

Ref: MTEL/2023-24/002

May 23, 2023

| | |
|---|---|
| The Manager (CRD) The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001 | The Manager – Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051 |
| Scrip Code : 534312 | Symbol: MTEDUCARE |

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on May 23, 2023

This is to inform you that the financial results were recorded by the Interim Resolution Professional and Directors of the Company at a meeting held on May 23, 2023. Given that the Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, and with effect from December 16, 2022, its affairs, business and assets are being managed by Interim Resolution Professional who took charge of the affairs on 23rd December, 2022, and the powers of the board of directors are vested in the Interim resolution professional, Mr. Ashwin B Shah (“IRP”), the aforesaid meeting of the Directors was chaired by the IRP of the Company who, relying on the certifications, representations and statements of the Directors and management of the Company and the consequent recommendation of the Directors, took on record the Audited Standalone and Consolidated Financial Results for the quarter and Twelve months of the F Y 2022-23 ended on March 31, 2023.

The meeting commenced at 10.10 p.m. and concluded at 11.55 p.m.

The Following matters were taken on record:

- 1) Taken on record the Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2023 [Standalone and Consolidated] as per Regulation 33 of SEBI Listing Regulations, 2015.
- 2) Taken on record Audited Balance Sheet as at March 31, 2023 and Statement of Profit & Loss of the Company along with relevant annexures on Standalone and Consolidated basis prepared under IND-AS, for the Financial Year ended on that date.
- 3) Taken on record statement pursuant to Regulation 33(3) (d) of the SEBI Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Standalone and Consolidated Audited Financial Results) is enclosed herewith as per the format prescribed by SEBI vide its circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

We hereby enclose:

- Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2023 [Standalone and Consolidated] as per Regulation 33 of SEBI Listing Regulations, 2015.

- Statement pursuant to Regulation 33(3) (d) of the SEBI Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Standalone and Consolidated Audited Financial Results) is enclosed herewith as per the format prescribed by SEBI vide its circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Thanking you.

Yours faithfully,

For, MT Educare Limited (In CIRP)

ASHWIN
BHAVANJI
SHAH

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(Ashwin Bhavanji Shah)

Interim Resolution Professional

AFA Valid Upto 19-Mar-2024

IP Reg. No: IBBI/IPA-001/IP/P-02648/2021-22/14054

Email ID: mteducare.cirp@gmail.com

Contact No: 9769468909

Note: Pursuant to the Order dated 16th December, 2022 of the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from 16th December, 2022 (Corporate Insolvency Resolution Process Commencement Date). Mr. Ashwin Bhavanji Shah has been appointed as Interim Resolution Professional ("IRP") in terms of the NCLT Order.

Statement of Standalone Audited Financial Results for the quarter and Year ended 31 March, 2023

(Rs. in Lakhs, except EPS data)

| Sr. No. | Particulars | Quarter ended 31 March 2023 (Refer Note 10) | Quarter ended 31 December, 2022 | Quarter ended 31 March 2022 (Refer Note 10) | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------|--|--|---------------------------------|--|---------------------------|---------------------------|
| | | Audited | Unaudited | Audited | Audited | Audited |
| 1 | Income | | | | | |
| | Revenue from operations | 364.74 | 833.98 | 395.37 | 3,126.55 | 3,039.92 |
| | Other income | 183.57 | 21.45 | 534.06 | 384.05 | 1,004.75 |
| | Total income | 548.31 | 855.43 | 929.43 | 3,510.61 | 4,044.66 |
| 2 | Expenses | | | | | |
| | Direct expenses (Refer Note 5 (a)) | 348.98 | 479.47 | 434.53 | 1,916.22 | 1,565.39 |
| | Employee benefits expense | 151.90 | 243.21 | 341.24 | 936.00 | 1,131.90 |
| | Finance costs (Refer Note 7) | 200.91 | 181.35 | 227.64 | 703.29 | 837.23 |
| | Depreciation and amortisation expense | 283.94 | 228.36 | 225.80 | 875.32 | 1,141.23 |
| | Other expenses (Refer Note 5 (b)) | 1,733.14 | 128.26 | 609.06 | 2,367.19 | 1,431.96 |
| | Total expenses | 2,718.87 | 1,260.65 | 1,838.26 | 6,798.00 | 6,107.71 |
| 3 | Profit/(Loss) before exceptional items before tax | (2,170.57) | (405.23) | (908.83) | (3,287.40) | (2,063.04) |
| | Less: Exceptional items (Refer Note 9) | 1,846.94 | - | - | 1,846.94 | - |
| | Profit/(Loss) before tax | (4,017.50) | (405.23) | (908.83) | (5,134.33) | (2,063.04) |
| 4 | Tax expense/(credit) | (186.84) | (20.60) | 485.52 | (275.45) | 453.43 |
| 5 | Net Profit / (Loss) for the period/year after tax (3-4) | (3,830.66) | (384.63) | (1,394.35) | (4,858.89) | (2,516.48) |
| 6 | Other comprehensive income (including tax effect) | | | | | |
| | Items that will not be reclassified to profit or loss (Net of tax) | 0.88 | (0.00) | 24.42 | 1.24 | 5.67 |
| 7 | Total comprehensive income/(loss) for the period/year (5+6) | (3,829.78) | (384.63) | (1,369.93) | (4,857.64) | (2,510.80) |
| 8 | Paid up equity share capital (Face Value Rs. 10 per share) | 7,222.81 | 7,222.81 | 7,222.81 | 7,222.81 | 7,222.81 |
| 9 | Other equity | | | | (709.15) | 4,148.49 |
| 10 | Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters): | | | | | |
| | Basic | (5.30) | (0.53) | (1.93) | (6.73) | (3.48) |
| | Diluted | (5.30) | (0.53) | (1.93) | (6.73) | (3.48) |

For, MT Educare Limited (In CIRP)

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BHAVANJI BHAVANJI SHAH
SHAH Date: 2023.05.24 09:37:10 +05'30'

