

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: Disclosure on Material Impact of COVID-19 pandemic under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

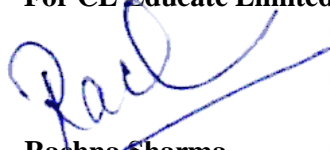
Dear Ma'am/Sir(s),

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we are enclosing herewith the disclosure on material impact of COVID-19 pandemic on the operations and performance of the Company.

The aforesaid information will also be hosted on the Company's website at www.cleducate.com.

Kindly take the above details on record.

Thanking You
For CL Educate Limited



Rachna Sharma
Company Secretary & Compliance Officer
M. No. A17780



Place: New Delhi
Date: August 15, 2020



COVID-19 Impact

Disclosure of Material Impact of COVID 19 under SEBI (LODR) Regulations, 2015

Safe Harbor

This presentation has been prepared by CL Educate Limited (the "Company") solely for information purposes without any regard to any specific objectives, financial situations or information needs of any particular person.

This presentation and its contents are meant for disclosure of material impact of COVID 19 pandemic under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

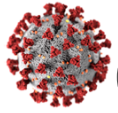
Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

In the view of prevailing uncertain environment due to COVID 19, it is difficult to accurately estimate the its likely impact at this stage; however our management will continue to closely monitor the material changes associated with current situation.

CL Educate Ltd. will not be in any way responsible for any action taken based on such data or comments or statements.

FY 19-20 or FY 20 means the year ending March 31, 2020

Q4 FY20 means period ending Mar 31, 2020

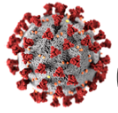


COVID 19 – The impact on Business.....



• The company operates in 4 segments:

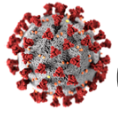
- **Consumer Test Prep:**
 - Preparation for entrance exams – MBA, Law, BBA/HM, GATE, Bank-SSC, UPSC, CA-CPT, CS, GRE/GMAT.
 - Training for Non-Test Prep Courses like CFA, FRM, NCFM, AI-ML
- **Consumer Publishing:**
 - Publishing and Sale of educational books to related and third parties under the brand GK Publications
- **Enterprise Corporate:**
 - Provide services to corporate clients like Digital marketing, Customer Engagement Programs (CEP), Marcomm Services, Event management under the brand Kestone
- **Enterprise Institutional:**
 - Provide services to institutional clients like Integrated solutions, Research incubation, Student recruitment & Career Development Center under the brand Accendere



COVID 19 – The impact on Business.....



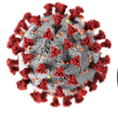
- Nationwide lockdown on Mar 23, 2020 meant the company had to shut all its study centers across the country. The consumer test prep business was instantly shifted to online acquisition and delivery.
- The Consumer Publishing business meanwhile came to a complete standstill as a result of the lockdown as Books didn't fall under the purview of essential services.
- Kestone started feeling the impact of COVID as early as January as events started getting cancelled or postponed due to early social distancing norms. Kestone adapted to the new normal by moving more business online.
- The Enterprise Institutional business didn't feel the impact of COVID as much as other businesses towards the end of March, however, the overall slowdown of the economy will impact it going forward.



