepaid expenses	25.61	53.60
	<b>101.39</b>	<b>69.60</b>

*(This space has been intentionally left blank)*

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

## 15 Inventories

### Valued at lower of cost and net realisable value

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

Note:

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

## 16 Current investments

### Unquoted at fair value through profit and loss, non-trade

Investments in mutual funds (refer note below)

	As at March 31, 2021	As at March 31, 2020
	3,852.91	3,716.34
	<b>3,852.91</b>	<b>3,716.34</b>

### Aggregate amount of unquoted investment and market value thereof

3,852.91                      3,716.34

### Details of investment in liquid mutual fund units

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

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

Note:

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

## 17 Trade receivables

### Unsecured

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

Notes:

- (i) The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 59.
- (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 26 and 31).

## CL Educate Limited

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

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

## 18 Cash and cash equivalents

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

**Note:**

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

## 19 Bank balances other than cash and cash equivalents

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

## Notes :

(i) I includes deposits of Rs. 1,164.29 lacs (previous year: Rs. 220.00) pledged with various authorities

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

## 20 Current financial assets - loans

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

**Note:**

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

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

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

(This space has been intentionally left blank)

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

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

**21 Other current financial assets**

Unsecured, considered good unless stated otherwise

**Unsecured, considered good**

Unbilled revenue	14.16	216.27
Receivable on account of sale of business (refer note 65)	400.00	400.00
Interest accrued on fixed deposits	5.23	25.76
Other receivables	219.90	343.58
	<b>639.29</b>	<b>985.61</b>

**Unsecured, considered doubtful**

Unbilled revenue	-	0.23
Other receivables	-	328.03
Less : Provision for doubtful debts	-	(328.26)
	-	-
	<b>639.29</b>	<b>985.61</b>

**Note:**

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

**22 Other current assets**

Unsecured, considered good

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

**Note:**

(i) Refer note 52 for transactions with related party

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

Disposal Group - Assets held for sale (refer note below)

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

- (a) On March 16, 2017, the Group entered into a Business Transfer Agreement with I -Take Care Private Limited (the "Buyer") to sell its Infrastructure Services business (the "Assets") on the slump sale basis. The proposed sale of business is consistent with the Group's long-term strategy to discontinue its K-12 business. As on date, the transaction is pending closure as the Buyer has not been able to arrange the requisite funds to close the transactions. The Management is taking appropriate action to ensure that its rights and interests are protected. Also, the Management is in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As the delay is caused by the events and circumstances beyond the Group's control and that the Management remains committed to its plan to sell the Assets and the Group continues to disclose such Assets as "Disposal group-Assets held for sale" in accordance with Ind AS-105 "Non-Current Assets held for Sale and Discontinued Operations".
- (b) During the current year, the Group has classified freehold land amounting Rs. 518.65 lacs and Building amounting to Rs. 27.51 lacs located at Faridabad, as assets held for sale. On July 22, 2020, the Group entered into an agreement for sale of its property situated at Faridabad, for which the total amount of consideration is Rs. 750.00 lacs out of which Rs. 24.75 lacs has been received as an advance. The carrying amount of the non-current asset will be recovered principally through a sale transaction rather than through a continuous use. The transaction is expected to be complete prior to March 31, 2022. Thus the Group is disclosing such assets as assets held for sale in accordance with Ind AS 105 "Non-Current assets held for Sale and Discontinued Operations". The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sale and hence there is no impairment loss to be recognised in the consolidated statement of profit and loss.



## CL Educate Limited

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

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

## 24 Share capital

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

## a. Terms and rights attached to equity shares

**Voting**

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

**Dividends**

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

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

**Liquidation**

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

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

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

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

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

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

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, 2020: 74,800) of Rs.10 each fully paid up during the financial years 2015-16 to 2019-20, on exercise of options granted under the employee stock option plans wherein part consideration was received in form of employee services.

iii. No equity shares has 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.

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

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

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

**Nature and purpose of reserves**

(i) **Retained earnings**

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

## CL Educate Limited

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

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

## Nature and purpose of reserves (continued from previous page)

## (ii) General reserve

The Company appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

## (iii) Securities premium

Securities premium has been created upon issue of shares at premium. The reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

## (iv) Employee stock options outstanding amount

The Company has an equity-settled share-based payment plans for certain categories of employees of the Company. Refer to Note 56 for further details on these plans.

## (v) Foreign currency translation reserve

The Group appropriates a portion to general reserves out of the profits either as per the requirements of the Companies Act 2013 ('Act') or voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Act

## (vi) Deemed equity

Deemed equity arising out of financial guarantee received from its Promoters.

## (vii) Capital reserve

The capital reserve was generated on account of acquisition of erstwhile Paragon classes in the FY 2001-02.

## 26 Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Secured loan</b>		
<b>From banks</b>		
Vehicle loans (refer note i)	48.30	44.31
Term loans (refer note ii)	616.66	293.33
<b>From financial institutions</b>		
Term loans (refer note iii)	349.28	522.64
<b>Total non-current borrowings</b>	<b>1,014.24</b>	<b>860.28</b>
Less: Current maturities of non-current borrowings (included in note 34)	440.14	496.18
Less: Interest accrued but not due on borrowings (included in note 34)	7.25	5.73
<b>Non-current borrowings (as per balance sheet)</b>	<b>566.85</b>	<b>358.37</b>

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

## i. Vehicle loans from bank

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

## ii. Secured Term loans from bank

## a) RBL Bank

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

**Interest rate:**

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

**Repayment schedule:**

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

**Primary security**

(i) These loans together with current borrowings are secured by 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, 2020 Rs. 371.35 lacs) to be kept with Bank during the tenure of Loan which is going to end on September 20, 2021.

**Collateral security:**

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

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

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

**26 Non-current borrowings (continued from previous page)**
**b) HDFC Bank**

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

**Interest rate:**

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

**Repayment schedule:**

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

**iii. Secured Term loans from financial institution**

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

**Interest rate:**

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

**Repayment schedule:**

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

**Collateral security**

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

**27 Non-current lease liabilities**

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

**28 Non-current provisions**

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

**29 Deferred tax liabilities (net)**

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

**30 Other non-current liabilities**

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

(This space has been intentionally left blank)

## CL Educate Limited

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

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

## 31 Current borrowings

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

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

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

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

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

The Holding Company had entered into a finance facility agreement with limit amounting Rs. 3,000.00 lacs (March 31, 2020 :Rs. 3,000.00 lacs) with HDFC Bank Limited comprising of Rs. 750.00 lacs as an overdraft facility & Rs. 2,250.00 lacs as a dropline overdraft facility.

**Interest rate**

These loans carry interest at bank's base rate + 3.75% (March 31, 2020: bank's base rate + 3.75%) per annum ranging from 9.95%.

**Security**

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

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

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

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

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

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

**Interest rate**

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

**Security**

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

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

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

**Security**

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

**(ii) Details of unsecured loans**

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

## 32 Current lease liabilities

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

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

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

**33 Trade payables**

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

**Note:**

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

**34 Other current financial liabilities**

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

**Note:**

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

**35 Other current liabilities**

	As at March 31, 2021	As at March 31, 2020
Unearned revenue	1,270.81	1,909.72
Statutory dues payable	258.52	244.63
Advance against sale of business undertaking (slump sale) (refer note 23)	135.13	110.38
Refund liability created against right to return	89.99	195.12
Others	68.30	70.23
	<b>1,822.75</b>	<b>2,530.08</b>

**36 Current provisions**

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

**37 Current tax liabilities**

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

## CL Educate Limited

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

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

## 38 Revenue from operations

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

## Disaggregated revenue information as per geographical markets

Particulars	For the year ended March 31, 2021		
	Geographical markets		
	India	Overseas	Total
Education and training programmes	8,016.22	317.21	8,333.43
Sale of text books	1,203.79	262.62	1,466.41
Income from advertisement services	845.70	-	845.70
Events	3,283.01	882.87	4,165.88
Digital	2,062.76	10.09	2,072.85
Manpower management services	1,286.13	37.24	1,323.37
Start up fees	219.05	-	219.05
Scrap sales	23.25	-	23.25
	<b>16,939.91</b>	<b>1,510.03</b>	<b>18,449.94</b>

Particulars	For the year ended March 31, 2020		
	Geographical markets		
	India	Overseas	Total
Education and training programmes	14,004.74	392.08	14,396.82
Sale of text books	2,413.28	426.82	2,840.10
Income from advertisement services	1,715.90	-	1,715.90
Events	5,729.69	1,508.12	7,237.81
Digital	2,800.70	60.71	2,861.41
Manpower management services	1,435.84	-	1,435.84
Start up fees	344.32	-	344.32
Scrap sales	6.93	-	6.93
Infrastructure fee	29.20	-	29.20
	<b>28,480.60</b>	<b>2,387.73</b>	<b>30,868.33</b>

## Changes in contract liability are as follows:-

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	1,981.01	1,492.16
Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year	(1,960.17)	(1,211.50)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	1,693.75	1,809.31
Reclassification of unearned revenue that is not yet collected in cash from trade receivables	(335.30)	(108.96)
<b>Balance at the end of the year</b>	<b>1,379.29</b>	<b>1,981.01</b>

## Note :

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

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

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

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

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

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

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

**II. Revenue as an agent**

The Group is involved in marketing and sale services. Such activities interalia involves, working at times, as an agent of the customers for certain events or for certain activities in an event. For example the customer at times request for collection of registration fees for the event, which is collected by the Holding Company and paid to the customers. In such cases normally there are, either the related event revenue or normal fees/commission. In such case the revenue disclosed in the financials includes only the amount of the fees/commission in accordance with para 34 to 38 of Ind AS 115. During the financial year 2020-21 the details of the collectable amount on behalf of the customers are detailed as under. Such amount is generally paid as and when collected and balance if any is disclosed under "Receipts on behalf of clients" as other current financial liability.

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

The Group is involved in marketing and sale services. Such activities interalia involves, working at times, as agent of the customers for certain events or for certain activities in an event. For example the customer at times request for payment to various vendors for the services rendered to them, which is paid by the Holding Company to various vendors and collected from customers. In such cases normally there are, either the related event revenue or normal fees/commission. In such case the revenue disclosed in the financials includes only the amount of the fees/commission in accordance with para 34 to 38 of Ind As 115. During the financial year 2020-21 the details of the amount paid/ payable on behalf of the customers are detailed as under. Such amount is generally collected from client as and when paid and balance if any is disclosed under "Trade Receivable" as current financial assets.

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

*(This space has been intentionally left blank)*



## CL Educate Limited

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

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

## 39 Other income

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

## 40 Cost of materials consumed

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

## Notes:

## (i) Details of purchases are as follows:

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

## 41 Purchases of stock-in-trade

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

(This space has been intentionally left blank)

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

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

**42 Changes in inventories of stock in trade**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the end of the year</b>		
-Finished goods	1,419.47	1,384.62
-Work-in-progress	-	6.39
-Impact of Right to return assets	71.99	130.99
<b>Total</b>	<b>1,491.46</b>	<b>1,522.00</b>
<b>Inventories at the beginning of the year</b>		
-Finished goods	1,384.62	767.45
-Work-in-progress	6.39	6.69
-Impact of Right to return assets	130.99	190.59
<b>Total</b>	<b>1,522.00</b>	<b>964.74</b>
<b>Net decrease/(increase) in inventories of finished goods</b>	<b>30.54</b>	<b>(557.26)</b>

**Note:**

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

**43 Employee benefits expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	3,551.00	4,770.57
Contribution to provident and other funds	187.25	225.22
Expenses related to post-employment defined benefit plans (refer note 51)	83.14	100.54
Expenses related to compensated absences (refer note 51)	59.96	47.16
Share-based payment to employees (refer note 51)	-	2.16
Staff welfare expenses	82.62	158.28
	<b>3,963.97</b>	<b>5,303.93</b>

**44 Finance costs**

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on borrowings measured at amortised costs	479.78	661.54
Interest on delayed payment of statutory dues	5.91	9.25
Interest expense on lease liabilities (refer note 50)	40.84	122.03
Finance cost on financial guarantees	12.60	14.84
Other borrowing costs	23.98	23.30
	<b>563.11</b>	<b>830.96</b>

**45 Depreciation and amortisation**

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	219.91	297.30
Amortisation of intangible assets (refer note 7)	466.92	666.53
Depreciation on investment property (refer note 5)	5.75	5.76
Depreciation on Right-of-use of assets (refer note 4)	142.59	431.91
	<b>835.17</b>	<b>1,401.50</b>

(This space has been intentionally left blank)

## CL Educate Limited

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

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

## 46 Other expenses

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

## Note:

## (i) Payment to auditors (excluding GST)

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

(This space has been intentionally left blank)

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

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

**47 Exceptional Item**

	Year ended March 31, 2021	Year ended March 31, 2020
B&S Strategy Services Private Limited (Refer note below)	-	4,150.05
	-	4,150.05

**Notes:**

During the FY 2017-18, the Group entered into an agreement with B&S Strategy Services Private Limited (B&S), an associate, to manage its School Business vertical (K 12 Business). The Group holds a 44.18% in equity share of B&S at an investment amounting to Rs. 4,745 lacs. Further, an overdue amount of Rs. 400.00 lacs is recoverable by Group from B&S towards cash consideration as per aforesaid agreement.

Over the period, the numbers of admissions have declined in the school and with insufficient cash being generated by the business, the Management did not intend to make further investments. The situation has been accentuated by the on set of COVID-19, forcing schools to shut early and the present management failing to collect final term fees of FY'20 and for the first quarter of the new Academic Year. In view of the afore said factors and based on an independent valuers' report, CLEI S fair valued its investment in B&S at Rs. 595 lacs as at March 31, 2020 there by resulting in an impairment of Rs. 4,150.05 lacs.

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

**48 Earnings per share**

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

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

**Options:** Options granted to employees are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. No stock options were outstanding at the beginning and at the end of the year.

*(This space has been intentionally left blank)*

## CL Educate Limited

## Notes to consolidated financial statements for year ended March 31, 2021

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

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

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

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

**B. Contingent liabilities**

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

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

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

Service tax matters	Matters in dispute/under appeal for various years	755.09	755.09
Income-tax matters	Matters in dispute/under appeal for various years	1,015.84	933.31
Other cases	Matters in dispute/under appeal #	99.08	100.08
		<b>1,870.01</b>	<b>1,788.48</b>

**Remarks:**

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

**# Other cases**

- i) Triangle Education, a franchisee of the Holding Company in Jaipur, had arbitrarily terminated the agreement and started a competing business using the brand of CL Educate. The Holding Company has filed a statement of claim before the sole Arbitrator amounting Rs. 190.00 lacs (March 31, 2020: Rs. 190.00 lacs) against triangle education. Triangle Education also filed a counter claim against the Holding Company amounting Rs. 32.06 lacs (March 31, 2020: Rs. 32.06 lacs). The Sole arbitrator has passed the final order partially in favour of the Holding Company. The Holding Company is planning to challenge the said orders to next appellate authority.
- ii) A student, has filled a case against the Holding Company for refund of fees amounting Rs. 6.20 lacs (March 31, 2020: Rs. 6.20 lacs) on the ground that he paid fees to Brilliant Tutorials considering the fact that the Holding Company has a tie-up with Brilliant Tutorial which was subsequently called off by the Holding Company. The matter was fixed for final argument on April 20, 2020 but due to Covid 19, date of argument shifted to next available slot.
- iii) The Director of Industries and Commerce cum Chairman MSE- Chandigarh has sent a notice amounting Rs. 12.31 lacs (March 31, 2020: Rs.12.31 lacs including interest of Rs. 3.30 lacs) on behalf of Reivera Fabricators regarding non payment of dues on account of uniforms supplied to Indus World Schools. The Holding Company has preferred an appeal against the same and the matter was fixed for final argument on April 15, 2021 but due to Covid-19 date of argument is shifted to next available slot.
- iv) Bawadia kala shiksha samiti, a lessor has filed a case against the Holding Company for recovery of rent /arrears amounting Rs.46.88 Lacs for non payment of rent, Holding Company engaged a local lawyer who will filed necessary application to transfer the case to New Delhi as the rent agreement have arbitration clause, which will be decided in new Delhi. The matter is fixed for final argument on June 17, 2021.
- v) Ritesh Manchanda, a student has filed a case against the Holding Company citing deficiency of services provided amounting to Rs. 1.63 lacs (March 31, 2020: Rs. 1.63 lacs). The case is pending at consumer court, Chandigarh.
- vi) Apart from those disclosed above, the Group has certain ongoing litigations involving customers, vendors and employees. Based on legal advice of in house legal team, the management believes that no material liability will devolve on the Group in respect of these litigations.