Ashwin Bhavanji Shah

Interim Resolution Professional

AFA Valid Upto 19-Mar-2024

IP Reg. No: IBB/IPA-001/IP/P-02648/2021-22/14054

Email ID: mteducare.cirp@gmail.com

Mumbai, 23 May, 2023

MT Educare Limited
Standalone Balance Sheet as at 31 March, 2023

| | As at 31 March, 2023 | As at 31 March, 2022 |
|--|-------------------------|-------------------------|
| | ₹ in lakhs | ₹ in lakhs |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipments | 545.30 | 1,046.18 |
| Right-of-use asset | 3,323.69 | 3,434.79 |
| Capital Work-in-progress | - | 18.82 |
| Other Intangible assets | 9.45 | 21.26 |
| Financial assets | | |
| -Investments | 1,298.03 | 3,144.96 |
| -Loans | 2,316.41 | 2,316.41 |
| -Other financial assets | 381.94 | 551.98 |
| Deferred tax assets (net) | 6,894.29 | 6,619.26 |
| Non-current tax assets | 991.15 | 926.14 |
| Total non-current assets | 15,760.25 | 18,079.80 |
| Current assets | | |
| Financial assets | | |
| -Investments | - | 0.01 |
| -Trade receivables | 1,565.66 | 2,748.08 |
| -Cash and cash equivalents | 67.02 | 235.65 |
| -Bank balances other than cash and cash equivalents | 389.63 | 373.38 |
| -Loans | 5.12 | 4.80 |
| -Other financial assets | 5,248.05 | 5,587.77 |
| Other current assets | 111.03 | 134.34 |
| Total current assets | 7,386.50 | 9,084.01 |
| TOTAL ASSETS | 23,146.75 | 27,163.82 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 7,222.81 | 7,222.81 |
| Other equity | (709.15) | 4,148.49 |
| Total equity | 6,513.66 | 11,371.30 |
| Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| - Borrowings | - | 101.75 |
| - Lease liabilities | 5,124.27 | 4,385.53 |
| Provisions | 76.34 | 328.39 |
| Other non-current liabilities | 20.16 | 95.41 |
| Total non-current liabilities | 5,220.77 | 4,911.08 |
| Current liabilities | | |
| Financial Liabilities | | |
| - Borrowings | 3,173.50 | 3,050.59 |
| - Lease liabilities | 56.68 | 47.35 |
| - Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 123.09 | 160.41 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,113.43 | 4,193.27 |
| - Other financial liabilities | 1,871.72 | 1,804.21 |
| Provisions | 346.73 | 98.09 |
| Other current liabilities | 1,727.18 | 1,527.54 |
| Total current liabilities | 11,412.33 | 10,881.44 |
| Total liabilities | 16,633.10 | 15,792.51 |
| TOTAL EQUITY AND LIABILITIES | 23,146.75 | 27,163.82 |

MT Educare Limited
Standalone Statement of Cash Flows for the year ended 31 March, 2023

| | For the Year ended 31 March, 2023 | For the Year ended 31 March, 2022 |
|--|--|--|
| | ₹ in lakhs | ₹ in lakhs |
| A. Cash flow from operating activities | | |
| Profit/(Loss) before tax | (3,287.40) | (2,063.04) |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 875.32 | 1,141.23 |
| Loss on Sale / Discard of Property Plant and Equipment | 501.92 | 48.22 |
| Interest income | (206.06) | (122.57) |
| Finance Cost | 703.29 | 837.23 |
| Net Gain on sale of property, plant and equipment | - | (2.77) |
| Provision for Doubtful Debts and Advances | 1,123.83 | 619.51 |
| Liabilities written back | (166.44) | (663.90) |
| Net Gain on De-recognition of Right of Use Asset | - | (207.93) |
| Operating profit before working capital changes | (455.55) | (414.02) |
| Changes in working capital: | | |
| Decrease/(Increase) in trade receivables and other receivables | 545.77 | 835.25 |
| (Decrease)/Increase in trade payables and other payables | 1,006.95 | (115.09) |
| Cash generated from/(used in) operations | 1,097.17 | 305.46 |
| Net income tax paid | (65.01) | (16.36) |
| Net cash generated (used in)/ from operating activities (A) | 1,032.16 | 289.10 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment (including Capital Work-in Progress) | (160.93) | (54.43) |
| Proceeds from sale of property, plant and equipment | - | 39.03 |
| Decrease/(Increase) in other bank balances | (16.26) | 150.67 |
| Proceeds from Loans (net) | - | 357.81 |
| Interest received | 0.03 | 89.96 |
| Net cash flow (used in)/generated from investing activities (B) | (177.15) | 583.04 |
| C. Cash flow from financing activities | | |
| Proceeds/(Repayment) from borrowings (net) | 225.00 | 300.00 |
| Proceeds/(Repayment) from Working Capital loans (Net) | (342.13) | 205.98 |
| Proceeds/(Repayment) from Borrowings to banks and financial institution (Net) | (109.00) | (706.89) |
| Repayment of lease liabilities | (667.98) | (502.61) |
| Finance cost paid | (129.52) | (33.68) |
| Net cash flow (used in)/ from financing activities (C) | (1,023.63) | (737.20) |
| Net increase/(decrease) in Cash and cash equivalents (A+B+C) | (168.62) | 134.94 |
| Cash and cash equivalents at the beginning of the year | 235.65 | 100.71 |
| Cash and cash equivalents at the end of the year | 67.02 | 235.65 |
| Cash and cash equivalents at the end of the year * | | |
| * Comprises: | | |
| Balances with banks in current accounts | 67.02 | 235.65 |
| | 67.02 | 235.65 |

ANNEXURE-I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results-Standalone)

Statement of Impact of Audit Qualifications for the Financial Year ended 31 March 2023 (See regulation 33 of SEBI (LODR) Regulations, 2015)

| Sl. No. | Particulars | Audited Figures (Rs. in Lakhs) (as reported before adjusting for qualifications) | Audited Figures (Rs. in Lakhs) (as reported after adjusting for qualifications) |
|---------|-----------------------------|--|---|
| 1 | Turnover/Total Income | | |
| 2 | Total Expenditure | 3,510.61 | 3,510.61 |
| 3 | Net Profit/(loss) after tax | 6,798.00 | 7,649.43 |
| 4 | Earnings per share (Rs.) | (4,858.89) | (12,604.41) |
| 5 | Total Assets | (6.73) | (17.45) |
| 6 | Total Liabilities | 23,146.75 | 16,252.46 |
| 7 | Networth | 16,633.10 | 17,484.53 |
| | | 6,513.65 | (1,232.07) |

II Audit Qualifications:

(a) Details of Audit Qualification:

- a. The Company has recognized net deferred tax assets of Rs 6,894.29 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. In our opinion, due to losses during the year and earlier years and pendency of CIRP, it is uncertain that the Company would achieve sufficient taxable income in the future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / IRP's assessment of recognition of deferred tax assets as at 31 March 2023. Had the deferred tax assets not been recognized, the net loss for the year ended 31 March 2023 would have been higher by Rs 6,894.29 lakhs and net worth of the Company as at 31 March 2023 would have been lower by Rs 6,894.29 lakhs. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.

