

Date: September 1<sup>st</sup>, 2023

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

Dear Sir / Madam,

**Sub: Annual Report 2022-23**

We wish to inform you that the 17th Annual General Meeting of the Company will be held on Monday, the 25th day of September, 2023 at 02.30 p.m., through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 17th Annual Report of MT Educare Limited for the information of the investor community at large.

The above may also be accessed on the website of the Company i.e. [www.mteducare.com](http://www.mteducare.com)

We request you to take note of the above on your records and oblige.

For, MT Educare Limited (In CIRP)

**(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: [mteeducare.cirp@gmail.com](mailto:mteeducare.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.

001, Gautam Dhara CHS, Edulji Road, Charai, Thane -400601  
[ashwin@caashwinshah.com](mailto:ashwin@caashwinshah.com)



Navigating  
**Challenges**

Forging **Resilience**

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Scan the QR code  
for more details

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mr. Parag Ola

Executive, Whole Time Director  
(upto 24<sup>th</sup> January, 2023)

### Mr. Roshan Lal Kamboj

Independent, Non-Executive Director

### Mr. Dattatraya Kelkar

Independent, Non-Executive Director

### Mr. Nanette D'sa

Independent, Non-Executive Director

### Mr. Surender Singh

Non-Independent, Non-Executive Director

### Mr. Vipin Choudhary

Non-Independent, Non-Executive Director

### Mr. Karunn Kandoi

Independent, Non-Executive Director

## BOARD COMMITTEES

### Audit Committee

Mr. Roshan Lal Kamboj  
Dr. Dattatraya Kelkar  
Ms. Nanette D'sa  
Mr. Surender Singh

### Nomination and Remuneration Committee

Dr. Dattatraya Kelkar  
Mr. Roshan Lal Kamboj  
Ms. Nanette D'sa  
Mr. Surender Singh

### Stakeholders Relationship Committee

Mr. Roshan Lal Kamboj  
Dr. Dattatraya Kelkar  
Ms. Nanette D'sa  
Mr. Surender Singh

### Corporate Social Responsibility Committee

Dr. Dattatraya Kelkar  
Mr. Roshan Lal Kamboj  
Ms. Nanette D'sa  
Mr. Surender Singh

## KEY MANAGEMENT

### Chief Financial Officer

#### Mr. Siddhartha Haldar

(w.e.f 7<sup>th</sup> December, 2021 to November 7<sup>th</sup>, 2022)

#### Mr. Nirav Parekh

(w.e.f 8<sup>th</sup> November, 2022 to February 13<sup>th</sup>, 2023)

### Company Secretary & Compliance Officer

Mr. Ravindra Mishra

### Bankers

Axis Bank Limited  
Kotak Mahindra Bank Limited  
ICICI Bank Limited

### STATUTORY AUDITORS

M/s. MGB & Co. LLP  
Chartered Accountants  
Mumbai

### SECRETARIAL AUDITORS

M/s. Shravan A. Gupta & Associates  
Company Secretaries  
Mumbai

### REGISTERED OFFICE

MT Educare Limited (In CIRP)  
(CIN: L80903MH2006PLC163888)  
220, 2<sup>nd</sup> Floor, "FLYING COLORS",  
Pandit Din Dayal Upadhyay Marg,  
L.B.S. Cross Road, Mulund (West),  
Mumbai - 400080

### REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited  
C-101, 247 Park,  
L.B.S. Marg,  
Vikhroli (West),  
Mumbai - 400 083

### Admin Office: 135, Continental Building,

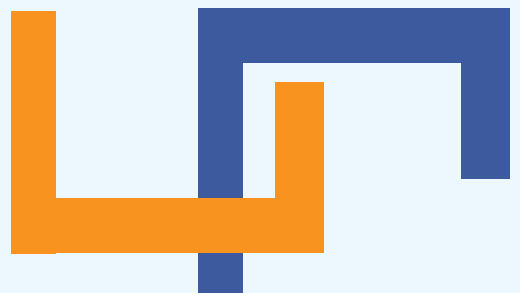
Dr. A.B Road, Worli, Mumbai - 400018.

Phone No. 022 25937700/800

Email ID: info@mteducare.com

Website: www.mteducare.com

**NOTE:** The Hon'ble National Company Law Board ("NCLT"), Mumbai Bench, vide order dated December 16, 2022 has admitted the Company for initiation of Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code 2016 ("IBC"). The Powers of the Board of Directors stands suspended since then. Further the Hon'ble NCLT, Mumbai Bench, vide said order dated December 16, 2022 has appointed Mr. Ashwin B. Shah as the Interim Resolution Professional ("IRP") to carry the day to day operations of the Company.



# Advancing legacy of empowering minds

**MT Educare, a subsidiary of Zee Learn Ltd., is a prominent provider of education support and coaching services in India, dedicated to meeting the educational needs of school students. With a widespread presence across multiple cities, we distinguish ourselves through the implementation of technology-enabled business processes, digital content delivery, and round-the-clock online support for our courses.**

Headquartered in Mumbai, Maharashtra, we have established a significant presence in Maharashtra, Western India, and Punjab, Northern India. At MT Educare, our dedicated teachers are committed to helping each child reach their full potential, enabling them to confidently pursue their educational aspirations.

We offer comprehensive preparation for various school boards, including the MH State Board, ICSE, and CBSE. Additionally, we provide coaching for 11<sup>th</sup> and 12<sup>th</sup>-grade Commerce and CA Foundation, as well as 11<sup>th</sup> and 12<sup>th</sup>-grade Science, along with competitive exams such as NEET (medical) and IIT JEE (engineering). Our programs also cater to students preparing for NTSE, KVPY, and Olympiads.

Over the past 33 years, Mahesh Tutorials, which started with humble beginnings of a single classroom, has emerged as a trusted name in the field of school coaching institutes in India. We cater to major boards such as Maharashtra State Board, ICSE, and CBSE. Our results, including the recent 2022 outcomes, stand as a testament to our outcome-based teaching methodology, implemented by our highly qualified teachers. As pioneers in integrating technology-

aided teaching in the classroom, we have utilised specially designed presentations to enhance student understanding of concepts. Our approach also includes individual attention, recognising students' strengths and weaknesses to guide them accordingly.

We believe in nurturing and inspiring students from an early age to set them on the path to success. One such program is Aarohan, which encourages Class 8 students to prepare for competitive exams like NEET and IIT JEE. Through Aarohan, we provide coaching for exams like NTSE, KVPY, and Olympiads, fostering the development of analytical thinking and cognitive abilities. We have established an institutionalised approach to identify and recognise talent from a young age, conducting talent hunt exams at schools and our MT premises. These talent hunt exams, namely Aakar for the school section and Aarambh for Science 10+2 section, aim to identify and offer scholarships to exceptional students, irrespective of their economic status.

The MT Educare methodology is designed to create a relaxed and confident mindset in students to tackle challenges. Our approach

encompasses various learning tools and interactions. We ensure a comprehensive syllabus completion, coupled with clarity of concepts for each student. Regular assessments gauge students' understanding of completed chapters, and doubt-solving sessions and one-on-one counseling address specific concerns, ensuring students' confidence before exams. Moreover, students at MT Educare partake in the celebration of festivals, traditional days, and national events. Their hard work throughout the year is recognised and rewarded at events such as AFAE (Awards for Academic Excellence) and Convergence, which showcases talent from all corners of the country.

With a legacy of mentoring students for success in academics and life, hundreds of experienced, highly qualified, and trained teachers at MT Educare employ technology-aided teaching techniques, result-oriented methodologies, and personalised guidance to bring out the best in students and achieve outstanding results. Our structured programs instill a winning mindset in students, empowering them to think and act as winners.



**Our vision**  
Global Reach In  
Education And Training



**Our mission**  
We are committed to take  
Education to every home  
through our teachers by  
using technology in the  
following areas of the  
education eco-system.

- Digital content for Learning, Teaching and Assessment
- Innovative Learning and teaching methodologies such as blended learning
- Flexible delivery models of education on different technology & end-user platforms

**34+**

Years of legacy with  
sterling results

**3**

States/Union Territories where we  
are present

**67**

Locations

**67**

Centres

**13115+**

Students

**313+**

Faculty members

# Offerings that make learning convenient and effective

**We are truly a national player with a multi-city presence and a diverse product portfolio, standing a class apart due to technology-enabled business processes, digital content delivery, and 24 x 7 online support for the courses offered.**



Robomate+ is the world's largest curriculum-based study app that provides interactive study material for students. We endeavour to make learning easy for students and help them score more. Our products are carefully designed to ensure maximum learning through proven techniques such as conceptual videos, adaptive learning and collaborative learning methods.



The formula for achievement in HSC and entrance exams is designed through the cumulative intellect of the best faculty that quickly adapts to the constantly evolving and complex education system of the science stream. MT Lakshya offers truly integrated coaching programmes to students of standards 11<sup>th</sup> & 12<sup>th</sup> along with Engineering and Medical Entrance.



We have been mentoring students for success in academics and life. It offers coaching for students of standards 9<sup>th</sup> & 10<sup>th</sup> of State Board, CBSE & ICSE



We offer science coaching for 11<sup>th</sup> and 12<sup>th</sup> Standard students. It also prepares them for entrance exams like CET (Engineering Entrance and Medical Entrance). With experienced faculty, result-oriented content and intensive test-series (Boards + CET). Mahesh Tutorials Science aims to create a profound impact on students' learning and achievements in the field of Science.



We tutor thousands of students annually for standards 11<sup>th</sup> and 12<sup>th</sup> and has its own dedicated teaching team of Chartered Accountants and industry professionals, who provide training for CA CPT, Inter & Final and aim to elevate the potential of each student who aspire to be Chartered Accountants.

# The MT Educare edge

With our growth-driven platform, we empower and upskill our students to achieve greatness and reach new heights.



### Experienced faculty with industry knowledge

Our faculty of industry experts ensure that the knowledge passed onto students is not only theoretical but also practically useful.



### Comprehensive study materials

Our all-inclusive syllabus and study material make certain that MT Educare students are ready to take on the industry by storm.



### Technology-added teaching (TAT)

When education is inculcated along with technology, the seal on technique is set to success.



### Curriculum-mapped audio-visual content

Our system of audio-visual teaching of curriculum gives surety that the syllabus is interesting as well as remembered.



### Assessments and analytics for growth

Every student is different, and their growth is measured in many ways. Our assessment plans and our analytics weigh in all the aspects of a student's performance.



### Customer delight and people-centric approach

Our motto is to be as open a forum as we possibly can. Every student, every parent is always welcome to reach out and speak up. You are our priority.



# Resilient through strength and aspiration



**Education is the most powerful weapon which you can use to change the world.**

**- Nelson Mandela**

and convenience to students who may not be able to attend physical classes due to various constraints. Our online platform incorporates interactive learning tools, video lectures, doubt-solving sessions, and regular assessments to ensure effective learning outcomes.

Furthermore, we go beyond academic excellence and focus on the overall development of our students. We offer various personality development programs, counselling sessions, and career guidance to help students make informed decisions about their future. We organise workshops, seminars, and guest lectures by experts from different fields to expose students to diverse perspectives and real-world experiences.

We have established ourselves as a leading educational institution in India, renowned for our quality coaching, experienced faculty, and strong results. We remain dedicated to inspiring and empowering students to achieve their goals and aspirations.

## **Our financial and operational performance**

We, at MT Educare, have demonstrated resilience and continued to make progress with unwavering focus and fortitude. I am pleased to share with you the financial highlights of the fiscal year 2022-2023. The total consolidated revenue for the year FY23 amounted to ₹ 6,269 lakhs, reflecting a slight decrease as compared to the previous fiscal year. In FY22, our total consolidated revenue stood at ₹ 6,803 lakhs. The decline in revenue can primarily be attributed to a sharp decrease in enrolment in our coaching business.

Dear Shareholders,

Education stands as the cornerstone of human development and societal advancement. It plays a pivotal role in shaping individuals and communities, equipping them with the knowledge, skills, and values necessary to thrive in a complex and rapidly changing world. The importance of education spans various dimensions, from personal growth and empowerment to economic prosperity and social cohesion.

At MT Educare, we are proud to carry forward a legacy of over 34 years, of nurturing students and empowering them to excel. Our teaching methodology at MT Educare revolves around a comprehensive and systematic approach, ensuring that students develop a strong foundation in

their respective subjects. Our faculty members are highly qualified and experienced, employing innovative teaching techniques to make the learning process engaging and effective. We place great emphasis on regular assessments and provide students with ample practice material and mock tests to enhance their problem-solving skills.

We have earned a reputation for producing outstanding results in competitive exams, with many of our students successfully securing admissions to top engineering and medical colleges across the country. We take great pride in our track record and remain committed to maintaining our high standards of education and coaching.

In addition to classroom coaching, we have expanded our reach through online learning programs, enabling us to cater to a wider student base. These online courses offer flexibility

| Particulars                      | Standalone – Year ended |                   | Consolidated – Year ended |                   |
|----------------------------------|-------------------------|-------------------|---------------------------|-------------------|
|                                  | March 31, 2023          | March 31, 2022    | March 31, 2023            | March 31, 2022    |
| Revenue from Operations          | 3,126.55                | 3,039.92          | 5,819.26                  | 5,304.99          |
| Other Income                     | 384.05                  | 1,004.75          | 449.93                    | 1,497.67          |
| <b>Total Income</b>              | <b>3,510.61</b>         | <b>4,044.66</b>   | <b>6,269.19</b>           | <b>6,802.66</b>   |
| Total Expenses                   | 5,219.40                | 4,129.24          | 8,982.63                  | 6,555.22          |
| <b>Operating Profit/(Loss)</b>   | <b>(1,708.79)</b>       | <b>(84.58)</b>    | <b>(2,713.44)</b>         | <b>247.44</b>     |
| Less: Finance Cost               | 703.29                  | 837.23            | 864.32                    | 1,062.01          |
| Less: Depreciation               | 875.32                  | 1,141.23          | 1,091.83                  | 1,471.76          |
| <b>Profit/ (Loss) before Tax</b> | <b>(3,287.40)</b>       | <b>(2,063.04)</b> | <b>(4,669.59)</b>         | <b>(2,286.33)</b> |

### Sectoral optimism

The Indian supplementary education market is poised for steady growth, driven primarily by the increasing number of students pursuing higher education and professional courses. In recent years, there has been a rising preference among parents for high-quality education, which has further fuelled the demand for coaching centres.

India is one of the fastest emerging markets globally, with notable growth in per capita income and educational standards. This presents significant opportunities for universities and educational institutes to expand their student intakes. Additionally, India has a

substantial population of individuals under the age of 18, accounting for over 29% of the total population. This demographic offers significant potential for coaching classes to establish and operate coaching centres. Moreover, the reliance of parents on coaching classes is expected to contribute to the growth of the Indian coaching classes market.

Although the lack of infrastructure for private coaching centres and strict regulations regarding them are considered key restraining factors, their impact on market growth is minimal. Several government initiatives aimed at promoting skill development and creating employment opportunities are

expected to open doors for new players to enter the Indian coaching classes market during the forecast period. Furthermore, with the government's approval of 100% foreign direct investment (FDI) in the education sector, it is anticipated that several international players will enter the Indian market in the near future.

We are firmly committed to delivering supplementary education to the youth of today, guiding them through qualified faculty and advanced teaching methodologies. Our institution's vision extends beyond education, as we strive to empower our students to excel and thrive in all aspects of life's challenges.

# Showcase of our excellence

**MAHESH TUTORIALS**

SINCE 1988

a Zee Learn enterprise

Happy to share our outstanding  
**Result of 10th SSC, 2023**  
Congratulations to our students who put in the  
hard work, brought great results and made us proud.

## 10<sup>th</sup> SSC 2023 RESULT



DHRUVI A.



Shravani T.



Vedant M.



Pooja V.



Vedanti T.



Shrestha P.

**120** students scored **95%** & above  
**654** students scored **90%** & above



CONGRATULATIONS  
To our **HSC(science) TOPPERS**  
**2023**



**AAYUSH SHETTY**  
MIRA ROAD | **94.17%**



**SUMIT PHALKE**  
CHEMBUR | **91.83%**



**KRISHA JAIN**  
MATUNGA | **91.50%**



**PRANAV KANNAN**  
CHEMBUR | **91.50%**



**ARYA WARADE**  
THANE MAINS | **91.50%**



**RANBIR SINHA**  
THANE MAINS | **91%**



**MANAS PATIL**  
MULUND | **90.83%**



**OMKAR WALUNJ**  
KALYAN | **90.83%**



**SHRIYA RODE**  
BORIVALI | **90.17%**



# Showcase of our excellence



## JEE ADVANCED 2023 RESULTS LAKSHYA ACHIEVED!

Congratulations To Our Top Rankers



**Himesh**

AIR-161\*



**Shobit**

AIR-179\*



**Meet**

AIR-256\*



**Krish**

AIR-335



**Raghav**

AIR-554



**Ishit**

AIR-691



**Ranbir**

AIR-853\*



**Mohit**

AIR-1097\*



**Shreyas**

AIR-1504



**Japneet**

AIR-1924



**Karanpreet**

AIR-2419



**Tanveer**

AIR-3601\*

CATEGORY BANKERS\*

Make your dream a reality. | Join Lakshya Institute!

Contact :- 022 6148 6148

## MAHESH TUTORIALS

### COMMERCE



*Congratulations*

to our HSC 2023 Commerce topper!

**Aditi Mule | HSC<sub>(COM)</sub>**  
**96.17%**

English - **90/100**

Economics - **95/100**

BK/Accountancy - **99/100**

OC - **96/100**

Maths & Stats<sub>(Com)</sub> - **99/100**

IT (Com) - **98/100**

**Exceptional efforts yield excellent result!**

We are delighted to announce our HSC board topper.

See a future topper in you?

**Mahesh Tutorials** - where toppers are nurtured!

[www.mteducare.com](http://www.mteducare.com)



# Showcase of our excellence

**Happy to share our outstanding Result of 10th CBSE, 2023**  
**Congratulations** to our students who put in the hard work, brought great results and made us proud.

**MAHESH TUTORIALS**

SINCE 1988

a Zee Learn enterprise



**99%**  
Borivali

**Vidit Dedhia**



**98.4%**  
Borivali

**Aayush Jivrajani**



**98.2%**  
Borivali

**Tatva Jain**



**97.8%**  
Borivali

**Jashesh Pandya**



**97.6%**  
Virar

**Akshansh Yadav**

### Subject Toppers

English - 100/100 | Maths - 100/100 | Sanskrit - 100/100 | Social Studies- 100/100  
IT/ICT/AI/FA - 100/100 | Science - 99/100 | Hindi - 99/100 | Marathi - 99/100

**- Crowning Accomplishments -**  
**Overall Result - 90% & Above | 134 Students**

**Happy to share our outstanding  
Result of 10th ICSE, 2023**








**Congratulations** to our students who put in the hard work, brought great results and made us proud.

**MAHESH TUTORIALS**

SINCE 1988

a Zee Learn enterprise

**All India Rank Holders**

|  |  |  |
|--|--|--|
|  <p><b>AIR - 2</b><br/><b>99.6%</b><br/>Rudra<br/>Mukadam</p>   |  <p><b>AIR - 3</b><br/><b>99.4%</b><br/>Ayush<br/>Kothawade</p>         |  <p><b>AIR - 3</b><br/><b>99.4%</b><br/>Shardul<br/>Vichare</p> |
|  <p><b>AIR - 3</b><br/><b>99.4%</b><br/>Rishit<br/>Shetty</p> |  <p><b>AIR - 4</b><br/><b>99.2%</b><br/>Srinath<br/>Sridhar</p>       |  <p><b>AIR - 5</b><br/><b>99%</b><br/>Kavya<br/>Shah</p>      |
|  <p><b>AIR - 5</b><br/><b>99%</b><br/>Aditya<br/>Vichare</p>  | <p><b>And It's A Century! 100/100 In</b><br/>English Literature   History   Geography   Maths<br/>Physics   Chemistry   Biology   Commercial Studies</p> |  |

**Overall Result - 90% & Above | 232 Students**



# Showcase of our excellence



## NEET 2023 RESULTS

Good Efforts Yield Great Results!

# CONGRATULATIONS

To Our Top Performers

|  |  |  |  |  |
|--|--|--|--|--|
|  <p><b>AIR 415</b></p> <p>Pranav Kannan<br/>691 / 720</p> |  <p><b>AIR 811</b></p> <p>Mankanwal Singh<br/>690 / 720</p> |  <p><b>AIR 839</b></p> <p>Jaskirat Singh<br/>690 / 720</p> |  |  |
|  <p>Laxmi<br/>671 / 720</p>                             |  <p>Jhankar Goel<br/>644 / 720</p>                        |  <p>Nitin Goyal<br/>636 / 720</p>                         |  <p>Anmol Kunwar Singh<br/>628 / 720</p> |  <p>Abhi Gupta<br/>625 / 720</p>    |
|  <p>Vaishnavi<br/>619 / 720</p>                         |  <p>Himanshi<br/>580 / 720</p>                            |  <p>Disha<br/>580 / 720</p>                               |  <p>Yastika<br/>572 / 720</p>            |  <p>Kumud Sachdev<br/>572 / 720</p> |

Make your dream a reality.  
**Join Lakshya Institute!**

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lakshyainstitute.com

# Management Discussion and Analysis

## ECONOMIC REVIEW

### Global economic overview

Over the past three years, the global economy has faced an unprecedented series of crises, including high inflation and the ongoing repercussions of Russia's invasion of Ukraine. These uncertain circumstances continue to erode consumer and business confidence, leading to a detrimental impact on economic growth. The International Monetary Fund (IMF) projects a decline in global growth from an estimated 3.4% in 2022 to 2.9% in 2023. Moreover, advanced economies are anticipated to undergo a significant growth slowdown, plummeting from 2.7% in 2022 to 1.3% in 2023. In contrast, Emerging Market Economies (EMEs) are expected to exhibit an average growth rate of 3.9% in 2023, with a projected increase to 4.2% in 2024.

### Global Economic Growth (in %)

|   | Year-on-Year |             |            |
|---|--------------|-------------|------------|
|   | Estimate     | Projections |            |
|   | 2022         | 2023        | 2024       |
| <b>World</b>                                    | <b>3.4</b>   | <b>2.8</b>  | <b>3.0</b> |
| <b>Advanced Economies</b>                       | <b>2.7</b>   | <b>1.3</b>  | <b>1.4</b> |
| United States                                   | 0.9          | 1.0         | 1.3        |
| Euro Area                                       | 1.9          | 0.7         | 1.8        |
| Japan   | 0.6          | 1.3         | 1.0        |
| <b>Emerging Market and Developing Economies</b> | <b>4.0</b>   | <b>3.9</b>  | <b>4.2</b> |
| China   | 3.0          | 5.8         | 4.7        |
| Russia  | (4.0)        | 0.9         | 1.4        |

(Source: IMF)

The global trade outlook is facing potential risks due to renewed bottlenecks in the supply chain and weaker-than-expected global demand. Trade concerns could be exacerbated by the intensification of trade protectionism, fragmentation of trade networks, and security issues surrounding supply chains. These factors may lead to a slowdown in trade growth and disruptions in supply chains.

Looking ahead, the economic forecast for the next decade suggests a prolonged period of turbulence and unpredictability for businesses. After the resolution of regional recessions in 2023, global growth is projected to decelerate once again, with mature markets playing a smaller role in global GDP. This deceleration can be attributed, in part, to the convergence of previously fast-growing economies like China and Korea. Additionally, the recent sluggishness can be attributed to slow progress in implementing structural reforms, escalating trade tensions, declining direct investment, and a slower adoption of innovation and technology in certain regions.

Nevertheless, companies still have opportunities to capitalize on investment prospects in mature markets by focusing on innovation to offset the decline in the labour force. Furthermore, emerging markets offer investment opportunities in physical and digital infrastructure, given their large and young labour force.

### Indian economic overview

The Indian economy has displayed remarkable progress since the onset of the Covid-19 pandemic, achieving a complete rebound in the fiscal year 2021-22, surpassing the recovery of several other countries. This positive momentum has positioned India to return to its pre-pandemic growth trajectory in the fiscal year 2022-23. According to the IMF, India is expected to be one of the fastest-growing economies in the world, with a projected growth rate of 5.9% in the current fiscal year.

India's headline retail inflation is also anticipated to ease, dropping from 6.7% in the previous year to 4.9% in 2023-24. This demonstrates India's economic strength and unwavering determination to overcome even the most challenging obstacles. Multiple factors have contributed to the growth of the Indian economy in the fiscal year 2022-23. The steady increase in capital expenditure (capex) by the Union Government has been one of the key drivers of this growth.

The impact of earlier disruptions such as inflation, the Russia-Ukraine war, supply chain disruptions, and semiconductor shortages has diminished as the economy experienced significant growth in the first half of the fiscal year 2022-23. This has resulted in the manufacturing sector transitioning from a mild acceleration to a cruise mode, leading to gains in both manufacturing output and investment, indicating positive progress.