**C. Other litigations**

- i) In the financial year 2009-10, the Holding Company had given a franchisee to Ms Monica Oli in the name of Comprehensive Education and I T 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.

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

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

**50 Leases**

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

**A. Group as "Lessee"**

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

**a) Lease liabilities**

The movement in lease liabilities are as follows :

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

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

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

Not later than one year

Later than one year and not later than five years

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
-	-	-
<b>292.40</b>	<b>31.16</b>	<b>261.24</b>

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

Not later than one year

Later than one year and not later than five years

Later than five years

**Total**

As on March 31, 2020		
Lease Payments	Finance Charges	Net present Value
479.79	44.05	435.74
471.00	55.93	415.07
37.93	4.75	33.18
<b>988.72</b>	<b>104.73</b>	<b>883.99</b>

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

**c) Short term lease**

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

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

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

**B. Group as a lessor**

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

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

**CL Educate Limited**
**Notes to consolidated financial statements for year ended March 31, 2021**

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

**51 Employee benefits**

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

**(i) Defined Contribution Plans:**

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

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

**(ii) Defined Benefit Plan:**
**Gratuity**

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

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

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

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

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

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

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

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

Service cost  
 Net interest cost

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

**C. Plan assets**

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

Funds Managed by Insurer (investment with insurer)

Year ended March 31, 2021	Year ended March 31, 2020
100.00%	100.00%

**D. Actuarial assumptions**

**a) Economic assumptions**

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

Discount rate  
 Expected rate of future salary increase

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

**b) Demographic assumptions**

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

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

**E. Sensitivity analysis**

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

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

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(23.92)	26.30	(25.67)	28.33
Expected rate of future salary increase (0.5% movement)	24.39	(22.26)	26.92	(24.53)

Description of risk exposures:

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

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

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

**Duration of defined benefit obligation**

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

	As at March 31, 2021	As at March 31, 2020
Less than 1 year	5.41	5.89
Between 1-2 years	27.41	6.31
Between 2-5 years	49.19	55.98
Over 5 years	307.60	315.44
<b>Total</b>	<b>389.61</b>	<b>383.62</b>



CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2021

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

Expected contributions to post-employment benefit plans for the following year is Rs. 104.87 lacs. (March 31, 2020: Rs. 129.77)

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.44-30.21 years (March 31, 2020: 17.74-

(ii) Other long-term employee benefits:

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

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

52 Related parties

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

A. Name and description of relationship of the related party

i. Associate companies

Three Sixty One Degree Minds Consulting Private Ltd  
B&S Strategy Services Private Limited\*  
\* Not an associate as at March 31, 2021 (refer note 61)

ii. Employees' benefit trusts, where control exists

Career Launcher Employee Group Gratuity Trust  
CL Media Employee Gratuity Trust

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

Key managerial personnel (KMP)

Mr. Satya Narayanan R (Chairman and Executive Director)

Mr. Gautam Puri (Vice Chairman and Managing Director)  
Mr. Nikhil Mahajan (Executive Director and Group CEO Enterprise Business)  
Mr. Viraj Tyagi (Non-Executive Non Independent Director) (upto November 02, 2020)  
Ms. Madhumita Ganguli (Non-Executive Independent Director)  
Mr. Girish Shivani (Non-Executive Independent Director)  
Mr. Piyush Sharma (Non-Executive Independent Director) (w.e.f. July 17, 2020)  
Mr. Sushil kumar Roongta (Non-Executive Non-Independent Director)  
Mr. Sanjay Tapriya (Non-Executive Independent Director) (w.e.f. October 24, 2019)

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

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

Relatives of KMP

Mr. R Sreenivasan  
Mr. Shiva Kumar Ramachandran

B. Transactions during the year:

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

i Repayment of loans

- Career Launcher Education Foundation

- 210.02

ii Loan/ advance given

- Career Launcher Education Foundation

- 14.80

iii Reimbursement of expense from related parties

- Bilakes Consulting Private Limited

0.24 -

iv Interim Dividend paid:

- Bilakes Consulting Private Limited

- 12.55

v. Amount paid towards CSR expenses

- Career Launcher Foundation

50.00 -

b Employees' benefit trusts, where control exists

i Miscellaneous Income

- CL Media employee Gratuity Trust

0.17 0.72

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

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

	Year ended March 31, 2021	Year ended March 31, 2020
<b>c Key management personnel (KMP) and their relatives</b>		
<b>i Short term employee benefits:</b>		
- Mr. Gautam Puri	53.43	46.81
- Mr. Satya Narayanan R.	53.43	51.87
- Mr. Nikhil Mahajan	62.77	69.47
- Mr. R Sreenivasan	22.83	21.83
- Mr. Shiva kumar Ramachandran	22.83	21.83
<b>ii Post employment benefits:</b>		
- Mr. Gautam Puri	1.07	1.37
- Mr. Satya Narayanan R	0.68	1.16
- Mr. Nikhil Mahajan	0.63	1.13
<b>iii Other long term benefits</b>		
- Mr. Gautam Puri	1.36	10.57
- Mr. Satya Narayanan R	4.64	9.32
- Mr. Nikhil Mahajan	17.49	1.32
<b>iv Commission to non-executive Directors</b>		
- Mr. Viraj Tyagi	0.40	2.79
- Mrs. Madhumita Ganguli	1.40	3.09
- Mr. Girish Shivani	3.10	2.55
- Mr. Sanjay Tapariya	1.90	-
- Mr. Piyush Sharma	0.40	-
- Mr. Sushil kumar Roongta	-	3.09
<b>v Interim dividend paid:</b>		
- Mr. Satya Narayanan R.	-	22.98
- Mr. Gautam Puri	-	22.76
- Mr. Nikhil Mahajan	-	0.30
- Mr. R Sreenivasan	-	3.50
- Mr. R Shivakumar	-	3.50
<b>C. Related party balances as at the year end:</b>		
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>a Enterprises in which KMP and their relatives are able to exercise significant influence</b>		
<b>i Current loans</b>		
- Career Launcher Education Foundation	1,219.77	1,219.77
- CLEF - AP	40.71	40.71
<b>ii Capital advance</b>		
- Bilakes Consulting Private Limited	16.00	16.00
<b>iii Interest accrued but not due on loans given</b>		
- Career Launcher Education Foundation	34.79	34.79
<b>iv Other receivables</b>		
- Career Launcher Education Foundation	0.91	-
<b>v Other advances</b>		
- Bilakes Consulting Private Limited	61.07	60.82
<b>vi Guarantees received :</b>		
- Bilakes Consulting Private Limited	457.58	457.58
<b>b Key management personnel (KMP)</b>		
<b>i Short term employee benefits payable:</b>		
- Mr. Gautam Puri	27.21	43.28
- Mr. Satya Narayanan R	24.28	45.74
- Mr. Nikhil Mahajan	11.08	42.96

CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2021

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

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

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

**Note:**

i) Apart from above, Directors of the Holding Company i.e Mr. Satya Narayan R, Mr. Gautam Puri and Mr. Nikhil Mahajan have given personal guarantees against loan and overdraft facilities, the balance amount of loans guaranteed are Rs. 3,553.72 lacs (March 31, 2020: Rs. 4,124.10 lacs)

ii) During the current year, the Group has incorporated a Section 8 company Career Launcher Foundation which has not been considered for consolidation purposes in accordance with applicable I n 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 2019-20: Rs. 251.31). Further, during the year no interest was charged in respect of loans due from Career Launcher Education Foundation.

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

**53 Corporate Social Responsibility**

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

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

Shortfall amount carried forward to next year\*

Excess carried forward to next year\*

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

112.11      160.93  
(14.43)      -

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

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period included in		
Principal amount due to any supplier	944.09	802.68
Interest due on above	0.20	0.49
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-

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

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

Vocational trade receivables	Total Amount	Amount o/s. for more than 3 years (out of total amount)	Expected Credit Loss (ECL) Provision on outstanding	Amount of write off
As at March 31, 2021	357.59	357.59	23.44	1,450.00
As at March 31, 2020	1,807.59	1,807.59	381.15	1,025.00

**56 Share based payments**
**Description of share-based payment arrangements**

Pursuant to the resolution passed by the Board of Directors at its meeting on March 6, 2008 and the Special Resolution passed by the members in the EGM held on March 31, 2008, the Holding Company introduced "Career Launcher Employee Stock Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants, unless otherwise stated in the grant letter. As on March 31, 2021 and March 31, 2020 the Holding Company had 167,525 and 167,525 number of options that can be granted under the scheme respectively.

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

The Holding Company has "Amended and Restated Career Launcher Employee Stock Options Plan 2014 (CL ESOP -2014)" which provides for the issue of 250,000 stock options to directors and employees of the Holding Company and its subsidiary companies. The plan entitles directors and employees to purchase equity shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. The vesting period for the share options is 3 years from the grant date, unless otherwise stated in the grant letter. All exercised options shall be settled by physical/demat delivery of equity shares. As per the plan holders of vesting options are entitle to purchase one equity share for each option. Till date 312,468 (March 31, 2020: 312,468) stock options have been granted under this scheme.

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

No options were granted during the year.

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

Employees entitled	No. of options	Vesting conditions	Weighted Contractual life of options (in year)
March 31, 2021	NI L	3 years' service from the grant	-
March 31, 2020	NI L	3 years' service from the grant	-

*(This space has been intentionally left blank)*

CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2021

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

b. Reconciliation of outstanding share options:

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

**ESOP to person other than directors of the Group**

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

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

c. Fair value of options granted:

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

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

d. Expense arising from share-based payment transactions

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

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

(This space has been intentionally left blank)

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

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

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

Notes:

- A** On March 16, 2017, the Group entered into a Business Transfer Agreement with I -Take Care Private Limited (the "Buyer") to sell its Infrastructure Services business (the "Assets") on the slump sale basis. The proposed sale of business is consistent with the Group's long-term strategy to discontinue its K-12 business. As on date, the transaction is pending closure as the Buyer has not been able to arrange the requisite funds to close the transactions. The Management is taking appropriate action to ensure that its rights and interests are protected. Also, the Management is in parallel discussions with other parties to locate an alternate buyer to give effect to the disposal of the Assets. As the delay is caused by the events and circumstances beyond the Group's control and that the Management remains committed to its plan to sell the Assets and the Group continues to disclose such Assets as "Disposal group-Assets held for sale" in accordance with Ind AS-105 "Non-Current Assets held for Sale and Discontinued Operations".

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

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	-	112.50
Other income	17.12	13.37
Other expenses	0.89	6.95
<b>Loss from discontinued operations before tax</b>	<b>16.23</b>	<b>118.92</b>
Income-tax expenses	-	-
<b>Loss from discontinued operations after tax</b>	<b>16.23</b>	<b>118.92</b>

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

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

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

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

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

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

*(This space has been intentionally left blank)*

## CL Educate Limited

## Notes to consolidated financial statements for year ended March 31, 2021

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

## 58 Operating segments

## A. Basis for Segmentation

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

Reportable segments	Operations
a) Partner	This mainly includes the business generated and services through our Business Partners (Franchisees).
b) Digital	This mainly includes business generated and services rendered through a combination of a digital / online channel and offline point of sale counselling-cum-service centres run by the Group.
c) Consumer publishing	This mainly includes publishing and sale of educational books related and third parties.
d) Enterprise corporate	The Group provides integrated business marketing and sales service like managed manpower, training, event management, customer engagement, marketing communication and digital marketing services for corporates to conduct very large conferences and exhibitions.
e) Enterprise institutional	The Group offers integrated business advisory, research incubation and outreach support services to educational institutes and universities across India.
f) Others (Incl Vocational and K12)	The Group provides soft skills, infrastructure facilities and other support services to schools and senior secondary studies and specific projects undertaken (including government projects).

## B. Information about reportable segments

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

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

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

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

## C. Reconciliations of information on reportable segments

## i Revenues

	Year ended March 31, 2021	Year ended March 31, 2020
Partner	5,432.73	10,396.55
Digital	5,009.07	7,062.03
Consumer publishing	(399.66)	(156.28)
Enterprise corporate	7,562.10	11,535.06
Enterprise institutional	845.70	2,001.78
Other segment	-	29.19
<b>Total revenues</b>	<b>18,449.94</b>	<b>30,868.33</b>

## ii Profit before tax

Total loss before tax for reportable segments	(256.99)	(139.62)
Other income	959.67	1,529.70
<b>Unallocated expenses:</b>		
-Finance cost	563.11	830.96
-Other expenses	1,614.47	1,922.04
<b>Loss before share of loss of equity accounted investees, exceptional items and tax</b>	<b>(1,474.90)</b>	<b>(1,362.92)</b>
Less: Exceptional items	-	4,150.05
<b>Loss of associates accounted for using equity method</b>	<b>(1,474.90)</b>	<b>(5,512.97)</b>
Share of net loss of associates accounted for using the equity method	(4.94)	(14.71)
<b>Loss before tax</b>	<b>(1,479.84)</b>	<b>(5,527.68)</b>
Tax expense	(281.57)	(102.96)
<b>Loss after tax</b>	<b>(1,198.27)</b>	<b>(5,424.72)</b>

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

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

**D. Geographic information**

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

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

**a) Revenues from different geographies**

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

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

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

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

**E. Major customer**

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



CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2021

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

59. Fair value measurement and financial instruments

a Financial instruments – by category and fair values hierarchy

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

As at March 31, 2021

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

As at March 31, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	588.73	-	-	588.73	-	-	588.73
Loans	-	-	167.66	167.66	-	-	-
Other financial assets	-	-	956.61	956.61	-	-	-
<b>Current</b>							
Investments	3,716.34	-	-	3,716.34	-	3,716.34	-
Trade receivables	-	-	9,279.55	9,279.55	-	-	-
Cash and cash equivalents	-	-	1,159.28	1,159.28	-	-	-
Bank balances other than cash and cash equivalents	-	-	260.02	260.02	-	-	-
Loans	-	-	1,550.20	1,550.20	-	-	-
Other financial assets	-	-	985.61	985.61	-	-	-
<b>Total</b>	<b>4,305.07</b>	<b>-</b>	<b>14,358.93</b>	<b>18,664.00</b>	<b>-</b>	<b>3,716.34</b>	<b>588.73</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	358.37	358.37	-	-	358.37
Lease liability	-	-	448.25	448.25	-	-	-
<b>Current</b>							
Borrowings	-	-	3,918.08	3,918.08	-	-	-
Lease liability	-	-	435.74	435.74	-	-	-
Trade payables	-	-	4,066.34	4,066.34	-	-	-
Other financial liabilities	-	-	1,361.84	1,361.84	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,588.62</b>	<b>10,588.62</b>	<b>-</b>	<b>-</b>	<b>358.37</b>

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2021 and March 31, 2020.