Frequency of Qualification: Appearing for the fourth time

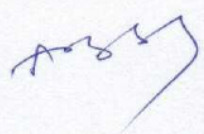

- b. The Company has not provided for interest on borrowings of Rs 100.17 lakhs on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan post initiation of Corporate Insolvency Resolution Process (CIRP) with effect from 16 December 2022 under Section 14 of Insolvency and Bankruptcy Code, 2016 ('IBC'). The Company has also not provided for interest on borrowings pre initiation of CIRP of Rs 751.26 lakhs based on the claims admitted. Had the interest expenses excluding penal interest, if any, been recognised, the net loss for the year ended 31 March 2023 would have been higher by Rs. 851.43 lakhs and the net worth of the Company would have been lower by Rs 851.43 lakhs as at 31 March 2023. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.



Frequency of Qualification: Appearing for the second time.



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| | |
| (b) Type of Audit Qualification: | Qualified Opinion |
| (c) For Audit Qualification(s) where the impact is quantified by the Auditor, Managements Views: | |
| <p>a. Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("CIRP") of MT Educare Limited ("Corporate Debtor", "the Company") vide its order dated 16 December, 2022. The NCLT had appointed Mr. Ashwin B. Shah as the interim resolution professional for the Corporate Debtor vide its order dated 16 December, 2022. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23rd December, 2022. Director Mr. Vipin Choudhry challenged the order of Hon'ble NCLT dated 16-12-2022 before Hon'ble NCLAT, New Delhi. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") by an order dated January 6, 2023 had ordered to hold the formation of COC till further hearing i.e till 21st February, 2023. There has been continuation of stay on Constitution of COC by Hon'ble NCLAT from time to time till 26th May, 2023 and accordingly the COC is not yet formed.</p> <p>The Business operation of the Corporate Debtor is continued as going concern. In accordance with IBC Objective, the IRP is required to ensure that business operation of the Corporate Debtor are continued as going concern as far as possible to maximise the value of the Corporate Debtor. Since the constitution of COC is not yet formed, IRP has continued the business as Going Concern.</p> <p>b. The Secured creditors have submitted their claims with IRP for the dues till 16th December, 2022. The Impact recording of Interest liability till 16th December 2022 shall be subject to outcome of CIRP proceedings. However, Interest liability post 16th December, 2022 can not be recognised as claim shall be submitted by Creditor for dues including Interest as of 16th December, 2022.</p> | |
| (d) For Audit Qualification(s) where the impact is not quantified by the Auditor: | |
| | (i) Management's estimation on the impact of audit qualification: Nil |
| | (ii) If Management is unable to estimate the impact, reasons for the same: |
| <p>a. The Company has outstanding loans, trade receivables and other receivables of Rs 4,933.07 Lakhs as at 31 March 2023, which are overdue / rescheduled. The management / IRP envisages the same to be good and recoverable. However, owing to the aforementioned overdues / reschedulement, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid outstanding receivables, and the consequential impact on the standalone annual financial results. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter</p> | <p>a. The management is of the opinion that the parties are facing difficulties in ramping the business which has resulted in deferment of recovery process beyond what has been envisaged. We anticipate progress in business in the coming quarters which will enable recovery of the receivables in an orderly manner. At this present juncture, the management considers the outstanding dues to be good and recoverable.</p> |



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| <p>Frequency of Qualification: Appearing for the third time</p> <p>b) We draw attention to Note 1(e) of the standalone annual financial results regarding admission of the Company into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation</p> <p>Frequency of Qualification: Appearing for the first time</p> <p>c) Pending comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities. Pending completion of the CIRP, in the absence of comprehensive review as mentioned above, we are unable to comment upon adjustments, if any, that may be required to the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended 31 March 2023. Non-determination of fair value of financial assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".</p> <p>Frequency of Qualification: Appearing for the first time</p> <p>d) We have not received bank statement and confirmation of amounts for the balances lying in current accounts of Rs 6.99 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended 31 March 2023 and on the carrying value of cash and cash equivalents</p> | <p>b. The Claim submission and upgradation till finalisation of resolution plan is dynamic process and subject to approval of Committee of Creditors (COC's). The Constitution of COC is stayed by Hon'ble NCLAT till 26th May, 2023.</p> <p>c. The Company had made excess provision in the earlier years and adjustments of provision to various loans and advances, balances with government authorities, deposits, trade and other receivables shall be subject to approval of COC's which is not yet constituted. Further deposit with Government Authorities in respect of disputed matter is subject to outcome of dispute.</p> <p>d. These are old and non-operative bank accounts wherein there no transactions during the year and which will not have any material impact</p> |
| | <p>(iii) Auditor's Comment on (i) and (ii) above: Auditor's Comment are self-explanatory in auditor's report.</p> |
| <p>III Signatories: Mr. Ashwin Bhavanji Shah Interim Resolution Professional AFA Valid Upto 19-Mar-2024 IP Reg. No: IBBI/IPA-001/IP/P-02648/2021-22/14054 Email ID: mteducare.cirp@gmail.com</p> |   |

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| 23 May, 2023 | |
| Statutory Auditors For MGB & Co. LLP Firm Registration No. 101169W/W-100035 Hitendra Bhandari Partner Membership Number – 107832 23 May 2023 |   |



Independent Auditors' Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors / Interim Resolution Professional (IRP) of MT Educare Limited

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by an operational creditor against MT Educare Limited ("the Company") and appointed Mr. Ashwin B Shah to act as Interim Resolution Professional ("IRP") vide its Order dated 16 December 2022 with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

In view of pendency of the Corporate Insolvency Resolution Process (CIRP), and in view of suspension of the powers of Board of Directors, the powers of adoption of the standalone annual financial results for the year ended 31 March 2023, vest with the IRP.