### Indian Economy GDP Growth Rate (in %)

| Year            | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 |
|-----------------|-------|-------|-------|-------|-------|
| GDP Growth Rate | 6.5   | 3.7   | (6.6) | 8.7   | 7.0   |

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)

Going forward, the Indian economy is expected to be one of the fastest-growing major economies in the fiscal year 2023-24, driven by robust domestic drivers and strengthening macroeconomic fundamentals. It is projected to achieve a growth rate of 6% in FY 2023-24. In terms of inflation, rates are anticipated to remain moderate, ranging between 5-6%, thanks to the government's commitment to calibrated monetary policies. The Indian financial sector remains stable, and headline inflation is expected

to decrease from its current elevated levels and fall below the upper tolerance band in 2023-24. Monetary policy continues to focus on gradually aligning inflation with the target. However, there are certain risks to both growth and inflation outlooks, including geopolitical hostilities, persistent global inflation, volatile global financial markets, and climate shocks. The government's ongoing emphasis on infrastructure development, combined with increasing private investment, is providing the necessary momentum for the country's economy to thrive. Nevertheless, given the high degree of synchronization between India's growth cycle and advanced economies, it is important to remain cautious about potential obstacles. Such hindrances could significantly impact India's deepening trade and financial connections with advanced economies

**Education Industry review**

Education plays a vital role in the economic development of any country, and since gaining independence, India has consistently prioritized improving its literacy rate. Even today, the government continues to implement various programs aimed at promoting primary and higher education across the nation. The education sector in India is currently witnessing rapid growth, with significant collaboration between private entities and the government to enhance this sector. Various measures are being taken to improve the quality of education in the country.

The expansion of primary education and the increasing presence of international schools in India are becoming more noticeable. Many parents are willingly enrolling their children in international schools to ensure they receive a high-quality education right from the primary level.

India, with a population of 580 million people in the age bracket of 5-24 years, holds the distinction of having the largest population in this category globally, presenting a significant opportunity in the education sector. India also holds a prominent position in the global education industry, boasting one of the largest networks of higher education institutions in the world. However, there is still immense potential for further development and improvement in the education system.

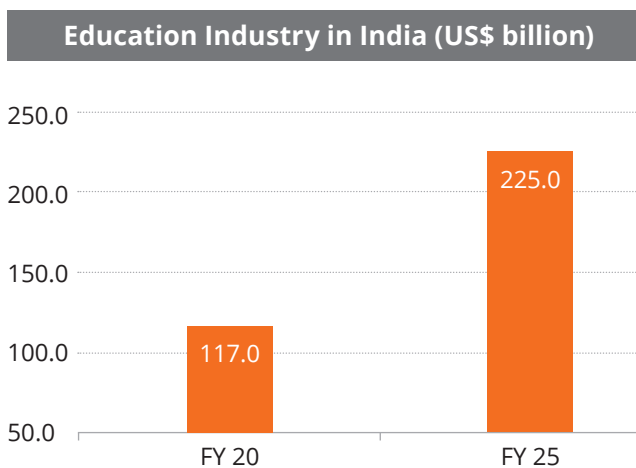
Driven by growing awareness, private Indian players are collaborating with international brands to provide an education of international standards. Private investments in the Indian education sector have witnessed substantial growth over the past two decades. Moreover, there is an increasing demand for specialized degrees, with more and more students opting for industry-focused qualifications. In response to consumer demand, higher education institutes in India are focusing on creating online programs.

India's education sector is poised to redefine itself in the coming years with the integration of cutting-edge technologies such as AI, ML, IoT, and blockchain. It has also embraced the Education 4.0 revolution, which promotes inclusive learning and enhances employability.

The government has implemented policies like the NEP, set to be fully implemented over the course of this decade starting from 2021-22, with a strong focus on high-quality vocational education.

The education sector in India was worth US\$ 117 billion in FY20 and is projected to reach US\$ 225 billion by FY25. The Indian ed-tech market is expected to grow to US\$ 30 billion by 2031, making it the second-largest market for e-learning after the US, according to KPMG. Additionally, the online education market in India is anticipated to grow by US\$ 2.28 billion during 2021-2025, with a compound annual growth rate (CAGR) of nearly 20%.

The emphasis placed on education and the growth potential of the education sector in India underscore the country's commitment to nurturing its human capital and driving economic development through education.



Source: IBEF

The Indian education sector is currently in a critical phase of its growth. The country's advantage lies in its large young population combined with low gross enrolment ratios (GERs), which presents a tremendous opportunity for stakeholders in the education sector.

**Government initiatives for the sector**

- The Indian education sector allows 100% Foreign Direct Investment (FDI) under the automatic route, which promotes liberalization and encourages international participation in the sector.
- In the Union Budget 2023, it was announced that District Institutes of Education and Training (DIETs) will be developed as vibrant institutes of excellence for teachers' training.
- Another significant announcement in the Union Budget 2023 was the establishment of a National Digital Library for Children and Adolescents. This library aims to provide access to high-quality books across different geographies, languages, genres, and reading levels, ensuring device-agnostic accessibility.

- In November 2022, Mr. Dharmendra Pradhan, the Minister of Education and Skill Development & Entrepreneurship, proposed the formation of a joint working group between India and Zimbabwe to collaborate on education, skill development, and capacity building.
- To liberalize the education sector further, the government has initiated important measures such as the National Accreditation Regulatory Authority Bill for Higher Education and the Foreign Educational Institutions Bill.
- In July 2022, Prime Minister Mr. Narendra Modi inaugurated a three-day Akhil Bharatiya Shiksha Samagam in Varanasi. This event aimed to discuss the implementation of the National Education Policy 2020 and its expansion throughout the country with various stakeholders.
- The Department of School Education and the Ministry of Education received recognition from UNESCO for their effective utilization of Information and Communication Technology (ICT) during the COVID-19 pandemic. This recognition was part of the comprehensive initiative called PM eVIDYA.
- The Department of School Education and Literacy (DoSE&L), under the Ministry of Education, has planned to conduct an online public consultation survey to gather valuable inputs from various stakeholders. These inputs will assist in formulating the National Curriculum Framework.
- The government schemes of Revitalising Infrastructure and Systems in Education (RISE) and Education Quality Upgradation and Inclusion Programme (EQUIP) play a crucial role in addressing the major challenges faced by the education sector. These initiatives focus on improving infrastructure, enhancing educational quality, and promoting inclusivity.
- The Union Budget 2023 allocated a record-breaking amount of ₹ 1.12 lakh crore (US\$ 13.5 billion) for education, marking an increase of approximately 8.2% compared to the previous year's allocation.

#### Emerging trends in education sector

The education sector is undergoing a constant transformation driven by new pedagogical approaches, technological advancements, and evolving learner and teacher profiles. The Covid-19 pandemic further accelerated these changes and highlighted the sector's resilience in adapting to disruptions. In 2022, the education sector not only regained relative normalcy but also made significant progress toward a new paradigm in education.

**Digitalization of Education:** In 2022, the government spearheaded the digitalization of education through initiatives such as DIKSHA, online MOOC courses, e-Pathshala web portal, and the National Repository of Open Educational Resources (NROER). These platforms provided e-content for students, teachers, educators,

and parents. Moreover, both government and private institutions made significant investments in digital infrastructure, training teachers in ICT, and integrating blended learning and hybrid learning programs into their curricula. Innovations in education delivery were witnessed through television, radio, and online platforms.

**Nurturing New-age Industry Skills:** Education in 2022 prioritized the development of new-age industry skills, including innovation, creativity, technology, and interpersonal skills, among students. Pedagogy underwent a transformation as educators moved beyond academic excellence and embraced personalized learning, self-paced learning, student-driven learning, problem-based learning, and collaborative learning to foster global citizenship skills. The start-up culture experienced a surge with the emergence of over 24 new unicorns. Consequently, business education emphasized entrepreneurial competencies to support the aspirations of young graduates in creating their own successful ventures.

**Holistic Education and Student Well-being:** The focus on holistic education gained momentum in 2022, with institutions incorporating learning loss recovery programs and adopting a balanced approach that encompassed knowledge, skills, values, and attitudes. Many institutions introduced the Health Education Curriculum to promote health awareness among learners. Customized programs aimed at enhancing the mental health and well-being of students were also implemented, recognizing the importance of a comprehensive educational experience.

**Thrust on Internationalism:** In recent years, efforts have been made to further internationalize Indian education. While Indian students traditionally pursued higher education opportunities abroad, the trend has started to shift. In 2022, there was an increased focus on making India a preferred destination for international students. This trend towards internationalization should be continued in 2023 to enhance India's position as a global knowledge hub and develop a competent human capital base, aligning with the country's aspirations of becoming a developed nation and a knowledge superpower.

#### Way forward

In 2030, India's higher education is projected to undergo significant transformations and achieve various milestones:

- The adoption of blended learning methods, combining online learning and gamification, is expected to contribute to a growth rate of 38% in the next 2-4 years.
- Higher education institutions will embrace innovative and transformative approaches to education.
- The Gross Enrolment Ratio (GER) is anticipated to reach 50%, indicating increased access to higher education across the population.
- Efforts will be made to minimize state-wise, gender-based, and social disparities in GER, aiming to reduce them to 5%.

- India is expected to become the largest contributor to global talent, with one in four graduates worldwide being a product of the Indian higher education system.
- In terms of research output, India aims to be among the top five countries globally, with an annual expenditure of US\$ 140 billion dedicated to research and development (R&D).
- More than 20 Indian universities are projected to rank among the top 200 universities worldwide.

The education sector has undergone significant reforms and witnessed increased financial allocations in recent years, positioning India as a potential knowledge hub. Recognizing the importance of human resources for overall national development, the focus on developing education infrastructure will continue throughout the current decade. Consequently, investments in education infrastructure are expected to witness a substantial increase in the coming years.

### **National Education Policy 2020**

The National Education Policy 2020 (NEP 2020) was introduced on July 29, 2020, with the aim of outlining a new vision for India's education system. It focuses on five essential pillars: Affordability, Accessibility, Quality, Equity, and Accountability, with the goal of enabling lifelong learning. NEP 2020 has been designed to align with the evolving needs of society and the economy, recognizing the increasing demand for knowledge and the necessity to acquire new skills regularly.

One of the key objectives of NEP 2020 is to provide quality education and establish lifelong learning opportunities for all individuals. This is crucial in facilitating full and productive employment, as well as promoting decent work, which aligns with the United Nations Sustainable Development Goals for 2030.

By replacing the previous National Policy on Education from 1986, NEP 2020 offers a comprehensive framework to transform both elementary and higher education in India by 2040. The policy incorporates significant reforms in school and higher education to equip the next generation with the necessary skills to thrive and compete in the digital age.

NEP 2020 places strong emphasis on multidisciplinary learning, digital literacy, written communication, problem-solving, logical reasoning, and vocational exposure. These aspects are considered vital for preparing students to navigate the challenges and opportunities presented by the contemporary world.

### **THREATS AND OPPORTUNITIES**

The education system in India has undergone significant changes over the past few decades. Despite its long history of learning and knowledge, the Indian education system has faced numerous challenges, including unequal access to education, outdated curricula, and inadequate funding.

Despite these challenges, despite the country's rapid economic growth and increasing prosperity, many rural and underprivileged communities still lack access to quality education. This inequality is reflected in the low literacy rates in these areas, as well as in the high dropout rates for students from these communities.

Another challenge facing the education system in India is outdated curricula. In many cases, the curricula used in schools and colleges are not in line with the latest developments in technology and society. This can result in students being ill-prepared for the demands of the modern workplace and can limit their future career prospects.

In addition to these challenges, the education system in India also faces a lack of funding. Despite the government's commitment to education, many schools and colleges still lack the resources they need to provide quality education to their students. This includes funding for basic facilities, such as classrooms and libraries, as well as funding for the development of new curricula and the training of teachers.

Despite these challenges, however, the education system in India has made great strides in recent years. Many universities and colleges have modernized their curricula to better reflect the needs of the modern workforce, and the government has increased its funding for education. Additionally, new initiatives, such as the Right to Education Act, have been introduced to increase access to education for all Indian citizens, regardless of their background or income.

To liberalise the education sector, the Government has taken initiatives such as the National Accreditation Regulatory Authority Bill for Higher Educational and the Foreign Educational Institutions Bill. The government schemes of Revitalising Infrastructure and System in Education (RISE) and Education Quality Upgradation and Inclusion Programme (EQUIP) are helping the government tackle the prominent challenges faced by the education sector.

The Central Government has approved the "New India Literacy Programme" for the period FY22-27 to cover all the aspects of adult education to align with the National Education Policy 2020 and Budget Announcements 2022-23.

The education sector has seen a host of reforms and improved financial outlays in recent years that could possibly transform the country into a knowledge haven. With human resource increasingly gaining significance in the overall development of the country, development of the country's education infrastructure is expected to remain the key focus in the current decade. In this scenario, infrastructure investment in the education sector is likely to see a considerable increase.

Accordingly, the Company is actively identifying and pursuing opportunities by developing new key accounts and exploring other available prospects.

Furthermore, the Company is committed to establishing a comprehensive and robust enterprise-wide risk management structure. This framework enables all business units to proactively identify risks associated with key initiatives, allowing for the development of appropriate and effective mitigation plans to ensure the achievement of goals. The risk management mechanism is an integral part of the Company's core processes and involves recording, monitoring, independent testing, and controlling internal functions through the establishment of a Risk Control Matrix (RCM) for process control, a Business Risk Management (BRM) framework for business objectives, and Entity Level Control (ELC) for comprehensive risk reporting. The Company recognizes that the rapid technological advancements globally require dynamic changes in its business and delivery models. As risk-taking is inherent in all business activities, MT Educare consistently strives to strike a balance in risk appetite across each line of business. This approach ensures that each business generates high risk-adjusted returns while maximizing value for shareholders.

MT Educare has taken proactive measures to identify and prioritize risks, collaborating with business groups to document them and define a risk management framework. The Company has implemented internal controls over Financial Reporting that are sufficient and effective. At the entity level, MT Educare's risk management framework addresses all significant risks faced by the businesses, considering management's insights, the business environment, and future initiatives. This enables the attainment of the business group's objectives while incorporating relevant mitigation strategies. The respective business groups simultaneously address the mitigation strategies for each identified risk during the finalization of strategic and operational parameters. Internal Audit and Assurance Group oversee compliance with and assurance of the risk mitigation strategies.

The Company has categorized major and significant risks into two broad categories: External Risks and Internal Risks. Each category has its corresponding mitigation strategies. MT Educare maintains a well-diversified portfolio in terms of service offerings and geographic reach.

## FINANCIAL PERFORMANCE AND KEY FINANCIAL RATIOS

### Consolidated Results

#### Income

The total consolidated revenue for the year FY23 stood at ₹ 6,269 lakhs as against ₹ 6,803 Lakhs in FY22, this decrease of 7.84% in revenue. In previous year there were Income on account of liability written back while during the current year liability written back is negligible.

### Expenditure

Total expenditure stood at ₹ 10,939 lakhs during the year under review as compared to ₹ 9,089 Lakhs in FY22, the Increase is due to Provision for doubtful debts and impairment of property.

### Operational Expenses

The Direct expenses mainly include fees paid to visiting faculties, Rent & Printing Expenses for the study materials which are issued to students as a part of course material. The direct expense for the year FY23 was ₹ 3,829 Lakhs as against ₹ 3,105 Lakhs in FY22, the increase due to visiting lecturers fee and other material expenses.

### Employee Benefit Expenses

The employee benefits expense for the year FY23 stood at ₹ 1,383 Lakhs as against ₹ 1,427 Lakhs in FY22, decreased by 3.08% primarily on account of rationalisation in a number of employees.

### Other Expenditure

Other expenses for the year FY23 stood at ₹ 3,770 lakhs as against ₹ 2,024 lakhs in FY22, the increase is mainly on account of Increase in Provision for doubtful debts and impairment of property.

### Finance Costs

Finance costs for the year FY23 stood at ₹ 864.32 lakhs as against ₹ 1,062 lakhs in FY22, the reduction is mainly on account of non-recognition of interest expense on disputed loans and reduction in interest on leased assets under IND-AS 116.

### Depreciation and Amortisation Expenses

Depreciation & Amortisation expenses for the year FY23 stood at ₹ 1,092 lakhs as against ₹ 1,472 lakhs in FY22 on account of the de-recognition of ROU and impairment of Assets.

### Profit After Tax

The profit/(loss) after tax is ₹ (6,071) lakhs for FY23 as compared to profit after tax for ₹ (2,552) Lakhs for FY22.

## SOURCE OF FUNDS

### Share Capital

The equity share capital remains the same for ₹ 7,223 Lakhs during the year under review.

### Other Equity

Other equity decreased by ₹ 6,071 Lakhs from ₹ 4,531 Lakhs as on March 31, 2022 to ₹ (1,540) Lakhs as on March 31, 2023 on account of Net loss incurred during the year.

### Non-Current Liabilities

Non-current liabilities Increased by ₹ 832 Lakhs from ₹ 5,599 Lakhs as on March 31, 2022 to ₹ 6,431 Lakhs as on March 31, 2023 largely on account of Increase in Borrowings and lease liabilities during the year.

**Current Liabilities**

Current liabilities Increased by ₹ 1,401 Lakhs from ₹ 15,930 Lakhs as on March 31, 2022 to ₹ 17,331 Lakhs as on March 31, 2023, increase is due to increase in current borrowings and other Current liabilities.

**APPLICATION OF FUNDS****Non-Current Assets**

Non-Current Assets decreased by ₹ 2,875 Lakhs from ₹ 22,473 Lakhs as on March 31, 2022 to ₹ 19,598 Lakhs as on March 31, 2023, mainly on account of Impairment of property, plant and Equipments, Goodwill and Investments and loans.

**Current Assets**

Current assets decreased by ₹ 963 Lakhs from ₹ 10,810 Lakhs as on March 31, 2022 to ₹ 9,847 Lakhs as on March 31, 2023, mainly due to reduction in trade receivables and other financial assets during the year under review.

**Standalone Results****Income**

The revenue for the year FY23 stood at ₹ 3,511 lakhs as against ₹ 4,045 lakhs in FY22. because previously there were Income on account of liability written back.

**Total Expenditure**

Total expenditure was increased by ₹ 690 lakhs in FY23, Provision for doubtful debts and impairment of property.

**Operational Expenses**

The Direct expenses mainly include fees paid to visiting faculties & Printing Expenses for the study materials which are issued to students as a part of course material. The direct expense for the year FY23 was ₹ 1,916 Lakhs as against ₹ 1,565 Lakhs in FY22, the increase was mainly on account of Increase in expense of Visiting Lecturer fee, Electricity Charges and cost of study material during the year under review.

**Employee Benefit Expenses**

The employee benefits expense for the year FY23 stood at ₹ 936 Lakhs as against ₹ 1,132 Lakhs in FY22, decreased on account of rationalisation in a number of employees and controls on hiring as a cost-saving measure.

**Other Expenditure**

Other expenses for the year FY23 stood at ₹ 2,367 lakhs as against ₹ 1,432 lakhs in FY22 mainly on account of increase in Provision for doubtful debts and impairment of property.

**Finance Costs**

Finance costs have decreased by ₹ 134 lakhs reduction is mainly on account of non-recognition of interest expense on disputed loans and reduction in interest on leased assets under IND-AS 116.

**Depreciation and Amortisation Expenses**

Depreciation and amortisation expenses decreased by 266 lakhs on account of the de-recognition of ROU assets and impairment of Assets.

**Profit After Tax**

The profit/(loss) after tax is ₹ (4,859) lakhs for FY23 as compared to profit after tax for ₹ (2,516) Lakhs for FY22.

**SOURCE OF FUNDS****Share Capital**

The equity share capital remains the same for ₹ 7,223 Lakhs during the year under review.

**Other Equity**

Other equity decreased by ₹ 4,858 Lakhs from ₹ 4,148 Lakhs as on March 31, 2022 to ₹ (709.15) Lakhs as on March 31, 2023 largely on account of Net loss incurred during the year.

**Non-Current Liabilities**

Non-current liabilities increased by ₹ 310 Lakhs from ₹ 4,911 Lakhs as on March 31, 2022 to ₹ 5,221 Lakhs as on March 31, 2023 largely on account of Increase in Borrowings and lease liabilities during the year.

**Current Liabilities**

Current liabilities increased by ₹ 531 Lakhs from ₹ 10,882 Lakhs as on March 31, 2022 to ₹ 11,412 Lakhs as on March 31, 2023 increase is due to increase in current borrowings and other Current liabilities.

**APPLICATION OF FUNDS****Non-Current Assets**

Non-Current Assets decreased by ₹ 2,320 Lakhs from ₹ 18,080 Lakhs as on March 31, 2022 to ₹ 15,760 Lakhs as on March 31, 2023, mainly on account of Impairment of property, plant and Equipments, Goodwill and Investments and loans.

**Current Assets**

Current assets decreased by ₹ 1,697 Lakhs from ₹ 9,084 Lakhs as on March 31, 2022 to ₹ 7,387 Lakhs as on March 31, 2023, mainly due to reduction in trade receivables and other financial assets during the year under review.

Other information relating to details about various ratios were duly attached with the financials of the company (forming part of the financial report) along with reasons under note no. 51 of the Standalone financial Statement and Note no. 55A of the Consolidated Financial Statements.

**OUTLOOK**

India Ratings and Research (Ind-Ra) has revised the outlook on the Indian education sector to "improving" from "neutral" for upcoming financial year 2023-24, citing a recovery in enrolments post-pandemic and a continuous

rise in enrolments in higher education. Student enrolments, according to the rating agency, fell in 2020-21 across the nation, as students shifted from private institutions to government institutions to get affordable education. However, Ind-Ra expects student headcount levels to touch new highs in 2023-24.

India pipped the UK to become the fifth largest economy in the world during the last quarter of 2021. The last time this happened was pre-pandemic, in 2019. India also boasts of having the world's largest population in the age cohort 5-24 years at 580 million. The country's median age is around 28.4 years.

Put these together, and the automatic implication becomes that India is a huge market for the education industry. The overall Indian education market is projected to be worth US\$225 billion by FY 2024-25, showing compound annual growth rate (CAGR) of 14 percent as per a 2021 report.

India's education industry has become increasingly competitive and highly diversified across all segments. Yet, there are scalable investment opportunities as quality access to education is not consistent throughout the country due to inadequate infrastructure and overwhelming demand.

This is helped by the fact that education is a non-discretionary spend in India and regarded as a key enabler for upward mobility. This means that irrespective of economic downturns, household budgets for education-related items stay prioritized.

The expanding population of school-going students is primarily driving the India higher education market. In addition to this, the launch of several favourable policies by government bodies, including the National Accreditation Regulatory Authority for Higher Educational Institutions Bill and the Foreign Educational Institutions Bill, aimed at boosting the academic sector and the increasing application of the Study in India program are acting as significant growth-inducing factors.

The higher education market size in India is expected to exhibit a growth rate (CAGR) of 9.9% during 2023-2028. Higher education represents tertiary education or the final stage of formal learning provided by universities, grad schools, college-level institutions, trade schools, academics, vocational degree-granting institutions, etc. It consists of numerous courses, such as graduation, post-graduation, diploma, certifications, Ph.D., etc. These higher education programs assist in career specialization, personal development, identifying new skills, enhancing critical thinking, improving employment scopes, etc. Consequently, they are in high demand among students in India.

The management will continue to take incremental steps in its commitment to deliver top notch coaching and ancillary services, to satisfy all our Stakeholders.

## RISK AND CONCERNS

MT Educare has implemented a robust risk management mechanism to identify and mitigate potential risks to its business. The company has an Enterprise Risk Management (ERM) system in place, which facilitates the involvement of cross-functional teams in managing risks in a structured manner. This ensures that risk mitigation efforts are coordinated and comprehensive.

Furthermore, the senior-level members of the team, specifically the Board of Directors, play a crucial role in assessing long-term and macro risks. Their expertise and oversight contribute to a more comprehensive understanding of potential risks and the development of appropriate mitigation strategies.

However, it is important to note that despite these measures, unforeseen events such as force majeure situations, including the Covid-19 pandemic, can pose significant challenges to any business.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adopted global practices for evaluating and reporting on internal controls, based on its operational experience. It has also implemented one of the leading ERP solutions in its operations to integrate various facets of business operations, including Human Resources, Finance, and Sales. This has enabled the Company to control and monitor its operations and strengthen the ability of internal controls to function most optimally. These procedures ensure that the transactions are properly authorized, validated and reported and that the assets of the Company are safeguarded except for two instances of fraud by employee which were detected and duly disclosed with Stock Exchange. Additionally, the Company has laid down policies, wherever required, the Company has desired internal control & mechanism in place & more has designated an internal auditor from an internal source to complete the audits as per a defined plan in place from time to time. The Statutory Auditors also verify the adequacy of the internal financial controls as well as compliance with the applicable laws and statutory regulations.

The Audit Committee of the Board with an Independent Director as its Chairman, meets quarterly and as and when required with the Management and Auditors to review the reports and to address the exceptions, if any.

## HUMAN RESOURCE

The Company believes that Human Resource is the principal driver of change. It pushes the levers that take futuristic businesses to the next level of excellence and achievement. The Company focuses on providing individual development and growth in a professional work culture that enables innovation, ensures high performance and remains empowering. The Company work, towards creating leadership in all business in which it operates.



Many other programs for employee rejuvenation, creating stronger inter-personnel relations and team building and aimed at strengthening the bond across all divisions and locations of the company were organized. These programs helped employees significantly in leading a balanced work life in the organization. The HR function is committed to improve all processes based on the results and feedback and ensure that its manpower will remain its greatest asset.

MT Educare's HR strategy is centred on attracting and retaining top-tier industry talent. Our efforts to cultivate a performance-based culture and foster our employees have been fortified over the years through various training programs aimed at honing skills and upgrading knowledge. These initiatives serve as motivation for our team to strive for organizational excellence. To boost our team's performance, we provide leadership and managerial development training programs. Additionally, we offer several curriculum-based learning programs that impart functional and behavioural skills to consistently enhance our team's efficiency. Our employee-friendly HR policies

help keep the workforce motivated and aligned with the company's vision.

#### **CAUTIONARY STATEMENT**

This document contains statements about expected future events, and financial and operating results of MT Educare Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of MT Educare Limited's Annual Report, 2022-23.