**Valuation technique used to determine fair value**

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

b Financial risk management

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

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

**Risk management framework**

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

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

**CL Educate Limited**
**Notes to consolidated financial statements for year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**b. Financial risk management (continued)**
**(i) Credit risk**

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

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

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

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

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

ii. Credit risk on cash and cash equivalents is limited as the Group invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

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

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

The gross carrying amount of trade receivables is Rs. 5,517.17 lacs (March 31, 2020: Rs. 10,070.32 lacs). Trade receivables are generally realised within the credit period.

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

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

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

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

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

*(This space has been intentionally left blank)*

CL Educate Limited

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

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

b. Financial risk management (continued)

(ii) Liquidity risk

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

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

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

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

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

As at March 31, 2021	Carrying amount	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
Secured					
-From banks					
a) Vehicle loans	48.30	48.30	16.96	31.34	-
b) term loans	616.67	616.67	172.22	444.45	-
-From others/financial institution					
a) Term loan	349.28	349.28	250.96	98.32	-
Current borrowings					
Secured					
-Cash credit from banks	3,262.24	3,262.24	3,262.24	-	-
Unsecured					
-From others	13.84	13.84	13.84	-	-
Trade payables	2,480.14	2,480.14	2,480.14	-	-
Lease Liability (current & non current)	261.24	261.24	115.24	146.00	-
Other financial liabilities					
Unpaid dividend	2.56	2.56	2.56	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	760.61	760.61	760.61	-	-
Advance received on behalf of others	11.33	11.33	11.33	-	-
Receipt on behalf of clients	71.88	71.88	71.88	-	-
<b>Total</b>	<b>7,906.15</b>	<b>7,906.15</b>	<b>7,186.04</b>	<b>720.11</b>	<b>-</b>

As at March 31, 2020	Carrying amount	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
Secured					
-From banks					
a) Vehicle loans	44.31	44.31	12.85	31.46	-
b) Term loans	293.33	293.33	233.33	60.00	-
-From others/financial institution					
a) Term loan	522.64	522.64	250.01	272.63	-
Current borrowings					
Secured					
-Cash credit from banks	3,915.87	3,915.87	3,915.87	-	-
Unsecured					
-from others	2.21	2.21	2.21	-	-
Trade payables	4,066.34	4,066.34	4,066.34	-	-
Lease Liability (current & non current)	883.99	883.99	435.74	415.07	33.18
Other financial liabilities					
Unpaid dividend	2.56	2.56	2.56	-	-
Refundable security deposit	5.00	5.00	5.00	-	-
Interest accrued but not due on borrowings from related parties	16.13	16.13	16.13	-	-
Payable for selling shareholders	28.06	28.06	28.06	-	-
Employee related payables	795.28	795.28	795.28	-	-
Receipt on behalf of clients	12.89	12.89	12.89	-	-
<b>Total</b>	<b>10,588.61</b>	<b>10,588.61</b>	<b>9,776.27</b>	<b>779.16</b>	<b>33.18</b>

**CL Educate Limited**
**Notes to the standalone financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**B. Financial risk management (continued)**
**iii. Market risk**

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

**Currency risk**

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

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

**Exposure to currency risk**

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

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

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

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2021 and March 31, 2020 would have affected the measurement of 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
<b>Strengthening</b>				
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2021</b>				
AED	5.82	(5.82)	4.23	(4.23)
AUD	0.45	(0.45)	0.33	(0.33)
USD	10.10	(10.10)	7.34	(7.34)
<b>Total</b>	<b>16.37</b>	<b>(16.37)</b>	<b>11.90</b>	<b>(11.90)</b>
<b>For the year ended March 31, 2020</b>				
AED	6.84	(6.84)	4.94	(4.94)
SGD	0.99	(0.99)	0.71	(0.71)
AUD	0.64	(0.64)	0.46	(0.46)
USD	4.72	(4.72)	3.41	(3.41)
<b>Total</b>	<b>13.19</b>	<b>(13.19)</b>	<b>9.52</b>	<b>(9.52)</b>

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

## CL Educate Limited

## Notes to consolidated financial statements for the year ended March 31, 2021

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

## B. Financial risk management (continued)

## Interest rate risk

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

## Exposure to interest rate risk

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

Variable-rate instruments	As at March 31, 2021	As at March 31, 2020
Term loans from banks and others	965.95	815.97
Vehicle loans	48.30	44.31
Cash credit from banks	3,262.24	3,915.87
<b>Total</b>	<b>4,276.49</b>	<b>4,776.15</b>

## Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on loans from banks</b>				
For the year ended March 31, 2021	21.07	(21.07)	15.32	(15.32)
For the year ended March 31, 2020	31.11	(31.11)	22.62	(22.62)
<b>Interest on loans from others</b>				
For the year ended March 31, 2021	19.50	(19.50)	14.18	(14.18)
For the year ended March 31, 2020	3.93	(3.93)	2.86	(2.86)

## 60 Capital Management

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

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

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

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

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

## (b) Dividends

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

**CL Educate Limited**
**Notes to consolidated financial statements for the year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**61 Interests in other entities**
**(a) Subsidiaries**

The Group's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the Entity	Place of business/ country of incorporation	Ownership interest held by the group as at		Ownership interest held by non-controlling interests as at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Kestone Integrated Management Services Private Limited	India	100.00%	100.00%	-	-
G K Publications Private Limited	India	100.00%	100.00%	-	-
CL Media Private Limited	India	100.00%	100.00%	-	-
Career Launcher Education Infrastructure Services Private Limited	India	100.00%	100.00%	-	-
Career Launcher Infrastructure Private Limited	India	100.00%	100.00%	-	-
Kestone Asia Hub Pte Limited	Singapore	100.00%	100.00%	-	-
Accendere Knowledge Management Services Private Limited	India	100.00%	100.00%	-	-
ICE Gate Educational Institute Private Limited	India	58.95%	58.95%	41.05%	41.05%
CL Educate (Africa) Ltd (w.e.f. January 13, 2020)	Mauritius	90.00%	90.00%	10.00%	10.00%
Kestone CL US Limited	India	100.00%	100.00%	-	-

**Principal activities of group companies**
**Kestone Integrated Management Services Private Limited and Kestone Asia Hub Pte Ltd**

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

**G K Publications Private Limited**

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

**CL Media Private Limited**

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

**Career Launcher Infrastructure Private Limited**

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

**Career Launcher Education Infrastructure Services Private Limited**

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

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

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

**ICE Gate Educational Institute Private Limited**

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

**Kestone CL US**

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

**(b) Associate Companies**

Set out below are the associates of the group as at March 31, 2021 which, in the opinion of the directors, are material to the group.

Name of entity	Place of business	% of ownership interest		Accounting method	Carrying amount	
		As at March 31, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020
Threesixtyone Degree Minds Consulting Private Limited	Chennai, India	4.41% of equity shares	4.41% of equity shares	Equity	785.17	789.61
<b>Total equity accounted investments</b>					<b>785.17</b>	<b>789.61</b>

**Principal activities of associate entity**

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

## CL Educate Limited

## Notes to consolidated financial statements for the year ended March 31, 2021

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

## i. Significant judgement: existence of significant influence

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

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

## ii. Summarised financial information for associates

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

## Summarised balance sheet

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

## Summarised statement of profit and loss

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

## iii. Reconciliation to carrying amount of investments

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

(This space has been intentionally left blank)

**CL Educate Limited**
**Notes to consolidated financial statements for the year ended March 31, 2020**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**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. ICGATE Educational Institute Private Limited**
**Summarised balance sheet**

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

**% of Non controlling interest**

	41.05%	41.05%
--	--------	--------

**Accumulated NCI**

	12.50	26.90
--	-------	-------

**Summarised statement of profit and loss A/c**

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

**Summarised cash flow**

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

**iii. Transactions with non-controlling interest**

The group had acquired 50.70% stake in ICGATE Educational Institute Private Limited on October 31, 2017. On 13 August 2019, the group acquired an additional 7.15% stake & 1.10% on 2 March 2020 for Rs. 76.32 Lacs. Immediately prior to the purchase, the carrying amount of the non-controlling interests acquired i.e. 8.25% NCI was (Rs. 5.54 lacs). The effect on the equity attributable to the owners of the Group during the year is summarised as follows:

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

**D. Other investments in equity shares**

	As at March 31, 2021	As at March 31, 2020
<b>Unquoted, measured at FVTPL - non trade</b>		
8,817 (March 31, 2020: 8,817) fully paid up equity shares of Rs. 10 each of B&S Strategy Services Private Limited.	588.73	588.73

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



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

## 62 Income tax

## A. Amounts recognised in profit or loss

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

## 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 (9.40) (2.47)

## Items that will not be reclassified to statement of profit and loss

- Income tax relating to remeasurement of defined benefit plans (5.38) (12.32)

**(14.78) (14.79)**

## C. Reconciliation of effective tax rate

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

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

(This space has been intentionally left blank)

**CL Educate Limited**
**Notes to consolidated financial statements for year ended March 31, 2021**
*(All amounts are in Rupees lacs, unless otherwise stated)*
**D. Movement in deferred tax balances**

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

*(This space has been intentionally left blank)*

CL Educate Limited

Notes to consolidated financial statements for year ended March 31, 2021

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

D. Movement in deferred tax balances

	Year ended March 31, 2020			As at March 31, 2020
	As at March 31, 2019	Recognized in P&L	Recognized in OCI	
<b>Deferred Tax Assets</b>				
Unabsorbed Losses	72.23	(1,058.13)	-	1,130.36
Elimination of inventory profit	159.89	(28.86)	-	188.75
Provision for employee benefit	142.09	(25.73)	(12.32)	155.50
Provision for Obsolescence of Inventory	-	(1.67)	-	1.67
Provision for bonus	11.34	11.34	-	-
Provision for sales Incentive	55.64	3.20	-	52.44
Loss allowance for doubtful debtors	418.46	183.51	-	234.95
Foreign currency translation reserve	2.90	-	(2.47)	0.43
Impact of Discontinuing of Security Deposits	-	(14.61)	-	14.61
Deferred tax on equity adjustment of associate profit	-	(0.23)	-	0.23
Trade payable	-	(0.56)	-	0.56
Current loans	118.94	-	-	118.94
Lease liability	21.21	(224.43)	-	240.76
Deferred revenue - franchisee fees	124.11	124.11	-	-
Deferred revenue - admission fees	261.51	261.51	-	-
Other current financial liabilities	68.81	5.55	-	63.26
MAT credit entitlement	543.23	240.50	-	302.73
<b>Sub- Total (a)</b>	<b>2,000.36</b>	<b>(524.49)</b>	<b>(14.79)</b>	<b>2,505.18</b>
<b>Deferred Tax Liabilities</b>				
Business combination-GKP*	71.62	5.67	-	-
Property, plant and equipment and intangibles	304.65	(478.84)	-	783.49
Goodwill	111.45	36.74	-	74.71
Right of use Assets	-	(206.92)	-	206.92
Other consol adjustment	320.47	320.47	-	-
Investment in subsidiary and associates	34.65	(41.19)	-	75.84
Impact for EIR adjustment on Borrowings	3.02	1.86	-	1.16
Other current asset - Prepaid financial guarantee	-	(2.97)	-	2.97
Other equity- Deemed equity contribution	-	(10.19)	-	10.19
Provision for obsolescence of inventory	36.83	27.31	-	9.52
Amortisation of prepaid rent	9.85	(8.01)	-	17.86
<b>Sub- Total (b)</b>	<b>892.54</b>	<b>(356.07)</b>	<b>-</b>	<b>1,182.66</b>
<b>Net Deferred Tax Asset (a)-(b)</b>	<b>1,107.82</b>	<b>(168.43)</b>	<b>(14.79)</b>	<b>1,322.52</b>

\*Deferred tax liability on Goodwill has been adjusted with Goodwill during the year.

	March 31, 2021	March 31, 2020
Total deferred tax assets net of deferred tax liabilities*	1,752.29	1,325.88
Total deferred tax liabilities net of deferred tax assets*	9.40	3.36
	<b>1,742.89</b>	<b>1,322.52</b>

\*cannot be legally set-off, hence shown separately

E. Tax losses carried forward

	March 31, 2021	Expiry date	March 31, 2020	Expiry date
Expire	188.98	2022	188.98	2022
Expire	86.10	2023	86.10	2023
Expire	93.82	2024	93.82	2024
Expire	156.05	2025	156.05	2025
Expire	101.70	2026	101.70	2026
Expire	128.32	2027	128.32	2027
Expire	96.32	2028	96.32	2028
Expire	1,054.79	2029	-	-
Never expire	2,433.76	-	1,470.18	-
<b>Total</b>	<b>4,339.84</b>		<b>2,321.47</b>	

\* In respect of one of subsidiary, the deferred tax on unused losses disclosed in previous year are recognised during the year.



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

63 Additional information to Consolidated financial statements as at 31 March 2021 (pursuant to Schedule III to the Act):

		As at 31 March 2021							
Name of the entity	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
<b>A Holding Company</b>									
CL Educate Limited	29,219.67	107.36%	(512.80)	43.38%	3.22	7.31%	(509.58)	44.78%	
<b>B Subsidiaries</b>									
Kestone Integrated Marketing Services Private Limited	3,796.91	13.95%	116.38	-9.85%	12.73	28.91%	129.11	-11.35%	
CL Media Private Limited	5,390.96	19.81%	(578.96)	48.98%	(5.66)	-12.85%	(584.62)	51.37%	
G.K. Publications Private Limited	(612.61)	-2.25%	(17.04)	1.44%	3.28	7.45%	(13.76)	1.21%	
Accendere Knowledge Management Services Private Limited	(3.36)	-0.01%	14.59	-1.23%	2.80	6.36%	17.39	-1.53%	
Career Launcher Education Infrastructure and Services Limited	3,135.71	11.52%	(190.89)	16.15%	(0.40)	-0.91%	(191.29)	16.81%	
ICEGATE Educational Institute Private Ltd	30.62	0.11%	(35.46)	3.00%	0.78	1.77%	(34.68)	3.05%	
<b>C Step-down subsidiaries</b>									
Career Launcher Infrastructure Private Limited	2,159.40	7.93%	106.43	-9.00%	(0.76)	-1.73%	105.67	-9.29%	
Kestone CL Asia Hub Pte Ltd (consolidated)	696.50	2.56%	246.22	-20.83%	27.94	63.45%	274.16	-24.09%	
<b>D Associate (investment as per equity method)</b>									
Threesixtyone Degree Minds Consulting Private Limited	-	-	(4.94)	0.42%	-	-	(4.94)	0.43%	
Less: Inter-company eliminations	(16,597.50)	-60.98%	(325.57)	27.54%	0.10	0.24%	(325.47)	28.60%	
<b>Total</b>	<b>27,216.30</b>	<b>100.00%</b>	<b>(1,182.94)</b>	<b>100.00%</b>	<b>44.03</b>	<b>100.00%</b>	<b>(1,138.01)</b>	<b>100.00%</b>	
		As at 31 March 2020							
Name of the entity	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
<b>A Holding Company</b>									
CL Educate Limited	29,726.75	104.90%	(5,317.35)	100.22%	6.50	15.16%	(5,310.85)	100.91%	
<b>B Subsidiaries</b>									
Kestone Integrated Marketing Services Private Limited	3,665.95	12.94%	37.07	-0.70%	27.48	64.07%	64.55	-1.23%	
CL Media Private Limited	5,975.58	21.09%	603.51	-11.37%	(0.09)	-0.21%	603.42	-11.47%	
G.K. Publications Private Limited	(598.85)	-2.11%	(104.27)	1.97%	3.18	7.41%	(101.09)	1.92%	
Accendere Knowledge Management Services Private Limited	(20.75)	-0.07%	(39.78)	0.75%	0.75	1.75%	(39.03)	0.74%	
Career Launcher Education Infrastructure and Services Limited	3,327.00	11.74%	(5,021.41)	94.64%	0.15	0.35%	(5,021.26)	95.41%	
ICEGATE Educational Institute Private Ltd	65.30	0.23%	30.03	-0.57%	3.99	9.30%	34.02	-0.65%	
<b>C Step-down subsidiaries</b>									
Career Launcher Infrastructure Private Limited	2,053.73	7.25%	41.75	-0.79%	-	-	41.75	-0.79%	
Kestone CL Asia Hub Pte Ltd (consolidated)	421.74	1.49%	81.73	-1.54%	7.29	17.00%	89.02	-1.69%	
<b>D Associate (investment as per equity method)</b>									
Threesixtyone Degree Minds Consulting Private Limited	-	-	0.19	0.00%	-	-	0.19	0.00%	
Less: Inter-company eliminations	(16,277.58)	-57.44%	4,382.73	-82.60%	(6.36)	-14.83%	4,376.37	-83.15%	
<b>Total</b>	<b>28,338.87</b>	<b>100.00%</b>	<b>(5,305.80)</b>	<b>100.00%</b>	<b>42.89</b>	<b>100.00%</b>	<b>(5,262.91)</b>	<b>100.00%</b>	