Qualified Opinion

We have audited the accompanying standalone annual financial results ("the Statement" or "Standalone annual financial results") of MT Educare Limited ("the Company"), for the quarter ended 31 March 2023 and for the year ended 31 March 2023 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- except for the possible effects of the matters described in the 'Basis for qualified opinion' paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, and other accounting principles generally accepted in India of the net loss and total comprehensive income (loss) and other financial information of the Company for the quarter and year ended 31 March 2023.

Basis for qualified opinion

- The Company has recognized net deferred tax assets of Rs 6,894.29 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. In our opinion, due to losses during the year and earlier years and pendency of CIRP, it is uncertain that the Company would achieve sufficient taxable income in the future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / IRP's assessment of recognition of deferred tax assets as at 31 March 2023. Had the deferred tax assets not been recognized, the net loss for the year ended 31 March 2023 would have been higher by Rs 6,894.29 lakhs and net worth of the Company as at 31 March 2023 would have been lower by Rs 6,894.29 lakhs. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.



- b) The Company has outstanding loans, trade receivables and other receivables of Rs 4,933.07 Lakhs as at 31 March 2023, which are overdue / rescheduled. The management / IRP envisages the same to be good and recoverable. However, owing to the aforementioned overdues / rescheduling, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid outstanding receivables, and the consequential impact on the standalone annual financial results. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.
- c) We draw attention to Note 1(e) of the standalone annual financial results regarding admission of the Company into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation.
- d) The Company has not provided for interest on borrowings of Rs 100.17 lakhs on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan post initiation of Corporate Insolvency Resolution Process (CIRP) with effect from 16 December 2022 under Section 14 of Insolvency and Bankruptcy Code, 2016 ('IBC'). The Company has also not provided for interest on borrowings pre initiation of CIRP of Rs 751.26 lakhs based on the claims admitted. Had the interest expenses excluding penal interest, if any, been recognised, the net loss for the year ended 31 March 2023 would have been higher by Rs. 851.43 lakhs and the net worth of the Company would have been lower by Rs 851.43 lakhs as at 31 March 2023. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.
- e) We have not received bank statement and confirmation of amounts for the balances lying in current accounts of Rs 6.99 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended 31 March 2023 and on the carrying value of cash and cash equivalents.
- f) In the absence of comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities, we are unable to comment upon adjustments, if any, that may be required to the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended 31 March 2023. Non-determination of fair value of financial assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

The net worth of the company excludes the effect of qualification above which are non quantifiable as referred therein.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results 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 standalone annual financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Material Uncertainty relating to Going Concern

As mentioned in Note 1 to the standalone annual financial results, the National Company Law Tribunal (NCLT) has admitted a petition under the Insolvency and Bankruptcy Code, 2016. The Company continues to incur losses and has defaulted in its debt/ other obligations. Further, the Company has received various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. These events raise significant doubt on the ability of the Company to continue as a "Going Concern". Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as a going concern. Accordingly, the standalone annual financial results are prepared on going concern basis. The appropriateness of the preparation of standalone annual financial results on going concern basis is critically dependent upon CIRP as specified in the Code and the ultimate outcome of which is at present not ascertainable.

Management's Responsibilities for the Standalone Annual Financial Results

The Honorable National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by an operational creditor against MT Educare Limited ("the company") vide its order dated 16 December 2022 and appointed Mr. Ashwin B Shah to act as Interim Resolution Professional ("IRP") with direction to initiate appropriate action contemplated with extant provisions of Insolvency and Bankruptcy Code, 2016 and other related laws. Accordingly, Mr. Ashwin B Shah in his capacity as IRP has taken control and custody of the management and operations of the company from 23 December 2022.

The standalone annual financial results, which is the responsibility of the company's management is relied upon by the IRP based on the assistance provided by the directors and taken on record by the IRP as fully described in Note 1 of standalone annual financial results.

This Statement has been prepared on the basis of standalone annual financial results. The Company's management is responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and total comprehensive income (loss) and other financial information in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management / IRP are also responsible for overseeing the Company's financial reporting process read together with Note 1 of the standalone financial results.

Auditor's responsibilities for the audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, 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 Company has adequate internal financial controls system 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 / IRP.
- Conclude on the appropriateness of management's / IRP'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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Other Matter

The standalone financial results include the results for the quarter ended 31 March 2023 and the corresponding quarter ended in the previous year being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035


Hitendra Bhandari
Partner
Membership Number 107832
Mumbai, 23 May 2023
UDIN: 23107832BQWAXI6471



Statement of Consolidated Audited Financial Results for the quarter and Year ended 31 March, 2023

(Rs. in Lakhs, except EPS data)

