



# THE NEXT 25 YEARS

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## 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)

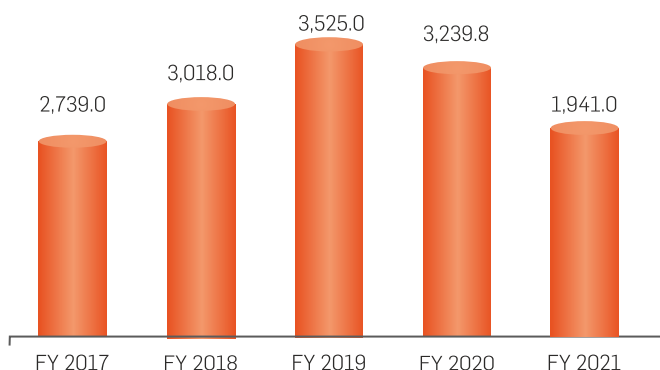
Particulars	FY 2021	FY 2020
Total Income	19,409.61	32,398.03
EBITDA	(76.62)	869.54
EBITDA Margin (%)	-	2.68%
Adjusted EBITDA	3,302.85	4,379.08
Adjusted EBITDA Margin (%)	17.02%	13.52%
Exceptional Item	-	4,150.05
Profit/(Loss) Before Tax	(1,474.90)	(5,512.97)
Profit/(Loss) After Tax	(1,182.04)	(5,305.79)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

## SEGMENT REVENUE MIX (₹ In Lakhs)

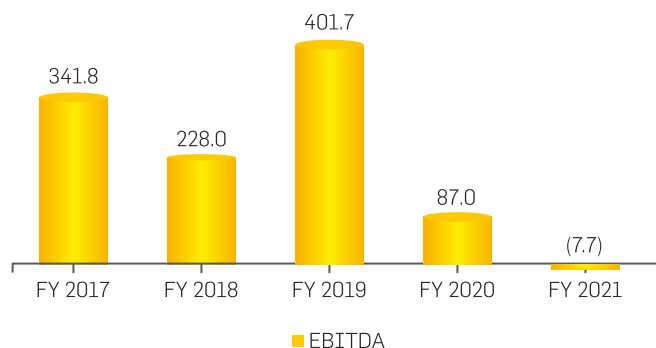
Consumer	FY 2021	FY 2020
<b>Consumer</b>	<b>10,042.14</b>	<b>17,302.30</b>
Digital	5,432.73	10,396.55
Partner	5,009.07	7,062.03
Consumer Publishing	(399.66)	(156.28)
<b>Enterprise</b>	<b>8,407.80</b>	<b>13,536.84</b>
Enterprise Corporate	7,562.10	11,535.06
Enterprise Institutional	845.70	2,001.78
Others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