## CL Educate Limited

## Notes to the consolidated financial statements for the year ended March 31, 2021

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

- 64 The Board of Directors of the Holding Company has approved the scheme of arrangement of amalgamation of its subsidiary companies (as mentioned below) into the Company ("the Scheme") in its meeting held on November 27, 2018. The scheme has been approved by the National Stock Exchange of India Limited ("the NSE") and BSE Limited ("the BSE"). During the previous year 2019-20, an application under regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Company Law Tribunal (NCLT), for the proposed amalgamation of Career Launcher Education Infrastructure and Services Limited, CL Media Private Limited, Accendere Knowledge Management Services Private Limited, G.K. Publications Private Limited and Kestone Integrated Marketing Services Private Limited ("Amalgamating Company") with CL Educate Limited ("Amalgamated Company"). The Scheme will be effective upon approval from NCLT, which is pending as on date, predominantly on account of the COVID-19 pandemic. The appointed date as proposed date by the Company is April 1, 2019. The Holding Company has filed a petition in NCLT to expedite the process of merger. The next hearing is scheduled to be held on July 30, 2021. Pending hearing of NCLT, no adjustment has been taken in the books of accounts.
- 65 During the financial year 2017-18, Career Launcher Education Infrastructure and Services Limited, a wholly owned subsidiary ("CLEIS" or the "Wholly Owned Subsidiary/WOS") entered into an agreement to sell its School Business vertical (K-12,Business) to B&S Strategy Services Private Limited (B&S) for a total consideration of Rs. 4,650.00 lacs comprising Rs. 600.00 lacs payable in cash and remaining Rs. 4,050.00 lacs by way of equity shares in B&S. Presently the shareholding in B&S, is 8,817 equity shares of Rs. 10 each, being 44.18% of total equity of B&S. Further, an overdue amount of Rs. 400.00 lacs is recoverable from B&S towards cash consideration as per the aforesaid agreement. Nalanda Foundation (Nalanda) is the Trust that runs the K-12 school business. Trusteeship of the Nalanda was transferred together with the aforesaid sale of school business. Over time the admission numbers have declined in the school and with insufficient cash being generated by the business, the Management does not intend to make further investments. The situation has been accentuated by the onset of COVID-19, forcing schools to shut early and the present Management failing to collect final term fees of FY'20 and for the first quarter of the new Academic Year. Further there are consistent delays on part of B&S Management in providing required financial updates and information for consolidation. Based on the aforesaid situation, the Group has taken the following steps during the previous year 2019-20:
- a. The Group has taken legal advice and initiated legal proceedings before the Honorable High Court, to protect its interests, including recovery of Rs. 400.00 lacs of the cash consideration. A section 9 petition on the matter of CLEIS vs B&S was heard by Delhi High Court on June 22, 2020 with the Judge appointing a retired High Court judge as arbitrator to hear the dispute.
- b. Based on its assessment of the merits of the case and the opinion of legal counsel taken thereon, the Management is confident of recovering cash consideration and receivable from Nalanda in full and hence no provision is required or made.
- 66 During the financial year 2017-18, Career Launcher Education Infrastructure and Services Limited, a wholly owned subsidiary ("CLEIS" or the "Wholly Owned Subsidiary/WOS") entered into an agreement to sell its School Business vertical (K-12,Business) to B&S Strategy Services Private Limited (B&S). Nalanda Foundation (Nalanda) is the Trust that used to run the K-12 school business on behalf of the Holding company, wherein directors of the holding company used to hold Trusteeship of the Nalanda which was also transferred together with the aforesaid sale of school business to B&S. The Company has balance outstanding as of March 31, 2021 of Rs. 500 lacs from Nalanda with respect to leasing and infrastructure services. The Group has taken legal advice and initiated legal proceedings before the Honorable High Court, to protect its interests, including recovery of Rs. 500.00 lacs due from Nalanda. Based on its assessment of the merits of the case and the opinion of legal counsel taken thereon, the Management is confident of recovering the balance receivable from Nalanda in full and hence no provision is required or made.
- 67 The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the sectors/ businesses that the Group operates. The Management had however, made necessary adjustments to its service and customer acquisition processes, moving to a largely Digital model, thereby minimizing the business impact of the pandemic. During the current period, the Management has re-evaluated the likely impact of COVID-19 on its business operations, demand for its products/services, profitability, capital and financial resources, liquidity position, ability to service debt arrangements and financial and non-financial assets, etc. Based on the projected cash flows drawn for the current financial year, the Management has concluded that the company will have sufficient liquidity to continue its operations in an uninterrupted manner. Also, the Management is of the view that there is no material impact and is confident of recovering the carrying amount of all the assets. Any possibilities of delays in collection are covered by the Expected Credit Loss Model. For the aforesaid evaluation, the Management has considered internal and external sources of information up to the date of approval of these financial results. The actual impact of the pandemic may, however, differ from that estimated as at date of approval of these financial results and the Management will continue to closely monitor any material changes to future economic conditions.
- 68 The consolidated financial statements for the year ended March 31, 2021 were approved by board of directors on June 24, 2021.
- 69 Previous year's figures have been regrouped / rearranged as per the current year's presentation for the purpose of comparability.

As per report of even date.

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

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

**Sd/-**  
**Neeraj Goel**  
Partner  
Membership No.:099514

**Sd/-**  
**Satya Narayanan R**  
Chairman and  
Executive Director  
DIN: 00307326

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

Place: Gurugram, Haryana  
Date: June 24, 2021

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

**Sd/-**  
**Arjun Wadhwa**  
Chief Financial Officer



## ANNUAL GENERAL MEETING 2021

CIN: L74899HR1996PLC076897

Registered Office: Plot No. 9A, Sector-27A, Mathura Road, Faridabad, Haryana-121003, India  
Corporate Office: A-45, First Floor, Mohan Co-operative Industrial Estate, New Delhi-110044, India  
Tel.: 011-4128 1100, Fax: 011-4128 1101

Website: www.cleducate.com, E-mail: compliance@cleducate.com

### AGM Notice 2021

NOTICE is hereby given that the **25<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of CL Educate Limited [formerly known as Career Launcher (India) Limited] will be held through two-way Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") on **Tuesday, the 07<sup>th</sup> day of September, 2021 at 11:00 A.M.** to transact the following businesses:

#### ORDINARY BUSINESS:

##### 1. Adoption of Audited Financial Statements for the Financial Year ended March 31, 2021:

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, along with the reports of the Board of Directors and Auditor thereon.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, along with the reports of the Board of Directors and Auditor thereon, be and are hereby approved and adopted."

##### 2. Retirement by Rotation:

To appoint a Director in place of Mr. Imran Jafar (DIN: 03485628), Non-Executive Non-Independent Director of the Company, who retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Imran Jafar (DIN: 03485628), Non-Executive Non-Independent Director of the Company, who

retires by rotation and being eligible, offers himself for re-appointment."

#### SPECIAL BUSINESS:

##### 3. Ratification of remuneration payable to the Cost Auditors for the Financial Year 2021-22:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies a remuneration of upto Rs.1,40,000/- (Rupees One Lakh Forty Thousand Only) plus applicable taxes and out of pocket expenses at actuals, if any, payable to M/s. Sunny Chhabra and Co., Cost Accountants (Firm Registration No.101544), the Cost Auditor of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as may be amended from time to time, for the Financial Year ending March 31, 2022."

##### 4. Approve renewal of the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' (hereinafter "ESOP Scheme"), for a period of 4 (four) years commencing from September 05, 2021:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section

62(1)(b) and all other applicable provisions, if any, of the Companies Act 2013 (the "Act"), the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations") (including any statutory modification(s) or re-enactment of the Act or of the SBEB Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary in this respect, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, including the Nomination, Remuneration and Compensation Committee, which may exercise its powers, including the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded for the renewal of the "Amended and Restated Career Launcher Employee Stock Options Plan 2014" ("CL ESOP Plan 2014" or "ESOP Scheme") of the Company for a period of 4 years i.e., from September 05, 2021 to September 04, 2025, by amending the relevant Articles and Clauses of the CL ESOP Plan 2014.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to grant options remaining to be granted under the ESOP Scheme, and/or to issue and allot Equity shares or any other securities, upon exercise of such options, from time to time in accordance with the "CL ESOP Plan 2014", without seeking any further approval from the shareholders of the Company, and such Equity shares shall rank pari-passu in all respects with the existing shares of the Company.

**RESOLVED FURTHER THAT** in case the Equity shares or any other securities of the Company, are sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid grantees exercising options under the "CL ESOP Plan 2014" shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per Equity share bears to the revised face value of the Equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to make modifications, changes, variations, alterations or revisions, including the repricing of the Options issued under the said "CL ESOP Plan 2014", in terms of Regulation 7 and other applicable Regulations, if any of the SBEB Regulations,

as it may deem fit, from time to time, in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, SEBI Regulations, the Memorandum and Articles of Association of the Company and any other applicable law for the time being in force and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit or necessary or desirable for such purpose."

**5. Sale of Digital Business of the Company to its Wholly Owned Subsidiary, Career Launcher Private Limited ("CLPL") on a going concern basis pursuant to Section 180 (1)(a) of the Companies Act, 2013:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) read with Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the "Act") read with the Companies (Management and Administration) Rules, 2014 and applicable provisions of the Memorandum and Articles of Association of the Company and subject to other necessary approvals, consents, permissions, and sanctions from the concerned authorities and such terms and conditions as may be imposed by them, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to transfer / sell the Digital Business of the Company comprising all its business in respect of the same, including the assets, employees, ongoing customers, suppliers and other partner relationships and formal contracts, causes of action and all other assets and properties, tangible or intangible, not stated herein but related to its Digital Business, as well as all liabilities related to such business segment, as a going concern, on a slump sale basis, to Career Launcher Private Limited ('CLPL'), a wholly owned subsidiary of the Company, for a consideration that shall be based on the Book Value of the Digital Business being transferred, to be determined by an Independent Valuer at a date as close to the date of the transfer as possible, rounded off to the nearest higher crore, to be paid by CLPL, partly by way of issuing equity shares, and/or partly by way of cash payable in one or more tranches to CL Educate Limited, and till the payment of the cash portion, the same be treated as a loan by CL Educate Limited to CLPL.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to undertake the Valuation exercise with the Valuer, and finalise the sale transaction and the transfer formalities, and to execute necessary

documents, deeds, undertakings, agreements etc, and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in order to give effect to the above resolution and to resolve any questions, difficulties or doubts that may arise in this regard as it may in its absolute discretion deem fit, in the best interest of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or official or any other competent person, as the Board may, in its absolute discretion deem fit, in order to give effect to the sale/transfer.”

**6. Approve the remuneration payable to the Non-Executive Director(s) of the Company for a period of three years:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the payment of commission to Non-Executive Director(s) of the Company upto an aggregate amount not exceeding 1% of the Net Profits of the Company in any financial year as a compensation for their respective contributions during that Financial Year, to be computed in accordance with the provisions of Section 198 of the Companies Act, 2013, over and above the usual sitting fees, and/or reimbursement of expenses incurred by them in relation to attending the Board and its Committee Meetings, for a period of 3 financial years viz. 2021-22 to 2023-24 and that the amount payable to each such Non-Executive Director(s) of the Company, be determined by the Board of Directors, on the basis of the recommendations of the Nomination, Remuneration and Compensation Committee thereon.

**RESOLVED FURTHER THAT** notwithstanding anything contained in the above resolution, where, in any financial year, the Company has no profits or the profits are inadequate, the payment of remuneration to Non-Executive Directors of the Company be made within the overall limits provided under Schedule V to the Companies Act, 2013, as amended from time to time.

**7. Re-appointment of Ms. Madhumita Ganguli (DIN: 00676830) as a Non-Executive Independent Director on the Board of the Company for a second term of Five Consecutive Years:**

To consider and if thought fit, to pass the following

resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Act and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee and Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Madhumita Ganguli (DIN: 00676830), as a Non-Executive Independent Director of the Company, for a second term of 5 (five) consecutive years, commencing from July 02, 2022 up to July 01, 2027, with her period of office not liable to be determined by retirement by rotation.”

**8. Approval of the Sub-Division of Equity Shares from Face Value of Rs.10/- per share to Rs.5/- per share:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 61(1)(d) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules made there under (including any statutory modifications thereto or re-enactment thereof for the time being in force), and provisions of the Memorandum and Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any required from any authority, the consent of the Members be and is hereby accorded to sub-divide the equity shares of the Company, including the authorised, issued, subscribed and paid-up equity shares, such that each fully paid up Equity Share of the Company of face value of Rs.10/- (Rupees Ten Only) is sub-divided into 2 (Two) fully paid-up Equity Shares of face value of Rs.5/- (Rupees Five Only) each.

**RESOLVED FURTHER THAT** pursuant to the sub-division of the Equity Shares of the Company, all the issued, subscribed and paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each of the Company- existing as on the Record Date to be fixed by the Board of Directors, shall stand sub-divided into Equity Shares of face value of Rs.5/- (Rupees Five Only) each fully paid up, without altering the aggregate amount of such capital and shall rank pari passu in all respects and carry the same rights as the existing fully paid-up Equity Shares of Rs. 10/- (Rupees Ten Only) each of the Company.

**RESOLVED FURTHER THAT** upon sub-division of the



equity shares as mentioned above, the existing share certificate(s) in relation to the existing issued equity shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing issued share certificate(s) and in the case of the equity shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary account(s) of the Member(s) with the Depository Participants, in lieu of the existing credits in their respective beneficiary accounts representing the equity shares of the Company before the sub-division.

**RESOLVED FURTHER THAT** the Board of Directors of the Company ("the Board"), which expression shall also include a Committee thereof, be and is hereby authorised to fix the Record Date and to issue new share certificates in lieu of the existing issued share certificates in terms of the aforesaid and in accordance with the applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and to do all such acts, deeds, matters, things and take such steps, as may be necessary and to execute such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee or Director(s), to give effect to the sub-division of Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to:

- (a) execute and file necessary applications, declarations, and other documents with the Registrar of Companies, Stock Exchanges, SEBI, Depositories, Registrar and Transfer Agents and/or any other statutory authority(ies), if required;
- (b) cancel the existing physical share certificates;
- (c) settle any question or difficulty that may arise with regard to the sub-division of the Equity Shares as aforesaid or for any matter connected therewith or incidental thereto; and
- (d) do all such acts, deeds, things, including all other matters incidental thereto in order to implement the aforesaid resolutions."

**9. Alteration of the Capital Clause of Memorandum of Association ("MOA") of the Company, pursuant to the Sub-Division of each fully paid up Equity Share of face value of Rs. 10/- into 2 Fully paid**

**up Equity Shares of face value of Rs. 5/- each:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 read together with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory and Regulatory Authority(ies), approval of the Members of the Company be and is hereby accorded to alter the Clause V of the Memorandum of Association ("MOA") of the Company relating to Capital by substituting the same with the following Clause V:

'The Authorised Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores only) divided into 3,20,00,000 (Three Crores Twenty Lakh) Equity Shares of Rs. 5/- (Rupees Five only) each.'