| Sr. No. | Particulars | Quarter ended 31 March 2023 | Quarter ended 31 December, 2022 | Quarter ended 31 March 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------|--|-----------------------------|---------------------------------|-----------------------------|---------------------------|---------------------------|
| | | Audited | Unaudited | Audited | Audited | Audited |
| 1 | Income | | | | | |
| | Revenue from operations | 914.13 | 1,359.85 | 833.89 | 5,819.26 | 5,304.99 |
| | Other income | 180.91 | 67.92 | 867.69 | 449.93 | 1,497.67 |
| | Total income | 1,095.04 | 1,427.78 | 1,701.59 | 6,269.19 | 6,802.66 |
| 2 | Expenses | | | | | |
| | Direct expenses (Refer note 5 (a)) | 871.56 | 872.61 | 855.35 | 3,829.04 | 3,105.10 |
| | Employee benefits expense | 229.12 | 361.01 | 419.88 | 1,383.12 | 1,426.62 |
| | Finance costs (Refer Note 7) | 202.47 | 264.82 | 251.86 | 864.32 | 1,062.01 |
| | Depreciation and amortisation expense | 344.80 | 272.58 | 239.25 | 1,091.83 | 1,471.76 |
| | Other expenses (Refer Note 5 (b)) | 2,739.32 | 203.91 | 880.84 | 3,770.45 | 2,023.50 |
| | Total expenses | 4,387.27 | 1,974.93 | 2,647.19 | 10,938.77 | 9,088.99 |
| 3 | Profit/(loss) before tax for the period/year (1-2) | (3,292.23) | (547.15) | (945.60) | (4,669.58) | (2,286.33) |
| | Less: Exceptional items (Refer Note 9) | 1,627.52 | - | - | 1,627.52 | - |
| | Profit/(Loss) before tax | (4,919.74) | (547.15) | (945.60) | (6,297.09) | (2,286.33) |
| 4 | Tax expense/(credit) | (181.81) | 6.19 | 305.35 | (226.36) | 266.08 |
| 5 | Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (3-4) | (4,737.93) | (553.34) | (1,250.95) | (6,070.73) | (2,552.41) |
| 6 | Other comprehensive income (including tax effect) | | | | | |
| | Items that will not be reclassified to profit or loss (Net of tax) | (0.19) | 0.95 | 22.31 | 0.12 | 10.04 |
| 7 | Total comprehensive income for the period/year(5+6) | (4,738.10) | (552.39) | (1,228.64) | (6,070.61) | (2,542.37) |
| 8 | Profit/(Loss) for the year attributable to: | | | | | |
| | Owners of the Company | (4,737.93) | (553.34) | (1,250.95) | (6,070.73) | (2,552.41) |
| | Non controlling interest | - | - | - | - | - |
| 9 | Other comprehensive income/(loss) for the year attributable to: | | | | | |
| | Owners of the Company | (0.19) | 0.95 | 22.31 | 0.12 | 10.04 |
| | Non controlling interest | - | - | - | - | - |
| 10 | Total comprehensive income/(loss) for the year attributable to: | | | | | |
| | Owners of the Company | (4,738.12) | (552.39) | (1,228.64) | (6,070.61) | (2,542.37) |
| | Non - controlling interest | - | - | - | - | - |
| 11 | Paid up equity share capital (Face Value Rs. 10) | 7,222.81 | 7,222.81 | 7,222.81 | 7,222.81 | 7,222.81 |
| 12 | Other equity | | | | (1,539.87) | 4,530.74 |
| 13 | Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters): | | | | | |
| | Basic | (6.56) | (0.77) | (1.73) | (8.40) | (3.53) |
| | Diluted | (6.56) | (0.77) | (1.73) | (8.40) | (3.53) |

Notes to the Statement of Audited standalone and consolidated financial results for the quarter ended and Year ended 31 March, 2023 :

1 Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("CIRP") of MT Educare Limited ("Corporate Debtor", "the Company") vide its order dated 16 December, 2022. The NCLT had appointed Mr. Ashwin B. Shah as the interim resolution professional for the Corporate Debtor vide its order dated 16 December, 2022. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23 December, 2022. Director Mr. Vipin Choudhry challenged the order of Hon'ble NCLT dated 16 December, 2022 before Hon'ble NCLAT, New Delhi. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") by an order dated 6 January, 2023 had ordered to hold the formation of Committee of Creditors (COC) till further hearing i.e till 21 February, 2023. There has been continuation of stay on Constitution of COC by Hon'ble NCLAT from time to time till 26 May, 2023 and accordingly the COC is not yet formed.

With respect to the standalone and consolidated financial results for the quarter and Year ended 31 March, 2023, the IRP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers

a. The IRP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the IRP in terms of Section 233 of the Code;

b. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the IRP including, his authorized representatives and advisors;

c. The IRP, in review of the standalone and Consolidated financial results and while signing this standalone and consolidated financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these standalone and consolidated financial results. The standalone and consolidated financial results of the Corporate Debtor for the quarter and Year ended 31 March, 2023 have been taken on record by the IRP solely on the basis of and relying on the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the IRP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the standalone and consolidated financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the IRP is not making any representations regarding accuracy, veracity or completeness of the data or information in the standalone and consolidated financial results.

d. In terms of the provisions of the Code, the Resolution Professional is required to undertake a review to determine avoidance transactions, However, since the

formation of COC is stayed by Hon'ble NCLAT, no Resolution Professional is yet appointed and therefore review to determine avoidance transactions is pending..

e. Considering various factors including admission of the Corporate Debtor, there are various claims submitted by the operational creditors, the financial creditors including corporate guarantee, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP.

2 The above results have been prepared in accordance with the Indian Accounting Standards (INDAS), the provisions of the Companies Act, 2013 (The Act) as applicable and regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (as amended).

3 After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on 23 May, 2023 which was chaired by Mr. Ashwin Bhawanji Shah, IRP of the Corporate Debtor and IRP took the same on record basis recommendation from the directors. The Statutory Auditors have audited the standalone and consolidated financial results for the quarter and year ended 31 March, 2023.

4 The Company is primarily engaged in one business segment namely coaching services as determined by the chief operating decision maker in accordance with IND AS 108 - "Operating Segments".

5.a Direct expenses mainly includes fees paid to visiting faculties, purchase and printing of study material which is issued to students as a part of course material, center related utilities etc.

5.b. Other Expenses include Professional Fees, Provision for Doubtful Debts / Receivables and Provision for Impairment of Property, Plant and Equipment

6 The Group / Company has loans, trade receivables and other receivables of Rs. 10,885.26 lakhs / 4,933.07 lakhs (net of provisions) outstanding as at 31 March 2023 from other parties having operations in the education sector, which are overdue/rescheduled. Management anticipate progress in business in the coming period which will enable recovery of the receivables in an orderly manner. At this present juncture, the management considers the outstanding dues to be good and recoverable.

7 The Company and its Subsidiary had taken loan from Bank and Financial Institution and others ("lenders"). The Group / Company has not recognised interest expense (excluding penal interest if any) cumulative of Rs. 1200.63 lakhs / 851.43 lakhs respectively upto year ended 31 March 2023. The claims are submitted by financial creditors, however the adjustments, if any, thereof including other claims shall be done in accordance of the outcome of the CIRP.

8 The business operations / company has been continued as going concern. With regard to corporate debtors MT Educare Ltd, in CIRP, the business operations are continued by IRP in accordance with objective of IBC 2016 to ensure that going concern is continued for maximising the value of corporate debtor.

9 In view of no operating activities / negative networth/ default in repayment of debts of secured creditors in certain subsidiaries of MT Educare Ltd., the investment in subsidiary companies has been impaired by Rs.1,846.94 Lacs in standalone financial statements and goodwill on consolidation impaired by Rs.1,627.52 lacs in consolidated financial statements.

10 Figures for the Quarter ended 31 March, 2023 and 31 March, 2022 are the balancing figures between audited figures for the financial year and reviewed year to date figure upto third quarter of the respective financial year.