# Board's Report

To,  
The Members of  
**MT Educare Limited**

Your Director's take pleasure in presenting the Seventeenth Annual Report of the Company together with Audited Financial Statements for the year ended March 31, 2023.

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP") of MT Educare Limited ("Company") was initiated by Connect Residuary Private Limited (CRPL) An Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on December 16, 2022 ("Insolvency Commencement Date"). Mr. Ashwin Bhavanji Shah was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Vipin Choudhary, erstwhile Director of the Company had filed an appeal in National Company Law Appellate Tribunal (NCLAT), New Delhi challenging the Order passed by Hon'ble NCLT, Mumbai Bench, accordingly Hon'ble NCLAT, New Delhi stayed the formation of Committee of Creditors ("CoC") till the hearing or Order to be passed by Hon'ble NCLAT, New Delhi. The Hon'ble NCLAT, New Delhi after hearing the parties concerned on June 02, 2023 have now kept the matter "Reserved for Orders".

## FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2023 is summarized below:

(₹ in lakhs)

| Particulars  | Standalone – Year ended |                   | Consolidated – Year ended |                   |
|--|-------------------------|-------------------|---------------------------|-------------------|
|  | March 31, 2023          | March 31, 2022    | March 31, 2023            | March 31, 2022    |
| Revenue from Operations                                      | 3,126.55                | 3,039.92          | 5,819.26                  | 5,304.99          |
| Other Income   | 384.05                  | 1,004.75          | 449.93                    | 1,497.67          |
| <b>Total Income</b>  | <b>3,510.61</b>         | <b>4,044.66</b>   | <b>6,269.19</b>           | <b>6,802.66</b>   |
| Total Expenses   | 5,219.40                | 4,129.24          | 8,982.63                  | 6,555.22          |
| <b>Operating Profit/(Loss)</b>                               | <b>(1,708.79)</b>       | <b>(84.58)</b>    | <b>(2,713.44)</b>         | <b>247.44</b>     |
| Less: Finance Cost   | 703.29                  | 837.23            | 864.32                    | 1,062.01          |
| Less: Depreciation   | 875.32                  | 1,141.23          | 1,091.83                  | 1,471.76          |
| <b>Profit/ (Loss) before Tax</b>                             | <b>(3,287.40)</b>       | <b>(2,063.04)</b> | <b>(4,669.59)</b>         | <b>(2,286.33)</b> |
| Tax expense (Earlier Year)                                   | -                       | 257.79            | 0.13                      | 261.10            |
| Deferred Tax Charge  | (275.45)                | 195.64            | (226.49)                  | 4.98              |
| <b>Profit/(Loss) after Tax for the year</b>                  | <b>(4,858.89)</b>       | <b>(2,516.48)</b> | <b>(6,070.76)</b>         | <b>(2,552.41)</b> |
| <b>Other comprehensive income/(loss)</b>                     | <b>1.24</b>             | <b>5.67</b>       | <b>0.12</b>               | <b>10.04</b>      |
| <b>Total Other Comprehensive Income/ (Loss) for the year</b> | <b>(4,857.64)</b>       | <b>(2,510.80)</b> | <b>(6,070.64)</b>         | <b>(2,542.37)</b> |

## DIVIDEND

In view of the net loss incurred by the Company for the year and the accumulated losses of the previous year, the board does not recommend any dividend to the shareholders of the Company for the year ended March 31, 2023.

## TRANSFER TO RESERVES:

In view of the losses incurred by the Company, no amount has been transferred to reserves.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Audited Financial Statements for the Financial Year 2022-2023, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2023 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- Accounting policies selected were applied consistently and the judgments and estimates related to these financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023, and of the Profit & Loss of the Company for the year ended on that date.

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- d) Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively; and

Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### PHYSICAL VERIFICATION OF FIXED ASSETS AND WRITE OFF

IRP has conducted physical verification of Fixed assets of the Company and mismatch with Fixed Assets Register has been updated in records. There has been write off to this effect in line with physical verification of Fixed Assets.

### BUSINESS OVERVIEW

With the onset of pandemic, the last few years saw a meteoric rise of the EdTech sector which included e-learning platforms, student engagement tools in the classroom, skill development and continuous learning opportunities for higher education. However, we saw a trend reversal with parents and students opting for physical classes and the sector gradually transitioning towards the Phygital era. In parallel, the government has also been active in advocating and implementing educational reforms, which is being further accelerated through the widespread internet penetration.

In the current financial year, the Company has focused on re-opening the centres and transitioning from online to offline classes. A lot of time, effort and money had been spent to restart physical business operations including the centre set up, recruitment and training of teachers, etc. During the year, we saw a year-on-year increase in our students count which led to an improved cash inflow. However, since the Company had several old liabilities to service, we saw a net negative cash flow position in several months.

The Company hit a major business hurdle in the month of December when NCLT admitted insolvency proceedings which temporarily impacted the business reputation and smooth functioning of the business. However, immediate management intervention helped improve the overall dynamics in the later months of the financial year.

In the recent months, management has been focusing on strengthening its foothold by improving the infrastructure, visibility, employee morale and student satisfaction. Recent academic results where more than 1000 students have scored over 90% marks validates the confidence in our curriculum and pedagogy which is being further refined and upgraded to remain way ahead of competition. The focus will continue to make MT Educare the go to place to

cater to all academic needs of children between 8<sup>th</sup> and 12<sup>th</sup> standard and continue to build trust and confidence within the parent community.

### FINANCIAL PERFORMANCE:

The company has registered total Standalone Revenue of ₹ 3,511 Lakhs in FY23 compared to ₹ 4,045 Lakhs in FY22 because previously there were Income on account of liability written back while during the current year liability written back is negligible during the year under review, however the Company has slightly moved upward in terms of revenue from main operation of the company. Finance costs have decreased by ₹ 134 lakhs mainly on account of non-recognition of interest expense on disputed loans and reduction in interest on leased assets under IND-AS 116. Accordingly, operating EBITDA stood at ₹ (1,708.79) Lakhs in FY23, compared to ₹ (84.58) Lakhs in FY22. Profit Before Tax stood at ₹ (3,287.40) Lakhs in FY23, compared to ₹ (2,063.04) Lakhs in FY22. Profit After Tax stood at ₹ (4,858.89) Lakhs in FY23, compared to ₹ (2,516.48) Lakhs in FY22.

Further, the company has registered total Consolidated Revenue of ₹ 6,269 Lakhs in FY23, compared to ₹ 6,803 Lakhs in FY22 mainly because previously there were Income on account of liability written back while during the current year liability written back is negligible during the year under review. Finance costs for the year FY 23 stood at ₹ 864.32 lakhs as against ₹ 1,062 lakhs in FY 22, the reduction is mainly on account of non-recognition of interest expense on disputed loans and reduction in interest on leased assets under IND-AS 116. Accordingly, Operating EBITDA stood at ₹ (2,713.45) Lakhs in FY23, compared to ₹ 247.44 Lakhs in FY22. Profit Before Tax stood at ₹ (4,669.59) Lakhs in FY23, compared to ₹ (2,286.33) Lakhs in FY22. Profit After Tax stood at ₹ (6,070.76) Lakhs in FY23, compared to ₹ (2,552.41) Lakhs in FY22.

### CAPITAL STRUCTURE

During the year under review, there have been no change in the Share Capital of the Company, accordingly as at 31<sup>st</sup> March, 2023 the Equity Capital Structure stand as follows:

The Authorised Share Capital of the Company is ₹ 80,00,00,000/- (Rupees Eighty Crores Only) divided in to 8,00,00,000 (Eight Crores) Equity Shares of ₹ 10/- (Rupees Ten) each.

The paid-up Equity Share Capital of the Company is ₹ 72,22,80,540/- (Rupees Seventy Two Crores Twenty Two Lakhs Eighty Thousand Five Hundred Forty Only) divided in to 7,22,28,054 (Seven Crores Twenty Two Lakhs twenty Eight Thousand fifty four) Equity Shares of ₹ 10/- (Rupees Ten) each.

### Material changes post closure of financial year:

The Hon'ble NCLAT, New Delhi after hearing the parties concerned on June 02, 2023 have now kept the matter "pronouncement for Orders".

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review, the Corporate Insolvency Resolution Process ("CIRP PROCESS") of MT Educare Limited ("Company") was initiated by Connect Residuary Private Limited (CRPL) An Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on December 16, 2022 ("Insolvency Commencement Date").

### EMPLOYEES STOCK OPTION SCHEME

The Company implemented the Employee Stock Options Scheme "ESOP 2016" and "MT EDUCARE LTD ESOP 2018" in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. In accordance with ESOP 2016, Out of 8,00,000 options, only 7,38,450 options were granted as an offer to exercise by the eligible employee, however only 4,43,070 were exercised by the eligible employees till December 18<sup>th</sup>, 2018. Rest of the Options were not yet exercised. During the current financial year, no options were vested.

### SUBSIDIARY COMPANY

As at March 31, 2023, your company continued to be Holding Company of seven subsidiaries, namely, 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 and Labh Ventures India Private Limited. The Company does not have any associate or joint venture companies. Further, the Impairment of the entire Investment in Subsidiaries has been made in respect of MT Education Services Private Limited, Chitale's Personalised Learning Private Limited, Sri Gayatri Educational Services Private Limited, Robomate Edutech Private Limited, Letspaper Technologies Private Limited and Labh Ventures India Private Limited.

Pursuant to the provisions of Section 129 and 134 of the Act read with rules framed there under and Regulation 33 of the SEBI Listing Regulations, your Company has prepared Consolidated Financial Statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of this Annual Report.

In accordance with Indian Accounting Standard (IND-AS) - 110 Consolidated Financial Statements read with Indian Accounting Standard (IND-AS) - 28 Accounting for Investments in Associates, and Indian Accounting Standard - 111 Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in and forms part of this Annual Report as per (IND-AS) format.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read

with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company [www.mteducare.com](http://www.mteducare.com). These documents will also be available for inspection during business hours at the Registered Office of the Company.

Pursuant to Section 134 of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014, the details of performance of subsidiaries and joint ventures of the Company are as under:

Lakshya Forrum for Competitions Private Limited (Lakshya) and Labh Ventures India Private Limited (Labh) continued to be Material Subsidiary of the Company during the under review. Lakshya's Revenue from operations had been reduced during the year under review and stood at ₹ 2764.75 Lakhs as against ₹ 2476.80 Lakhs for the previous year registering a Slight Increase of around 11.63% and earned Profit after tax ₹ (784.02) Lakhs in the current year as compared to profit after tax of ₹ (224.62) Lakhs in the previous year.

Labh's Revenue from operations during the year under review stood at ₹ 802.62 Lakhs as against ₹ 804.29 Lakhs for the previous year and earned Profit after tax which was reduced from ₹ 15.28 Lakhs in the previous year to profit of ₹ 6.51 Lakhs in the current year due to increase in Finance Cost.

Rest of the Subsidiaries had not earned any revenue from the operation during the year under review.

### CORPORATE GOVERNANCE & POLICIES

Your Company is in compliance with the Corporate Governance requirements mentioned in Listing Regulations. In terms of Schedule V of Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached and forms an integral part of this Annual Report. All Board members and senior management personnel (as at 31<sup>st</sup> March, 2023) have affirmed compliance with the Code of Conduct for the year 2022-23. A declaration to this effect signed by the Erstwhile Non-Executive Director of the company is contained in this Annual Report. The Erstwhile Non-Executive Director have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations and the said certificate is contained in this Annual Report. Management Discussion and Analysis Report as per Listing Regulations are presented in separate sections forming part of the Annual Report.

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and

independence of individual. Your Company has also adopted a Remuneration Policy, salient features where of is annexed to this report.

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's corporate website [www.mteducare.com](http://www.mteducare.com). Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website [www.mteducare.com](http://www.mteducare.com).

### CORPORATE SOCIAL RESPONSIBILITY

The brief details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. The CSR policy is available on the website of your Company at <https://mteeducare.com/mt-educare-admin/public/storage//1670327107corp.pdf>.

As on April 01, 2022 the Corporate Social Responsibility Committee comprised of Dr. Dattatraya Kelkar, Independent Director as Chairman, Mr. Roshanlal Kamboj, Independent Director, Ms. Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Executive Director as members of the Committee.

As at March 31, 2023, there was no change in the constitution of the Corporate Social Responsibility Committee, Accordingly, in compliance with requirements of Section 135 read with Schedule VII of the Companies Act, 2013, the Corporate Social Responsibility Committee comprises of Dr. Dattatraya Kelkar, Independent Director as Chairman, Mr. Roshan Lal Kamboj, Independent Director, Ms. Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Executive Director as members of the Committee.

During the year under review, Corporate Social Responsibility Committee met at the Meeting of IRP named Corporate Social Responsibility committee meeting which has been conducted on February 06<sup>th</sup>, 2023 to review the CSR Applicability and to review various CSR projects, expenditure on the same (if any) during the year as well as quarter ended 31<sup>st</sup> December, 2022 wherein the Directors were also present.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

As part of its initiative under the Corporate Social Responsibility ('CSR'), our aim is not only to help students to pursue a dignified life but also to think about the social

and economic development of the communities in which we operate. Our approach to CSR is built on creating sustainable programs that actively contribute and support the social and economic development of the communities in which we operate. CSR for MT Educare Limited is beyond its own immediate business interests to make positive difference. At MT Educare Limited we are:

- 1) Committed to promoting the principle of inclusive growth and equitable development.
- 2) Committed to carry out our business activities respecting the cultures and practices of each region we operate in and proactively engage in activities that contribute to society as a good corporate citizen.
- 3) Committed to invest in our community development by empowering women and children (especially girl child) by providing respective skills and education.
- 4) Committed to engage and work actively in areas of promoting education and providing healthcare.

The Report on CSR Activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure 2 forming part of this Report.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Hon'ble NCLT vide order dated December 16, 2022 had initiated the CIRP Proceedings against the Company and pursuant to Section 9 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Mr. Ashwin B. Shah. However, the details of Director and Key Managerial Personnel (KMP) and Changes therein during the year under review is as under:

Mr. Parag Ola, as Executive Whole Time Director of the Company resigned w.e.f 24<sup>th</sup> January, 2023. Further Mr. Siddhartha Haldar, who was appointed as a Chief Financial Officer of the Company w.e.f 7<sup>th</sup> December, 2021 had resigned as Chief Financial Officer cum KMP of the Company w.e.f 7<sup>th</sup> November, 2022. Further, Mr. Nirav Parekh was appointed as Chief Financial Officer of the Company w.e.f November 08<sup>th</sup>, 2022, and further, he resigned as Chief Financial Officer cum KMP of the Company w.e.f 13<sup>th</sup> February, 2023. Due to on going CIRP process and Non-Constitution of Committee of Creditors, the vacancy in Key Managerial Personnel (KMP) arising out of resignation has not been filled up.

Mr. Surender Singh, Non-Executive Non Independent Director and Chairman, Mr. Vipin Choudhary, Non-Executive Non Independent Director, Mr. Roshan Lal Kamboj, Non-Executive Independent Director, Dr. Dattatraya Kelkar, Non-Executive Independent Director, Mrs. Nanette D'sa, Non-Executive Independent Director and Mr. Karunn Kandoi, Non-Executive Independent Director continued to be on the Board of the Company During the year under review.

There are currently 6 (Six) Directors, including Two Non-Executive Non-Independent, and Four Non-Executive Independent Directors to provide their declarations both at

the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations wherever applicable. During FY 2022-2023, your Board met 4 (Four) times (Including IRP Meeting) details of which are available in Corporate Governance Report annexed to this report.

Changes in the Key Managerial Personnel (KMP) during the year:

| Name of the KMP       | Appointment / Resignation/ No change | With effect from                  |
|-----------------------|--------------------------------------|-----------------------------------|
| Mr. Parag Ola         | Resigned as WTD                      | January 24 <sup>th</sup> , 2023   |
| Mr. Siddhartha Haldar | Resigned as Chief Financial Officer  | November 7 <sup>th</sup> , 2022.  |
| Mr. Nirav Parekh      | Appointed as Chief Financial Officer | November 8 <sup>th</sup> , 2022   |
| Mr. Nirav Parekh      | Resigned as Chief Financial Officer  | February 13 <sup>th</sup> , 2023  |
| Mr. Ravindra Mishra   | No Change                            | November 15 <sup>th</sup> , 2019. |

The information as required to be disclosed under the Listing Regulations in case of re-appointment of the director (if any) is provided in Report on Corporate Governance annexed to this report and in the notice of the ensuing Annual General Meeting.

The disclosure in pursuance of Schedule V to the Companies Act, 2013 and SEBI Listing Regulation pertaining to the remuneration, incentives etc. to the Directors is given in the Corporate Governance Report.

The outcome of the CIRP may result in change in the Board of Directors of the Company followed by reconstitution of the statutory committees of the Board of Directors of the Company. In accordance with the provisions of the Companies Act, 2013 ('Act').

## BOARD EVALUATION

In view of the fact that the Company continued to be under CIRP during the year under review and since the powers of the Board of Directors being suspended and management is vested with Mr. Ashwin B. Shah, the Interim Resolution Professional for carrying out the day to day operations of the Company, the evaluation of the Board, Committees and Directors could not be done.

## BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. [www.mteducare.com](http://www.mteducare.com). Details of scope,

constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report. However, due to CIRP process, the powers of the Committee members were suspended and power are vested with Mr. Ashwin B. Shah, the Interim resolution professional.

## DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted the requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16 and 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

They have further confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management. Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ('IICA') for a period of one year or five years or lifetime till they continue to hold the office of an independent director. All the Independent Directors (wherever applicable) had passed the Online Proficiency Self-Assessment Test conducted by IICA.

In the opinion of the Board, all the independent directors have integrity, expertise and experience.

## AUDITORS

The Statutory Auditors M/s. MGB & Co. LLP, Chartered Accountants, having (Firm Registration No. 101169W/W-100035) was appointed at the fourteenth Annual General Meeting ('AGM') of the Company held on December 24<sup>th</sup>, 2020. Accordingly, M/s. MGB & Co. LLP, Chartered Accountants shall hold office from the conclusion of fourteenth Annual General Meeting ('AGM') for a term of consecutive five years till conclusion of Nineteenth Annual General Meeting ('AGM').

Your Company has received confirmation from the Auditors to the effect that their appointment is within the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit & Auditors) Rules, 2014. In accordance with Section 139 of the Companies Amendment Act, 2017, notified w.e.f May 7, 2018, by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Hence, M/s. MGB & Co. LLP shall continue as Statutory Auditors for the remaining period of the term until the conclusion of Nineteenth Annual General Meeting of the Company.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments, some of the Qualifications shared by Auditor is as under (Standalone as well as Consolidated):

### Standalone:

- 1) *The Company has recognized net deferred tax assets of ₹ 6,894.29 lakhs considering sufficient taxable income would be available in future years against which deferred tax asset 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 asset not been recognized, the net loss for the year ended 31 March 2023 would have been higher by ₹ 6,894.29 lakhs and Net worth of the Company as at 31 March 2023 would have been lower by ₹ 6,894.29 lakhs. Our opinion on the statement for the year ended 31 March 2022 was also modified in respect of this matter.*

**Reply:** 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<sup>rd</sup> 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 21<sup>st</sup> February, 2023. There has been continuation of stay on Constitution of COC by Hon'ble NCLAT from time to time till 26<sup>th</sup> May, 2023 and accordingly the COC is not yet formed.

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.

- 2) The Company has outstanding loans, trade receivables and other receivables of ₹ 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 accompanying standalone financial statements. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.

**Reply:** 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.

- 3) We draw attention to Note 1 of the standalone financial statements 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.

**Reply:** 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 26<sup>th</sup> May, 2023.

- 4) The Company has not provided for interest on borrowings of ₹ 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 ₹ 751.26 lakhs based on the claims admitted. Had the interest expense excluding penal interest, if any, been recognised, the net loss for the year ended 31 March 2023 would have been higher by ₹ 851.44 lakhs excluding penal interest, if any, and the Net worth of the Company would have been lower by ₹ 851.44 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.

**Reply:** The Secured creditors have submitted their claims with IRP for the dues till 16<sup>th</sup> December, 2022. The Impact recording of Interest liability till

16<sup>th</sup> December 2022 shall be subject to outcome of CIRP proceedings. However, Interest liability post 16<sup>th</sup> December, 2022 can not be recognised as claim shall be submitted by Creditor for dues including Interest as of 16<sup>th</sup> December, 2022.

- 5) We have not received bank statement and confirmation of balance for the balances lying in current accounts of ₹ 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.

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

- 6) 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 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".

**Reply:** 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.

#### Consolidated:

- 1) The Group has recognized net deferred tax assets of ₹ 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 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 ₹ 7,548.55 lakhs and Net worth of the Group as at 31 March 2023 would have been lower by ₹ 7,548.55 lakhs. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.

**Reply:** 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 23<sup>rd</sup> 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 21<sup>st</sup> February, 2023. There has been continuation of stay on Constitution of COC by Hon'ble NCLAT from time to time till 26<sup>th</sup> May, 2023 and accordingly the COC is not yet formed.

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.

- 2) The Group has outstanding loans, trade receivables and other receivables of ₹ 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 accompanying consolidated annual financial statement. Our Opinion on the Statement for the year ended 31 March 2022 was also modified in respect of this matter.

**Reply:** 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.

- 3) We draw attention to Note No 1 of the consolidated annual financial statement 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.

**Reply:** 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 26<sup>th</sup> May, 2023.

- 4) The Group has not provided for interest on borrowings of ₹ 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 ₹ 1,200.63 lakhs and the Net worth of the Group would have been lower by ₹ 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.

**Reply:** In respect of MT Educare Limited (Holding Company) the Secured creditors have submitted their claims with IRP for the dues till 16<sup>th</sup> December, 2022. The Impact recording of Interest liability till 16<sup>th</sup> December 2022 shall be subject to outcome of CIRP proceedings of the Holding Company. However, Interest liability post 16<sup>th</sup> December, 2022 can not be recognised as claim shall be submitted by Creditor for dues including Interest as of 16<sup>th</sup> December, 2022. And in respect of other entities being subsidiary companies the similar treatment is continued.

- 5) We have not received bank statement and confirmation of balance for the balances lying in current accounts of ₹ 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.

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

- 6) 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 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".

**Reply:** 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.

#### COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, amended rules, 2014, the cost audit records maintained by the Company in respect of its education services, other than such similar services falling under philanthropy or as part of social spend which do not form part of any business is required to be Audited.

Your IRP had appointed M/s Joshi Apte & Associates, Cost Accountants (Firm Registration No 00240) for conduct of audit of the cost records of the Company for the financial year 2023-24.

#### SECRETARIAL AUDITOR

During the year, Secretarial Audit was carried out by M/s. Shravan A. Gupta & Associates, Company Secretaries, Mumbai in compliance with Section 204 of the Companies Act, 2013.

The Company had already taken such steps to ensure the Compliance with related regulations and accordingly informed the Exchanges from time to time. The observations and comments given by the Secretarial Auditor in their report are self-explanatory and hence do not call for any further comments under section 134 of the act.

The reports of Statutory Auditor, Secretarial Auditor forms part of this Annual report. During the year the Statutory Auditors had not reported any matter under Section 143 (12) of the Act.

#### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year, your Company transferred the unclaimed and un-encashed dividends for the year 2014-15 and 2015-16 aggregating to ₹ 1,09,273/-. Further, 1,687 corresponding shares, on which dividends were unclaimed for seven consecutive years, were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year wise amounts of unclaimed / un-encashed dividends lying in the unpaid dividend account up to the year, and the corresponding shares, which are liable to be transferred, are provided in the Corporate Governance Report (forming part of this Annual Report) and are also

available on your Company's website, at [www.mteducare.com](http://www.mteducare.com)

## DISCLOSURES

**i. Particulars of loans, guarantees and investments:**  
Particulars of loans, guarantees and investments made by the Company required under section 186 (4) of the Companies Act, 2013 are contained in Note No. 5a, 5b, 6 12 and 17 and 21 to the Standalone Financial Statements.

**ii. Transactions with Related Parties:**

There were no materially significant related party transactions entered between the Company, Directors, management and their relatives, except for those disclosed in the financial statements. Your Company has formulated a Policy on Related party transactions which is also available on the website of the Company. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature. The related party transactions for the financial year are insignificant commensurate with the turnover of the Company. Further, all transactions with related parties during the year were on arm's length basis and in the ordinary course of business. The disclosure of Related Party Transactions has been reported in Form no. AOC-2 is Annexed as Annexure 1 and forms part of Annual Report.

**iii. Risk Management:**

The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

**iv. Internal Financial Controls:**

Internal Financial Controls includes policies and procedures adopted by the company for ensuring orderly and efficient conduct of its business, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has in place a proper and adequate Internal Financial Control System with reference to financial statements. During the year, such controls were tested and no such reportable material weakness in the design or operation was observed except two fraud matters detected and appropriate disclosures has been made with Stock Exchanges. As regards the qualified opinion of Auditors on Internal

Financial Control, it is stated that the Company is taking constant steps to strengthen its process.

**v. Prospects:**

With a current presence in each of our operating markets and a clearly articulated expansion pipeline, we are in the process of optimising maximum opportunities and delivering sustained value to all our stakeholders, including our people, communities, business partners, and of course, our students. We are undertaking transformations across functions and processes to make this Company a leader in the Education Sector.

**vi. Deposits:**

Your Company has not accepted any public deposits under Chapter V of the Companies Act, 2013.

**vii. Extract of Annual Return:**

The Annual Return of the Company as on March 31, 2023, in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is available on Company's website at [www.mteducare.com](http://www.mteducare.com).