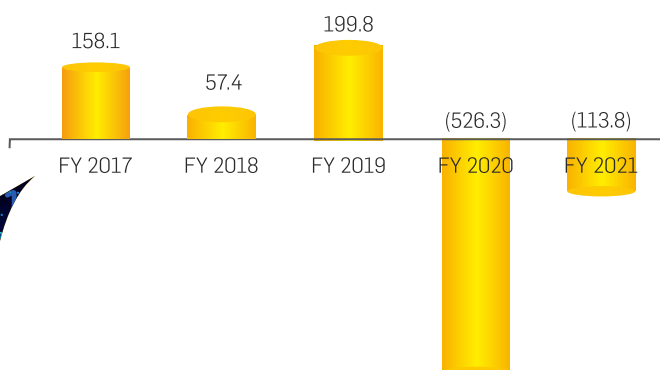
**Total Income (₹ in Mn)**



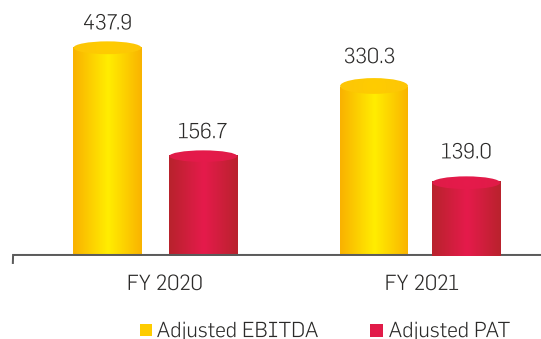
**EBITDA (₹ in Mn)**



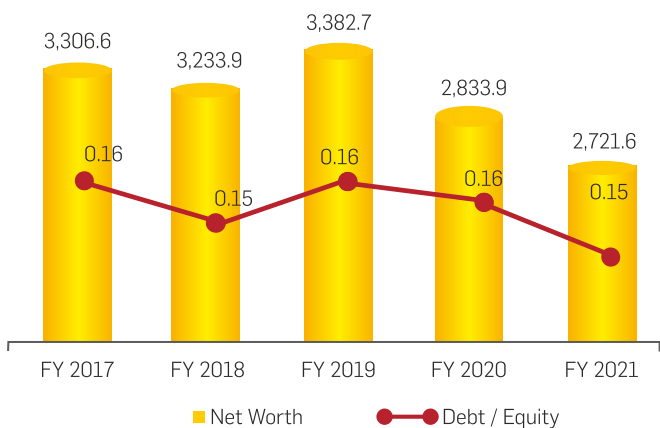
**Total Comprehensive Income (₹ In Mn)**