11 The figures for the previous year/periods have been regrouped wherever necessary.

For, MT Educare Limited (In CIRP)

ASHWIN Digitally signed
by ASHWIN
BHAVANJI BHAVANJI SHAH
SHAH Date: 2023.05.24
00:37:45 +05'30'

Ashwin Bhawanji Shah

Interim Resolution Professional

AFA Valid Upto 19-Mar-2024

IP Reg. No: IBBI/IPA-001/IP/P-02648/2021-22/14054

Email ID: mteducare.cirp@gmail.com

Mumbai, 23 May, 2023

| MT Educare Limited | | |
|--|-------------------------|----------------------|
| Consolidated Balance Sheet as at 31 March, 2023 | | |
| | As at 31 March, 2023 | As at 31 March, 2022 |
| | ₹ in lakhs | ₹ in lakhs |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 2,236.86 | 2,989.83 |
| Right of use assets | 1,327.58 | 985.17 |
| Capital work-in-progress | 21.83 | 56.79 |
| Investment Property | 3,641.84 | 3,641.84 |
| Goodwill | - | 1,627.52 |
| Other Intangible assets | 9.45 | 21.91 |
| Financial assets | - | - |
| - Investments | 0.36 | 0.36 |
| - Loans | 3,444.14 | 4,368.70 |
| - Other Financial assets | 286.32 | 485.01 |
| Deferred tax assets (net) | 7,548.55 | 7,251.79 |
| Non-current tax assets | 1,080.71 | 1,044.10 |
| Total non-current assets | 19,597.64 | 22,473.01 |
| Current assets | | |
| Financial Assets | | |
| - Investments | - | 0.01 |
| - Trade Receivables | 1,096.18 | 2,420.53 |
| - Cash and cash equivalents | 372.72 | 325.45 |
| - Bank Balances other than cash and cash equivalents | 551.34 | 527.75 |
| - Loans | 4,308.10 | 3,383.54 |
| - Other financial assets | 3,348.84 | 4,030.56 |
| Other current assets | 170.15 | 122.20 |
| Total current assets | 9,847.33 | 10,810.05 |
| TOTAL ASSETS | 29,444.97 | 33,283.06 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 7,222.81 | 7,222.81 |
| Other equity | (1,539.87) | 4,530.74 |
| Equity attributable to owners of the company | 5,682.94 | 11,753.55 |
| Non controlling interests | - | - |
| Total equity | 5,682.94 | 11,753.55 |
| Liabilities | | |
| Non-current liabilities | | |
| Financial Liabilities | | |
| - Borrowings | 4,740.46 | 4,210.50 |
| - Lease liabilities | 1,322.31 | 723.85 |
| Provisions | 146.56 | 385.93 |
| Deferred tax liabilities (net) | 150.47 | 80.09 |
| Other non-current liabilities | 71.56 | 199.11 |
| Total non-current liabilities | 6,431.36 | 5,599.48 |
| Current liabilities | | |
| Financial Liabilities | | |
| - Borrowings | 5,391.37 | 4,599.66 |
| - Lease liabilities | 90.69 | 225.64 |
| - Trade payables | - | - |
| Total outstanding dues of micro enterprises and small enterprises | 641.06 | 176.71 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,325.70 | 5,810.04 |
| - Other financial liabilities | 2,993.23 | 3,093.81 |
| Provisions | 368.35 | 127.58 |
| Other current liabilities | 2,520.26 | 1,896.26 |
| Current tax liabilities | - | 0.33 |
| Total current liabilities | 17,330.67 | 15,930.03 |
| Total liabilities | 23,762.03 | 21,529.51 |
| TOTAL EQUITY AND LIABILITIES | 29,444.97 | 33,283.06 |

MT Educare Limited
Consolidated statement of cash flows for the year ended 31st March, 2023

| | For the Year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|--|--------------------------------------|--------------------------------------|
| | ₹ in lakhs | ₹ in lakhs |
| A. Cash flow from operating activities | | |
| Profit/(Loss) before tax | (4,669.59) | (2,286.33) |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 1,091.83 | 1,471.76 |
| Loss on Sale / discard of Property Plant and Equipment | 618.58 | 48.22 |
| Interest income | (215.53) | (70.96) |
| Finance Cost | 864.32 | 1,062.01 |
| Net Loss on sale of property, plant and equipment | 1.31 | 219.52 |
| Provision for Doubtful Debts and Advances | 1,394.18 | 608.68 |
| Liabilities written back | (229.64) | (1,057.01) |
| Net Gain on de-recognition of Right of Use Asset | - | (299.85) |
| Operating profit before working capital changes | (1,144.54) | (303.96) |
| Changes in working capital: | | |
| Decrease/(Increase) in trade receivables and other receivables | 980.06 | 1,493.59 |
| (Decrease)/Increase in trade payables and other payables | 400.99 | (668.79) |
| Cash generated from/(used in) operations | 236.52 | 520.83 |
| Direct Taxes paid (net of refund) | (36.61) | 21.52 |
| Net cash generated from/(used in) operating activities (A) | 199.91 | 542.34 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment (including Capital Work-in Progress) | (251.79) | 55.86 |
| Proceeds from sale of property, plant and equipment | - | 38.70 |
| Sale of current investments | 0.01 | - |
| Decrease/(Increase) in other bank balances | (23.58) | 173.02 |
| Proceeds from Loans (net) | - | 167.82 |
| Net cash flow from investing activities (B) | (275.37) | 435.40 |

MT Educare Limited**Consolidated statement of cash flows for the year ended 31st March, 2023**

| | For the Year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|--------------------------------------|--------------------------------------|
| | ₹ in lakhs | ₹ in lakhs |
| C. Cash flow from financing activities | | |
| Proceeds/(Repayment) from borrowings (net) | 1,430.68 | 300.00 |
| Proceeds/(Repayment) from Working Capital loans (Net) | - | 205.98 |
| Proceeds/(Repayment) from Borrowings to banks and financial institution (Net) | (109.00) | (706.89) |
| Repayment of lease liabilities | (1,024.22) | (606.35) |
| Finance cost paid | (174.73) | (72.48) |
| Net cash flow used in financing activities (C) | 122.73 | (879.73) |
| Net increase in cash and cash equivalents (A+B+C) | 47.27 | 98.02 |
| Cash and cash equivalents at the beginning of the year | 325.45 | 227.44 |
| Cash and cash equivalents at the end of the year (Refer note 10) | 372.72 | 325.45 |
| Components of cash and cash equivalents at the end of the year | | |
| Balances with banks in current accounts | 372.72 | 325.45 |
| Cash on hand | - | - |
| | 372.72 | 325.45 |