**viii. Sexual Harassment:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review, your Company has not received any complaint pertaining to sexual harassment.

All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by your Company.

**ix. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016:**

The Corporate Insolvency Resolution Process ("CIRP PROCESS") of MT Educare Limited ("Company") was initiated by Connect Residuary Private Limited (CRPL) An Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on December 16, 2022 ("Insolvency Commencement Date"). Mr. Ashwin Bhavanji Shah was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Vipin Choudhary, erstwhile Director of the Company had filed an appeal in National Company Law Appellate Tribunal (NCLAT), New Delhi challenging the Order passed by Hon'ble NCLT, Mumbai Bench, accordingly Hon'ble NCLAT, New Delhi stayed the formation of Committee of

Creditors ("CoC") till the hearing or Order to be passed by Hon'ble NCLAT, New Delhi. The Hon'ble NCLAT, New Delhi after hearing the parties concerned on June 02, 2023 have now kept the matter "Reserved for Orders".

x. Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
- c) Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.

**xi. Disclosure requirement:**

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis including the Business Responsibility Report (if applicable) are attached, which forms part of this annual report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**BOARD POLICIES**

The details of various policies approved and adopted by the Board as required under the Act and SEBI Listing Regulations which were explained in detail in the Corporate Governance report forming part of this annual report and are also available on the website of the Company i.e www.mteducare.com.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

• **Conservation of energy**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy have not been provided considering the nature of activities undertaken by the Company during the year under review.

• **Technology absorption**

During the year, the Company has not absorbed or imported any technology.

• **Foreign exchange earnings and outgoings**

During the year, there were no foreign Exchange earnings and outgoings during the year under review.

**POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION**

Your Company's policy on Directors' appointment and remuneration and other matters ("Remuneration Policy") pursuant to Section 178(3) of the Act is available on the website of your Company at www.mteducare.com.

The Remuneration Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the Nomination and Remuneration Committee for identifying the persons who are qualified to become the Directors. Your Company's Remuneration Policy is directed towards rewarding performance based on review of achievements. The Remuneration Policy is in consonance with existing industry practice.

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy of the Company, extract of remuneration policy is attached and form part of this report.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:**

The Company has nothing to report with respect to Demat Suspense Account/Unclaimed Suspense Account as per the requirement under Schedule V of the SEBI (LODR) during the year under review.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 (12) of the Companies Act, 2013 read with Companies (Amendment and remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2023.

The particulars of employees in compliance of provisions of Section 134(3)(q) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report. The above referred Annexure is also available for inspection by members at the Corporate Office of the Company, for a period of 21 days before the ensuing 17<sup>th</sup> Annual General Meeting and up to the date of the AGM between 11.00 a.m to 1.00 p.m. on all working days (except Saturday and Public Holidays).

None of the employee listed on the said Annexure is a relative of any Director of the Company. None of the employee holds (by himself or along with his spouse and

dependent children) more than two percent of the Equity Shares of the Company.

### ACKNOWLEDGMENTS

Your Director's wish to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors, Suppliers and members during the year under review.

Your Director's also express their appreciation to all the visiting faculty, lecturers and employees of MT Educare FAMILY for their hard work, commitment, dedicated services and collective contribution.

### CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. Important factors that could affect the company's operations include significant political and / or economic environment in India, tax laws, litigations, interest and other costs.

#### For and on behalf of the Board

Place: Mumbai

**Surender Singh**

Date: 8/08/2023

Erstwhile Chairman & Non-Executive Director

DIN: 08206770

### EXTRACT OF REMUNERATION POLICY

The policy for Remuneration for Director(s) and Employees of the Company as approved by the Board which inter alia includes:

#### i) Objective:

This Policy aims to attract, retain and motivate the Members of the Board of Directors, Senior Managers viz: CEO, and other employees who are at one level below the Key Managerial Personnel or Functional Heads of the Company, by remunerating them reasonably and sufficiently so as to run the operations of the Company successfully. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

#### ii) Guiding Principles:

The guiding principle of this Policy is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

While designing the remuneration package, efforts are to be made to ensure that the remuneration matches the level in comparable companies, whilst also taking into consideration requisite competencies, qualifications, industry experience, efforts required and the scope of the work.

The Nomination and Remuneration Committee while considering a remuneration package shall ensure balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee believes that a successful remuneration policy must ensure that a significant part of the remuneration package should be linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

#### iii) Remuneration of Executive Members on the Board:

Any Executive Member(s) on the Board shall be paid remuneration which shall comprise of fixed monthly basic salary, perquisites such as House Rent Allowance or furnished / unfurnished housing accommodation in lieu thereof, car with or without chauffeur, telephone for office as well as personal use, reimbursement of medical expenses, leave travel allowance, club membership, stock options, statutory and non-statutory allowances such as education allowances, personal allowances, travel allowances, subscription allowances etc. as may be recommended by the Nomination and Remuneration Committee / Board of Directors and approved by the Members of the Company from time to time.

However, the overall remuneration of executive member(s) on the Board, where there are more than one, shall not exceed 10% of the net profit calculated in the manner provided under the Companies] Act, 2013 and Rules framed thereunder, and shall not exceed 5% in case there is only one executive member on the Board. In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of an executive member of the Board, the payment of remuneration shall be governed by the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, however such applicable limits will not apply to Executive Directors working in the capacity of Professional Directors, to that extent.

Executive Members of the Board including the Managing Director, if any, shall be employed under service contracts for a period not exceeding 5 (five) years at a time, on the terms & other conditions and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Members of the Company at the General Meeting(s).

Executive members of the Board shall not be eligible to receive any sitting fees for attending any meeting of the Board of Directors or Committee thereof.

**iv) Remuneration of Non-Executive Members of the Board:**

The remuneration payable to Non-Executive Directors will be decided by Nomination and Remuneration Committee and approved by the Board from time to time.

The Non -Executive members / Independent Directors of the Board shall be eligible for sitting fees for attending the meetings of the Board and/ or Committees thereof, excluding Stakeholders Relationship Committee and Finance Sub- committee and reimbursement of expenses for participation in the Board and other meetings.

The remuneration payable to the Non-Executive member(s) / Independent Directors of the Board shall be limited to a fixed amount of Commission each year, as may be determined and approved by the Board based on the time devoted, contribution made in the progress and guiding the Company for future growth. Aggregate of such sum shall not exceed 1% of net profit of the year on a stand-alone basis or such sum as may be prescribed by the Government from time to time, calculated in accordance with the provisions of the Companies Act, 2013 and relevant rules framed thereunder. The performance of the non-executive members of the Board shall be reviewed by the Board on an annual basis.

The Non-Executive Directors shall be eligible for ESOPs as per the ESOP Scheme of the Company as approved by the Nomination and Remuneration Committee from time to time.

Independent Directors of the Company shall not be entitled to any stock option issued or proposed to be issued by the Company.

**v) Remuneration of Executive Management comprising of Senior Management & Key Managerial Personnel:**

The Company believes that a combination of fixed and performance-linked pay to the Executive Management shall ensure that the company can attract and retain key employees. The performance-linked incentive based on Company performance and performance of the employee concerned each year shall be considered and approved by the Nomination & Compensation Committee, annually inter-alia for the Executive Management. Additionally, subject to appropriate approval of shareholders, the Company may consider issuance of stock options to Senior Management.

The Nomination & Remuneration Committee will from time to time consider proposals concerning the appointment and remuneration of the Key Managerial Personnel and ensure that the proposed remuneration is in line with industry standards in comparable companies. Such proposals then shall be submitted to the Board for approval. The remuneration of the members of the Executive Management may consist of the following components:

- Basic salary and Allowances
- Performance linked incentive / bonus
- Stock options
- Perquisites as per rules of the Company including Company car, telephone etc.

Executive Management shall not be eligible to receive any remuneration, including sitting fees, for directorships held in any of the Subsidiaries of Company or Essel Group of Companies, whether listed or otherwise.

**For and on behalf of the Board**

Place: Mumbai  
Date: 8/08/2023

**Surender Singh**  
Erstwhile Chairman & Non-  
Executive Director  
DIN: 08206770

# Form No. MR-3

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

**MT EDUCARE LIMITED**

**CIN: L80903MH2006PLC163888**

220, 2<sup>nd</sup> Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg,  
L.B.S Cross Road, Mulund (West), Mumbai MH 400080

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MT EDUCARE LIMITED** (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act 2013 and the Rules made thereunder
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investments, overseas direct investments, external commercial borrowings;- **(Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period).**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable during the audit period**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable during the audit period** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the audit period**
- (vi) The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made there under.

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

**I further report that**, during the audit period:

The Board of Directors of the Company is duly constituted with proper balance of, Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that does not took place during the audit period were carried out in compliance with the provisions of the Companies Act, 2013 and listing regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

**I further report that, during the period, the Company has:**

*The Corporate Insolvency Resolution Process ("CIRP PROCESS") of MT Educare Limited ("Company") was initiated by Connect Residuary Private Limited (CRPL) An Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on December 16, 2022*

#### **Shravan A. Gupta & Associates**

Practicing Company Secretary  
P.R. No. 2140/2022

#### **Shravan A. Gupta**

ACS: 27484, CP: 9990  
UDIN : A027484E000724796

Place: Mumbai  
Date: AUGUST, 08, 2023

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**Annexure - A**

To  
The Members  
**MT EDUCARE LIMITED**  
**CIN: L80903MH2006PLC163888**  
220, 2<sup>nd</sup> Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg,  
L.B.S Cross Road, Mulund (West), Mumbai MH 400080

My report of even date is to be read along with this letter:

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

**Shravan A. Gupta & Associates**

Practicing Company Secretary  
P.R. No. 2140/2022

**Shravan A. Gupta**

ACS: 27484, CP: 9990  
UDIN : A027484E000724796

Place: Mumbai  
Date: AUGUST, 08, 2023



## ANNEXURE 1

# PARTICULARS OF RELATED PARTY TRANSACTIONS

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

|   |                       |
|---|-----------------------|
| <b>1. Details of contracts or arrangements or transactions not at arm's length basis</b>                              | <b>NOT APPLICABLE</b> |
| (a) Name(s) of the related party and nature of relationship   |                       |
| (b) Nature of contracts/arrangements/transactions   |                       |
| (c) Duration of the contracts/arrangements/transactions   |                       |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any                        |                       |
| (e) Justification for entering into such contracts or arrangements or transactions                                    |                       |
| (f) date(s) of approval by the Board  |                       |
| (g) Amount paid as advances, if any:  |                       |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |                       |
| <b>2. Details of material contracts or arrangement or transactions at arm's length basis</b>                          | <b>NOT APPLICABLE</b> |
| (a) Name(s) of the related party and nature of relationship   |                       |
| (b) Nature of contracts/arrangements/transactions   |                       |
| (c) Duration of the contracts/arrangements/transactions   |                       |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any:                       |                       |
| (e) Date(s) of approval by the Board, if any:   |                       |
| (f) Amount paid as advances, if any:  |                       |

**For and on behalf of the Board**

Place: Mumbai  
Date: 8/08/2023

**Surender Singh**  
Erstwhile Chairman & Non-Executive Director  
DIN: 08206770

## ANNEXURE 2

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The CSR policy of the Company is committed to conduct its business in socially, environmentally and ethically responsible manner and contribute to the society and environment in which it operates; to be able to contribute to social welfare and, directly or indirectly, financially assist people at large to improve their life / condition. The CSR policy of the Company is available on the Company's website on <https://mteeducare.com/corporate-governance>.

**2. Composition of the CSR Committee:**

- a.) Mr. Dattatraya Kelkar – Chairman
- b.) Mr. Roshanlal Kamboj – Member
- c.) Mr. Surender Singh – Member
- d.) Ms. Nanette D'sa – Member

**3. Average net profit of the Company for last three financial years:**

| Particulars  | ₹ In Lakhs       |                |                  |
|--------------|------------------|----------------|------------------|
|              | PBT              | Loss on Assets | Revised PBT      |
| F. Y 2021-22 | -2,063.04        | 2.97           | -2,066.01        |
| F. Y 2020-21 | -2038.91         | 0.00           | -2038.91         |
| F. Y 2019-20 | -4,699.68        | -27.24         | -4,672.44        |
| <b>Total</b> | <b>-8,801.63</b> | <b>-24.27</b>  | <b>-8,777.36</b> |

**4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):**

The Company is not required to contribute towards the CSR activities in the financial year 2022-23 owing the losses occurred in preceding financial years.

**5. Details of CSR spend for the financial year:**

The Company is not required to contribute towards the CSR activities in the financial year 2022-23 owing the losses occurred in preceding financial years.

**6. In case if the Company has failed to spent two per cent, of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount – Nil**

## ANNEXURE 3

### Details of the ratio of remuneration of each Director to the median employee's remuneration

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-

| Sr. No. | Name of the Director   | Designation  | Ratio of remuneration to the median remuneration of the employees |
|---------|------------------------|--|---|
| 1       | Mr. Parag Ola*         | Whole-Time Director (upto January 24 <sup>th</sup> , 2023) | -0.36 : 27.32   |
| 2       | Mr. Roshan Lal Kamboj  | Independent Director (w.e.f 26.09.2019)                    | -   |
| 3       | Mr. Dattatraya Kelkar  | Independent Director (w.e.f 30.12.2019)                    | -   |
| 4       | Ms. Nanette D'sa Ralph | Independent Director (w.e.f 31.03.2020)                    | -   |
| 5       | Mr. Surender Singh     | Non-Executive Director (w.e.f 24.07.2020)                  | Nil   |
| 6       | Mr. Vipin Choudhary    | Non-Executive Director (w.e.f 02.02.2021)                  | Nil   |
| 7       | Mr. Karunn Kandoi      | Independent Director (w.e.f 01.03.2021)                    | -   |

\* The Director had resigned during the year under review.

(ii) The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year

| Sr. No. | Name of the Directors / KMP   | % Increase over last F.Y. |
|---------|---|---------------------------|
| @1      | Mr. Parag Ola- Whole Time Director (upto January 24 <sup>th</sup> , 2023)   | -                         |
| #2      | Mr. Siddhartha Haldar – Chief Financial Officer (from December 7 <sup>th</sup> , 2021 to November 7 <sup>th</sup> , 2022) | NA                        |
| #3      | Mr. Nirav Parekh (w.e.f. November 8 <sup>th</sup> , 2022 to February 13 <sup>th</sup> , 2023)                             | NA                        |
| 4       | Mr. Ravindra Mishra (w.e.f November 15 <sup>th</sup> , 2019)  | 14.03%                    |

(iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year 27.32

(iv) The number of permanent employees on the rolls of the Company 149 as on 31<sup>st</sup> March, 2023.

(v) Average percentage increase / (decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The increase in the salary of employees, if any, other than managerial personnel is based on various parameters determined as per the Human Resource policy. The number of employees has reduced as compared to the previous financial year i.e 21-22. During the year under review, there is increase in the remuneration of the Whole-Time Director were within the limit.

@Mr. Parag Ola resigned during the year, hence his remuneration is not comparable.

#Since Mr. Siddhartha Haldar had resigned as CFO during the year under review and Mr. Nirav Parekh were appointed as well as resigned during the year under review, their remuneration cannot be compared on YOY basis.

**B. Particulars of Top 10 Employees whose remuneration exceeded ₹ 1.02 Crore per annum or ₹ 8.50 Lakhs per month during the FY 2022-23.**

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crore or more per annum.

| Name of Employee | Designation | Remuneration Received | Date of Commencement of Employment |
|------------------|-------------|-----------------------|------------------------------------|
| NA               |             |                       |                                    |

2. Employed part of the year and in receipt of remuneration aggregating ₹ 8.5 Lakhs or more per month.

**There are no employees who are employed for the part of the year and were in receipt of remuneration aggregating ₹ 8.50 lakhs or more per month.**

3. Details of Remuneration of Top 10 Employees for the year 2022-23

| Sr. No. | Emp Name                 | Age      | Designation                 | Qualification        | Total Experience | Remuneration | Last Employment Name                   |
|---------|--------------------------|----------|-----------------------------|----------------------|------------------|--------------|--|
| 1       | *Parag Ola               | 48 years | Whole Time Director         | MBA                  | 26 years         | 33,02,939    | Speak well Skills Academy              |
| 2       | *Siddhartha Haldar       | 43 years | Chief Financial Officer     | Chartered Accountant | 21 years         | 20,76,147    | East Corridor Consultant LLP           |
| 3       | Sameep Shashikant Pandit | 52 years | General Manager-Sales       | Graduate             | 24 years         | 19,78,404    | St. John College of Engg. & Management |
| 4       | Ravindra A Mishra        | 38 years | Company Secretary           | Company Secretary    | 15 years         | 17,75,720    | Essel Corporate LLP                    |
| 5       | *Biju Purushothaman      | 37 years | Assistant Vice President    | MBA                  | 15 years         | 16,84,147    | DSP Design Associates                  |
| 6       | *Nirav Atulbhai Parekh   | 36 years | Chief Financial Officer     | Chartered Accountant | 15 years         | 16,79,061    | Good Glam Group                        |
| 7       | *Jayprakash R Yadav      | 42 years | General Manager - ICT       | Graduate and MCA     | 19 years         | 12,15,321    | Provogue (India) Limited               |
| 8       | Amit Abhimanyu Choudhary | 44 years | Senior Manager - Commercial | Graduate             | 20 years         | 11,83,486    | Raymond Ltd.                           |
| 9       | *Mahesh Bhaskar Wagh     | 44 years | Head-Govt. Projects         | BCOM                 | 21 years         | 9,44,318     | Raymond Ltd.                           |
| 10      | @Shikha Deepak Shah      | 32 years | Manager-Finance             | Chartered Accountant | 7 years          | 9,00,473     | Doshi Jain & Co.                       |

\*Employees had resigned during the year under review.

@had resigned after financial year.

# Report on Corporate Governance

At MT Educare Limited, Corporate Governance forms the fundamental belief of maximizing its stakeholders' value, ensuring transparency and commitment of trust at the very core of its basic character. We make continuous efforts to adopt and adhere to the best practices of Corporate Governance. Corporate Governance is an integral part of the way we do business, which is reinforced at all levels within the Company and emanates from our attempts to constantly improve sustainable value creation for our stakeholders.

The Company present's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the year ended March 31, 2023.

## COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. MT Educare Limited ("the Company") is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

We believe that our Corporate Strategy needs to be dynamic, vibrant and responsive to the changing economic scenario and flexible enough to absorb

environmental and fiscal fluctuations. Professionalism in management, transparency and sound business ethics helps in encouraging widespread participation from all stake holders

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## POLICIES

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and Companies Act, 2013, the Board of Directors of the Company has approved various policies, as detailed herein:

### Whistle Blower & Vigil Mechanism Policy

As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of conduct. This mechanism/Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The Copy of the Policy has been uploaded on the Company's Website viz. [www.mteducare.com](http://www.mteducare.com)

### Code of Conduct

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management, and all the Directors and senior functionaries as defined in the Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company [www.mteducare.com](http://www.mteducare.com); All the Non-Independent members of the Board and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2023 and a declaration to this effect, duly signed by Mr. Surender Singh, Erstwhile Chairman & Non Executive Director is annexed and forms part of this report.

### Declaration:

I hereby confirm that, The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the period ended 31<sup>st</sup> March 2023.

### Surender Singh

Erstwhile Chairman & Non-Executive Director

DIN: 08206770

Mumbai, August 8<sup>th</sup>, 2023

## BOARD OF DIRECTORS

The Company has been admitted under Corporate Insolvency Resolution Process ("CIRP") in accordance with the application initiated under Section 9 of the IBC 2016 by Connect Residuary Private Limited (CRPL) an Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Mumbai bench, on December 16, 2022 ("Insolvency Commencement Date"). Mr. Ashwin B. Shah was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, the formation of the Committee of Creditors ("CoC") were stayed by an order of NCLAT, New Delhi. The final hearing in the matter of appeal filed by Mr. Vipin Choudhary Erstwhile Director has been concluded on 2<sup>nd</sup> June, 2023 and the matter is reserved for judgement which is yet awaited. Accordingly, Mr. Ashwin B. Shah the Interim Resolution Professional (IRP) is managing the day to day affairs of the Company. the powers of the Board of Directors of the Company were suspended vide order of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench dated 16<sup>th</sup> December, 2023.

Prior to commencement of CIRP The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. The IRP/Board provides and evaluates the Companies strategic direction, management policies and their effectiveness and ensures that the stakeholders' long term interests are being served.

As on date of this report, the Board comprises of 6 Directors, out of which all the Directors (100%) are Non-Executive Directors. The Company has a Non-Executive Chairman and 4 Independent Directors ('IDs'), including 1 women IDs, comprising more than half of the total strength of the Board. All IDs have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act and the rules framed thereunder. The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the disclosures received from all the IDs, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, and SEBI Listing Regulations and are independent of the Management.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors on the Company's Board hold the office of Director in more than

20 companies, including 10 public companies and none of the Directors of the Company are related to each other. None of the IDs serve as IDs in more than 7 listed entities and none of the IDs are Whole-time Directors / Managing Directors in any listed entity. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders & Relationship Committee] across all public limited companies in which he/she is a Director. All Non Independent Non- Executive Directors ('NINEDS') are liable to retire by rotation.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Indian Stock Exchanges, including details on all material transactions with related parties, within 21 days from the close of every quarter.

Since the Powers of the Board of Directors are vested with the Interim Resolution Professional the management of the affairs of the Company are being exercised under the overall control, supervision and guidance of the IRP from the date of the order till the completion of Corporate Insolvency Resolution Process.

Matters required to be tabled to the Board of Directors were put up for the review and the decision of the IRP from time to time in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Composition & Category of Directors

MT Educare Limited is in compliance with the Board composition requirements of the Listing Regulations. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the Management.

Composition of the Board as on March 31, 2023

| Category of Directors                   | No. of Directors | % to total No. of Directors |
|---|------------------|-----------------------------|
| Non-Executive Independent Directors     | 4                | 66.67                       |
| Non-Executive Non-Independent Directors | 2                | 33.33                       |
| Executive Whole Time Director           | 0                | 00.00                       |
| <b>Total</b>                            | <b>6</b>         | <b>100.00</b>               |

The Company continued to remain under CIRP during the year under review. Regulation 15 sub regulation (2A) & (2B) of the SEBI LODR states that the provisions of Regulation 17, 18, 19, 20 and 21, shall not be applicable during the insolvency resolution process in respect of a listed entity which is undergoing corporate insolvency resolution process under the insolvency Code. Provided that the role and responsibilities of the board of directors as specified under the aforementioned regulations shall be fulfilled by the interim resolution professional or Resolution Professional in accordance with sections 17 and 23 of the Insolvency Code. Consequently, post CIRP, the powers of the Board are suspended and hence no meeting of the Board has been held after 16<sup>th</sup> December, 2022.

During the financial year under review, 4 (Four) meetings of the Board (Including Meeting held by IRP) were held May

19<sup>th</sup>, 2022, July 26, 2022, November 7<sup>th</sup>, 2022. However, IRP has conducted meeting on February 06<sup>th</sup>, 2023 to take on record Unaudited financial Statement for the Quarter ended 31<sup>st</sup> December, 2022 wherein the Directors were also present. The annual calendar of meetings in connection with approval of quarterly and annual financial statements of the Company is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2022-23 and also their other directorships/ memberships held in Indian Public Companies (excluding Foreign Companies and Section 8 Companies of Companies Act, 2013) and Membership/Chairmanship of Audit Committee and Stakeholder Relationship Committee of other Public Companies as at March 31, 2023 are as under:

| Name of Director                           | Attendance at                                   |                    | 16th AGM held on September 14th, 2022 | No. of Directorship in other Public Companies |          | No. of Committee positions held in other public Companies |          |
|--|---|--------------------|---------------------------------------|---|----------|---|----------|
|  | Board Meeting (Including Meeting called by IRP) | (Total 4 Meetings) |                                       | Member  | Chairman | Member  | Chairman |
|  |   |                    |                                       |   |          |   |          |
| <b>Non-Executive Director</b>              |   |                    |                                       |   |          |   |          |
| Mr. Surender Singh (Chairman)              | 4   |                    | Yes                                   | #9  | -        | 3   | 0        |
| Mr. Vipin Choudhary                        | 4   |                    | Yes                                   | #6  | -        | -   | -        |
| Executive Director                         |   |                    |                                       |   |          |   |          |
| *Mr. Parag Ola                             | 3   |                    | Yes                                   | -   | -        | -   | -        |
| <b>Non- Executive Independent Director</b> |   |                    |                                       |   |          |   |          |
| Mr. Roshanlal Kamboj                       | 4   |                    | Yes                                   | #9  | -        | 4   | 2        |
| Dr. Dattatraya Kelkar                      | 4   |                    | Yes                                   | #3  | -        | 4   | 0        |
| Ms. Nanette D'sa                           | 4   |                    | Yes                                   | 3   | -        | 5   | 3        |
| Mr. Karunn Kandoi                          | 2   |                    | No                                    | 1   | -        | 1   | -        |

\* Appointed w.e.f June 25<sup>th</sup>, 2021 and resigned on 24<sup>th</sup> January, 2023.

# includes Deemed Public Companies and excludes listed companies

#### Notes:

Committee positions of only Two Committees namely Audit Committee and Stakeholders' Relationship Committee in all Indian Public (listed and unlisted) Companies have been included, in terms of Regulation 26 of the Listing Regulations.

The number of Directorship (s), Committee Membership(s) / Chairmanship (s) of all Directors is/are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.