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof or any other person(s) for the time being exercising the powers conferred by the Board and as may be authorized by the Board in that behalf), be and is hereby authorized, to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s)/ Person/Official, for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

**By Order of the Board  
For CL Educate Limited**

**Sd/-  
Rachna Sharma  
Company Secretary & Compliance Officer  
Membership No.: A17780**

**Address: 445, Heritage Tower, Sawan C.G.H.S.,  
Plot-1, Sector-3, Dwarka, New Delhi – 110075**

**Place: New Delhi  
Date: August 03, 2021**

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), in respect of the Businesses mentioned under Item Nos. 3, 4, 5, 6, 7, 8 & 9 above, to be transacted at the 25th Annual General Meeting, is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') and Stock Exchange Board of India (SEBI) has permitted the holding of the AGM through Video Conferencing (VC), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') read with the circulars issued by SEBI numbered SEBI/HO/CFD/CM01/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively ('SEBI Circulars'), and MCA Circulars numbered 14/2020, 17/2020, 20/2020, 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020, and January 13, 2021 respectively ('MCA Circulars'), the AGM of the Company is being held through VC/OAVM. KFin Technologies Private Limited ('KFin'), the Registrar and Transfer Agents of the Company ('RTA'), will be providing a facility for remote e-voting, participation in the AGM through VC mode, and e-voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 19 and 20 below and is also available on the website of the Company at [www.cleducate.com](http://www.cleducate.com).
3. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for and on behalf of the members is not available for this AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice. However, the Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC and participate thereat and cast their votes through e-voting.
4. Corporate Members are requested to send to the Company a certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting. The said Resolution/Authorization should be sent by such Companies by e-mail through their registered e-mail addresses to the Scrutinizer at [gains108@yahoo.com](mailto:gains108@yahoo.com) with a copy marked to [mohsin.mohd@kfin.tech](mailto:mohsin.mohd@kfin.tech) and [compliance@cleducate.com](mailto:compliance@cleducate.com).
5. In accordance with the Circulars issued by MCA and SEBI dated January 13, 2021 and January 15, 2021 respectively, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's Report or other documents required to be attached therewith) such statements including the Notice of AGM are being sent in electronic mode only to Members whose e-mail addresses are registered with the Company or with the Depository Participant(s).
6. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at [www.cleducate.com](http://www.cleducate.com), on the website of Stock Exchanges - [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) and on the website of RTA at <https://evoting.kfintech.com>.
7. Members are requested to send all communication relating to shares, to the Company's Registrar & Transfer Agent - KFin Technologies Private Limited, Unit: CL Educate Limited, Selenium, Tower - B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, Telangana. Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
8. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from KFin.
9. Pursuant to Section 101 and Section 136 of the Act read with Rules made thereunder, and MCA Circulars, copies of the Annual Report, Notice of the AGM and instructions for e-voting are being sent by electronic mode only, to the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. Members holding shares in physical form can send their e-mail address for registration to <https://iris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> quoting the Folio Number and Name of the Company. The Notice of the AGM and the Annual Report will also be available on the Company's website [www.cleducate.com](http://www.cleducate.com) for Members to download. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
10. Members may note that dividends, if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed

dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The details of the unpaid/unclaimed amounts lying with the Company are available on the website of the Company [www.cleducate.com](http://www.cleducate.com) and on the website of IEPF Authority. Members whose dividend/shares are transferred to the IEPF Authority can claim their dividend/shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority. Members are requested to approach the Company/KFin for claiming unpaid dividends yet to be transferred to IEPF as early as possible.

11. SEBI has mandated the submission of the Permanent Account Number (PAN), proof of identity, address and bank details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the said documents to their Depository Participant(s). Members holding shares in physical form shall submit the documents to KFin.
12. Pursuant to Regulation 40 of the SEBI LODR, transfer of securities cannot be processed unless the securities are held in dematerialized form with a depository except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as henceforth it will not be possible to transfer shares held in physical mode.
13. Members may note that KFin has launched a mobile application 'KPRISM' and website <https://kprism.kfintech.com> for online services to shareholders. Members can download the mobile application, register themselves (onetime) for availing host of services viz., consolidated portfolio view serviced by KFin, dividend status and send requests for change of Address, change/ update Bank Mandate. Through the Mobile app, members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.
14. Members who need technical assistance before or during the AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.
15. Since the AGM will be held through VC, the Route Map is not annexed to this Notice.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act will be available during the meeting for inspection through the VC facility of KFin, to the Members attending the AGM.

#### 17. Cut-off Date

The Company has fixed Tuesday, August 31, 2021 as the "Cut-Off Date" for remote e-voting. The remote e-voting / voting rights of the shareholders/beneficial owners shall be reckoned on the basis of equity shares held by them as at close of business hours on the Cut-Off Date i.e. Tuesday, August 31, 2021 only. A person who is not a member as on the Cut-Off Date should treat this Notice for information purposes only.

18. Members desiring any additional information with regard to Accounts/Annual Report or have any question or query are requested to write to the Company Secretary on the Company's compliance email-id [compliance@cleducate.com](mailto:compliance@cleducate.com) from September 02, 2021 (09:00 A.M.) upto September 04, 2021 (05:00 P.M.) so as to enable the Management to keep the information ready. Members are advised to visit Help & FAQs section available at the website of KFin at [www.kfintech.com](http://www.kfintech.com). Please note that, Members' questions will be answered only if they continue to hold the shares as of Tuesday, August 31, 2021 i.e. the 'cut-off' date for e-voting.
19. Procedure for registering their e-mail addresses and obtaining the Annual Report, AGM notice and e-voting instructions for the shareholders whose e-mail addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case of shareholders holding shares in physical form):
  - i. Visit the link: AGM – Mobile & Email Registration  
<https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
  - ii. Select the company name i.e. CL EDUCATE LIMITED
  - iii. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical
  - iv. Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.



- v. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
  - vi. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
  - vii. Enter your email address and mobile number.
  - viii. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send an OTP at the registered Mobile number as well as email address for validation.
  - ix. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
  - x. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
  - xi. Alternatively, members may send an email request addressed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
  - xii. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
  - xiii. In case of queries, members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at the toll free number 1-800- 309-4001.
- b) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the cut-off date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report may approach KFin for issuance of the User ID and Password for exercising their right to vote by electronic means.
  - c) The facility for voting through electronic voting system will be made available at the AGM too and the Members attending the Meeting who have not already cast their votes by remote e-voting shall be eligible to vote at the Meeting.
  - d) Members can cast their vote online from Saturday, September 04, 2021 at 09.00 A.M. till Monday, September 06, 2021 at 05.00 P.M. Voting shall be blocked beyond the said date.
  - e) Members who have cast their votes by remote e-voting (prior to the Meeting) may also attend the Meeting but shall not be entitled to cast their votes again.

**A The details of the process and manner for remote e-voting are given below:**

Instructions for remote e-voting are as under- For Physical cases (Shares held in Physical Mode)

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
  - ii. Enter the login credentials provided in the email and click on Login.
  - iii. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
  - iv. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.).
  - v. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended
- 20. Instructions for e-voting and joining the AGM are as follows:**
- a) In compliance with the provisions of Section 108 and other applicable provisions of the Act, if any, the Companies (Management and Administration) Rules, 2014 as amended, Secretarial Standard - 2 and Regulation 44 of the SEBI LODR, the Members are being provided with a

not to share your password with any other person and take utmost care to keep it confidential.

- vi. Login again with the new credentials.
- vii. On successful login, the system will prompt you to select the "EVENT" i.e. "CL Educate Limited."
- viii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- ix. Members holding multiple folios may choose to vote differently for each folio / demat account.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT"
- xi. Corporate/institutional members (i.e. other than

individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through email at gains108@yahoo.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CLEL\_EVENT No'

- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1-800-309-4001 (toll free).

**Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of the SEBI circular dated December 09, 2020 (on e-Voting facility provided by Listed Companies), Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFIN TECH, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**B. Voting at the AGM**

- Only those Members, who will be present in the AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so will be eligible to vote through e-voting in the AGM.
- Members attending the AGM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Upon declaration by the Chairman about the commencement of e-voting at AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the AGM.

**C. Instructions for Members for Attending the AGM**

- The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility of participation at the AGM through VC will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc.

who are allowed to attend the AGM without restriction on account of the first come first served basis.

- ii. Members will be able to attend the AGM through VC by using their remote e-voting login credentials. The link for AGM will be available in Members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.
- iii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iv. Further, members might be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- v. While all efforts would be made to make the VC meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Speaker Registration before AGM:
  - a. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab "Speaker Registration" during the period starting from September 02, 2021 (9.00 A.M.) upto September 04, 2021 (5.00 P.M.).
  - b. Only those members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM.
  - c. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that only questions of the Members holding the shares as on cut-off date will be considered.
- vii. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com>.
- viii. Members who need technical assistance before or during the AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.

#### D. General Instructions

- i. The Board of Directors has appointed Mr. Sachin Sharma, or falling him Mr. Dinesh Trivedi, Designated Partners of M/s. S. Anantha & Ved LLP (LLPIN: AAH 8229), Company Secretaries, as Scrutinizer to scrutinize the entire e-voting process, in a fair and transparent manner.
  - ii. Subject to the receipt of requisite number of votes, the resolutions shall be deemed as passed on the date of the Meeting.
  - iii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cleducate.com](http://www.cleducate.com) and on KFin's website <https://evoting.kfintech.com> and shall also be communicated to BSE Limited and the National Stock Exchange of India Limited.
21. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the register of members and the share transfer books of the Company will remain closed from Wednesday, September 01, 2021 to Tuesday, September 07, 2021 (both days inclusive) for the purpose of 25th Annual General Meeting of the Company.
  22. A Certificate issued by the Statutory Auditor of the Company, certifying that the current ESOP Scheme of the Company is being implemented in accordance with Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution passed by the Members of the company in the general meeting, will be available for inspection at the 25th Annual General Meeting.
  23. Any person who acquires shares of the Company and becomes member of the Company post-sending of Notice of 25th Annual General Meeting along with the Annual Report of 2020-21 but before the Cut-Off Date may obtain the login ID and password by sending a request at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  24. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the Cut-Off Date, being August 31, 2021.
  25. The Scrutinizer shall, after conclusion of voting at the 25th Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall within 2 (two) working days of the conclusion of the 25th Annual General

Meeting, make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized who shall countersign the same and declare the result of voting forthwith.

26. The resolutions will be deemed to be passed on the 25th Annual General Meeting subject to receipt of the requisite number of votes in favour of the resolutions. The results will be declared by posting the same at the website of the

Company ([www.cleducate.com](http://www.cleducate.com)), website of the agency viz. Kfin's website (<https://evoting.kfintech.com>) and by filing with the stock exchanges.

27. Information required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS-2) with respect to the Directors seeking re- appointment is as under:

Particulars	Mr. Imran Jafar (DIN:03485628) (Re-appointment pursuant to Retirement by Rotation)	Ms. Madhumita Ganguli (DIN: 00676830) (Reappointment as Non- Executive Independent Director)
Date of Birth (Age)	February 26, 1975 (46 Years)	September 22, 1956 (65 years)
Date of Appointment/re-appointment	November 02, 2018 (First appointment date)	July 02, 2022 (Date when the 1st term of 5 years ends)
Qualifications	PGDM from IIM-B and a Master's degree in software engineering from BITS-Pilani	B.Sc., DU LLB
Expertise in specific functional areas	He has over 20 years of experience in private equity, pharmaceuticals and technology services.	She has been associated with HDFC for more than 40 years and has worked in diverse roles leading both Legal functions as well as Business Operations of the organization.  She is a lawyer by qualification and through her experience she is a housing finance professional. Her core strengths have been ability to work in large cross functional teams, lead large teams of people with a mix of both senior and junior colleagues, ability to empathise, understand issues with an open mind and find solutions
Directorships held in listed Companies (including in CL Educate Limited)	CL Educate Limited	<ul style="list-style-type: none"> <li>• CL Educate Limited</li> <li>• Indraprastha Medical Corporation Limited</li> </ul>
Memberships / Chairmanships of committees of other Listed Companies (including in CL Educate Limited)	Member – Nomination, Remuneration and Compensation Committee (CL Educate Limited)	<ul style="list-style-type: none"> <li>• Member - Audit Committee (CL Educate Limited)</li> <li>• Member – Risk Management Committee (Housing Development Finance Corporation Limited)</li> </ul>
Number of shares held in the Company	Nil	Nil
Disclosure of relationships between directors inter-se	None	None



Names of Listed Companies where the Director has resigned from the Board in past three years	Nil	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Ms. Madhumita Ganguli has already served as an Independent Director on the CL Board for a period of approximately 5 years. The Skills and capabilities required for the role, as well as the manner in which Ms. Madhumita Ganguli meets such requirements, forms a part of the Overall Skills/competence matrix contained in the Corporate Governance Report.

*Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of the above Directors please refer to the Board's Report and the Corporate Governance Report.*

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### ITEM NO. 3

#### Ratification of remuneration payable to the Cost Auditors for the Financial Year 2021-22:

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications thereof, for the time being in force), the Board has, on the recommendation of the Audit Committee, appointed M/s. Sunny Chhabra and Co., Cost Accountants (Firm registration No. 101544) as the Cost Auditor, to conduct an audit of the Cost Records of the Company for the Financial Year 2021-22. The Remuneration payable to the Cost Auditors for the Financial Year 2021-22, as recommended by the Audit Committee, and approved by the Board of Directors is stated hereunder:

Name of the Cost Auditor	Financial Year	Remuneration for the Financial Year 2021-22 (in Rupees) (Excluding out of pocket expenses & applicable taxes)
M/s. Sunny Chhabra & Co.	2021-2022	Up to Rs.1,40,000/-

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Remuneration of the Cost Auditors is required to be approved and/or ratified by the shareholders of the Company.

The Board of Directors of your Company recommends that this resolution be passed as an Ordinary Resolution by the

Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed resolution at Item No.3 of the Notice.

#### ITEM No. 4

#### Approve renewal of the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' (hereinafter "ESOP Scheme"), for a period of 4 (four) years commencing from September 05, 2021:

At its 22nd Annual General Meeting held on August 07, 2018, the Company had extended its erstwhile ESOP Scheme- 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' ("CL ESOP Plan 2014", or "ESOP Scheme") for a period of 3 years i.e. till September 04, 2021.

Hence, the CL ESOP Plan 2014 is valid till September 04, 2021 and after this date no fresh grants can be made pursuant to the ESOP Scheme. It is proposed to renew the CL ESOP Plan 2014 of the Company for a further period of 4 years, i.e. from September 05, 2021 to September 04, 2025, by amending the relevant Articles and Clauses of the CL ESOP Plan 2014.

It is hereby confirmed that the CL ESOP Plan 2014 is in conformity with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations") and is implemented and administered directly by the Company and the Company conforms to the accounting treatment specified in Regulation 15 of the SBEB Regulations.

Pursuant to Regulation 13 of the SBEB Regulations, a Certificate dated July 26, 2021 from the Statutory Auditor of the Company that the ESOP Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution passed by the members of the company in

the general meeting, has been obtained and the same shall be made available by the Company for inspection of the members at the 25th Annual General Meeting.

**Explanation as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 6 of SBEB Regulations:**

**a) Brief description of the CL ESOP Plan 2014;**

The Plan is called the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014 ("CL ESOP Plan 2014" or "ESOP Scheme")'.

It applies only to the permanent Employees and Directors (excluding Independent Directors) of the Company, its Holding Company and its Subsidiaries, whether in India or outside India.