ANNEXURE-I

**Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-
with Annual Audited Financial Results-Consolidated)**

**Statement of Impact of Audit Qualifications for the Financial Year ended March 31st, 2023 (See regulation
33 of SEBI (LODR) Regulations, 2015)**

| Sl. No. | Particulars | Audited Figures (Rs. in Lakhs) (as reported before adjusting for qualifications) | Audited Figures (Rs. in Lakhs) (as reported after adjusting for qualifications) |
|---------|-----------------------------|--|---|
| 1 | Turnover/Total Income | | |
| 2 | Total Expenditure | 6,269.19 | 6,269.19 |
| 3 | Net Profit/(loss) after tax | 10,938.77 | 12,139.40 |
| 4 | Earnings per share (Rs.) | (6,070.61) | (14,819.74) |
| 5 | Total Assets | (8.40) | (20.51) |
| 6 | Total Liabilities | 29,444.97 | 21,896.42 |
| 7 | Networth | 23,762.03 | 24,962.66 |
| | | 5,682.94 | (3,066.24) |

II Audit Qualifications:

(a) Details of Audit Qualification:

a. The Group has recognized net deferred tax assets of Rs 7,548.55 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. In our opinion, due to losses during the year and earlier years and pendency of CIRP, it is uncertain that the Group would achieve sufficient taxable income in the future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / IRP's assessment of recognition of deferred tax assets as at 31 March 2023. Had the deferred tax assets not been recognized, the net loss for the year ended 31 March 2023 would have been higher by Rs 7,548.55 lakhs and net worth of the Group as at 31 March 2023 would have been lower by Rs 7,548.55 lakhs. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.

Frequency of Qualification: Appearing for the fourth time

b. The Group has not provided for interest on borrowings of Rs 1,200.63 lakhs excluding penal interest, if any, on outstanding borrowings. Had the interest expenses been recognised, the net loss for the year ended 31 March 2023 would have been higher by Rs. 1,200.63 lakhs and the net worth of the Group would have been lower by Rs 1,200.63 lakhs as at 31 March 2023. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter

Frequency of Qualification: Appearing for the second time



| | |
|---|--|
| (b) Type of Audit Qualification: | Qualified Opinion |
| For Audit Qualification(s) where the impact is quantified by the Auditor, Managements Views: | |
| <p>a. Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("CIRP") of MT Educare Limited ("Corporate Debtor", "the Company") vide its order dated December 16, 2022. The NCLT had appointed Mr. Ashwin B. Shah as the interim resolution professional for the Corporate Debtor vide its order dated December 16, 2022. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23rd December, 2022. Director Mr. Vipin Choudhry challenged the order of Hon'ble NCLT dated 16-12-2022 before Hon'ble NCLAT, New Delhi. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") by an order dated January 6, 2023 had ordered to hold the formation of COC till further hearing i.e till 21st February, 2023. There has been continuation of stay on Constitution of COC by Hon'ble NCLAT from time to time till 26th May, 2023 and accordingly the COC is not yet formed.</p> <p>The Business operation of the Corporate Debtor is continued as going concern. In accordance with IBC Objective, the IRP is required to ensure that business operation of the Corporate Debtor are continued as going concern as far as possible to maximise the value of the Corporate Debtor. Since the constitution of COC is not yet formed, IRP has continued the business as Going Concern.</p> <p>b. In respect of MT Educare Limited (Holding Company) the Secured creditors have submitted their claims with IRP for the dues till 16th December, 2022. The Impact recording of Interest liability till 16th December 2022 shall be subject to outcome of CIRP proceedings of the Holding Company. However, Interest liability post 16th December, 2022 can not be recognised as claim shall be submitted by Creditor for dues including Interest as of 16th December, 2022. And in respect of other entities being subsidiary companies the similar treatment is continued.</p> | |
| (e) For Audit Qualification(s) where the impact is not quantified by the Auditor: | |
| | (i) Management's estimation on the impact of audit qualification: Nil |
| | (ii) If Management is unable to estimate the impact, reasons for the same: |
| <p>a. The Group has outstanding loans, trade receivables and other receivables of Rs 10,885.26 Lakhs as at 31 March 2023, which are overdue / rescheduled. The management / IRP envisages the same to be good and recoverable. However, owing to the aforementioned overdues / reschedulement, we are unable to comment upon adjustments, if any, that may be required to the carrying value of aforesaid outstanding receivables, and the consequential impact on the consolidated annual financial results. Our Opinion on the Statement for the year ended</p> | <p>a. The management is of the opinion that the parties are facing difficulties in ramping the business which has resulted in deferment of recovery process beyond what has been envisaged. We anticipate progress in business in the coming quarters which will enable recovery of the receivables in an orderly manner. At this present juncture, the management considers the outstanding dues to be good and recoverable</p> |



31 March 2022 was also modified in respect of this matter

Frequency of Qualification: Appearing for the third time

b) We draw attention to Note 1(e) of the consolidated annual financial results regarding admission of the Holding Company into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation

Frequency of Qualification: Appearing for the first time

c) Pending comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities. Pending completion of the CIRP, in the absence of comprehensive review as mentioned above, we are unable to comment upon adjustments, if any, that may be required to the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended 31 March 2023. Non-determination of fair value of financial assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Frequency of Qualification: Appearing for the first time

d) We have not received bank statement and confirmation of amounts for the balances lying in current accounts of Rs 12.96 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended 31 March 2023 and on the carrying value of cash and cash equivalents

Frequency of Qualification: Appearing for the first time

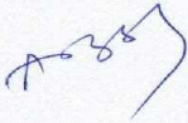



b. The Claim submission and upgradation till finalisation of resolution plan is dynamic process and subject to approval of Committee of Creditors (COC's). The Constitution of COC is stayed by Hon'ble NCLAT till 26th May, 2023.

c. The Company had made excess provision in the earlier years and adjustments of provision to various loans and advances, balances with government authorities, deposits, trade and other receivables shall be subject to approval of COC's which is not yet constituted. Further deposit with Government Authorities in respect of disputed matter is subject to outcome of dispute.