Pursuant to amended SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, information of Directorship at other listed companies (as available at MCA website effective 31.03.2023) in respect of the Directors of the Company is given below:-

| Sr. No. | Name of The Director  | Directorship in Other Listed Entities              | Category of Directorship                     |
|---------|-----------------------|--|--|
| 1       | *Mr. Parag Ola        | NA   | Whole Time Director                          |
| 2       | Mr. Surender Singh    | Zee Media Corporation Limited<br>Zee Learn Limited | Non-Executive Non-Independent Director       |
| 3       | Mr. Roshanlal Kamboj  | Zee Learn Limited                                  | Independent Director                         |
| 4       | Dr. Dattatraya Kelkar | Zee Learn Limited                                  | Independent Director                         |
| 5       | Ms. Nanette D'sa      | Zee Learn Limited<br>Vidli Restaurants Limited     | Independent Director<br>Independent Director |
| 6       | Mr. Vipin Choudhary   | NA   | Non-Executive Non-Independent Director       |
| 7       | Mr. Karunn Kandoi     | Zee Learn Limited                                  | Independent Director                         |

\* Appointed w.e.f June 25<sup>th</sup>, 2021 and Resigned w.e.f 24<sup>th</sup> January, 2023.

### Board Meetings and Procedures

The internal guidelines for Board / Committee meetings facilitate the decision making process at the meetings of the Board / Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary, in consultation with the Senior Management, prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of table agenda or Chairman's agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company. Senior management personnel are normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

Minimum 4 (four) pre-scheduled Board meetings are held every year and Schedule of the Board meetings for approval of quarterly and annual financial results each year are decided well in advance and communicated to the Directors. Board meetings are generally held at Mumbai or through Online Mode or through Hybrid mode. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

Detailed presentations are made at the Board / Committee meetings covering finance, major business segments and operations of the Company, terms of reference of the Committees, global business environment, key business areas of the Company including business opportunities, business strategy and the risk management practices, before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board for discussions and consideration at every Board Meeting. The Board/IRP periodically reviews compliance reports of all laws applicable to the Company, as required under Regulation 17(3) of the SEBI Listing Regulations.

During the year, the Board accepted all recommendations of the Committees of the Board (wherever applicable), which were statutory in nature and required to be recommended by the Committee and approved by the Board. Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings (Currently conducted under the guidance of IRP) are communicated to departments concerned, promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee/IRP, for noting by the Board / Committee/IRP.

The IRP/Board periodically reviews certificates in respect of compliance of various laws and regulations applicable to the Company.

Since the Formation of Committee of Creditors (COC) is still pending owing to pendency of appeal before Hon'ble NCLAT, New Delhi, the proposal for Appointment by Rotation and Re-appointment shall be subject to ratification of COC, if constituted before Communication of Annual Report to the Shareholders.



**Brief profile of Director of the Company proposed to be re-appointed at the ensuing Annual General Meeting**

| Name of the Director   | Mr. Surender Singh  | Mr. Karunn Kandoi   |
|--|---|---|
| DIN  | 08206770  | 01344843  |
| Date of Appointment/Re-Appointment as Director                               | 24/07/2020  | 01/03/2024  |
| Qualification  | Post Graduation   | B.E & M.B.A   |
| Expertise in specific functional Areas                                       | Mr. Surender Singh, BA (Hon's) in Political Science and MA in History, is a Retired IPS with experience in all matters pertaining to Security management including cyber security and forensic; risk analysis; data analysis; intelligence; security audit; protection of intellectual property and people/ asset management. | Mr. Karunn Kandoi, heads business operations and is executive director for the Apply Board-India, a recent UniCorn, since August 2020. Before this Karunn Kandoi has worked with Extramarks Education India Private Limited as the Director-Whole Time & President Global Business. Prior to joining Extramarks he founded Shree Eduserve Private Limited, raised venture funding in it and created the largest brand for learning English in India. EdTech Professional with over 18 years of experience and a demonstrated history of working in the e-learning industry. Skilled in creating and expanding businesses, Operations Management, Management, Driving growth for technology led products, Leadership, and Marketing. Karunn Kandoi has a B.E. and is an MBA from the University of Washington, specialized in Product Management & Marketing. Karunn Kandoi has participated on various panels on EdTech organized by the likes of Asian Development Bank, CNBC, News Nation, Education Department of the Govt. of Kenya, FICCI-India etc. |
| No. of Equity Shares held in the Company as on March 31 <sup>st</sup> , 2023 | Nil   | Nil   |
| Relationship with any other Director inter-se                                | None  | None  |

**BOARD COMMITTEES**

Particulars of Meetings of Board Committees (Including IRP Meeting) held during the year along with details of Directors attendance at such Committee Meeting(s) are detailed herein:

|                       | Audit Committee | Nomination & Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee |
|-----------------------|-----------------|-------------------------------------|-------------------------------------|---|
| No. of Meetings held  | 4               | 2                                   | 1                                   | 1   |
| Directors attendance  |                 |                                     |                                     |   |
| *Mr. Parag Ola        | NA              | NA                                  | NA                                  | NA  |
| Mr. Roshanlal Kamboj  | 4               | 2                                   | 1                                   | 1   |
| Dr. Dattatraya Kelkar | 4               | 2                                   | 1                                   | 1   |
| Ms. Nanette D'sa      | 4               | 2                                   | 1                                   | 1   |
| Mr. Surender Singh    | 4               | 2                                   | 1                                   | 1   |
| Mr. Vipin Choudhary   | NA              | NA                                  | NA                                  | NA  |
| Mr. Karunn Kandoi     | NA              | NA                                  | NA                                  | NA  |

\*Appointed w.e.f. June 25<sup>th</sup>, 2021 and resigned w.e.f 24<sup>th</sup> January, 2023.

N.A. denotes the either director is not a Member of such Committee

NIL denotes no meeting were held during the year under review.

### Independent Directors Meeting and Board Evaluation Process

In view of the Company continuing to undergo the Corporate Insolvency Resolution Process during the year under review and the powers of the Board being vested and exercised by IRP, no meeting of Independent Directors was held during the Financial Year 2022-23.

### Familiarization Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of the industry and business model of the Company through induction programs at the time of their appointment as Directors and also annually by providing detailed presentations on the businesses of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up, a detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy and performance of individual profit centres is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations, 2015 approved and adopted Policy for determining Material Subsidiary, Remuneration Policy, Material Events Determination and Disclosure Policy and Document Preservation Policy. These policies can be viewed on Company's website at [www.mteducare.com](http://www.mteducare.com)

Since the powers of the Board of Directors have remained suspended since December 16, 2022 when the Company was admitted under the CIRP by the Hon'ble NCLT, Mumbai bench. Hence, no familiarization Programme of Independent Directors took place in the Company during the period.

### Details of Board Committees are as mentioned herein:

#### Audit Committee

##### Constitution

As on March 31<sup>st</sup>, 2022, the Audit Committee of the Board comprises of Mr. Roshanlal Kamboj, Independent Director as Chairman, Dr. Dattatraya Kelkar Ms Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Independent Director as Members of the Audit Committee. The Company Secretary of the Company acts as Secretary of Audit Committee.

As at March 31<sup>st</sup>, 2023, there was no change in the constitution of the Audit Committee, Accordingly, as on March 31<sup>st</sup> 2023, the Audit Committee of the Board comprises of Mr. Roshanlal Kamboj, Independent Director as Chairman, Dr. Dattatraya Kelkar Ms Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Independent Director as Members of the Audit Committee. The Company Secretary of the Company acts as Secretary of Audit Committee.

During the year under review, Four (4) meetings of the Audit Committee (Including IRP Meeting) were held on May 19<sup>th</sup> 2022, July 26<sup>th</sup> 2022, November 7<sup>th</sup>, 2022 which include

IRP meeting on February 06<sup>th</sup>, 2023 to take on record Unaudited financial Statement for the Quarter ended 31<sup>st</sup> December, 2022 wherein the Directors were also present.

The Chairperson of the Audit Committee was present at the 16<sup>th</sup> Annual General Meeting of the Company.

### Terms of reference

The role and the powers of the Audit Committee is as set out in Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The terms of reference of Audit Committee broadly includes:

- Review Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient, accurate, timely and credible.
- Review and recommend for approval of the Board quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review internal audit reports, related party transactions, company's financial and risk management policies and functioning of Whistle Blower & Vigil Mechanism Policy.
- Review with the management performance of Statutory and Internal Auditors, the adequacy of internal control systems including computerized information system controls and security.
- Recommend to the Board the appointment, reappointment and removal of the Statutory Auditor and Cost Auditor, fixation of audit fee and approval of payment of fees for any other services.
- Review the adequacy of internal audit function including approving appointment and remuneration payable to Internal Auditor, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- Review and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approve or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Evaluation of internal financial controls and risk management systems.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the whistle blower mechanism.
- Approve of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Review the utilization of loans and/or advances from/ investment in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
- The committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - Statement of deviations:
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements

of Regulation 24 of Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies viz., its financial statements, to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board, statement of investments and minutes of meetings of its Board and Committees.

Audit Committee Meetings are generally attended by the Chief Financial Officer, and representative of the Statutory Auditors of the Company. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit reports are considered by the Committee. The Company Secretary acts as the secretary to the Audit Committee.

## Nomination & Remuneration Committee

### Constitution

As on April 01, 2022, the Nomination & Remuneration Committee comprises Mr. Dattatraya Kelkar, Independent Director as Chairman, Mr. Roshan Lal Kamboj, Independent Director, Mr. Surender Singh, Non-Executive Director and Ms. Nanette D'sa, Independent Director.

As at March 31<sup>st</sup>, 2023, there was no change in the constitution of the Nomination & Remuneration Committee, Accordingly, as on March 31<sup>st</sup> 2023, the Nomination & Remuneration Committee comprises of Mr. Dattatraya Kelkar, Independent Director as Chairman, Mr. Roshan Lal Kamboj, Independent Director, Mr. Surender Singh, Non-Executive Director and Ms. Nanette D'sa, Independent Director as members of the Committee. The Company Secretary of the Company acts as Secretary of Nomination & Remuneration Committee.

During the year under review, Nomination & Remuneration Committee met Two (2) time on April 29<sup>th</sup>, 2022 and November 7<sup>th</sup>, 2022.

The Chairman of the Nomination & Remuneration Committee was present at the 16<sup>th</sup> Annual General Meeting of the Company.

### Terms of reference

Terms of reference of the Nomination & Remuneration Committee include:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and

motivate directors of the quality required to run the Company successfully.

- Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Formulate policy with regard to remuneration to directors, key managerial personnel and senior management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Approve the remuneration policy and other matters relating thereto as applicable to directors and senior management and other employees of the Company and administer Employee Stock Option Scheme of the Company.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulate criteria for evaluation of performance of Independent Directors and the board of directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

### Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company. The policy related to remuneration is available on the Company's website [www.mteducare.com](http://www.mteducare.com)

### Remuneration payable to Executive Director

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors at the meeting held on June 25, 2021 had approved appointment of Mr. Parag Ola as Whole Time Director of the Company at an agreed remuneration, however, Mr. Parag Ola resigned from the position of Executive Director with effect from 24<sup>th</sup> January, 2023.

### Remuneration payable to Whole-time Director

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors at the meeting held on June 25, 2021 had approved appointment of Mr. Parag Ola as Whole Time Director of the Company at an agreed remuneration.

The Whole Time Director was appointed for the period of 3 years which was approved by the members of the Company at the Annual General Meeting held on September 27<sup>th</sup>, 2021. As per the terms of his appointment Mr. Parag Ola was eligible for grant of stock options from the Company as a Whole Time Director, further Mr. Parag Ola had resigned from the position of Whole Time Director of the Company w.e.f 24<sup>th</sup> January, 2023.

The Details of Remuneration drawn by Mr. Parag Ola as Whole Time Director during the period under review is as under:

| Particulars  | *Mr. Parag Ola (WTD) (Amount in ₹) |
|--|------------------------------------|
| Fixed CTC (including contribution to PF, LTA and other reimbursements)           | 33,02,941/-                        |
| Annual Performance Pay   | -                                  |
| Joining Bonus  | -                                  |
| Annual Remuneration  | 33,02,941/-                        |
| Annual Performance pay shall be as per terms mentioned in the appointment letter | -                                  |

(\*Resigned w.e.f 24<sup>th</sup> January, 2023)

### Remuneration payable to Non-Executive Director

Non-Executive Directors were entitled to sitting fees of ₹ 10,000/- per meeting of the Board and ₹ 10,000/-per meeting of Committees.

Particulars of Sitting Fees paid/payable and Commission paid/payable to Non-Executive Directors of the Company during financial year 2022-23 is as detailed herein:

| Directors Name        | Board Meetings  | Committee Meetings | Total           |
|-----------------------|-----------------|--------------------|-----------------|
| Mr. Roshanlal Kamboj  | 40,000          | 70,000             | 1,10,000        |
| Dr. Dattatraya Kelkar | 40,000          | 70,000             | 1,10,000        |
| Ms. Nanette D'sa      | 40,000          | 70,000             | 1,10,000        |
| Mr. Surender Singh    | 40,000          | 70,000             | 1,10,000        |
| Mr. Vipin Choudhary   | 40,000          | Nil                | 40,000          |
| Mr. Karunn Kandoi     | 20,000          | Nil                | 20,000          |
| <b>Total</b>          | <b>2,20,000</b> | <b>2,80,000</b>    | <b>5,00,000</b> |

The Non-Executive Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its Directors, Senior Management, Subsidiary or Associate, other than in normal course of business.

During the year under review, no Stock Options have been granted to the Independent Directors of the Company.

### Stakeholders' Relationship Committee

#### Constitution

As on April 01, 2022, the Stakeholders Relationship Committee of the Board comprising of Mr. Roshan Lal Kamboj Executive Director as Chairman, Dr. Dattatraya Kelkar, Ms. Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Executive Director as the members of the Committee.

As at March 31, 2023, there was no change in the constitution of the Stakeholder's Relationship Committee, Accordingly, as on March 31<sup>st</sup> 2023, the Stakeholders Relationship Committee of the Board comprising of Mr. Roshan Lal Kamboj Executive Director as Chairman, Dr. Dattatraya Kelkar, Ms. Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Executive Director as the members of the Committee.

During the year under review, Stakeholder Relationship Committee met at meeting held by IRP named Stakeholders relationship committee meeting which has been conducted on February 06<sup>th</sup>, 2023 to review the grievances and solutions to the same (if any) during the year as well as quarter ended 31<sup>st</sup> December, 2022 wherein the Directors were also present.

#### Terms of Reference

The terms of reference of Stakeholder Relationship Committee include the following:

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

The Committee has delegated various powers including approving requests for transfer, transmission, re-materialisation & dematerialisation etc. of Equity shares to the Executives of the Company and the Company Secretary, being the compliance officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints jointly with representative (s) of Registrar and Share Transfer Agent of the Company and report the same to Stakeholders Relationship Committee.

Mr. Ravindra Mishra, Company Secretary has been appointed as Compliance Officer pursuant to the Listing Regulations. The designated email for investor service and correspondence is [secretarial@mteducare.com/info@mteducare.com](mailto:secretarial@mteducare.com/info@mteducare.com).

Details of number of requests/complaints received and resolved during the year ended March 31, 2023, are as under:

| Nature of Correspondence            | Received | Replied / Resolved | Pending  |
|-------------------------------------|----------|--------------------|----------|
| Non-receipt of Dividend             | 0        | 0                  | -        |
| Non-receipt of Annual Report        | 0        | 0                  | -        |
| Non-receipt of Shares               | 0        | 0                  | -        |
| Letter from Stock Exchange/ROC/SEBI | 0        | 0                  | -        |
| Others                              | 0        | 0                  | -        |
| <b>Total</b>                        | <b>0</b> | <b>0</b>           | <b>-</b> |

### Corporate Social Responsibility Committee

As on April 01, 2022 the Corporate Social Responsibility Committee comprised of Dr. Dattatraya Kelkar, Independent Director as Chairman, Mr. Roshan Lal Kamboj, Independent Director, Ms. Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Executive Director as members of the Committee.

As at March 31, 2023, there was no change in the constitution of the Corporate Social Responsibility Committee, Accordingly, in compliance with requirements of Section 135 read with Schedule VII of the Companies Act, 2013, the Corporate Social Responsibility Committee comprises of Dr. Dattatraya Kelkar, Independent Director as Chairman, Mr. Roshan Lal Kamboj, Independent Director, Ms. Nanette D'sa, Independent Director and Mr. Surender Singh, Non-Executive Director as members of the Committee.

During the year under review, Corporate Social Responsibility Committee met at the Meeting of IRP named Corporate Social Responsibility committee meeting which has been conducted on February 06<sup>th</sup>, 2023 to review the CSR Applicability and to review various CSR projects, expenditure on the same (if any) during the year as well as quarter ended 31<sup>st</sup> December, 2022 wherein the Directors were also present.

### Other Board Committees

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

#### i) ESOP Allotment Sub-committee

In order to process and facilitate allotment of Equity Shares, from time to time, upon exercise of Stock Options granted under Company's ESOP Scheme, the ESOP Allotment Sub-Committee has been constituted. Since the Company had been admitted to CIRP process, reconstitution of the said Sub-Committee had not been done.

**ii) Finance, Legal and Compliance Sub-Committee**

The Finance Sub-Committee was formed guide in the matter of Strategic significance and those of non-routine nature in relation to procurement, debt raising, banking operations, taxation, M&A, contracts, litigation / non litigation matters etc.. including the acceptance of terms and conditions of such facilities being offered and exercising other authorities as may be delegated by the Board from time to time, Since the Company had been admitted to CIRP process, reconstitution of the said Sub-Committee had not been done.

**iii) Business And Operations Sub Committee**

Business and Operations Sub Committee of the Company formed to guide, recommend and if directed then to advise on the strategic roadmap, functioning and control mechanisms in the Company's various businesses and its operations the Board has constituted a Business And Operations Sub-Committee. Since the Company had been admitted to CIRP process, reconstitution of the said Sub-Committee had not been done.

**iv) HR and Admin Sub Committee**

The HR and Admin Sub-Committee of the Company formed to maintains and enhances the organization's human resources by planning, implementing, and evaluating employee relations and human resources policies, programs, and practices and oversight of personnel and compensation policies the Board has constituted a HR and Admin Sub-Committee. Since the Company had been admitted to CIRP process, reconstitution of the said Sub-Committee had not been done.

**v) Government Project Sub Committee**

The Government Project Sub-Committee meets as and when required to review, approve monitor and shortlist relevant government within their respective scope or powers delegated by the Board, Since the Company had been admitted to CIRP process, reconstitution of the said Sub-Committee had not been done.

**Skills / expertise competencies of the Board of Directors:**

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members (Since Insolvency proceedings commenced on 16<sup>th</sup> December, 2022 the review of Skills / expertise competencies is restricted upto 16<sup>th</sup> December, 2022):

|                                     |   |
|-------------------------------------|---|
| <b>Business Leadership</b>          | Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.               |
| <b>Financial Expertise</b>          | Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.                                     |
| <b>Risk Management</b>              | Ability to understand and assess the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.  |
| <b>Global Experience</b>            | Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks. |
| <b>Merger &amp; Acquisition</b>     | Ability to assess 'build or buy' & timing of decisions, analyze the fit of a target with the company's strategy and evaluate operational integration plans  |
| <b>Corporate Governance</b>         |   |
| <b>&amp; ESG</b>                    | Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholders' interest.  |
| <b>Technology &amp; Innovations</b> | Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.   |

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

| Name of Director      | Areas of Skills/ Expertise |                     |                 |                   |                            |                      |                         |
|-----------------------|----------------------------|---------------------|-----------------|-------------------|----------------------------|----------------------|-------------------------|
|                       | Business Leadership        | Financial Expertise | Risk Management | Global Experience | Corporate Governance & ESG | Merger & Acquisition | Technology & Innovation |
| Surender Singh        | ✓                          | ✓                   | ✓               | ✓                 | ✓                          | ✓                    | ✓                       |
| Vipin Choudhary       | ✓                          | ✓                   | ✓               | ✓                 | ✓                          | ✓                    | ✓                       |
| Roshan Lal Kamboj     | ✓                          | ✓                   | ✓               | ✓                 | ✓                          | ✓                    | ✓                       |
| Dr. Dattatraya Kelkar | ✓                          | ✓                   | ✓               | ✓                 | ✓                          | ✓                    | -                       |
| Nanette D'sa Ralph    | ✓                          | ✓                   | ✓               | ✓                 | ✓                          | ✓                    | ✓                       |
| Karunn Kandoi         | ✓                          | ✓                   | ✓               | ✓                 | ✓                          | ✓                    | ✓                       |

**Note** - Each Director may possess varied combinations of skills / expertise within the described set of parameters and it is not necessary that all Directors possess all skills / expertise listed therein.

### SENIOR MANAGEMENT

“Senior Management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.]

Kindly refer Directors and Key Managerial Personnel of Board's Report for the details of changes in Key Managerial Personnel during the year under review.

During the year under review, Mr. Mahesh Bhaskar Wagh, Head of Procurement and Commercial department had been transferred to other group company and Mr. Amit Choudhary were assigned the Charge of Procurement and Commercial Department, Further, Mr. Jayprakash R. Yadav, General Manager ICT had resigned from the position w.e.f 4<sup>th</sup> January, 2023 and Mr. Biju Purushothaman, Head of Human Resource Department resigned w.e.f 27<sup>th</sup> January, 2023.

Further, wide Order passed by the Hon'ble NCLT, Mumbai Bench on 16<sup>th</sup> December, 2022, Mr. Ashwin B. Shah, Interim Resolution Professional has been appointed to manage the affairs of the Company.

### Confirmation as regards independence of Independent Directors

In the opinion of the IRP/Board, all the existing Independent Directors and the one who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting (AGM), fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

### Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on [www.mteducare.com](http://www.mteducare.com)

### Policies & Code as per SEBI Insider Trading Regulations

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Mr. Ravindra Mishra, Continued as Company Secretary and Compliance Officer for the purposes of Insider Trading Code, and Chief Investor Relations Officer for the purpose of Fair Disclosure policy and Key Managerial Personnel of the Company.

In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from February 2<sup>nd</sup>, 2022. The revised code and Policy can be viewed on Company's website [www.mteducare.com](http://www.mteducare.com)

All the Directors, IRP, employees, CoC (if any) and third parties such as auditors, consultants etc. who may have an access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

## GENERAL MEETINGS

The Seventeenth Annual General Meeting of the Company for the financial year 2022-23 will be held on Monday, 25<sup>th</sup> Day of September, 2023 at 2.30 p.m. through online mode (VM/AVOM).

**The location, day, date and time of the Annual General Meetings held during last three years along with Special Resolution(s) passed at these meetings are as follows :**

| Year    | Day and Time                                      | Resolutions passed (Ordinary/Special)  | Venue                          |
|---------|---|--|--------------------------------|
| 2019-20 | Thursday<br>December<br>24, 2020 at<br>01.00 p.m  | To receive and Adopt Audited Financial Statement of the Company<br><br>To Re-appoint M/s MGB & Co. LLP, Chartered Accountant (Firm Registration No. 101169W/W-100035), be appointed as statutory auditors of the Company to hold office from the conclusion of this 14 <sup>th</sup> AGM until the conclusion of the 19 <sup>th</sup> AGM<br><br>To fix the remuneration of Cost Auditor<br><br>Appointment of Mr. Roshan Lal Kamboj (01076066) as an Independent Director of the Company.<br><br>Appointment of Mr. Dattatraya Kelkar (00118037) as an Independent Director of the Company.<br><br>Appointment of Mrs. Nanette D'sa Ralph (05261531) as an Independent Director of the Company.<br><br>Appointment of Mr. Arun Kumar Khetan (02744522) as a Director of the Company.<br><br>Appointment of Mr. Arun Kumar Khetan (02744522) as an Executive Director in the Category of Whole Time Director of the Company.<br><br>Appointment of Mr. Surender Singh (08206770) as Non-Executive Director of the Company. | through online mode (VM/AVOM). |
| 2020-21 | Monday<br>September<br>27, 2021<br>At 1.30 p.m    | To receive and Adopt Audited Financial Statement of the Company<br><br>To appoint Mr. Surender Singh, Non-Executive Director who retires by Rotation and being eligible for re-appointment.<br><br>To fix the remuneration of Cost Auditor<br><br>Appointment of Mr. Vipin Choudhary (02090149) Non-Executive Director of the Company.<br><br>Appointment of Mr. Karunn Kandoi (01344843) as an Independent Director of the Company.<br><br>Appointment of Mr. Parag Ola (08133069) as a Director of the Company.<br><br>Appointment of Mr. Parag Ola (08133069) as an Executive Director in the Category of Whole Time Director of the Company.   | through online mode (VM/AVOM). |
| 2021-22 | Wednesday<br>September<br>14, 2022<br>At 1.30 p.m | To receive and Adopt Audited Financial Statement of the Company<br><br>To appoint Mr. Vipin Choudhary, Non-Executive Director who retires by Rotation and being eligible for re-appointment.<br><br>To fix the remuneration of Cost Auditor<br><br>Appointment of Mr. Roshan Lal Kamboj (01076066) Non-Executive Independent Director of the Company.<br><br>Appointment of Mr. Dattatraya Kelkar (00118037) as Non-Executive Independent Director of the Company.<br><br>Appointment of Mrs. Nanette D'sa Ralph (05261531) as Non-Executive Independent Director of the Company.  | through online mode (VM/AVOM). |



All the above resolutions were passed with requisite majority.

None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot.

#### Postal Ballot

During the year review, No Resolutions passed by way of Postal Ballot during the financial year 2022-23.

#### Procedure for postal ballot

Prescribed procedure for postal ballot, as per the provisions contained in this behalf in the Act read with rules made there under as amended from time to time, shall be complied with, whenever necessary.