It shall continue in effect till all the Options granted under the Plan are exercised or have been extinguished or unless the Plan is terminated in accordance with the Plan.

The Objectives of the Plan are as under:

- a. to provide means to enable the Company to attract, retain and motivate talented and critical Employees for the business of the Company;
- b. to provide such Employees with additional incentives and reward opportunities;
- c. to create Shareholder value by aligning the interests of the Employees with the long term interests of the Company and Shareholders;
- d. to create a sense of ownership and participation amongst the Employees; and
- e. to provide wealth creation opportunities in the hands of the Employees on a long term basis.

**b) Total number of stock options to be granted;**

As per the Plan, as was initially established (Initial Plan), the aggregate number of options that may be granted under the Plan shall not exceed 3.45% of the total capital of the Company (at the time of establishment of the Initial Plan) which consists of 2,50,000 Shares of Rs. 10 each. The Total no of equity shares forming part of the Equity Pool for this ESOP Plan is 2,50,000 of par value Rs. 10/-."

The CL ESOP Plan 2014 states "the Options that have not been Granted (including any Options that have been Granted, but have lapsed, terminated or been surrendered since the time of Grant, from time to time) under the Existing Plan, shall be available for Grant under this Plan."

Following is the status of CL ESOP Plan 2014 as on March 31, 2021 as well as on the date of this notice:

Particulars	No. of Options
Total Options Reserved	2,50,000
Options exercised	82,475
Options Outstanding	1,67,525

**c) Identification of class of employees entitled to participate in the plan;**

As per the CL ESOP Plan 2014, 'Employee' means:

- i. a permanent Employee of the Company whether working in India or abroad;
- ii. a Director of the Company, whether a whole-time director or not, but excluding an Independent Director; or
- iii. an Employee as defined in sub-clause (a) or (b) above of a Subsidiary, in India or abroad, or of a "Holding Company" of the Company.

but does not include the following:

- i. an Employee who is a Promoter or a person belonging to the Promoter Group;
- ii. a Director, who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10% (ten per cent) of the outstanding Shares of the company.

**d) The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme;**

The Nomination Remuneration and Compensation Committee ("NRC Committee"), based on the recommendations of the Management Committee (ESOP), decides on the Employees who are eligible for a grant under the Plan including the terms and conditions of the grants.

The Management Committee, based on various criteria for the selection of the employee (which criteria are decided by the Board from time to time or the 'NRC Committee' for assessing the contribution of the employees) makes a recommendation to the 'NRC Committee' for its consideration.

**e) The requirements of vesting and period of vesting;**

Unless otherwise specified in the Grant, all First/ initial grants made to any grantee vest in four equal installments over a period of 4 (four) years, unless otherwise specifically

authorized and approved by the NRC Committee.

Further, unless otherwise specified in the Grant, all subsequent grants vest in the grantee in four equal installments at each anniversary of the grant date. Provided that no vesting of any options takes place unless one year has elapsed from the date of its grant.

The NRC Committee has absolute discretion to alter/modify the vesting schedule.

**f) The maximum period within which the options shall be vested;**

There is no maximum period prescribed in the Plan within which the options shall be vested. However, no vesting of any option takes place unless one year has elapsed from the date of its grant.

**g) The exercise price or the formula for arriving at the same;**

The exercise price is the per Share price payable by the Grantee for Exercising the Options offered under a Grant, as determined by the Company. Formula is determined by the NRC Committee on a case to case basis.

**h) The exercise period and process of exercise;**

**Exercise Period:**

As per the plan, vested options must be exercised prior to the earliest of the following dates:

- 36 (Thirty-Six) months from the Vesting date or as otherwise specified in the Grant Letter.
- 12 (Twelve) months following the death of a Grantee or termination due to disability or retirement.

**Exercise Process (as specified in the plan):**

- The Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant, Exercise the Options by submitting an application to the Board of Directors, to allot and/or transfer to him Shares pursuant to the Vested Options, accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares and acceptance to such other terms in writing, if any, as the Board, may specify to confirm the extinguishment of the rights comprising in the Options then Exercised.
- Except as otherwise provided, payment of the Exercise Price for the Shares to be acquired pursuant to any Options

shall be made by:

- i. cheque, payable at the Registered Office of the Company.
- ii. the Grantee's authorization to the Company to deduct such amount from his salary due and payable.
- iii. such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or
- iv. any combination of the above.

- The application shall be in such form as may be prescribed in this regard and the NRC Committee may determine the procedure for Exercise from time to time.

**i) The Lock-in period, if any;**

'Lock-in Period' for the Shares issued to a Grantee pursuant to Exercise of the Options shall be as specified by the Company.

**j) The maximum number of options to be granted per employee and in aggregate;**

There is no maximum number prescribed for any employee. However, it is stated that the Company shall obtain approval of the Shareholders by way of separate resolutions in a General Meeting in the event that Options are proposed to be granted to Employees of: (i) a Subsidiary or holding company, or (ii) to identified Employees, during any one year, which are equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.

**k) The method which the Company shall use to value its options;**

The Company shall derive the 'Fair Market Value' of each Share in accordance with applicable SEBI guidelines, when the shares of the Company get listed on any Recognized Stock Exchange in India.

**l) The conditions under which options vested in employees may lapse e.g. in case of termination of employment for misconduct;**

- failure to Exercise the Option within the Exercise Period .
- the continued failure of the Grantee to substantially perform his/her duties to the Employer Company.
- the engaging by the Grantee in willful, reckless or grossly negligent misconduct which is determined by the



NRC Committee to be detrimental to the interest of the Employer Company or any of its affiliates, Subsidiaries, and/or Associates Companies, monetarily or otherwise.

- fraud, misfeasance, breach of trust or wrongful disclosure by the Grantee of any secret or confidential information about the Employer Company.
- the Grantee's pleading guilty to or conviction of a felony.
- Voluntary termination of employment by the employee.

**m) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee;**

If a Grantee's employment (or service) with the Employer Company terminates either

- For cause, or
- Voluntarily, on the part of the Grantee

the Options, to the extent not previously exercised, will terminate on the date of such termination of employment (service).

Provided further that the Company shall have a lien on such Shares till the time they are transferred in accordance with the above provisions without any recourse to any person whatsoever.

**n) a statement to the effect that the Company shall comply with the applicable accounting standards/policies;**

The Company shall comply with the disclosure requirements and applicable & adopted accounting policies or accounting standards as may be applicable from time to time.

**o) Maximum quantum of benefits to be provided per employee under the Plan;**

Apart from grant of options, no monetary benefits are contemplated under the Plan.

**p) Whether scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both;**

CL ESOP Plan 2014 involves new issue of shares by the Company and does not contemplate secondary acquisition.

**q) Amount of loan to be provided for implementation of**

**the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc;**

Subject to the provisions of applicable law and specifically to the extent permitted under the ESOP Guidelines, the Company may in its sole discretion, provide financial assistance to the Grantees, of such amounts, and on such terms, as may be deemed fit to enable them to Exercise the Options.

**r) whether the scheme(s) is to be implemented and administered directly by the company or through a trust;**

The CL ESOP Plan 2014 shall be administered directly by the Company.

**s) Maximum percentage of secondary acquisition;**

There is no contemplation of acquisition of secondary shares for the purpose of Plan.

The Board recommends this resolution for approval of the members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are, in any way, concerned or interested in passing the proposed Resolution (Item No. 4) of the Notice, except for the fact that they, being employees of the Company are eligible to be granted options, and/or might have been granted options under the ESOP Plan 2014.

Copies of all the documents mentioned herein above shall be open for inspection through the Video Conferencing facility of KFin, for the members attending the Annual General Meeting.

**ITEM No. 5**

**Sale of Digital Business of the Company to its Wholly Owned Subsidiary, Career Launcher Private Limited ("CLPL") on a going concern basis pursuant to Section 180 (1)(a) of the Companies Act, 2013:**

The Company primarily operates in three segments: Digital, Partner & Vocational. The segments have been identified based on the nature of products, the differing risks and returns, the organizational structure, and the internal financial reporting systems. This is a distinct change from the previous financial year wherein there were two segments – Consumer Test Prep and Vocational – with the former having been broken down further into two aforementioned segments.

The Consumer Services business mainly consists of Test-Prep, which includes coaching for higher-education entrance exams like MBA, BBA, Law, Bank, SSC, Civil Services, GATE, etc.; and non-Test-preparation coaching, namely for technology-driven Data Science programs (Python, Machine Learning, and Artificial Intelligence), and Financial Skills programs like CFA, FRM, and NCFM. This entire business operates under the Career Launcher brand.

Given the significant shift that the Company has made towards Digital sales and delivery in its Consumer Test Prep business, it was felt that this was the appropriate year, to rework the Segments and break down the business into two new segments - Digital and Partner. The Digital business predominantly contains business sourced and / or serviced online by company personnel. This includes personnel deployed at Company Owned Company Operated (CoCo) Test Prep locations. The Partner business solely contains all business sourced and serviced by the Company's large Business Partner or Franchisee network across India and the Middle East.

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. Subject to the approval of the shareholders by way of this Special Resolution, it is proposed to transfer the existing Digital Business of CL Educate Limited to CLPL to give it an opportunity to chart its own journey towards becoming a premier brand in the EdTech space.

Accordingly your Board of Directors propose to transfer the Digital Business of CL Educate Limited, comprising all its business in respect of the same including the assets, employees, ongoing customers, suppliers and other partner relationships and including verbal agreements and formal contracts, causes of actions and all other assets and properties, tangible or intangible, not stated herein but related to Digital Business, as

well as all liabilities related to such business segment, as a going concern on slump sale basis to Career Launcher Private Limited ('CLPL'), a wholly owned subsidiary of the Company, with the following objectives:

- Increased focus on the digital business by segregating under a separate entity; and
- Unlocking the value and maximizing wealth of shareholders of CL Educate Limited.

The consideration shall be determined by an Independent Registered Valuer in line with the newly notified Rule 11UAE of the Income Tax Rules, 1962, based on the book value of the business being transferred, rounded off to the nearest higher Crore. The consideration shall be paid by Career Launcher Private Limited partly by way of issuing equity shares, and/or partly by way of cash payable in one or more tranches to CL Educate Limited, and till the payment of the cash portion, the same to be treated as a loan by CL Educate Limited to CLPL.

Pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 in order to be able to carry out the sale of its Digital Business, the Board of Directors requires the consent of the members of the Company by way of a Special Resolution, apart from other approvals as may be necessary in order to execute the transfer.

The Board of Directors of your Company recommend that this resolution be passed as a Special Resolution by the members.

The said Transaction is a Related Party Transaction, as it is between the Company and its Wholly Owned Subsidiary Company, and has been approved by the Audit Committee as well as by the Board of Directors of the Company.

Additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

<b>Name of the related Party;</b>	<b>Career Launcher Private Limited.</b>
Name of the Director or Key Managerial Personnel who is related if any;	Mr. Satya Narayanan R and Mr. Gautam Puri, Directors of the Company, are also Directors on the Board of Career Launcher Private Limited.
Nature of relationship;	Career Launcher Private Limited is a Wholly Owned Subsidiary of CL Educate Limited.

Nature, Material terms, monetary value and particulars of the contract or arrangements;	<p>The proposed transaction is for sale/transfer of Digital Business of CL Educate Limited to its Wholly Owned Subsidiary, Career Launcher Private Limited with the following objectives:</p> <ul style="list-style-type: none"> <li>• Increased focus on the digital business by segregating under a separate entity; and</li> <li>• Unlocking the value and maximising the wealth of all stakeholders of CL Educate Limited.</li> </ul> <p>The consideration, which shall be based on the Book Value of the business being transferred, rounded off to the nearest higher Crore, shall be determined at a date closer to the date of transfer by an Independent Valuer, and shall be paid by Career Launcher Private Limited partly by way of issuing equity shares, and/or partly by way of cash payable in one or more tranches to CL Educate Limited, and till the payment of the cash portion, the same to be treated as a loan by CL Educate Limited to CLPL.</p>
Any other information relevant or important for the members to take decision on the proposed resolution;	Relevant information forms part of the Explanatory Statement setting out the material facts of the transaction.

Except for Mr. Satya Narayanan R and Mr. Gautam Puri, Director (s) who are also Directors on Board of Career Launcher Private Limited, none of the Directors or Key Managerial Personnel (KMPs) of the Company and/or their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

#### ITEM No. 6

##### **Approve the remuneration payable to the Non-Executive Director(s) of the Company for a period of three years:**

At the 22nd Annual General Meeting of the Company held on August 07, 2018, the members had inter-alia approved the overall remuneration by way of commission that could be paid to the Non-Executive Director(s) of the company for a period of three years with effect from April 01, 2018.

Accordingly, a fresh approval of the shareholders, pursuant to Sections 197 and 198 of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013 is being sought for the overall remuneration that may be paid to the Non-Executive Directors of the Company in any financial year, for the next three years, (subject to their respective current tenures and subject to their reappointment in the Company if and where required). The Resolution sets out the upper limit of the following for a period of 3 financial years, i.e., from the Financial Year 2021-22 to 2023-24.

- A Profit based Commission that may be paid to the Non-Executive Directors, in case of adequacy of Profits in any Financial Year, as per Section 197 of the Companies Act, 2013;
- A Fixed remuneration that may be paid to each Non-Executive Director, in case of absence, or inadequacy

of Profits in any Financial Year, as per Schedule V of the Companies Act, 2013.

The above-said remuneration shall be paid/payable in addition to the fees payable to the Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board (Sitting Fee), and/or reimbursement of expenses for participation in the Board and other meetings. The Board recommends the resolution for your approval as an Ordinary Resolution.

Ms. Madhumita Ganguli, Mr. Girish Shivani, Mr. Imran Jafar, Mr. Sanjay Tapriya, and Mr. Piyush Sharma, the Non-Executive Directors on the Board, could be considered to be interested or concerned financially or otherwise in the proposed Resolution (Item No. 6) of the Notice, and no other Directors, or KMPs or their relatives are concerned or interested in the proposed resolution.

Ms. Madhumita Ganguli, Mr. Girish Shivani, Mr. Imran Jafar, Mr. Sanjay Tapriya and Mr. Piyush Sharma, the Non-Executive Directors of the Company do not hold any security in the Company.

#### ITEM No. 7

##### **Re-appointment of Ms. Madhumita Ganguli (DIN: 00676830) as a Non-Executive Independent Director on the Board of the Company for a second term of Five Consecutive Years:**

Ms. Madhumita Ganguli (DIN: 00676830), a Non-Executive Independent Director on the Board of the Company, was initially appointed on the Board on July 02, 2017. She is also a member on the Audit Committee of the Company.

Section 149(10) of the Companies Act, 2013 (the "Act") provides

that the appointment of any Independent Director on Board of a Company cannot exceed two consecutive terms of five years each. Also, the office of an Independent Director is not liable to be determined by retirement by rotation.

The First Term of 5 years of Ms. Madhumita Ganguli as an Independent Director on Board will lapse on July 01, 2022. The NRC Committee, as well Board have proposed the appointment of Ms. Madhumita Ganguli as an Independent Director for the second term of 5 consecutive years, subject to the approval of the Members of the Company and a resolution has been proposed in this Notice convening the 25<sup>th</sup> Annual General Meeting.

**A brief profile of Ms. Madhumita Ganguli (DIN: 00676830) is given here under:**

'Aged about 64 years, Ms. Madhumita Ganguli is the Member of the Executive Management at HDFC Ltd, (one of the largest Housing Finance Institutions of the Country). She has been associated with HDFC for more than 40 years and has worked in diverse roles leading both Legal functions as well as Business Operations of the Organisation.