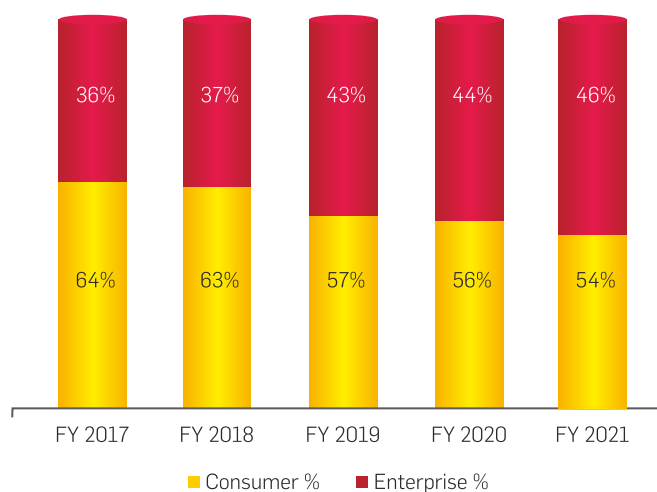
**Adjusted: EBITDA & PAT\* (₹ In Mn)**



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



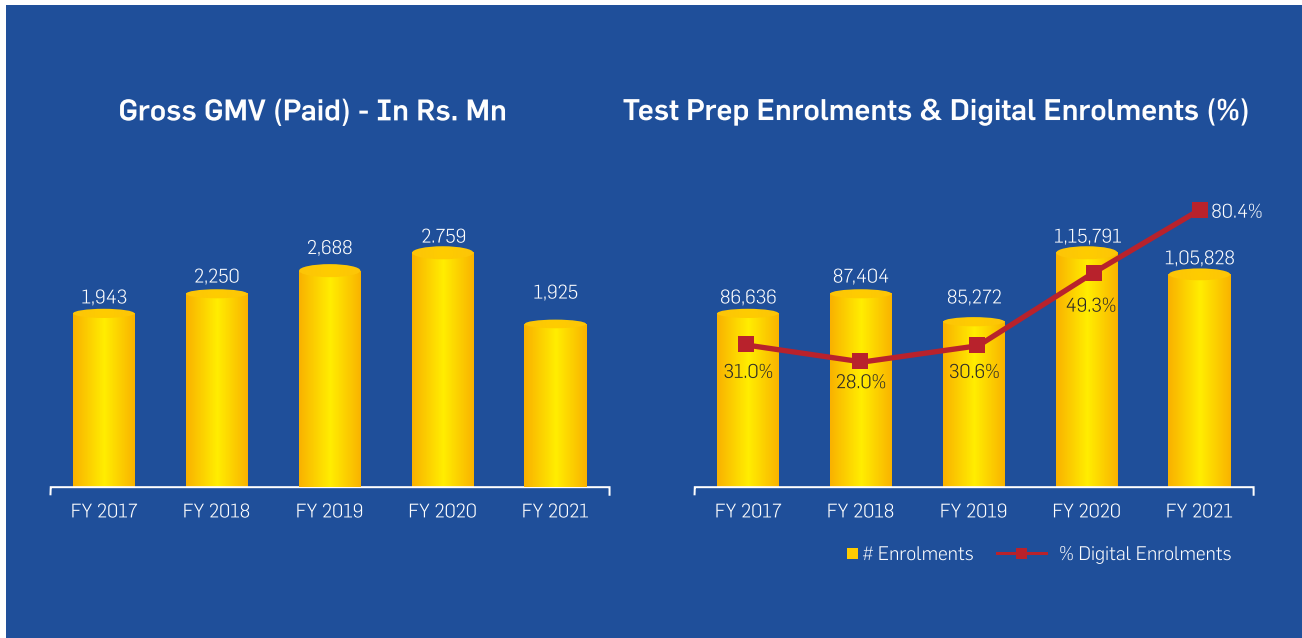
**Revenue Mix (%)**



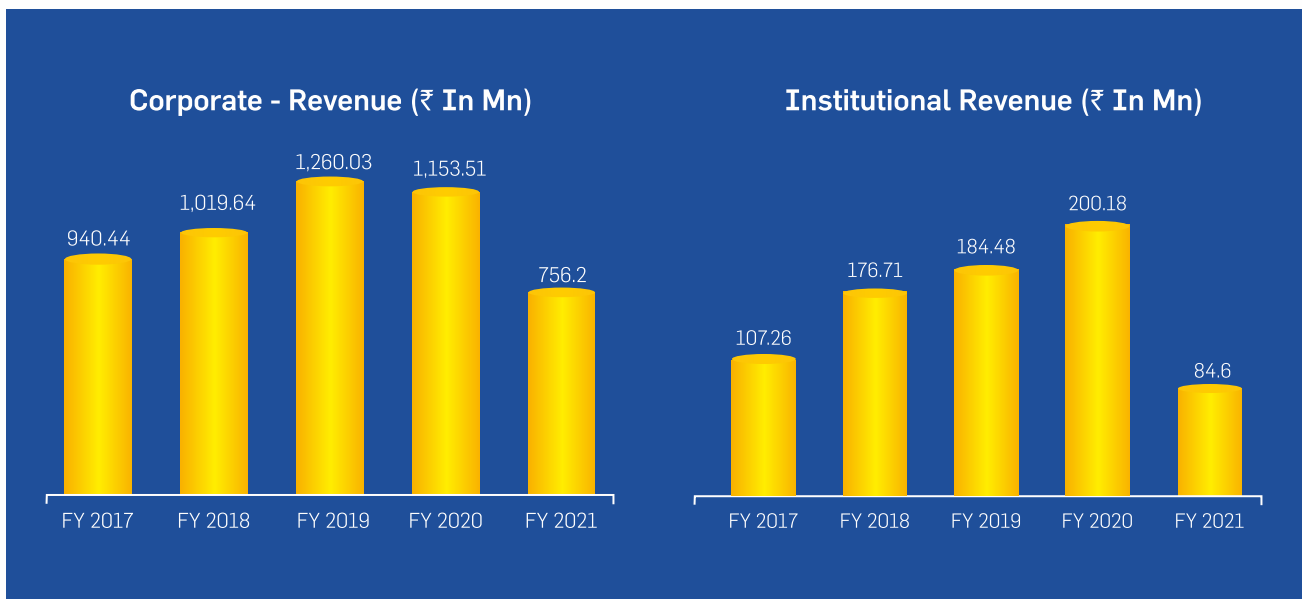
\*FY2020 & FY2021 - EBITDA & PAT Figures are adjusted figures for one-time exceptional expenses that company has incurred

# 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