#### CERTIFICATE ON DEBARMENT OF DIRECTORS

Your Board hereby confirms that the Company has obtained a certificate from Shravan A. Gupta & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

#### PARTICULARS OF PAYMENT OF STATUTORY AUDITORS FEE, ON CONSOLIDATED BASIS:

MGB & Co. LLP, Chartered Accountants (Firm Registration No. 101169W/W-100035) have been appointed as the Statutory Auditors of the Company. The particulars of Statutory Auditors' fees, on consolidated basis are given below:

(Rupees: in Lakhs)

| Particulars  | Amount       |
|--|--------------|
| Services as Statutory Auditors (including quarterly basis) | 32.31        |
| Tax Audit & Other Matters                                  | 3.50         |
| Re-imbursment of out-of-pocket expenses                    | 0.21         |
| <b>TOTAL</b>   | <b>36.02</b> |

#### OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

As of date, Company has not issued GDRs/ ADRs/ Warrants or any Convertible instruments.

#### AFFIRMATIONS AND DISCLOSURES

- Compliance with Governance framework – The Company is in compliance with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Related Party Transactions - During the financial year under review, all transactions entered into with related parties were in the ordinary course of business and on arm's length basis. There are no materially significant transactions with related parties during the financial year. Related party transactions have been discussed under note no. 37 (Standalone) and note no. 38 (consolidated) of significant accounting policies and notes forming part of the financial statements

in accordance with "INDAS 24". A statement of transactions with related parties is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company at

[https://mteudcare.com/images/Policy\\_Related\\_Party\\_Transactions-New.pdf](https://mteudcare.com/images/Policy_Related_Party_Transactions-New.pdf)

None of the transaction with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out at arm's length basis or fair value.

- Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital market, during the last three years:**

The Company believes in legacy of fair, ethical and transparent practices in relation to Compliance, however, Due to Covid-19 pandemic during the F. Y 19-20 and F. Y 20-21 there was some delay in the Compliance with the regulations of SEBI (LODR), Companies Act, 2013 or any other related acts, but the Company has managed to comply with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as other applicable regulations and guidelines of SEBI, further the Company had received waiver for some of the penalty imposed by the Stock Exchanges from time to time, later Company had further complied with the requirement of Composition of Board as well as Minimum Public Shareholding of the Company, Mr. Parag Ola, Executive cum Whole Time Director of the Company and Mr. Nirav Parekh, Chief Financial Officer of the Company, resigned from the said position, further on account of initiation and continuation of CIRP process of the Company since 16<sup>th</sup> December, 2022, the compliance with respect to the Composition of the Board and Appointment of KMP in the Company is still pending and may be decided by COC on constitution.

- Vigil Mechanism / Whistle Blower Policy - Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Company has laid down Whistle Blower Policy which provides a platform for employees, vendors and customers to report to the management about any suspected or confirmed incident of fraud, misconduct, unethical behaviour, etc. The mechanism provides

for adequate safeguards against victimization of Employees and Directors who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

**e.** Your Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

**f.** Disclosure of Accounting Treatment - In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountant of India to the extend applicable. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

**g.** Risk Management – Business risk evaluation and management is an on-going process within the Company. The assessment is periodically examined by the Board.

**h.** The Company has complied with all the mandatory /non-mandatory requirements under Regulation 27 read with Schedule II Part E of the Listing Regulations

The status of compliance with non-mandatory recommendations and steps adopted by the Company is provided below:

- Separate post of Chairman and Whole-time Director: Mr. Surender Singh is the Non-Executive Non Independent Director cum Chairman of the Company till the initiation of CIRP process i.e upto 16<sup>th</sup> December, 2022 and after this date, Mr. Ashwin B. Shah, Interim Resolution Professional (duly appointed by the Hon'ble NCLT, Mumbai Bench) took the Charge of the Company.
- The Annual General Meeting of the Company was held through Online mode hence copy of Annual Report was through e-mail addresses whose e-mail address were registered with the Depository or the Company's Registrar and Share Transfer Agents during the year under review.
- Modified opinion(s) in audit report: The Company always tries to ensures that the financial statements are with unmodified audit opinion, However, all the Qualifications/Comments of the Auditor is well replied by the Board (if any) during the year under review.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**i. Disclosure on Commodity price risk or foreign exchange risk and hedging activities**

Since the Company is engaged in the Education business, there is no risk associated with Commodity Price and therefore the disclosure relating to Commodity hedging activity is Not Applicable.

**j.** M/s Lakshya Forrum for Competitions Private Limited and M/s Labh Ventures India Private Limited Duly Incorporated on 19<sup>th</sup> November, 2012 and 18<sup>th</sup> February, 2015 respectively in Mumbai are continued to be material subsidiary of the Company as defined under regulation 16 of SEBI (LODR) Regulations, 2015 as on March 31, 2023. M/s MGB & Co. LLP, Chartered Accountants and Statutory Auditor is also holding the position of Statutory Auditor in the said Subsidiary of the Company since F. Y 2020-2021. The policy on determination of Material Subsidiary of the Company is available on the website of the Company at:

<https://mteeducare.com/images/Policy-on-Material-Subsidiaries-Done.pdf>

**k. CEO/CMD Certification:**

The Erstwhile Chairman cum Non-Executive Director of the Company has signed the certificate confirming that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company affairs. The Interim Resolution Professional has relied on the assistance provided by the management in relation to this certification and the Interim Resolution Professional/Resolution Professional has thereafter taken the same on record. The said certificate also forms part of this Report.

**COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

**MEANS OF COMMUNICATION**

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc., to the Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website [www.mteeducare.com](http://www.mteeducare.com) The quarterly, half yearly and annual financial results and other statutory information were communicated to the shareholders by way of advertisement in an English newspaper 'Press journal/Business Standards and in a vernacular language newspaper 'Punya Nagari / Nav Shakti/Navakal/Lakshadeep' as per the requirements of Listing Regulations. The financial and other information are filed by the Company on electronic platforms of NSE and BSE.

Official press releases and presentations made to institutional investors or to the analysts, if any, are displayed on Company's website [www.mteeducare.com](http://www.mteeducare.com).

Pursuant to Regulation 46 of SEBI Listing Regulations, the Company Publishes its Quarterly, Half-yearly and Annual

Financial results, Annual Reports and post such results on Company's website [www.mteducare.com](http://www.mteducare.com).

Official press releases and presentations made to institutional investors or to the analysts, if any, are displayed on Company's website [www.mteducare.com](http://www.mteducare.com).

### GREEN INITIATIVE IN CORPORATE GOVERNANCE

Members are requested to support the "Green Initiative" by registering their Email address with the Company, if not already done.

Those Members, who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the Registration form which can be obtained from Company's Registrar - Link Intime India Pvt. Ltd.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is required to maintain Bank details of its Members for the purpose of payment of Dividends etc. Members are requested to register / update their bank details with the Company in case shares are held in physical form or with their Depository Participants as well as the Company where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

### Shareholders' Information

#### 1. Seventeenth Annual General Meeting

|            |  |
|------------|--|
| Day & Date | Monday, September 25, 2023   |
| Time       | 02:30 pm   |
| Venue      | Through Video Conferencing ("VC")/<br>Other Audio Visual Means ("OAVM")<br><br>Deemed venue of the meeting shall be 135, Continental Building, Dr. A. B. Road, Worli, Mumbai - 400018 (Corporate Office) |

2. **Financial Year** April 1, 2022 till March 31, 2023
3. **Financial Calendar for 2023-2024**
  - First Quarterly Results On or before 14<sup>th</sup> August, 2023
  - Second Quarterly Results On or before 15<sup>th</sup> November, 2023
  - Third Quarterly Results On or before 14<sup>th</sup> February, 2024
  - Fourth Quarterly Results On or before 29<sup>th</sup> May, 2024
4. **Date of Book Closure** Tuesday, 19<sup>th</sup> September, 2023 to Monday, 25<sup>th</sup> September, 2023 (both days inclusive).

5. **Dividend Payment Date** N.A.
6. **Address for Correspondence** **Registered Office:**  
220, 2<sup>nd</sup> Floor, "FLYING COLORS"  
Pandit Din Dayal Upadhyay Marg,  
L.B.S. Cross Road, Mulund (West),  
Mumbai - 400 080  
Tel: +91-22-2593 7700/800, Fax:  
+91-22-25937799  
Website : [www.mteducare.com](http://www.mteducare.com)  
**Corporate Office:**  
135, Continental Building, Dr. A. B Road, Worli, Mumbai - 400018.  
L80903MH2006PLC163888
7. **Corporate Identity Number**
8. **Listing on Stock Exchanges** **National Stock Exchange of India Limited (NSE)**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051  
**BSE Limited (BSE)**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
9. **Stock Code** NSE: MTEDUCARE  
BSE: 534312
10. **Plant Location** Not Applicable
11. **ISIN No.** INE472M01018 (Equity shares of Re. 10/- each, fully paid up)
12. **Registrar & Share Transfer Agent**  
**Link Intime India Private Limited**  
C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai- 400083  
Tel No: +91-22-49186000 Fax No: +91-22-49186060  
Email id: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)
13. **Investor Relations Officer**  
The Company Secretary  
**MT Educare Limited**  
220, 2<sup>nd</sup> Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai - 400 080.  
Tel: +91-22-25937700/800 Fax: +91-22-25937799  
E-mail: [secretarial@mteducare.com](mailto:secretarial@mteducare.com)
14. **Listing Fee**  
Company has paid the Annual Listing fees for the Financial Year 2023-24 to the stock exchanges where the shares of the Company are listed (viz NSE & BSE).
15. **PAN & Change of Address**  
Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in dematerialized form are requested to submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to the Company/ Registrar & Share Transfer Agent.

#### 16. Share Transfer System

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

#### 17. Dematerialisation of Equity Shares & Liquidity

To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may open account with any of the Depository Participant registered with any of these two depositories. As on As on March 31, 2023, 99.94 % of the equity shares of the Company is held by 25488 Equity Shareholders in dematerialized form and the balance 0.50 % is held by 30 Equity Shareholders in physical form. Entire Equity shareholding of the promoters in Company is held in dematerialized form.

#### 18. Dividend History & Unclaimed Dividend

Section 124 and Section 125 of the Companies Act, 2013 with Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rule, 2016 ('the Rules') mandates that Companies transfer dividend that has remained unclaimed for the period of seven years from unpaid dividend account to Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years. The Shareholders are requested to claim the unclaimed dividend amount immediately in order to avoid the transfer of shares to IEPF.

| Year    | Type of Dividend | Dividend Per Share (in ₹) | Date of Declaration of Dividend | Due Date for transfer to IEPF |
|---------|------------------|---------------------------|---------------------------------|-------------------------------|
| 2015-16 | Final            | 1.40                      | September 28, 2016              | November 25, 2023             |

#### 19. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ information requests. It is the endeavor of the Company to reply to all letters/ communications received from the shareholders within a period of 5 working days.

All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relations Officer at the address given above.

#### 20. Outstanding Convertible Securities

There are no outstanding warrants or any other convertible instruments which are likely to impact the equity capital of the Company as on March 31, 2023.

#### 21. Share Capital Build-up

| Particulars                                 | No. of Shares issued | Date of Issue |
|---|----------------------|---------------|
| Issued to Subscribers                       | 10,000               | 21.08.2006    |
| Private Placement                           | 26,100               | 28.10.2006    |
| Private Placement                           | 60,000               | 11.12.2006    |
| Private Placement                           | 3,900                | 15.03.2007    |
| Private Placement                           | 20,396               | 30.07.2007    |
| Private Placement                           | 2,144                | 30.07.2007    |
| Private Placement                           | 66                   | 27.02.2009    |
| Private Placement                           | 50,884               | 12.03.2009    |
| Bonus Issue                                 | 8,67,450             | 08.06.2009    |
| Bonus Issue                                 | 3,33,10,080          | 07.04.2010    |
| Allotment under ESOP                        | 6,80,966             | 11.06.2011    |
| Private Placement                           | 1,40,886             | 11.06.2011    |
| Initial Public Offering                     | 43,75,000            | 10.04.2012    |
| Allotment under ESOP                        | 2,34,315             | 15.05.2013    |
| Allotment under ESOP                        | 11,953               | 14.05.2014    |
| Allotment under ESOP                        | 26,644               | 13.05.2015    |
| Preferential Allotment to Zee Learn Limited | 3,19,64,200          | 27.03.2018    |
| Allotment under ESOP                        | 4,43,070             | 20.12.2018    |
| Issue & Paid-up Capital as on 31.03.2023    | 7,22,28,054          |               |

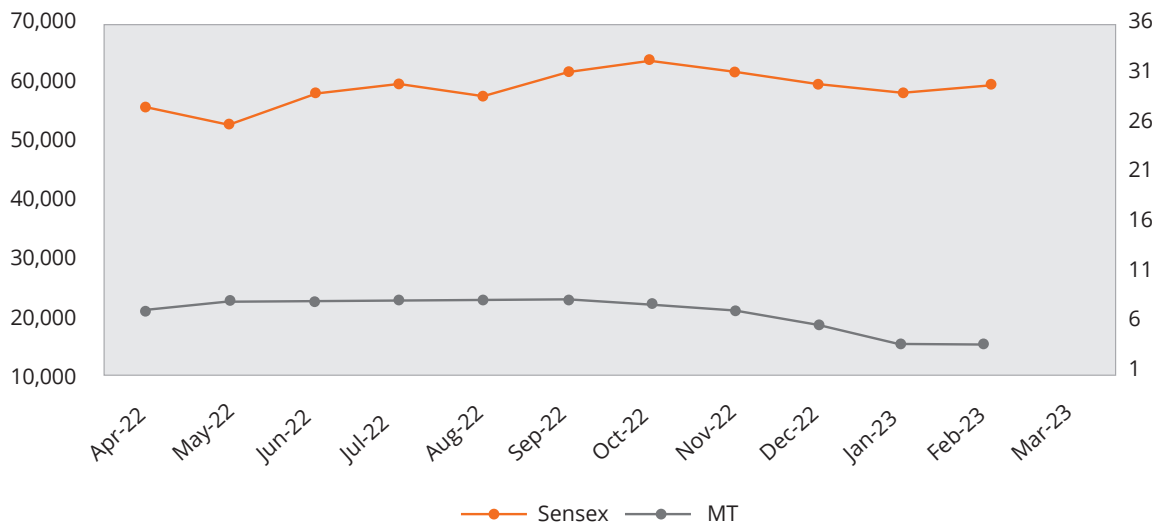
**22. Stock Market Data Relating to Shares Listed in India**

Monthly high and low quotations and volume of Equity Shares traded on BSE and NSE for the financial year 2022-2023:

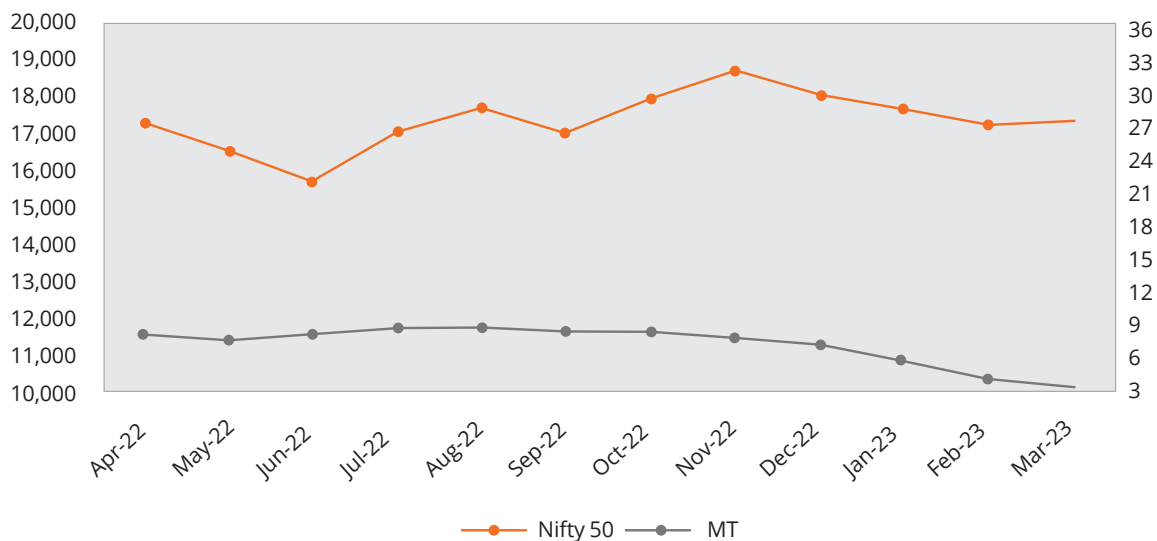
| Month     | BSE        |           |         | NSE        |           |          |
|-----------|------------|-----------|---------|------------|-----------|----------|
|           | High_Price | Low_Price | Volume  | High_Price | Low_Price | Volume   |
| Apr' 2022 | 10.33      | 7.93      | 712509  | 10.4       | 7.85      | 3561124  |
| May' 2022 | 8.90       | 6.93      | 544832  | 8.65       | 6.90      | 3031906  |
| Jun' 2022 | 12.35      | 7.30      | 2033677 | 12.20      | 7.45      | 13603502 |
| Jul' 2022 | 10.92      | 8.00      | 1153162 | 10.90      | 8.00      | 7279156  |
| Aug' 2022 | 9.72       | 8.20      | 441066  | 9.80       | 8.35      | 3493282  |
| Sep' 2022 | 10.20      | 8.20      | 539353  | 10.20      | 8.30      | 4985175  |
| Oct' 2022 | 9.15       | 8.07      | 241374  | 9.00       | 8.05      | 1579845  |
| Nov' 2022 | 9.30       | 7.42      | 583375  | 9.30       | 7.42      | 3703272  |
| Dec' 2022 | 8.60       | 7.10      | 402020  | 8.70       | 7.05      | 2720554  |
| Jan' 2023 | 7.65       | 5.75      | 364363  | 7.60       | 5.70      | 1243228  |
| Feb' 2023 | 6.09       | 4.15      | 216422  | 6.15       | 4.05      | 1117642  |
| Mar' 2023 | 5.30       | 3.68      | 2648291 | 5.35       | 3.55      | 1018179  |

**23. Relative Performance of the Equity Shares Vs. BSE Sensex & Nifty Index**

**Closing Monthly Price VS Closing Monthly Sensex**



**Closing Monthly Price VS Closing Monthly Nifty**



[Source: This information is compiled from the data available from the websites of NSE and BSE]

**24. Distribution of Shareholding as on March 31, 2023:**

| No. of Equity Shares | Number of Share Holders |                 | No. of Shares      |                 |
|----------------------|-------------------------|-----------------|--------------------|-----------------|
|                      | Number                  | % of Holders    | Number             | % of Capital    |
| Up to 500            | 19,043                  | 74.6258         | 2,41,6812          | 3.3461          |
| 501 - 1000           | 2,754                   | 10.7924         | 2,33,0513          | 3.2266          |
| 1001 - 2000          | 1,680                   | 6.5836          | 26,22,053          | 3.6302          |
| 2001 - 3000          | 602                     | 2.3591          | 15,55,156          | 2.1531          |
| 3001 - 4000          | 286                     | 1.1208          | 10,38,126          | 1.4373          |
| 4001 - 5000          | 292                     | 1.1443          | 13,90,218          | 1.9248          |
| 5001 -10000          | 488                     | 1.9124          | 35,96,199          | 4.9790          |
| 10001 and Above      | 373                     | 1.4617          | 5,72,78,977        | 79.3029         |
| <b>Total</b>         | <b>25,518</b>           | <b>100.0000</b> | <b>7,22,28,054</b> | <b>100.0000</b> |

**25. Categories of Equity Shareholders as on March 31, 2023**

| Category                            | March 31, 2023     |                   |
|-------------------------------------|--------------------|-------------------|
|                                     | No. of shares held | % of shareholding |
| Promoters                           | 42702513.00        | 59.1218           |
| Individuals                         | 26348431.00        | 36.4795           |
| FIs/MF/Banks/Others                 | 0.00               | 0.00              |
| FIIIs/ NRIs/OCBs/GDRs               | 466630.00          | 0.6461            |
| Indian Companies (Bodies Corporate) | 1294623.00         | 1.7924            |
| Others                              | 1415857.00         | 1.9602            |
| <b>Total</b>                        | <b>7,22,28,054</b> | <b>100.00</b>     |

**26. Particulars of Shareholding****a) Promoter Shareholding as on March 31, 2023**

| Sr. No       | Name of Shareholder | No of Shares held  | % of shareholding |
|--------------|---------------------|--------------------|-------------------|
| 1            | Zee Learn Limited   | 4,27,01,173        | 59.1199           |
| 2            | Mahesh Shetty       | 1,340              | 0.0019            |
| <b>Total</b> |                     | <b>4,27,02,513</b> | <b>59.1218</b>    |

**b) Top ten (10) Public Shareholding as on March 31, 2023:**

| Sr. No       | Name of Shareholder          | No of Shares held | % of shareholding |
|--------------|------------------------------|-------------------|-------------------|
| 1            | Jagruti Shaunak Shah         | 3069600           | 4.2499            |
| 2            | Mahendra Girdharilal         | 300000            | 0.4154            |
| 3            | Sachin Mohanlal Kakrecha     | 235000            | 0.3254            |
| 4            | Shashikant Appasaheb Bajbale | 163406            | 0.2262            |
| 5            | Minakshi G Gupta             | 152413            | 0.211             |
| 6            | Bhavya Singla                | 137704            | 0.1907            |
| 7            | Manish Tulsidas Thakker      | 124748            | 0.1727            |
| 8            | Vishnu Hemant Agarwal        | 110649            | 0.1532            |
| 9            | Mallikarjuna Rao Chikati     | 108865            | 0.1507            |
| 10           | Nayan Ashok Bheda            | 102028            | 0.1413            |
| <b>Total</b> |                              | <b>4504413</b>    | <b>6.2365</b>     |

# Auditors Certificate on Compliance with the conditions of Corporate Governance under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members of  
MT EDUCARE LTD.

I/We have examined relevant records of **M/s MT EDUCARE LTD.** (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31<sup>st</sup> March 2023 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). I/We have obtained all the information and explanations which to the best of my/our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My/Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance.

In my/our opinion and to the best of my/our information and according to the explanations given to me/us, I/we certify that the Company has complied with the conditions of Corporate Governance as in the SEBI Listing Regulations, 2015.

**Shravan A. Gupta & Associates**  
Practicing Company Secretary  
P.R. No. 2140/2022

Place: Mumbai  
Date: AUGUST,08, 2023

**Shravan A. Gupta**  
ACS: 27484, CP: 9990  
UDIN : A027484E000724906

## Certification by the Erstwhile Non-Executive Director on Financial Statements of the Company:

**(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

We hereby certify that:

1. We have reviewed the financial statements and the Cash flow statement as signed by me and taken on record by IRP for the year ended 31<sup>st</sup> March, 2023 and based on my knowledge and belief::
  - a) These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We, accept responsibility for establishing and maintaining internal controls for financial reporting and we, have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have not come across any reportable deficiencies in the design or operation of such internal controls.;
4. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors/IRP that there had not been:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an Employee having a significant role in the Company's internal control system over financial reporting.

For **MT Educare Limited**

**Surender Singh**

Erstwhile Non- Executive Director

Place : Mumbai

Date : 8<sup>th</sup> August, 2023



## Certificate of Non-Disqualification of Directors

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

To  
The Members of  
MT EDUCARE LTD.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MT Educare Limited** having CIN: L80903MH2006PLC163888 and having registered office at 220, Flying Colors, 2<sup>nd</sup> Floor, Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Road, Mulund (West), Mumbai – 400080, Maharashtra, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Para – C of Schedule – V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

| Sr. No. | Names of Director     | DIN      | Date of Appointment in Company |
|---------|-----------------------|----------|--------------------------------|
| 1.      | Mr. Surender Singh    | 08206770 | 24/07/2020                     |
| 2.      | Mr. Roshan Lal Kamboj | 01076066 | 26/09/2019                     |
| 3.      | Dr. Dattatraya Kelkar | 00118037 | 30/12/2019                     |
| 4.      | Mr. Nanette D'sa      | 05261531 | 31/03/2020                     |
| 5.      | Mr. Vipin Choudhary   | 02090149 | 02/02/2021                     |
| 6.      | Mr. Karunn Kandoi     | 01344843 | 01/03/2021                     |

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

**Shravan A. Gupta & Associates**  
Practicing Company Secretary  
P.R. No. 2140/2022

Place: Mumbai  
Date: AUGUST,08, 2023

**Shravan A. Gupta**  
ACS: 27484, CP: 9990  
UDIN : A027484E000724873

# Independent Auditor's Report

To,  
The Members of **MT Educare Limited**

## Report on the audit of Standalone Financial Statements

### 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 financial statements for the year ended 31 March 2023, vest with the IRP.

#### 1. Qualified Opinion

We have audited the standalone financial statements of MT Educare Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information ("the standalone financial statements") or ("the Statement").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Qualified opinion

a) The Company has recognized net deferred tax assets of ₹ 6,894.29 lakhs considering sufficient taxable income would be available in future years

against which 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 asset not been recognized, the net loss for the year ended 31 March 2023 would have been higher by ₹ 6,894.29 lakhs and Net worth of the Company as at 31 March 2023 would have been lower by ₹ 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 ₹ 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 accompanying standalone financial statements. 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 of the standalone financial statements 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 ₹ 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 ₹ 751.26 lakhs based on the claims admitted. Had the interest expense excluding penal interest, if any, been recognised, the net loss for the year

ended 31 March 2023 would have been higher by ₹ 851.44 lakhs excluding penal interest, if any, and the Net worth of the Company would have been lower by ₹ 851.44 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 balance for the balances lying in current accounts of ₹ 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 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 including which are non-quantifiable as referred therein.