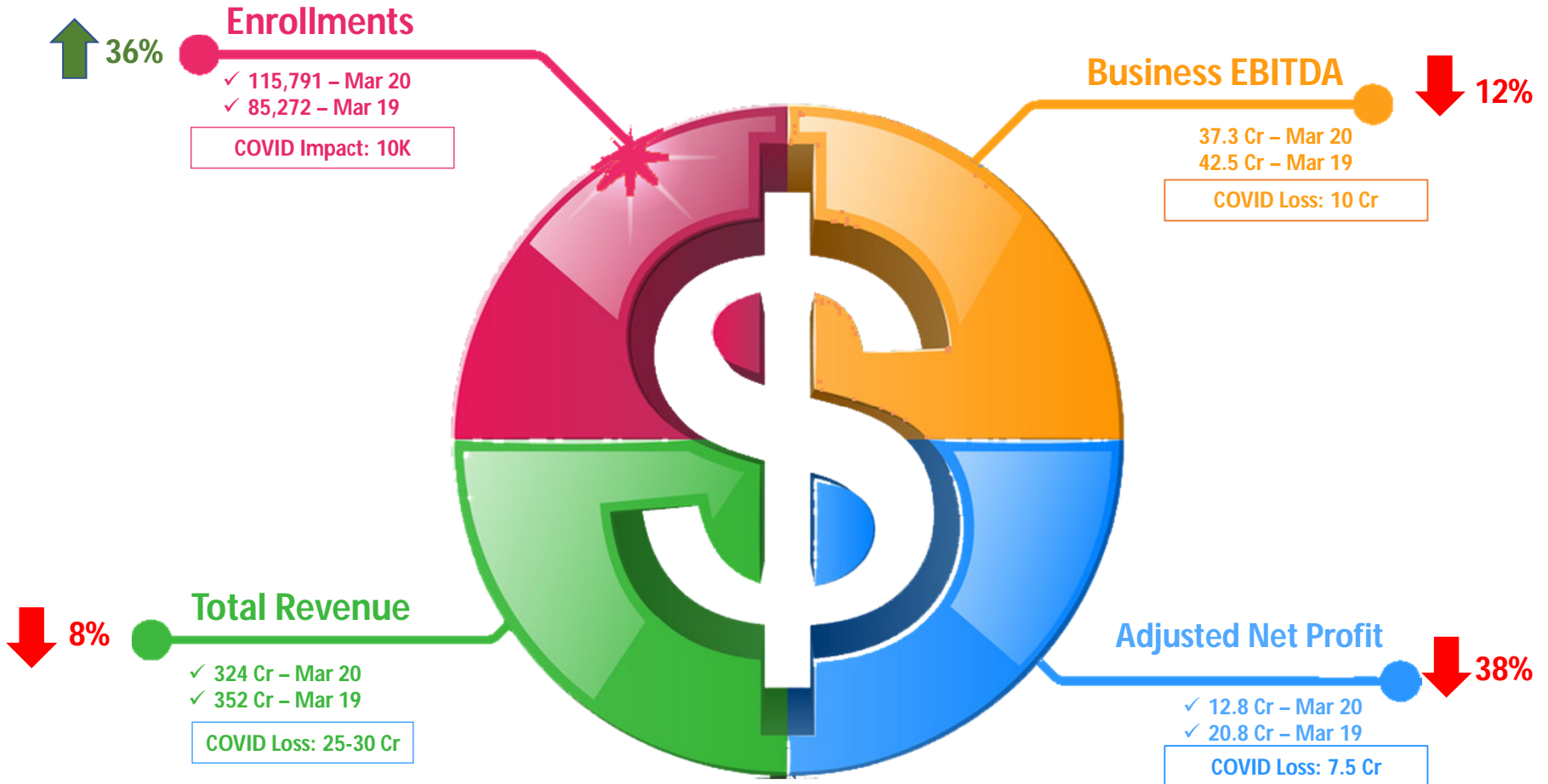
COVID 19 – Ability to maintain operations.....



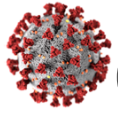
- Post partial lifting of lockdown:
 - Test Prep centers remains closed nationwide
 - All customers have been shifted online and serviced through digital channels.
 - Key support process such as vendor payments, collections, payrolling have been moved to cloud-based services and the digital mode of payments – UPI, NEFT are extensively being used.
 - “Work From Home” was immediately implemented across the company. With most support services being moved to cloud-based services, it further enabled the employees of the company in maintaining smooth operations while ensuring their safety was not compromised at all.
 - The internal financial controls of the company remain unimpacted and are being strictly adhered to.
 - Websites, digital platforms, cloud based internal and external supports and applications have been running without any hitch.



COVID 19 – Estimation of Current and Future Impact....



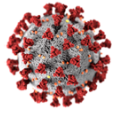
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COVID 19 – Estimation of Current and Future Impact....



- For FY20, the management has estimated a topline impact of ~25-30 Cr.
 - Test preparation segment: ~10-12 Cr
 - Publishing segment: ~5 Cr
 - Corporate segment: ~10 – 12 Cr
- No of Enrolments: Up by 36%. COVID Impact: ~10,000+. Could have been potentially even higher.
- Business EBITDA Impact: ~10 Cr
- Consequently, PAT Impact: ~7.5 Cr
- Future impact:
 - The company is closely monitoring the situation and taking appropriate steps for smooth running of operations
 - Company expects COVID 19 to have a significant impact on revenues this year.
 - The company's cash position remains healthy and it remains optimistic about its ability to ride out the storm
 - The forced push to digital across business lines has accelerated the company's aspirations in this space



COVID 19 – Impact on Performance parameter



- **Capital & Financial resources and profitability**: The company's financial position remains strong and has enough liquidity for its current liabilities.
- **Liquidity Position**: There are no liquidity concerns. The receivables are being collected, albeit a slight delay is observed. The management remains confident of meeting its obligations
- **Ability to service debt and other financing arrangements**: The company has availed the Moratorium facility being provided by the MCA. This has enabled company to pool together its resources and company is confident of servicing its debt post resuming the complete operations
- **Assets**: The company has taken adequate impairment losses due to COVID 19 during the quarter ended Mar 31, 2020
- **Internal Financial reporting and Control**: The internal controls of the company are in place and are being adhered to and monitored on a regular basis. The reporting requirements are fulfilled as required.
- **Supply Chain**: The company's supply chain was briefly impacted by the lockdown, but presently the situation is significantly improved.
- **Demand for products/services**: The management of the company expects a slow down in some areas of operations which will last at least till the end of the financial year.
- **Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business**: The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim by or against the Company
- **Other relevant material updates about the listed entity's business**: The Company has been regularly updating all material information about its business to the Stock Exchanges.



Thank You !!

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