Ms. Madhumita Ganguli has been associated with CL Educate Limited as an Independent Director for more than Four years. She is also a member on the Audit Committee of the Company. HDFC Limited holds 5,94,233 number of Equity Shares in CL Educate Limited (as on March 31, 2021), constituting about 4.19 % of the paid up Capital of the Company.

Ms. Madhumita Ganguli is a lawyer by qualification and through her experience she is a housing finance professional. Her core strengths have been her ability to work in large cross functional teams, lead large teams of people with a mix of both senior and junior colleagues, ability to empathise, understand issues with an open mind and find solutions. She had steered the Business Process Reengineering (BPR) program in HDFC for retail lending which has been successfully rolled out across HDFC offices both nationally as well as internationally. The BPR exercise has helped HDFC accentuate its competitive edge by introducing technology in the underwriting process.

She was a key member of the team that provided consultancy for setting up the operations of Mauritius Housing Finance Company. She was a member of the National Housing Bank Working Committee on Standardizing of Loan Documentation for Retail Housing Loans and a committee set up by FICCI to formulate recommendations for the Government of India for the real estate sector. She has also been a speaker at various international and national seminars on housing finance.'

In terms of Section 149 and other applicable provisions of the Act, Ms. Madhumita Ganguli, being eligible, has offered herself for re-appointment, and it is proposed to re-appoint her as Non-Executive Independent Director on Board for a second term of 5 (five) consecutive years, commencing from July 02, 2022 up to July 01, 2027, with her office not liable to be determined by

retirement by rotation.

Ms. Madhumita Ganguli has given her consent to act as a Director of the Company, along with a certificate stating that she is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Act. Further, she has submitted the declaration as required pursuant to Section 149(7) of the Act stating that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Madhumita Ganguli has declared that she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Board considers that it is desirable to continue to avail the services of Ms. Madhumita Ganguli as an Independent Director and that her continued association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution, for the approval of the shareholders by way of a Special Resolution.

Except for Ms. Madhumita Ganguli, none of the Directors or Key Managerial Personnel (KMPs) of the Company and/or their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution at Item No. 7 of this Notice.

**ITEM NO. 8 & 9**

**Approval of the Sub- Division of Equity Shares from Face Value of Rs.10/- per share to Rs. 5/- per share: and**

**Alteration of the Capital Clause of Memorandum of Association ("MOA") of the Company, pursuant to the Sub-Division of each fully paid up Equity Share of face value of Rs.10/- into 2 Fully paid up Equity Shares of face value of Rs.5/- each:**

The Equity Shares of your Company are listed and are actively traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). With a view to encourage wider participation of small investors and to enhance the liquidity of the equity shares at the Stock Markets, the Board of Directors at its Meeting held on August 03, 2021 considered and approved the sub-division of 1 (one) fully paid up Equity Share of the Company having a face value of Rs. 10/- (Rupees Ten only) each into 2 (Two) fully paid up Equity Shares of face value of Rs. 5/- (Rupees Five only) each fully paid up, subject to approval of the Members and any other statutory and regulatory approvals, as may be applicable. The Record Date for the aforesaid subdivision of the Equity Shares will be fixed by the Board of Directors/any Committee constituted by the Board of Directors.

Presently, the Authorised Share Capital of your Company is Rs 16,00,00,000/- (Rupees Sixteen Crores only) divided into 1,60,00,000 equity shares of Rs. 10/- (Rupees Ten) each and

the Paid-Up Share Capital of the Company is Rs. 14,16,56,780/- (Rupees Fourteen Crores Sixteen Lakhs Fifty-Six Thousand Seven Hundred Eighty only) divided into 1,41,65,678 equity shares of Rs. 10/- (Rupees Ten only) each fully paid-up.

There will not be any change in the amount of authorized and paid-up share capital on account of sub-division of Equity Shares, however, the number of equity shares will change to 3,20,00,000 and 2,83,31,356 Equity Shares in the Authorised and Paid-up Equity Share Capital of the Company, respectively. The sub-division as aforesaid would also require consequential amendments to the existing Clause V of the Memorandum of Association ("MOA") of the Company (as set out in Item No. 9 of this Notice) to reflect the change in the face value of each Equity Share of the Company from existing Rs. 10/- (Rupees Ten only) each to the proposed Rs. 5/- (Rupees Five only) each. As per the provisions of Sections 13 and 61 of the Companies Act, 2013, any alteration in the Capital clause of MOA of the Company shall be effected only after the approval of the Members by passing an Ordinary Resolution.

Your Board of Directors, therefore, recommends the resolutions at item Nos. 8 & 9 of this Notice seeking approval of shareholders by way of Ordinary Resolutions for sub-division of Equity Shares of the Company and consequential

amendment to the Capital Clause of the MOA of the Company in pursuance of the provisions of the Companies Act, 2013 and other applicable rules, regulations and laws.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolutions at Item Nos. 8 & 9 of the Notice.

**By Order of the Board  
For CL Educate Limited**

**Sd/-  
Rachna Sharma  
Company Secretary & Compliance Officer  
Membership No.: A17780**

**Address: 445, Heritage Tower, Sawan C.G.H.S.,  
Plot-1, Sector-3, Dwarka, New Delhi – 110075**

**Place: New Delhi  
Date: August 03, 2021**



Meeting, make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized who shall countersign the same and declare the result of voting forthwith.

26. The resolutions will be deemed to be passed on the 25th Annual General Meeting subject to receipt of the requisite number of votes in favour of the resolutions. The results will be declared by posting the same at the website of the

Company ([www.cleducate.com](http://www.cleducate.com)), website of the agency viz. Kfin's website (<https://evoting.kfintech.com>) and by filing with the stock exchanges.

27. Information required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS-2) with respect to the Directors seeking re- appointment is as under:

Particulars	Mr. Imran Jafar (DIN:03485628) (Re-appointment pursuant to Retirement by Rotation)	Ms. Madhumita Ganguli (DIN: 00676830) (Reappointment as Non- Executive Independent Director)
Date of Birth (Age)	February 26, 1975 (46 Years)	September 22, 1956 (65 years)
Date of Appointment/re-appointment	November 02, 2018 (First appointment date)	July 02, 2022 (Date when the 1st term of 5 years ends)
Qualifications	PGDM from IIM-B and a Master's degree in software engineering from BITS-Pilani	B.Sc., DU LLB
Expertise in specific functional areas	He has over 20 years of experience in private equity, pharmaceuticals and technology services.	She has been associated with HDFC for more than 40 years and has worked in diverse roles leading both Legal functions as well as Business Operations of the organization.  She is a lawyer by qualification and through her experience she is a housing finance professional. Her core strengths have been ability to work in large cross functional teams, lead large teams of people with a mix of both senior and junior colleagues, ability to empathise, understand issues with an open mind and find solutions
Directorships held in listed Companies (including in CL Educate Limited)	CL Educate Limited	<ul style="list-style-type: none"> <li>• CL Educate Limited</li> <li>• Indraprastha Medical Corporation Limited</li> </ul>
Memberships / Chairmanships of committees of other Listed Companies (including in CL Educate Limited)	Member – Nomination, Remuneration and Compensation Committee (CL Educate Limited)	<ul style="list-style-type: none"> <li>• Member - Audit Committee (CL Educate Limited)</li> <li>• Member – Risk Management Committee (Housing Development Finance Corporation Limited)</li> </ul>
Number of shares held in the Company	Nil	Nil
Disclosure of relationships between directors inter-se	None	None

Names of Listed Companies where the Director has resigned from the Board in past three years	Nil	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Ms. Madhumita Ganguli has already served as an Independent Director on the CL Board for a period of approximately 5 years. The Skills and capabilities required for the role, as well as the manner in which Ms. Madhumita Ganguli meets such requirements, forms a part of the Overall Skills/competence matrix contained in the Corporate Governance Report.

*Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of the above Directors please refer to the Board's Report and the Corporate Governance Report.*

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 3

#### Ratification of remuneration payable to the Cost Auditors for the Financial Year 2021-22:

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications thereof, for the time being in force), the Board has, on the recommendation of the Audit Committee, appointed M/s. Sunny Chhabra and Co., Cost Accountants (Firm registration No. 101544) as the Cost Auditor, to conduct an audit of the Cost Records of the Company for the Financial Year 2021-22. The Remuneration payable to the Cost Auditors for the Financial Year 2021-22, as recommended by the Audit Committee, and approved by the Board of Directors is stated hereunder:

Name of the Cost Auditor	Financial Year	Remuneration for the Financial Year 2021-22 (in Rupees) (Excluding out of pocket expenses & applicable taxes)
M/s. Sunny Chhabra & Co.	2021-2022	Up to Rs.1,40,000/-

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Remuneration of the Cost Auditors is required to be approved and/or ratified by the shareholders of the Company.

The Board of Directors of your Company recommends that this resolution be passed as an Ordinary Resolution by the

Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed resolution at Item No.3 of the Notice.

### ITEM No. 4

#### Approve renewal of the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' (hereinafter "ESOP Scheme"), for a period of 4 (four) years commencing from September 05, 2021:

At its 22nd Annual General Meeting held on August 07, 2018, the Company had extended its erstwhile ESOP Scheme- 'Amended and Restated Career Launcher Employee Stock Options Plan 2014' ("CL ESOP Plan 2014", or "ESOP Scheme") for a period of 3 years i.e. till September 04, 2021.

Hence, the CL ESOP Plan 2014 is valid till September 04, 2021 and after this date no fresh grants can be made pursuant to the ESOP Scheme. It is proposed to renew the CL ESOP Plan 2014 of the Company for a further period of 4 years, i.e. from September 05, 2021 to September 04, 2025, by amending the relevant Articles and Clauses of the CL ESOP Plan 2014.

It is hereby confirmed that the CL ESOP Plan 2014 is in conformity with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations") and is implemented and administered directly by the Company and the Company conforms to the accounting treatment specified in Regulation 15 of the SBEB Regulations.

Pursuant to Regulation 13 of the SBEB Regulations, a Certificate dated July 26, 2021 from the Statutory Auditor of the Company that the ESOP Scheme has been implemented in accordance with the SBEB Regulations and in accordance with the resolution passed by the members of the company in

the general meeting, has been obtained and the same shall be made available by the Company for inspection of the members at the 25th Annual General Meeting.

**Explanation as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 6 of SBEB Regulations:**

**a) Brief description of the CL ESOP Plan 2014;**

The Plan is called the 'Amended and Restated Career Launcher Employee Stock Options Plan 2014 ("CL ESOP Plan 2014" or "ESOP Scheme")'.

It applies only to the permanent Employees and Directors (excluding Independent Directors) of the Company, its Holding Company and its Subsidiaries, whether in India or outside India.

It shall continue in effect till all the Options granted under the Plan are exercised or have been extinguished or unless the Plan is terminated in accordance with the Plan.

The Objectives of the Plan are as under:

- a. to provide means to enable the Company to attract, retain and motivate talented and critical Employees for the business of the Company;
- b. to provide such Employees with additional incentives and reward opportunities;
- c. to create Shareholder value by aligning the interests of the Employees with the long term interests of the Company and Shareholders;
- d. to create a sense of ownership and participation amongst the Employees; and
- e. to provide wealth creation opportunities in the hands of the Employees on a long term basis.

**b) Total number of stock options to be granted;**

As per the Plan, as was initially established (Initial Plan), the aggregate number of options that may be granted under the Plan shall not exceed 3.45% of the total capital of the Company (at the time of establishment of the Initial Plan) which consists of 2,50,000 Shares of Rs. 10 each. The Total no of equity shares forming part of the Equity Pool for this ESOP Plan is 2,50,000 of par value Rs. 10/-."

The CL ESOP Plan 2014 states "the Options that have not been Granted (including any Options that have been Granted, but have lapsed, terminated or been surrendered since the time of Grant, from time to time) under the Existing Plan, shall be available for Grant under this Plan."

Following is the status of CL ESOP Plan 2014 as on March 31, 2021 as well as on the date of this notice:

Particulars	No. of Options
Total Options Reserved	2,50,000
Options exercised	82,475
Options Outstanding	1,67,525

**c) Identification of class of employees entitled to participate in the plan;**

As per the CL ESOP Plan 2014, 'Employee' means:

- i. a permanent Employee of the Company whether working in India or abroad;
- ii. a Director of the Company, whether a whole-time director or not, but excluding an Independent Director; or
- iii. an Employee as defined in sub-clause (a) or (b) above of a Subsidiary, in India or abroad, or of a "Holding Company" of the Company.

but does not include the following:

- i. an Employee who is a Promoter or a person belonging to the Promoter Group;
- ii. a Director, who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10% (ten per cent) of the outstanding Shares of the company.

**d) The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme;**

The Nomination Remuneration and Compensation Committee ("NRC Committee"), based on the recommendations of the Management Committee (ESOP), decides on the Employees who are eligible for a grant under the Plan including the terms and conditions of the grants.

The Management Committee, based on various criteria for the selection of the employee (which criteria are decided by the Board from time to time or the 'NRC Committee' for assessing the contribution of the employees) makes a recommendation to the 'NRC Committee' for its consideration.

**e) The requirements of vesting and period of vesting;**

Unless otherwise specified in the Grant, all First/ initial grants made to any grantee vest in four equal installments over a period of 4 (four) years, unless otherwise specifically

authorized and approved by the NRC Committee.

Further, unless otherwise specified in the Grant, all subsequent grants vest in the grantee in four equal installments at each anniversary of the grant date. Provided that no vesting of any options takes place unless one year has elapsed from the date of its grant.

The NRC Committee has absolute discretion to alter/modify the vesting schedule.

**f) The maximum period within which the options shall be vested;**

There is no maximum period prescribed in the Plan within which the options shall be vested. However, no vesting of any option takes place unless one year has elapsed from the date of its grant.

**g) The exercise price or the formula for arriving at the same;**

The exercise price is the per Share price payable by the Grantee for Exercising the Options offered under a Grant, as determined by the Company. Formula is determined by the NRC Committee on a case to case basis.

**h) The exercise period and process of exercise;**

**Exercise Period:**

As per the plan, vested options must be exercised prior to the earliest of the following dates:

- 36 (Thirty-Six) months from the Vesting date or as otherwise specified in the Grant Letter.
- 12 (Twelve) months following the death of a Grantee or termination due to disability or retirement.

**Exercise Process (as specified in the plan):**

- The Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of the Grant, Exercise the Options by submitting an application to the Board of Directors, to allot and/or transfer to him Shares pursuant to the Vested Options, accompanied by payment of an amount equivalent to the Exercise Price in respect of such Shares and acceptance to such other terms in writing, if any, as the Board, may specify to confirm the extinguishment of the rights comprising in the Options then Exercised.
- Except as otherwise provided, payment of the Exercise Price for the Shares to be acquired pursuant to any Options

shall be made by:

- i. cheque, payable at the Registered Office of the Company.
- ii. the Grantee's authorization to the Company to deduct such amount from his salary due and payable.
- iii. such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or
- iv. any combination of the above.

- The application shall be in such form as may be prescribed in this regard and the NRC Committee may determine the procedure for Exercise from time to time.

**i) The Lock-in period, if any;**

'Lock-in Period' for the Shares issued to a Grantee pursuant to Exercise of the Options shall be as specified by the Company.

**j) The maximum number of options to be granted per employee and in aggregate;**

There is no maximum number prescribed for any employee. However, it is stated that the Company shall obtain approval of the Shareholders by way of separate resolutions in a General Meeting in the event that Options are proposed to be granted to Employees of: (i) a Subsidiary or holding company, or (ii) to identified Employees, during any one year, which are equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant.

**k) The method which the Company shall use to value its options;**

The Company shall derive the 'Fair Market Value' of each Share in accordance with applicable SEBI guidelines, when the shares of the Company get listed on any Recognized Stock Exchange in India.