We conducted our audit in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 opinion.

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the year ended 31 March, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the Key audit matters to be communicated in our report.

| S. No. | Key Audit Matter   | How the Key Audit Matter was addressed in our audit  |
|--------|--|--|
| 1.     | <p><b>Revenue Recognition (Note 27 to the accompanying standalone financial statements)</b></p> <p>Revenue is one of the key profit driver and is therefore susceptible to misstatement. Cut off is the key assertion in so far as revenue recognition is concerned. The revenue is also deferred for part of services which have not been rendered.</p> <p>Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.</p> <p>Considering the significant risk and judgment involved in revenue recognition and estimating accruals relating to discounts recognised in relation to services provided during the year, it was determined to be a key audit matter in our audit of the standalone financial statements.</p> | <p>Our audit procedures, included amongst others, the following:</p> <ol style="list-style-type: none"> <li>Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.</li> <li>Involving verification of controls surrounding revenue invoicing.</li> <li>Testing the end-to-end reconciliation from business support systems to billing and to the general ledger. Performed substantive analytical procedures over the significant revenue streams.</li> <li>Assessed transactions taking place before and after year end to ensure that revenue was recognized in the appropriate period.</li> <li>Tested the calculations related to discounts and other supporting documents on test check basis.</li> <li>Performing procedures to test the accuracy and completeness of adjustments, and to ensure that the revenue recognition criteria adopted by the Company is in line with the Company's accounting policies.</li> </ol> |

#### 4. **Material Uncertainty relating to Going Concern**

The National Company Law Tribunal has admitted a petition under the Insolvency and Bankruptcy Code, 2016. The Company continues to incur losses and has defaulted in its debts / 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 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 going concern during CIRP as referred in Note 53 to the financial statements. Accordingly, the standalone financial statements are continued to be prepared on going concern basis. The appropriateness of the preparation of standalone financial statements 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. Our Opinion is not modified in respect to this matter

#### 5. **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, Director's report etc, but does not include the standalone financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### 6. **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

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 financial statements, 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 55 of standalone financial statements.

The management of affairs of the Company and powers of Board of Directors of the Company stands vested with Interim Resolution Professional ("IRP") appointed by Hon'ble NCLT.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Directors / IRP 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 Directors / IRP either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors / IRP are also responsible for overseeing the Company's financial reporting process.

#### 7. **Auditor's responsibilities for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether

due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 8. Other Matter

- (a) Pursuant to applications 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 has admitted the applications and ordered the commencement of corporate insolvency process ("CIRP") of MT Educare Limited vide its Order dated 16 December 2022 and Mr. Ashwin B Shah was appointed as the Interim Resolution Professional by the NCLT. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23 December 2022. Director Mr. Vipin Choudhary 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 stayed the Constitution 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 COC is not yet formed.
- (b) The standalone financial statements of the Company shall be signed by the chairperson / managing director / whole time director or in

absence of all of them, it should be signed by any director of the Company who is duly authorized by the Board of Directors to sign the standalone financial statements. As mentioned in the Note 1 of the standalone financial statements, in view of the ongoing corporate insolvency resolution process, the powers of the directors stand suspended and are exercised by the Interim Resolution Professional.

## 9. Report on other Legal and Regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143(3) of the Act, we report that:
  - a) Except for the effects / possible effects of the matters described in "Basis for Qualified Opinion" paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the effects / possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) Except for the effects / possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended;
  - e) On the basis of written representations received from the directors of the Company as on 31 March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) The matters described under the Basis for Qualified Opinion paragraph above and Qualified Opinion paragraph of "Annexure B" to this report in our opinion, may have an adverse effect functioning of the Company and on the amounts disclosed in standalone financial statements of the Company;
  - g) With respect to the adequacy of the internal financial controls over financial reporting with respect to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

According to records of the Company examined by us, and information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the year is in accordance with the provisions Section 197 of the Act.

    - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 35 to the Standalone financial statements;
      - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses;

- iii. Following are the instances of delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund (IEPF) by the Company

| Year          | Amount (₹/ Lakhs) | Due date        | Transferred to IEPF on | Delay in number of days |
|---------------|-------------------|-----------------|------------------------|-------------------------|
| F.Y.2014-2015 | 0.75              | 04 October 2022 | 27 November 2022       | 53                      |
| F.Y.2015-2016 | 0.34              | 03 January 2023 | 11 April 2023          | 96                      |

- iv. (a) The management has represented, that, to the best of its knowledge and belief, as referred in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) during the year by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, as referred in the notes to the accounts, no funds have been received by the Company during the year from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the information and details provided and other audit procedures followed, nothing has come to our notice that has caused us to believe that the representations under subclause iv(a) and (b) contain any material misstatement.
- v. The Company has not declared or paid dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832  
UDIN: 23107832BGWAXL6202

Place : Mumbai  
Date : 23 May 2023

## Annexure - A to the Independent Auditor's Report

**Annexure referred to in paragraph 9(I) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2023.**

- i. (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.  
B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) As explained to us, the property, plant and equipment have been physically verified by the management, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and discrepancies noticed on such verification were properly dealt in books.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right to Use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.
- ii. (a) The Company is involved in the business of rendering services. Hence, reporting under clause 3(ii) of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Two banks on the basis of security of current assets and fixed deposits respectively. On the basis of examination of records, quarterly statements required to be submitted in case of one bank has not been submitted as the account has been treated as Non-Performing Asset (NPA) by the bank. For the other bank as there was no requirement to file the quarterly returns, the Company had not filed the same with the banks. Hence, reporting under clause 3ii(b) of the order is not applicable.
- iii. (a) According to the information and explanations given to us, the Company has not granted loans secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has not made investments, provided guarantees and securities during the year. The aggregate amount of advances in the nature of loan given during the year and balance outstanding as at the balance sheet date with respect to advances in the nature of loans given during the year is as under:

(₹ in lakhs)

| Particulars  | Guarantees | Security | Loans | Advances in the nature of loan |
|--|------------|----------|-------|--------------------------------|
| Aggregate amount granted/ provided during the year                   |            |          |       |                                |
| - Subsidiaries   | -          | -        | -     | 689.35                         |
| - Others   |            |          |       | 102.59                         |
| Balance outstanding as at the balance sheet date in such above cases |            |          |       |                                |
| - Subsidiaries   | -          | -        | -     | 689.35                         |
| - Others   |            |          |       | 74.71                          |

- (b) In our opinion, the Company has not made investments, given loans, provided guarantee or securities during the year except advances in the nature of loans given for which the terms and conditions are not prejudicial to the interest of the Company.



(c) The loans granted along with interest which have been delayed are given below:

| Name of the Entity            | Amount (₹ in lakhs) | Due date*     | Extent of delay | Remarks   |
|-------------------------------|---------------------|---------------|-----------------|-----------|
| Sri Gayatri Education Society | 1215.25             | 31 March 2021 | 731             | Principal |
|                               | 1215.25             | 31 March 2022 | 366             |           |
|                               | 1215.25             | 31 March 2023 | 1               |           |
| Aryan Foundation              | 251.17              | 31 March 2020 | 1,462           |           |
|                               | 251.17              | 31 March 2021 | 731             |           |
|                               | 251.17              | 31 March 2022 | 366             |           |
|                               | 251.17              | 31 March 2023 | 1               |           |
| Sri Gayatri Education Society | 590.61              | 31 March 2018 | 1,827           | Interest  |
|                               | 874.98              | 31 March 2019 | 1,462           |           |
|                               | 974.87              | 31 March 2020 | 1,096           |           |
|                               | 972.21              | 31 March 2021 | 731             |           |
| Aryan Foundation              | 157.60              | 31 March 2019 | 1,462           |           |
|                               | 254.67              | 31 March 2020 | 1,096           |           |
|                               | 239.57              | 31 March 2021 | 731             |           |

\* Due date has been considered as last day of the year where due date is mentioned as due during the financial year.

(d) There is no overdue amount in respect of interest receivable and loans granted for more than 90 days except as stated below. The Company has taken recovery steps during the year.

(₹ in lakhs)

| No of cases | Principal amount overdue | Interest overdue | Total Overdue | Remarks |
|-------------|--------------------------|------------------|---------------|---------|
| 2           | 3,184.01                 | 4,064.51         | 7,248.52      | Unpaid  |

(e) On the basis of examination, no loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The loans and advances in the nature of loans granted is repayable on demand. The aggregate amount, percentage thereof to the total loans granted and advances in the nature of loans, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 is as under

(₹ in lakhs)

| Name of the Party  | All Parties | Promoters | Related Parties |
|--|-------------|-----------|-----------------|
| Aggregate of Loans / advances in the nature of loans                 |             |           |                 |
| - Repayable on demand (A)  | 4,334.11    | -         | 2,752.86        |
| - Agreement does not specify any terms or period of repayment (B)    |             |           |                 |
| <b>Total (A+B)</b>   |             |           |                 |
| Percentage of loans / advances in the nature of loans to total loans | 21.62%      | -         | 13.35%          |

iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans given and investments made and guarantees and securities provided.

v The Company has not accepted any deposits or amounts which are deemed to be deposits, from the public within the directives issued by Reserve Bank of India and within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.

vi We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii According to the records of the Company examined by us and information and explanations given to us:

a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and others as applicable have not been regularly deposited with the appropriate authorities and there has been delays in large number of cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2023

for a period of more than six months from the date they became payable except provident fund ₹ 1.12 lakhs for various years, ₹ 44.62 lakhs pertaining to tax deducted at source.

- b) There are no amounts of any statutory dues which are yet to be deposited on account of any dispute except as stated below:

| Name of the Statute               | Nature of the Dues    | Amount (₹ in lakhs) | Period to which the amount relate | Forum where dispute is pending                       |
|-----------------------------------|-----------------------|---------------------|-----------------------------------|--|
| Income Tax Act 1961               | Income Tax            | 71.80               | F.Y. 2015-2016                    | Central Processing Centre                            |
| Income Tax Act 1961               | Income Tax            | 28.24               | F.Y. 2016-2017                    | Commissioner of Income Tax (Appeals)                 |
| Income Tax Act 1961               | Income Tax            | 4.22                | FY 2009-2010                      | Deputy Commissioner of Income Tax                    |
| Income Tax Act 1961               | Income Tax            | 103.26              | FY 2019-2020                      | Commissioner of Income Tax (Appeals)                 |
| Tax Deducted at Source - Interest | TDS Department        | 26.49               | Various Years                     | Traces   |
| MVAT Act 2002                     | Value added tax       | 50.90               | F.Y. 2015-2016                    | Deputy Commissioner of Sales Tax                     |
| Finance Act 1994                  | Service tax           | 46.95               | F.Y. 2013- 2014 to F.Y. 2015-2016 | Joint Commissioner of Central Tax and Central Excise |
| Finance Act 1994                  | Service tax           | 92.32               | F.Y. 2016- 2017 to June 2017      | Joint Commissioner of Central Tax and Central Excise |
| Finance Act 1994                  | Service tax           | 1,512.47            | F.Y. 2013- 2014 to June 2017      | Commissioner of Central Tax and Central Excise       |
| Goods and Services Tax Act 2017   | Goods and Service Tax | 597.60              | FY 2017-2018                      | Deputy Commissioner of State Tax                     |
| Goods and Services Tax Act 2017   | Goods and Service Tax | 40.92               | FY 2018-2019                      | Deputy Commissioner of State Tax                     |
| Goods and Services Tax Act 2017   | Goods and Service Tax | 2.61                | FY 2017-2018                      | Assistant Commissioner(Circle)                       |
| Goods and Services Tax Act 2017   | Goods and Service Tax | 0.93                | FY 2018-2019                      | Assistant Commissioner(Circle)                       |
| Goods and Services Tax Act 2017   | Goods and Service Tax | 0.70                | FY 2019-2020                      | Assistant Commissioner(Circle)                       |

- viii According to the records of the Company examined by us, and information and explanations given to us, there are no such transactions required to be recorded in the books of account as there are no transactions surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix (ai) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to banks and financial institution as tabulated below. The Company has not taken any loans from debenture holders or Government.

| Nature of borrowing, including debt securities | Name of lender*                                  | Amount not paid on due date (₹ in lakhs) | Whether principal or interest | No. of days delay or unpaid | Remarks, if any |
|--|--|--|-------------------------------|-----------------------------|-----------------|
| Term Loan                                      | Axis Bank Limited                                | 215.27                                   | Principal                     | 427-607 days                | Unpaid          |
|  |  | 10.87                                    | Interest                      | 731 days                    | Unpaid          |
|  |  | 122.37                                   | Interest                      | Upto 789 days               | Unpaid          |
| Overdraft                                      |  | 24.54                                    | Overdraft                     | 365 Days                    | Unpaid          |
| Term Loan                                      | Asset Care and Reconstruction Enterprise Limited | 1472.26                                  | Principal                     | Upto 913 Days               | Unpaid          |
|  |  | 62.41                                    | Interest                      | 731 days                    | Unpaid          |
|  |  | 117.82                                   | Interest                      | Upto 731 Days               | Unpaid          |

\*Refer Note 17 of the standalone financial statements. Apart from outstanding Interest mentioned above, the Company has not provided interest expense of ₹ 851.44 lakhs (including claims received) upto 31 March 2023, in respect of loans taken from banks, financial institutions and other lenders which is not disclosed above.

(a) Delay on account of principal and interest repayment to bank and financial institution

| Nature of borrowing, including debt securities | Name of lender    | Amount not paid on due date (₹ in lakhs) | Whether principal or interest | No. of days delay |
|--|-------------------|--|-------------------------------|-------------------|
| Term Loan                                      | Axis Bank Limited | 112.59                                   | Principal                     | 272 - 607 Days    |

- (b) According to the records of the Company examined by us, and information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender. Hence, reporting under clause ix(b) of the order is not applicable.
- (c) In our opinion and according to the information and explanation given to us and based on the records of the Company, the Company has not raised term loan from any lender during the year and hence reporting under clause 3(ix)(c) of the order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, we report that funds raised on short term basis during the year have not been utilised for long term purposes.
- (e) According to the records of the Company examined by us, and information and explanations given to us, the Company has not taken any funds from entities to meet obligations of its subsidiaries and there are no joint ventures and associates. Hence, reporting under Clause 3(ix)(e) of the Order is not applicable.
- (f) According to the records of the Company examined by us, and information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and there are no joint ventures and associates. Hence, reporting under Clause 3(ix)(f) of the Order is not applicable
- x (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence, reporting under Clause 3(x)(a) of the Order is not applicable.
- (b) According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Hence, reporting under Clause 3(x)(b) of the Order is not applicable.
- xi (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed about two instances, estimated to aggregate ₹ 173 lakhs, involving two employees of the Company. The services of these employees have been terminated. The Company has recovered ₹ 18 lakhs out of the total amount involved and is in the process of recovering the balance amounts.
- (b) According to the information and explanations given to us and as per the "Guidance note on Reporting on Fraud" issued by The Institute of Chartered Accountants of India, report under sub-section (12) of Section 143 of the Act, is not required to be filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the records of the Company examined by us and information and explanations given to us, there are no whistle blower complaints received during the year.
- xii In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Hence, reporting under clause 3(xii) (a), (b) and (c) of the Order are not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv (a) During the year, Internal audit has been carried out by the independent firm of Chartered accountants. In our opinion and according to the information and explanations given to us, the scope and coverage needs to be strengthened to make it commensurate with the size of the Company and the nature of its business.
- (b) We have considered the internal audit reports of the Company issued during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them.

- xvi (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence reporting under clause 3(xvi) (a) and (b) of the Order are not applicable.
- (b) In our opinion, the Company is not a core investment Company and there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence, reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- xvii According to the records of the Company examined by us, and information and explanations given to us, the Company has incurred cash losses of ₹ 1,454.70 lakhs during the current financial year and ₹ 1,312.64 lakhs in the immediately preceding financial year.
- xviii There has been no resignation of statutory auditor during the year, hence clause (xviii) of the Order is not applicable.
- xix As referred to in "Material Uncertainty relating to Going Concern" paragraph in our main audit report and as disclosed in notes to the standalone financial statements which also includes financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors/ IRP and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern as on the date of audit report and the capability of the Company for meeting its liabilities existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx According to the records of the Company examined by us, and information and explanations given to us, there are no unspent amounts at the year end and hence reporting under clause 3xx(a) and (b) is not applicable.

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832  
UDIN: 23107832BGWAXL6202

Place : Mumbai  
Date : 23 May 2023

## Annexure - B to the Independent Auditor's Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 9(II)(g) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of MT Educare Limited on the standalone financial statements for the year ended 31 March 2023**

We have audited the internal financial controls with reference to Standalone Financial Statements of MT Educare Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

### Meaning of Internal Financial Controls over Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to the standalone financial statements as at 31 March 2023:

- a. The Company's internal process with regard to evaluation of the recognition of deferred tax assets.
- b. The Company's internal process with regard to confirmation and reconciliation of balance of trade receivables, bank balances, loans and advances, trade payables, other liabilities including the claims of operational/financial/other creditors and employees and claims for guarantee obligations which are not providing for adjustments, which are required to be made to the carrying values of such assets and liabilities.
- c. In respect of delays in payment of certain statutory/financial dues and filing of certain statutory returns during the year with the respective authorities.
- d. The Company's internal process with regards to comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities.
- e. The Company's internal financial control with regard to the compliance with the applicable Indian Accounting Standards and evaluation of carrying values of assets and liabilities and other matters, as fully explained in 'Basis for Qualified Opinion' paragraph of our main report, resulting in the Company not providing for adjustments, which are required to be made, to the standalone financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects / possible effects of the material weaknesses described above under Basis for Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls over standalone financial statements were operating effectively as at 31 March, 2023 based on the internal control over standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial statements issued by the Institute of Chartered Accountants of India

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2023, and the material weakness has affected our audit opinion on the standalone financial statements of the Company for the year ended 31 March 2023, and we have expressed a Qualified opinion on those standalone financial statements of the Company.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

UDIN: 23107832BGWAXL6202

Place : Mumbai  
Date : 23 May 2023

## Standalone Balance Sheet as at 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

| Particulars  | Note No | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|---------|------------------------|------------------------|
| <b>ASSETS</b>  |         |                        |                        |
| <b>Non-current assets</b>  |         |                        |                        |
| Property, Plant and Equipment  | 4a      | 545.30                 | 1,046.18               |
| Right-of-use asset   | 4b      | 3,323.69               | 3,434.79               |
| Capital Work-in-progress   | 4c      | -                      | 18.82                  |
| Intangible assets  | 4d      | 9.45                   | 21.26                  |
| Financial assets   |         |                        |                        |
| - Investments  | 5a      | 1,298.02               | 3,144.96               |
| - Loans  | 6       | 2,316.41               | 2,316.41               |
| - Other financial assets   | 7       | 381.94                 | 551.98                 |
| Deferred tax assets (net)  | 36      | 6,894.29               | 6,619.26               |
| Non-current tax assets (net)   | 8       | 991.15                 | 926.14                 |
| <b>Total non-current assets</b>  |         | <b>15,760.25</b>       | <b>18,079.80</b>       |
| <b>Current assets</b>  |         |                        |                        |
| Financial assets   |         |                        |                        |
| - Investments  | 5b      | -                      | 0.01                   |
| - Trade receivables  | 9       | 1,565.66               | 2,748.08               |
| - Cash and cash equivalents  | 10      | 67.02                  | 235.65                 |
| - Bank balances other than cash and cash equivalents                                   | 11      | 389.63                 | 373.38                 |
| - Loans  | 12      | 5.12                   | 4.80                   |
| - Other financial assets   | 13      | 5,248.05               | 5,587.77               |
| Other current assets   | 14      | 111.03                 | 134.35                 |
| <b>Total current assets</b>  |         | <b>7,386.51</b>        | <b>9,084.04</b>        |
| <b>TOTAL ASSETS</b>  |         | <b>23,146.76</b>       | <b>27,163.84</b>       |
| <b>EQUITY AND LIABILITIES</b>  |         |                        |                        |
| <b>Equity</b>  |         |                        |                        |
| Equity share capital   | 15      | 7,222.81               | 7,222.81               |
| Other equity   | 16      | (709.15)               | 4,148.49               |
| <b>Total equity</b>  |         | <b>6,513.66</b>        | <b>11,371.30</b>       |
| <b>Liabilities</b>   |         |                        |                        |
| <b>Non-current liabilities</b>   |         |                        |                        |
| Financial liabilities  |         |                        |                        |
| - Borrowings   | 17      | -                      | 101.75                 |
| - Lease liabilities  | 18      | 5,124.27               | 4,385.53               |
| Provisions   | 19      | 76.34                  | 328.39                 |
| Other non-current liabilities  | 20      | 20.16                  | 95.41                  |
| <b>Total non-current liabilities</b>   |         | <b>5,220.77</b>        | <b>4,911.08</b>        |
| <b>Current liabilities</b>   |         |                        |                        |
| Financial Liabilities  |         |                        |                        |
| - Borrowings   | 21      | 3,173.50               | 3,050.59               |
| - Lease liabilities  | 22      | 56.68                  | 47.35                  |
| - Trade payables   | 23      |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |         | 290.84                 | 160.41                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |         | 3,945.68               | 4,193.27               |
| - Other financial liabilities  | 24      | 1,871.72               | 1,804.21               |
| Other current liabilities  | 25      | 1,727.19               | 1,527.54               |
| Provisions   | 26      | 346.72                 | 98.09                  |
| <b>Total current liabilities</b>   |         | <b>11,412.33</b>       | <b>10,881.46</b>       |
| <b>Total liabilities</b>   |         | <b>16,633.10</b>       | <b>15,792.54</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |         | <b>23,146.76</b>       | <b>27,163.84</b>       |

The accompanying notes forms an integral part of the financial statements 1 - 56

As per our report of even date attached

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

**Hitendra Bhandari**  
Partner  
Membership Number: 107832

Place : Mumbai  
Date : 23 May 2023

For **MT Educare Limited**  
CIN: L80903MH2006PLC163888

**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

**Ravindra Mishra**  
Company Secretary  
Membership no. ACS 29159

**Surender Singh**  
Director  
DIN - 08206770

## Standalone Statement of Profit and Loss for the Year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

| Particulars   | Note No.     | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|--------------|-----------------------------|-----------------------------|
| <b>Income</b>   |              |                             |                             |
| Revenue from operations   | 27           | 3,126.55                    | 3,039.92                    |
| Other income  | 28           | 384.05                      | 1,004.75                    |
| <b>Total income</b>   |              | <b>3,510.61</b>             | <b>4,044.66</b>             |
| <b>Expenses</b>   |              |                             |                             |
| Direct expenses   | 29           | 1,916.22                    | 1,565.39                    |
| Employee benefits expense   | 30           | 936.00                      | 1,131.90                    |
| Finance costs   | 31           | 703.29                      | 837.23                      |
| Depreciation and amortisation expense                               | 32           | 875.32                      | 1,141.23                    |
| Other expenses  | 33           | 2,367.18                    | 1,431.96                    |
| <b>Total expenses</b>   |              | <b>6,798.00</b>             | <b>6,107.71</b>             |
| <b>Profit / (Loss) before exceptional items and tax</b>             |              | <b>(3,287.40)</b>           | <b>(2,063.04)</b>           |
| Less: Exceptional items (Refer Note 52)                             |              | (1,846.94)                  | -                           |
| <b>Profit/(Loss) before tax</b>                                     |              | <b>(5,134.33)</b>           | <b>(2,063.04)</b>           |
| <b>Tax expense:</b>   | 36           |                             |                             |
| Current tax   |              | -                           | -                           |
| Earlier Year  |              | -                           | 257.79                      |
| Deferred tax  |              | (275.45)                    | 195.64                      |
| <b>Total Tax Expense</b>  |              | <b>(275.45)</b>             | <b>453.43</b>               |
| <b>Profit / (Loss) for the year</b>                                 | (A)          | <b>(4,858.89)</b>           | <b>(2,516.48)</b>           |
| <b>Other Comprehensive Income (OCI)</b>                             |              |                             |                             |
| Items that will not be reclassified to statement of profit and loss |              |                             |                             |
| - Remeasurement of defined benefit plan                             |              | 1.66                        | 7.58                        |
| - Income tax effect on above  | 36           | (0.42)                      | (1.91)                      |
| <b>Other Comprehensive Income for the year</b>                      | (B)          | <b>1.24</b>                 | <b>5.67</b>                 |
| <b>Total Comprehensive Income / (Loss) for the year</b>             | <b>(A+B)</b> | <b>(4,857.64)</b>           | <b>(2,510.80)</b>           |
| <b>Earnings/ (loss) per share [Face value of ₹ 10 each]:</b>        | 34           |                             |                             |
| Basic (₹)   |              | (6.73)                      | (3.48)                      |
| Diluted (₹)   |              | (6.73)                      | (3.48)                      |