d. These are old and non-operative bank accounts wherein there no transactions during the year and which will not have any material impact

(iii) Auditor's Comment on (i) and (ii) above:



| | | |
|-----|---|--|
| | | Auditor's Comment are self-explanatory in auditor's report. |
| III | Signatories: Mr. Ashwin Bhavanji Shah Interim Resolution Professional AFA Valid Upto 19-Mar-2024 IP Reg. No: IBBI/IPA-001/IP/P-02648/2021-22/14054 Email ID: mteducare.cirp@gmail.com 23 May, 2023 |   |
| | Statutory Auditors For MGB & Co. LLP Firm Registration No. 101169W/W-100035 Hitendra Bhandari Partner Membership Number - 107832 23 May 2023 |   |

Independent Auditors' Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors / Interim Resolution Professional (IRP) of MT Educare Limited

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by an operational creditor against MT Educare Limited ("the Holding Company") and appointed Mr. Ashwin B Shah to act as Interim Resolution Professional ("IRP") vide its Order dated 16 December 2022 with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

In view of pendency of the Corporate Insolvency Resolution Process (CIRP), and in view of suspension of the powers of Board of Directors, the powers of adoption of the consolidated annual financial results for the year ended 31 March 2023, vest with the IRP.

Qualified Opinion

We have audited the accompanying consolidated annual financial results ("the Statement" or "Consolidated annual financial results") of MT Educare Limited ("the Holding Company") and its subsidiaries ("the Group"), for the quarter ended 31 March 2023 and for the year ended 31 March 2023 attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a) Includes the financial results of the following entities:

Holding Company
MT Educare Limited

Subsidiaries

- MT Education Services Private Limited
- Lakshya Forrum for Competitions Private Limited
- Chitale's Personalised Learning Private Limited
- Sri Gayatri Educational Services Private Limited
- Robomate Edutech Private Limited
- Letspaper Technologies Private Limited
- Labh Ventures India Private Limited

- b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- c) except for the possible effects of the matters described in the 'Basis for qualified opinion' paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, and other accounting principles generally accepted in India of the net loss and total comprehensive income (loss) and other financial information of the Group for the quarter and year ended 31 March 2023.



Basis for qualified opinion

- a) The Group has recognized net deferred tax assets of Rs 7,548.55 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. In our opinion, due to losses during the year and earlier years and pendency of CIRP, it is uncertain that the Group would achieve sufficient taxable income in the future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / IRP's assessment of recognition of deferred tax assets as at 31 March 2023. Had the deferred tax assets not been recognized, the net loss for the year ended 31 March 2023 would have been higher by Rs 7,548.55 lakhs and net worth of the Group as at 31 March 2023 would have been lower by Rs 7,548.55 lakhs. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.
- b) The Group has outstanding loans, trade receivables and other receivables of Rs 10,885.26 Lakhs as at 31 March 2023, which are overdue / rescheduled. The management / IRP envisages the same to be good and recoverable. However, owing to the aforementioned overdues / rescheduling, we are unable to comment upon adjustments, if any, that may be required to the carrying value of aforesaid outstanding receivables, and the consequential impact on the consolidated annual financial results. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.
- c) We draw attention to Note 1(e) of the consolidated annual financial results regarding admission of the Holding Company into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation.
- d) The Group has not provided for interest on borrowings of Rs 1,200.63 lakhs excluding penal interest, if any, on outstanding borrowings. Had the interest expenses been recognised, the net loss for the year ended 31 March 2023 would have been higher by Rs. 1,200.63 lakhs and the net worth of the Group would have been lower by Rs 1,200.63 lakhs as at 31 March 2023. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.
- e) We have not received bank statement and confirmation of amounts for the balances lying in current accounts of Rs 12.96 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended 31 March 2023 and on the carrying value of cash and cash equivalents.
- f) In the absence of comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities, we are unable to comment upon adjustments, if any, that may be required to the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended 31 March 2023. Non-determination of fair value of financial assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

The net worth of the Group excludes the effect of qualification above which are non quantifiable as referred therein.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated annual financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of



Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Material Uncertainty relating to Going Concern

As mentioned in Note 1 to the consolidated annual financial results, the National Company Law Tribunal (NCLT) has admitted a petition under the Insolvency and Bankruptcy Code, 2016. The Group continues to incur losses and has defaulted in its debt/ other obligations. Further, the Holding Company has received various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. These events raise significant doubt on the ability of the Holding Company to continue as a "Going Concern". Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Holding Company be managed as a going concern. Accordingly, the consolidated annual financial results are prepared on going concern basis. The appropriateness of the preparation of consolidated annual financial results on going concern basis is critically dependent upon CIRP as specified in the Code and the ultimate outcome of which is at present not ascertainable.

Management's Responsibilities for the Consolidated Annual Financial Results

The Honorable National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by an operational creditor against the Holding Company vide its order dated 16 December 2022 and appointed Mr. Ashwin B Shah to act as Interim Resolution Professional ("IRP") with direction to initiate appropriate action contemplated with extant provisions of Insolvency and Bankruptcy Code, 2016 and other related laws. Accordingly, Mr. Ashwin B Shah in his capacity as IRP has taken control and custody of the management and operations of the Holding Company from 23 December 2022.

The consolidated annual financial results, which is the responsibility of the respective company's management is relied upon by the IRP based on the assistance provided by the respective directors and taken on record by the IRP as fully described in Note 1 of consolidated annual financial results.

This Statement has been prepared on the basis of consolidated annual financial results. The Holding Company's management is responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and total comprehensive income (loss) and other financial information in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the respective management is responsible for assessing the Group'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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective management / IRP are also responsible for overseeing the Group's financial reporting process read together with Note 1 of the consolidated annual financial results.





Auditor's responsibilities for the audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 SAs 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, 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 Group has adequate internal financial controls system 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 / IRP.
- Conclude on the appropriateness of respective management's / IRP'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 Group'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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.





Other Matter

The consolidated financial results include the results for the quarter ended 31 March 2023 and the corresponding quarter ended in the previous year being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169WW-100035

Hitendra Bhandari

Partner

Membership Number 107832

Mumbai, 23 May 2023

UDIN: 23107832BGWAXH8489