**l) The conditions under which options vested in employees may lapse e.g. in case of termination of employment for misconduct;**

- failure to Exercise the Option within the Exercise Period .
- the continued failure of the Grantee to substantially perform his/her duties to the Employer Company.
- the engaging by the Grantee in willful, reckless or grossly negligent misconduct which is determined by the

NRC Committee to be detrimental to the interest of the Employer Company or any of its affiliates, Subsidiaries, and/or Associates Companies, monetarily or otherwise.

- fraud, misfeasance, breach of trust or wrongful disclosure by the Grantee of any secret or confidential information about the Employer Company.
- the Grantee's pleading guilty to or conviction of a felony.
- Voluntary termination of employment by the employee.

**m) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee;**

If a Grantee's employment (or service) with the Employer Company terminates either

- For cause, or
- Voluntarily, on the part of the Grantee

the Options, to the extent not previously exercised, will terminate on the date of such termination of employment (service).

Provided further that the Company shall have a lien on such Shares till the time they are transferred in accordance with the above provisions without any recourse to any person whatsoever.

**n) a statement to the effect that the Company shall comply with the applicable accounting standards/policies;**

The Company shall comply with the disclosure requirements and applicable & adopted accounting policies or accounting standards as may be applicable from time to time.

**o) Maximum quantum of benefits to be provided per employee under the Plan;**

Apart from grant of options, no monetary benefits are contemplated under the Plan.

**p) Whether scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both;**

CL ESOP Plan 2014 involves new issue of shares by the Company and does not contemplate secondary acquisition.

**q) Amount of loan to be provided for implementation of**

**the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc;**

Subject to the provisions of applicable law and specifically to the extent permitted under the ESOP Guidelines, the Company may in its sole discretion, provide financial assistance to the Grantees, of such amounts, and on such terms, as may be deemed fit to enable them to Exercise the Options.

**r) whether the scheme(s) is to be implemented and administered directly by the company or through a trust;**

The CL ESOP Plan 2014 shall be administered directly by the Company.

**s) Maximum percentage of secondary acquisition;**

There is no contemplation of acquisition of secondary shares for the purpose of Plan.

The Board recommends this resolution for approval of the members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are, in any way, concerned or interested in passing the proposed Resolution (Item No. 4) of the Notice, except for the fact that they, being employees of the Company are eligible to be granted options, and/or might have been granted options under the ESOP Plan 2014.

Copies of all the documents mentioned herein above shall be open for inspection through the Video Conferencing facility of KFin, for the members attending the Annual General Meeting.

**ITEM No. 5**

**Sale of Digital Business of the Company to its Wholly Owned Subsidiary, Career Launcher Private Limited ("CLPL") on a going concern basis pursuant to Section 180 (1)(a) of the Companies Act, 2013:**

The Company primarily operates in three segments: Digital, Partner & Vocational. The segments have been identified based on the nature of products, the differing risks and returns, the organizational structure, and the internal financial reporting systems. This is a distinct change from the previous financial year wherein there were two segments – Consumer Test Prep and Vocational – with the former having been broken down further into two aforementioned segments.

The Consumer Services business mainly consists of Test-Prep, which includes coaching for higher-education entrance exams like MBA, BBA, Law, Bank, SSC, Civil Services, GATE, etc.; and non-Test-preparation coaching, namely for technology-driven Data Science programs (Python, Machine Learning, and Artificial Intelligence), and Financial Skills programs like CFA, FRM, and NCFM. This entire business operates under the Career Launcher brand.

Given the significant shift that the Company has made towards Digital sales and delivery in its Consumer Test Prep business, it was felt that this was the appropriate year, to rework the Segments and break down the business into two new segments - Digital and Partner. The Digital business predominantly contains business sourced and / or serviced online by company personnel. This includes personnel deployed at Company Owned Company Operated (CoCo) Test Prep locations. The Partner business solely contains all business sourced and serviced by the Company's large Business Partner or Franchisee network across India and the Middle East.

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. Subject to the approval of the shareholders by way of this Special Resolution, it is proposed to transfer the existing Digital Business of CL Educate Limited to CLPL to give it an opportunity to chart its own journey towards becoming a premier brand in the EdTech space.

Accordingly your Board of Directors propose to transfer the Digital Business of CL Educate Limited, comprising all its business in respect of the same including the assets, employees, ongoing customers, suppliers and other partner relationships and including verbal agreements and formal contracts, causes of actions and all other assets and properties, tangible or intangible, not stated herein but related to Digital Business, as

well as all liabilities related to such business segment, as a going concern on slump sale basis to Career Launcher Private Limited ('CLPL'), a wholly owned subsidiary of the Company, with the following objectives:

- Increased focus on the digital business by segregating under a separate entity; and
- Unlocking the value and maximizing wealth of shareholders of CL Educate Limited.

The consideration shall be determined by an Independent Registered Valuer in line with the newly notified Rule 11UAE of the Income Tax Rules, 1962, based on the book value of the business being transferred, rounded off to the nearest higher Crore. The consideration shall be paid by Career Launcher Private Limited partly by way of issuing equity shares, and/or partly by way of cash payable in one or more tranches to CL Educate Limited, and till the payment of the cash portion, the same to be treated as a loan by CL Educate Limited to CLPL.

Pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 in order to be able to carry out the sale of its Digital Business, the Board of Directors requires the consent of the members of the Company by way of a Special Resolution, apart from other approvals as may be necessary in order to execute the transfer.

The Board of Directors of your Company recommend that this resolution be passed as a Special Resolution by the members.

The said Transaction is a Related Party Transaction, as it is between the Company and its Wholly Owned Subsidiary Company, and has been approved by the Audit Committee as well as by the Board of Directors of the Company.

Additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

<b>Name of the related Party;</b>	<b>Career Launcher Private Limited.</b>
Name of the Director or Key Managerial Personnel who is related if any;	Mr. Satya Narayanan R and Mr. Gautam Puri, Directors of the Company, are also Directors on the Board of Career Launcher Private Limited.
Nature of relationship;	Career Launcher Private Limited is a Wholly Owned Subsidiary of CL Educate Limited.

Nature, Material terms, monetary value and particulars of the contract or arrangements;	<p>The proposed transaction is for sale/transfer of Digital Business of CL Educate Limited to its Wholly Owned Subsidiary, Career Launcher Private Limited with the following objectives:</p> <ul style="list-style-type: none"> <li>• Increased focus on the digital business by segregating under a separate entity; and</li> <li>• Unlocking the value and maximising the wealth of all stakeholders of CL Educate Limited.</li> </ul> <p>The consideration, which shall be based on the Book Value of the business being transferred, rounded off to the nearest higher Crore, shall be determined at a date closer to the date of transfer by an Independent Valuer, and shall be paid by Career Launcher Private Limited partly by way of issuing equity shares, and/or partly by way of cash payable in one or more tranches to CL Educate Limited, and till the payment of the cash portion, the same to be treated as a loan by CL Educate Limited to CLPL.</p>
Any other information relevant or important for the members to take decision on the proposed resolution;	Relevant information forms part of the Explanatory Statement setting out the material facts of the transaction.

Except for Mr. Satya Narayanan R and Mr. Gautam Puri, Director (s) who are also Directors on Board of Career Launcher Private Limited, none of the Directors or Key Managerial Personnel (KMPs) of the Company and/or their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

#### ITEM No. 6

##### **Approve the remuneration payable to the Non-Executive Director(s) of the Company for a period of three years:**

At the 22nd Annual General Meeting of the Company held on August 07, 2018, the members had inter-alia approved the overall remuneration by way of commission that could be paid to the Non-Executive Director(s) of the company for a period of three years with effect from April 01, 2018.

Accordingly, a fresh approval of the shareholders, pursuant to Sections 197 and 198 of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013 is being sought for the overall remuneration that may be paid to the Non-Executive Directors of the Company in any financial year, for the next three years, (subject to their respective current tenures and subject to their reappointment in the Company if and where required). The Resolution sets out the upper limit of the following for a period of 3 financial years, i.e., from the Financial Year 2021-22 to 2023-24.

- A Profit based Commission that may be paid to the Non-Executive Directors, in case of adequacy of Profits in any Financial Year, as per Section 197 of the Companies Act, 2013;
- A Fixed remuneration that may be paid to each Non-Executive Director, in case of absence, or inadequacy

of Profits in any Financial Year, as per Schedule V of the Companies Act, 2013.

The above-said remuneration shall be paid/payable in addition to the fees payable to the Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board (Sitting Fee), and/or reimbursement of expenses for participation in the Board and other meetings. The Board recommends the resolution for your approval as an Ordinary Resolution.

Ms. Madhumita Ganguli, Mr. Girish Shivani, Mr. Imran Jafar, Mr. Sanjay Tapriya, and Mr. Piyush Sharma, the Non-Executive Directors on the Board, could be considered to be interested or concerned financially or otherwise in the proposed Resolution (Item No. 6) of the Notice, and no other Directors, or KMPs or their relatives are concerned or interested in the proposed resolution.

Ms. Madhumita Ganguli, Mr. Girish Shivani, Mr. Imran Jafar, Mr. Sanjay Tapriya and Mr. Piyush Sharma, the Non-Executive Directors of the Company do not hold any security in the Company.

#### ITEM No. 7

##### **Re-appointment of Ms. Madhumita Ganguli (DIN: 00676830) as a Non-Executive Independent Director on the Board of the Company for a second term of Five Consecutive Years:**

Ms. Madhumita Ganguli (DIN: 00676830), a Non-Executive Independent Director on the Board of the Company, was initially appointed on the Board on July 02, 2017. She is also a member on the Audit Committee of the Company.

Section 149(10) of the Companies Act, 2013 (the "Act") provides

that the appointment of any Independent Director on Board of a Company cannot exceed two consecutive terms of five years each. Also, the office of an Independent Director is not liable to be determined by retirement by rotation.

The First Term of 5 years of Ms. Madhumita Ganguli as an Independent Director on Board will lapse on July 01, 2022. The NRC Committee, as well Board have proposed the appointment of Ms. Madhumita Ganguli as an Independent Director for the second term of 5 consecutive years, subject to the approval of the Members of the Company and a resolution has been proposed in this Notice convening the 25<sup>th</sup> Annual General Meeting.

**A brief profile of Ms. Madhumita Ganguli (DIN: 00676830) is given here under:**

'Aged about 64 years, Ms. Madhumita Ganguli is the Member of the Executive Management at HDFC Ltd, (one of the largest Housing Finance Institutions of the Country). She has been associated with HDFC for more than 40 years and has worked in diverse roles leading both Legal functions as well as Business Operations of the Organisation.

Ms. Madhumita Ganguli has been associated with CL Educate Limited as an Independent Director for more than Four years. She is also a member on the Audit Committee of the Company. HDFC Limited holds 5,94,233 number of Equity Shares in CL Educate Limited (as on March 31, 2021), constituting about 4.19 % of the paid up Capital of the Company.

Ms. Madhumita Ganguli is a lawyer by qualification and through her experience she is a housing finance professional. Her core strengths have been her ability to work in large cross functional teams, lead large teams of people with a mix of both senior and junior colleagues, ability to empathise, understand issues with an open mind and find solutions. She had steered the Business Process Reengineering (BPR) program in HDFC for retail lending which has been successfully rolled out across HDFC offices both nationally as well as internationally. The BPR exercise has helped HDFC accentuate its competitive edge by introducing technology in the underwriting process.

She was a key member of the team that provided consultancy for setting up the operations of Mauritius Housing Finance Company. She was a member of the National Housing Bank Working Committee on Standardizing of Loan Documentation for Retail Housing Loans and a committee set up by FICCI to formulate recommendations for the Government of India for the real estate sector. She has also been a speaker at various international and national seminars on housing finance.'

In terms of Section 149 and other applicable provisions of the Act, Ms. Madhumita Ganguli, being eligible, has offered herself for re-appointment, and it is proposed to re-appoint her as Non-Executive Independent Director on Board for a second term of 5 (five) consecutive years, commencing from July 02, 2022 up to July 01, 2027, with her office not liable to be determined by

retirement by rotation.

Ms. Madhumita Ganguli has given her consent to act as a Director of the Company, along with a certificate stating that she is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Act. Further, she has submitted the declaration as required pursuant to Section 149(7) of the Act stating that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Madhumita Ganguli has declared that she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Board considers that it is desirable to continue to avail the services of Ms. Madhumita Ganguli as an Independent Director and that her continued association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution, for the approval of the shareholders by way of a Special Resolution.

Except for Ms. Madhumita Ganguli, none of the Directors or Key Managerial Personnel (KMPs) of the Company and/or their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution at Item No. 7 of this Notice.

**ITEM NO. 8 & 9**

**Approval of the Sub- Division of Equity Shares from Face Value of Rs.10/- per share to Rs. 5/- per share: and**

**Alteration of the Capital Clause of Memorandum of Association ("MOA") of the Company, pursuant to the Sub-Division of each fully paid up Equity Share of face value of Rs.10/- into 2 Fully paid up Equity Shares of face value of Rs.5/- each:**

The Equity Shares of your Company are listed and are actively traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). With a view to encourage wider participation of small investors and to enhance the liquidity of the equity shares at the Stock Markets, the Board of Directors at its Meeting held on August 03, 2021 considered and approved the sub-division of 1 (one) fully paid up Equity Share of the Company having a face value of Rs. 10/- (Rupees Ten only) each into 2 (Two) fully paid up Equity Shares of face value of Rs. 5/- (Rupees Five only) each fully paid up, subject to approval of the Members and any other statutory and regulatory approvals, as may be applicable. The Record Date for the aforesaid subdivision of the Equity Shares will be fixed by the Board of Directors/any Committee constituted by the Board of Directors.

Presently, the Authorised Share Capital of your Company is Rs 16,00,00,000/- (Rupees Sixteen Crores only) divided into 1,60,00,000 equity shares of Rs. 10/- (Rupees Ten) each and



the Paid-Up Share Capital of the Company is Rs. 14,16,56,780/- (Rupees Fourteen Crores Sixteen Lakhs Fifty-Six Thousand Seven Hundred Eighty only) divided into 1,41,65,678 equity shares of Rs. 10/- (Rupees Ten only) each fully paid-up.

There will not be any change in the amount of authorized and paid-up share capital on account of sub-division of Equity Shares, however, the number of equity shares will change to 3,20,00,000 and 2,83,31,356 Equity Shares in the Authorised and Paid-up Equity Share Capital of the Company, respectively. The sub-division as aforesaid would also require consequential amendments to the existing Clause V of the Memorandum of Association ("MOA") of the Company (as set out in Item No. 9 of this Notice) to reflect the change in the face value of each Equity Share of the Company from existing Rs. 10/- (Rupees Ten only) each to the proposed Rs. 5/- (Rupees Five only) each. As per the provisions of Sections 13 and 61 of the Companies Act, 2013, any alteration in the Capital clause of MOA of the Company shall be effected only after the approval of the Members by passing an Ordinary Resolution.

Your Board of Directors, therefore, recommends the resolutions at item Nos. 8 & 9 of this Notice seeking approval of shareholders by way of Ordinary Resolutions for sub-division of Equity Shares of the Company and consequential

amendment to the Capital Clause of the MOA of the Company in pursuance of the provisions of the Companies Act, 2013 and other applicable rules, regulations and laws.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives is, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolutions at Item Nos. 8 & 9 of the Notice.

**By Order of the Board  
For CL Educate Limited**

**Sd/-  
Rachna Sharma  
Company Secretary & Compliance Officer  
Membership No.: A17780**

**Address: 445, Heritage Tower, Sawan C.G.H.S.,  
Plot-1, Sector-3, Dwarka, New Delhi – 110075**

**Place: New Delhi  
Date: August 03, 2021**



## **CL Educate Limited**

A-45, First Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044, India

T: +91 11 41281100  
F: +91 11 41281101

E: [compliance@cleducate.com](mailto:compliance@cleducate.com)

[www.cleducate.com](http://www.cleducate.com)