The accompanying notes forms an integral part of the financial statements 1-56

As per our report of even date attached

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number: 107832

Place : Mumbai

Date : 23 May 2023

For **MT Educare Limited**

CIN: L80903MH2006PLC163888

**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

**Ravindra Mishra**

Company Secretary

Membership no. ACS 29159

**Surender Singh**

Director

DIN - 08206770



## Standalone Statement of Cash Flows

### for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

| Particulars   | For the Year ended<br>31 March 2023 | For the Year ended<br>31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| <b>A. Cash flow from operating activities</b>   |                                     |                                     |
| Profit / (Loss) before exceptional items and tax  | (3,287.40)                          | (2,063.04)                          |
| Adjustments for:  |                                     |                                     |
| Depreciation and amortisation expenses  | 875.32                              | 1,141.23                            |
| Impairment of Property Plant and Equipment/Intangible assets  | -                                   | 48.22                               |
| Interest income   | (206.06)                            | (122.57)                            |
| Finance Cost  | 703.29                              | 837.23                              |
| Net Loss on sale/ discard of property, plant and equipment/ intangible assets/ capital work in progress | 502.99                              | (2.77)                              |
| Provision for doubtful debts/ receivables   | 1,123.83                            | 619.51                              |
| Liabilities written back  | (166.44)                            | (663.90)                            |
| Provision for impairment of investments   | 0.01                                | -                                   |
| Net Gain on De-recognition of Right of Use Asset  | -                                   | (207.93)                            |
| <b>Operating Profit / (loss) before working capital changes</b>   | <b>(454.46)</b>                     | <b>(414.02)</b>                     |
| <b>Changes in working capital:</b>  |                                     |                                     |
| Decrease in trade and other receivables   | 545.78                              | 835.25                              |
| Increase / (Decrease) in trade and other payables   | 1,006.95                            | (115.77)                            |
| <b>Cash generated from/(used in) operations</b>   | <b>1,098.27</b>                     | <b>305.46</b>                       |
| Net income tax paid   | (65.01)                             | (16.36)                             |
| <b>Net cash generated from operating activities (A)</b>   | <b>1,033.26</b>                     | <b>289.10</b>                       |
| <b>B. Cash flow from investing activities</b>   |                                     |                                     |
| Purchase of property, plant and equipment / Intangible assets (including Capital Work-in Progress)      | (166.84)                            | (54.43)                             |
| Proceeds from sale of property, plant and equipment / Intangible assets                                 | 4.84                                | 39.03                               |
| (Increase) / Decrease in other bank balances  | (16.26)                             | 150.67                              |
| Decrease/(Increase) from Loans (net)  | -                                   | 357.81                              |
| Interest received   | 0.03                                | 89.96                               |
| <b>Net cash flow (used in)/generated from investing activities (B)</b>                                  | <b>(178.23)</b>                     | <b>583.04</b>                       |
| <b>C. Cash flow from financing activities</b>   |                                     |                                     |
| Proceeds from borrowings (net)  | 225.00                              | 300.00                              |
| Repayment / (Proceeds) from Working Capital loans (net)   | (342.13)                            | 205.98                              |
| Repayment from Borrowings to banks and financial institution (net)                                      | (109.00)                            | (706.89)                            |
| Repayment of lease liabilities  | (667.98)                            | (502.61)                            |
| Finance cost paid   | (129.54)                            | (33.68)                             |
| <b>Net cash flow (used in)/ from financing activities (C)</b>   | <b>(1,023.65)</b>                   | <b>(737.20)</b>                     |
| <b>Net increase /(decrease) in Cash and cash equivalents (A+B+C)</b>                                    | <b>(168.62)</b>                     | <b>134.94</b>                       |
| Cash and cash equivalents at the beginning of the year  | 235.65                              | 100.71                              |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>67.02</b>                        | <b>235.65</b>                       |
| <b>Cash and cash equivalents at the end of the year *</b>   |                                     |                                     |
| * Comprises:  |                                     |                                     |
| Balances with banks in current accounts   | 67.02                               | 235.65                              |
|   | <b>67.02</b>                        | <b>235.65</b>                       |

## Standalone Statement of Cash Flows for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Notes:

1. As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 46(b)
2. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 46(b)
3. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

The accompanying notes forms an integral part of the financial statements

As per our report of even date attached

### For **MGB & Co. LLP**

Chartered Accountants  
Firm Registration Number 101169W/W-100035

### **Hitendra Bhandari**

Partner  
Membership Number: 107832

### For **MT Educare Limited**

CIN: L80903MH2006PLC163888

### **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

### **Surender Singh**

Director  
DIN - 08206770

Place : Mumbai  
Date : 23 May 2023

### **Ravindra Mishra**

Company Secretary  
Membership no. ACS 29159

## Standalone Statement of Changes in Equity for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### A) Equity share capital

| Particulars                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Balance at the beginning of the reporting period | 7,222.81               | 7,222.81               |
| Changes in equity share capital during the year  | -                      | -                      |
| Balance at the end of the reporting year         | 7,222.81               | 7,222.81               |

The Company did not make any changes in Equity Share Capital due to prior period errors.

### B) Other equity

| Particulars  | Reserves and Surplus          |                    |                      |                   |
|--|-------------------------------|--------------------|----------------------|-------------------|
|  | Securities<br>premium reserve | General<br>reserve | Retained<br>earnings | Total             |
| <b>Balance as at 1 April 2021 (A)</b>                      | <b>19,835.77</b>              | <b>(13,178.72)</b> | <b>(7.26)</b>        | <b>6,649.78</b>   |
| Net Profit/(Loss) for the year                             | -                             | -                  | (2,516.48)           | (2,516.48)        |
| Other Comprehensive income/(loss) (net of tax)             | -                             | -                  | 5.67                 | 5.67              |
| Deferred tax for earlier years                             | -                             | -                  | 9.52                 | 9.52              |
| <b>Total Comprehensive income/ (loss) for the year (B)</b> | <b>-</b>                      | <b>-</b>           | <b>(2,501.30)</b>    | <b>(2,501.30)</b> |
| Transferred to General reserve (C)                         | -                             | (2,516.48)         | 2,516.48             | -                 |
| <b>Balance as at 31 March 2022 (D) - (A+B+C)</b>           | <b>19,835.77</b>              | <b>(15,695.20)</b> | <b>7.92</b>          | <b>4,148.49</b>   |
| Net Profit/(Loss) for the year                             | -                             | -                  | (4,858.89)           | (4,858.89)        |
| Other Comprehensive Income (net of tax)                    | -                             | -                  | 1.24                 | 1.24              |
| Total Comprehensive income/(loss) for the year (E)         | -                             | -                  | (4,857.65)           | (4,857.65)        |
| <b>Transferred to General reserve (F)</b>                  | <b>-</b>                      | <b>(4,858.89)</b>  | <b>4,858.89</b>      | <b>-</b>          |
| Balance as at 31 March 2023 (G) - (D+E+F)                  | 19,835.77                     | (20,554.08)        | 9.15                 | (709.15)          |
| <b>Balance as at 31 March 2023 (G) - (D+E+F)</b>           | <b>19,835.77</b>              | <b>(20,554.08)</b> | <b>9.15</b>          | <b>(709.15)</b>   |

#### Nature of Reserves

- Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.
- Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.
- The Company is not required to make any changes in Other Equity as there are no prior period errors.

The accompanying notes forms an integral part of the financial statements

As per our report of even date attached

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

For **MT Educare Limited**

CIN: L80903MH2006PLC163888

**Hitendra Bhandari**

Partner

Membership Number: 107832

**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

**Surender Singh**

Director

DIN - 08206770

Place : Mumbai

Date : 23 May 2023

**Ravindra Mishra**

Company Secretary

Membership no. ACS 29159

# Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

## 1 Corporate information

MT Educare Limited ('MTEL' or 'the Company') is a Company domiciled in India and is incorporated under the provisions of Companies Act, 1956 with its registered address at 220, 2<sup>nd</sup> Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai, the Company provides an education support and coaching services for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive and chartered accountancy examinations. The Company's share are listed on two recognised stock exchanges - National Stock Exchange and Bombay Stock Exchange.

The Separate financial statements (hereinafter referred as "Financial Statements") of the Company for the financial year 2022-23 were authorised to issue in accordance with the resolution of Board of Directors on 23 May 2023.

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.

The standalone financial statements of the Company shall be signed by the chairperson / managing director / whole time director or in absence of all of them, it should be signed by any director of the Company who is duly authorized by the Board of Directors to sign the standalone financial statements. In view of the ongoing CIRP, the powers of the directors stand suspended and are exercised by the IRP ( Refer Note 55).

## 2 Summary of significant accounting policies

### 2.1 Basis of accounting and preparation of financial statements

#### (a) Statement of Compliance with Ind AS

These financial statements of the Company (also referred to as standalone financial statements) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value
- ii) Defined benefit plans - plan assets measured at fair value

The financial statements are prepared in Indian Rupees (₹) and all values are rounded off to the nearest lakhs, except when otherwise indicated, as per the requirement of Schedule III (except per share data), 0 (zero) denotes amount less than thousand.

### 2.2 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash at bank and on hand and short-term deposits.

### 2.3 Property, plant and equipment, Capital work in progress and Capital advances

An item of Property, Plant and Equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of Property, Plant and Equipment are carried out at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction / acquisition and exclusive of Input tax credit or other tax credit available to the Company.

Subsequent expenditure relating to property, plant and equipment is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

In case of centers closed down or relocated during the period, Written Down Value (WDV) of leasehold improvements / fixtures as on the date on which the centre is closed down / relocated are completely written off.

Capital Work-In-Progress are assets that are not ready for the intended use as at the Balance Sheet date. Capital advances represents advances given towards acquisition of property, plant and equipment and are outstanding as at the Balance Sheet date. Capital advances are disclosed under other non current assets.

### 2.4 Intangible assets and Intangible assets under development

#### Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use at the reporting date.

The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### Intangible assets under development:

Expenses incurred on in-house development of courseware and products are shown as Intangible asset under development till the asset is ready to use. They shall be capitalized either individually or as a knowledge bank in the form of Technology Aided Teaching (TAT) / Multimedia Software. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Ind AS 38, "Intangible Assets".

### 2.5 Depreciation / Amortisation on property, plant and equipment and intangible assets.

Depreciation is calculated on a straight-line basis to allocate the cost of assets, net of their residual values, if any, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. The useful lives have been determined based on technical evaluation in line with useful lives mentioned in Schedule II to the Act except for air-conditioners, office equipments and computer hardware where the management believes the revised useful life of these assets correctly reflect the periods over which the assets are expected to be used. Useful life for Air-conditioners, Office equipments and Computer hardware is 6, 4 and 4 years respectively which are grouped under plant and machinery (including office equipments) and computers and e learning equipments.

Residual values, useful life of assets and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year with the effect of any changes in the estimate is accounted for on a prospective basis.

Amortization of the intangible assets is provided on pro-rata basis on straight line basis based on management's technical assessment of useful life of the assets:

- (i) 3 years on non-compete fees and Technology Aided Teaching (TAT)

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

- (ii) 5 years on Enterprise Resource Planning Software (ERP) and other software
- (iii) 5 years on Purchase of Trademark
- (iv) 3 years for Content

### 2.6 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### 2.7 Revenue recognition

Company earns revenue primarily from providing coaching and educational support services to customer. The Company has applied Ind AS 115 "Revenue from contract with customer" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

- Revenue related to coaching services to students/government is recognised based on time elapsed mode and revenue is straight lined over the period of course duration.

- Revenue from sale of hardware/content is recognised upfront at the point in time when the hardware / content is delivered to the customer via online/offline delivery, wherever applicable, while the Company retains neither managerial involvement nor the effective control.
- Management fee is recognised as per the terms of the contract.
- Revenue from government projects includes fees for services rendered and is recognised over the period of the training and coaching service duration, after taking into account the uncertainty involved in condition to be fulfilled vide the terms of contract.
- In arrangements of providing both coaching services as well as hardware / content to students, the Company has applied the guidance in IND AS 115 "Revenue from Contract with Customers", by applying the revenue recognition for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

The Company recognises revenue on satisfaction of a performance obligation which is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of the contract. Revenue excludes taxes collected from Customers.

Contract assets are recognised when there is excess of revenue earned over billings/receipts on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Advance fees ("contract liability") is recognised when there is billings/receipts in excess of revenues.

### 2.8 Other income

Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be measured reliably.

### 2.9 Foreign currency transactions and translations

#### Initial recognition:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee ₹, which is the Company's functional and presentation currency. Foreign currency transactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction."

#### Conversion:

Foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined."

#### Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

### 2.10 Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity and Compensated Absences.

#### Defined contribution plan:

The Company contribution to Provident Fund and Employee State Insurance are considered as defined contribution plan and are recognised as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The

Company has no further obligations under these plans beyond its monthly contributions."

#### Defined benefit plan:

For Defined Benefit Plans in the form of Gratuity - funded, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

Short term and Other Long term employee benefits: A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits, employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 2.11 Leases

#### The Company as a lessee:

The Company's lease asset class consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised."

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses. Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease payments have been classified as financing cash flows.

### 2.12 Earnings per share

Basic Earnings Per Share is calculated by dividing the Net profit / loss after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period and for all periods presented are adjusted for events of bonus, granting and vesting employee stock options

to employees. For the purpose of calculating diluted earnings per share, the net profit / loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.13 Tax expense

Tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

#### Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

### 2.14 Provisions, Contingent liabilities, contingent assets and commitments

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

### 2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### 2.16 Borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction

costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of asset, if any. All other borrowing costs are expensed in the period in which they occur.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### 2.17 Business combinations

Business combinations are accounted for using the 'Acquisition Method'. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as 'Goodwill'. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as 'Capital Reserve'. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the 'Pooling of Interests Method'. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as 'Capital Reserve' under equity.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

### 2.18 Events occurring after the reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed as at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### 2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A. Financial assets

##### a) Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

##### b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- i) Debt instruments measured at amortised cost
- ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments measured at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at FVTOCI or FVTPL

##### *Debt instruments*

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

##### i) Debt instruments measured at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent

solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

##### ii) Debt instruments measured at FVTOCI

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

##### iii) Debt instruments measured at FVTPL

Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Debt instruments which are held for trading are classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

##### iv) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### B. Derecognition of financial assets

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### C. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

- i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or
- ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on twelve months ECL.

### D. Financial liabilities

#### a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

### b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities measured at amortised cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

### i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

### ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are carried in the statement of profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.

### c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### E. Derivatives

The Company uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities

i.e. when interests are paid according to benchmark market interest rates. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

### Fair value measurement

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers, if any, have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.20 Investment in subsidiaries

In its separate financial statements, the Company accounts for its investments in subsidiaries at cost.

### 2.21 Significant accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes together with the accounting policies:

Note - Impairment of assets (both financial and non-financial)

Note - Fair value measurement of financial instruments.

#### (a) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

#### (b) Useful lives and residual values

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

#### (c) Impairment testing

i Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate."

#### (d) Tax

i The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

ii Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

iii The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

### (e) Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 42-, 'Employee benefits'.

### (f) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions.

### (g) Leases

The Company has exercised judgement in determining the lease term as the non cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset

of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

## 3 Recent Pronouncement

### Recent Indian Accounting Standards (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4a : Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2023 are as follows :

|  | Building* | Plant and machinery (including office equipments) | Furniture and fixtures | Vehicles | Computers and E-learning equipment | Total      |
|--|-----------|---|------------------------|----------|------------------------------------|------------|
| Gross carrying value as at April 01 2022     | 680.08    | 1,818.74  | 3,251.47               | 14.90    | 2,042.82                           | 7,808.01   |
| Additions                                    | -         | 22.54   | 115.80                 | -        | 18.82                              | 157.16     |
| Disposals / Discard                          |           | (1,409.83)  | (2,663.38)             | (14.80)  | (906.52)                           | (4,994.54) |
| Gross carrying value as at March 31 2023     | 680.08    | 431.45  | 703.88                 | 0.10     | 1,155.12                           | 2,970.63   |
| Accumulated depreciation as at April 01 2022 | (284.17)  | (1,675.01)  | (2,868.92)             | (14.15)  | (1,919.59)                         | (6,761.83) |
| Depreciation for the Year                    | (19.71)   | (35.81)   | (97.52)                | -        | (23.57)                            | (176.61)   |
| Disposals / Discard                          | -         | 1,318.74  | 2,326.98               | 14.06    | 853.32                             | 4,513.10   |
| Accumulated depreciation as at March 31 2023 | (303.87)  | (392.08)  | (639.47)               | (0.09)   | (1,089.84)                         | (2,425.34) |
| Carrying value as at April 01 2022           | 395.91    | 143.73  | 382.56                 | 0.75     | 123.24                             | 1,046.18   |
| Carrying value as at March 31 2023           | 376.20    | 39.37   | 64.42                  | 0.01     | 65.28                              | 545.30     |

### Note 4b : Right-of-use asset

The changes in the carrying value of Right-of-use asset for the year ended 31 March 2023 are as follows :

|   | Leased Premises   | Total             |
|---|-------------------|-------------------|
| Gross carrying value as at April 01 2022            | 4,313.06          | 4,313.06          |
| Additions   | 575.79            | 575.79            |
| Deletions   | -                 | -                 |
| <b>Gross carrying value as at March 31 2023</b>     | <b>4,888.86</b>   | <b>4,888.86</b>   |
| <b>Accumulated depreciation as at April 01 2022</b> | <b>(878.28)</b>   | <b>(878.28)</b>   |
| Depreciation for the Year                           | (686.89)          | (686.89)          |
| Disposals/adjustments                               | -                 | -                 |
| <b>Accumulated depreciation as at March 31 2023</b> | <b>(1,565.17)</b> | <b>(1,565.17)</b> |
| <b>Carrying value as at April 01 2022</b>           | <b>3,434.79</b>   | <b>3,434.79</b>   |
| <b>Carrying value as at March 31 2023</b>           | <b>3,323.69</b>   | <b>3,323.69</b>   |

### Note 4c: Capital Work in Progress

The changes in the carrying value of Capital Work in Progress for the year ended 31 March 2023 are as follows :

|                             | Amount  |
|-----------------------------|---------|
| <b>As at April 01 2022</b>  | 18.82   |
| Addition during the year    | 9.68    |
| Impairment for the year     | (2.04)  |
| Capitalised during the year | (26.46) |
| <b>As at March 31 2023</b>  | -       |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4d: Intangible assets

The changes in the carrying value of acquired intangible assets for the year ended 31 March 2023 are as follows :

|   | Trademark     | Enterprise resource planning software | Software        | Content           | Technology aided teaching | Non compete fees | Total             |
|---|---------------|---------------------------------------|-----------------|-------------------|---------------------------|------------------|-------------------|
| <b>Gross carrying value as at April 01 2022</b>     | 1.22          | 315.73                                | 603.58          | 2,721.05          | 60.56                     | 126.00           | 3,828.13          |
| Additions   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| Deletions   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| Disposals / Discard                                 | -             | -                                     | (390.29)        | -                 | -                         | -                | (390.29)          |
| <b>Gross carrying value as at March 31 2023</b>     | <b>1.22</b>   | <b>315.73</b>                         | <b>213.30</b>   | <b>2,721.05</b>   | <b>60.56</b>              | <b>126.00</b>    | <b>3,437.85</b>   |
| <b>Accumulated depreciation as at April 01 2022</b> | <b>(1.22)</b> | <b>(308.50)</b>                       | <b>(601.26)</b> | <b>(2,709.34)</b> | <b>(60.56)</b>            | <b>(126.00)</b>  | <b>(3,806.88)</b> |
| Amortization expense                                | -             | (5.82)                                | (2.01)          | (3.98)            | -                         | -                | (11.82)           |
| Accumulated amortization on deletions               | -             | -                                     | -               | -                 | -                         | -                | -                 |
| Disposals / Discard                                 | -             | -                                     | 390.29          | -                 | -                         | -                | 390.29            |
| <b>Accumulated depreciation as at March 31 2023</b> | <b>(1.22)</b> | <b>(314.32)</b>                       | <b>(212.99)</b> | <b>(2,713.32)</b> | <b>(60.56)</b>            | <b>(126.00)</b>  | <b>(3,428.42)</b> |
| Impairment for the year                             | -             | -                                     | -               | -                 | -                         | -                | -                 |
| <b>Carrying value as at April 01 2022</b>           | <b>-</b>      | <b>7.23</b>                           | <b>2.32</b>     | <b>11.71</b>      | <b>-</b>                  | <b>-</b>         | <b>21.26</b>      |
| <b>Carrying value as at March 31 2023</b>           | <b>-</b>      | <b>1.40</b>                           | <b>0.31</b>     | <b>7.73</b>       | <b>-</b>                  | <b>-</b>         | <b>9.45</b>       |

#### Note:

- \* Mortgage is created in favour of bank for limits granted to Sri Gayatri Education Society. Refer Note 35.1.1
- Term loan and Overdraft facility from bank is secured by first pari passu hypothecation charge on the all movable assets (except vehicle) of the Company both present and future, refer note 17 and note 21
- For related party transaction refer note 37.
- The title deeds of immovable property is in the name of the Company..

### Note 4a : Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2022 were as follows :

|  | Building* | Plant and machinery (including office equipments) | Furniture and fixtures | Vehicles | Computers and E-learning equipment | Total      |
|--|-----------|---|------------------------|----------|------------------------------------|------------|
| Gross carrying value as at April 01 2021       | 680.08    | 1,854.46  | 3,252.51               | 14.90    | 2,256.59                           | 8,058.54   |
| Additions                                      | -         | 1.21  | 5.35                   | -        | 6.35                               | 12.91      |
| Deletions                                      | -         | (36.93)   | (6.39)                 | -        | (220.12)                           | (263.44)   |
| Gross carrying value as at March 31 2022       | 680.08    | 1,818.74  | 3,251.47               | 14.90    | 2,042.82                           | 7,808.01   |
| Accumulated depreciation as at April 01 2021 # | (262.63)  | (1,658.02)  | (2,690.23)             | (14.15)  | (2,060.71)                         | (6,685.73) |
| Depreciation for the Year                      | (21.54)   | (50.72)   | (150.96)               | -        | (40.75)                            | (263.98)   |
| Disposals/adjustments                          | -         | 34.45   | 10.49                  | -        | 182.24                             | 227.18     |



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4a : Property, plant and equipment (Contd.)

|  | Building* | Plant and machinery (including office equipments) | Furniture and fixtures | Vehicles | Computers and E-learning equipment | Total      |
|--|-----------|---|------------------------|----------|------------------------------------|------------|
| Accumulated depreciation as at March 31 2022 # | (284.17)  | (1,674.29)  | (2,830.70)             | (14.15)  | (1,919.22)                         | (6,722.53) |
| Impairment for the year                        | -         | (0.72)  | (38.22)                | -        | (0.37)                             | (39.29)    |
| Carrying value as at April 01 2021             | 417.45    | 196.44  | 562.28                 | 0.75     | 195.89                             | 1,372.79   |
| Carrying value as at March 31 2022 ##          | 395.91    | 143.73  | 382.56                 | 0.75     | 123.24                             | 1,046.18   |

### Note 4b : Right-of-use asset

The changes in the carrying value of Right-of-use asset for the year ended 31 March 2022 were as follows :

|   | Leased Premises | Total           |
|---|-----------------|-----------------|
| Gross carrying value as at April 01 2021            | 4,880.03        | 4,880.03        |
| Additions   | 406.47          | 406.47          |
| Deletions   | (973.44)        | (973.44)        |
| <b>Gross carrying value as at March 31 2022</b>     | <b>4,313.06</b> | <b>4,313.06</b> |
| <b>Accumulated depreciation as at April 01 2021</b> | <b>(629.29)</b> | <b>(629.29)</b> |
| Depreciation for the Year                           | (820.28)        | (820.28)        |
| Disposals/adjustments                               | 571.30          | 571.30          |
| <b>Accumulated depreciation as at March 31 2022</b> | <b>(878.28)</b> | <b>(878.28)</b> |
| <b>Carrying value as at April 01 2021</b>           | <b>4,250.74</b> | <b>4,250.74</b> |
| <b>Carrying value as at March 31 2022</b>           | <b>3,434.79</b> | <b>3,434.79</b> |

### Note 4c: Capital Work in Progress

The changes in the carrying value of Capital Work in Progress for the year ended 31 March 2022 were as follows :

|                             | Amount       |
|-----------------------------|--------------|
| <b>As at April 01 2021</b>  | -            |
| Addition during the year    | 18.82        |
| Capitalised during the year | -            |
| <b>As at March 31 2022</b>  | <b>18.82</b> |

### Capital Work in Progress ageing Schedule

| Capital Work in Progress | Amount in Capital Work in Progress for a period of |           |           |                   | Total        |
|--------------------------|--|-----------|-----------|-------------------|--------------|
|                          | Less than 1 year                                   | 1-2 years | 2-3 years | More than 3 years |              |
| Projects in progress     | 18.82  |           |           |                   | <b>18.82</b> |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4d: Intangible assets

The changes in the carrying value of acquired intangible assets for the year ended 31 March 2022 were as follows :

|   | Trademark     | Enterprise resource planning software | Software        | Content           | Technology aided teaching | Non compete fees | Total             |
|---|---------------|---------------------------------------|-----------------|-------------------|---------------------------|------------------|-------------------|
| <b>Gross carrying value as at April 01 2021</b>         | 1.22          | 315.73                                | 603.58          | 2,721.05          | 60.56                     | 126.00           | 3,828.13          |
| Additions   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| Deletions   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| <b>Gross carrying value as at March 31 2022</b>         | <b>1.22</b>   | <b>315.73</b>                         | <b>603.58</b>   | <b>2,721.05</b>   | <b>60.56</b>              | <b>126.00</b>    | <b>3,828.13</b>   |
| <b>Accumulated depreciation as at April 01 2021</b>     | <b>(1.22)</b> | <b>(301.54)</b>                       | <b>(568.27)</b> | <b>(2,683.39)</b> | <b>(60.56)</b>            | <b>(126.00)</b>  | <b>(3,740.98)</b> |
| Amortization expense                                    | -             | (6.96)                                | (24.37)         | (25.64)           | -                         | -                | (56.97)           |
| Accumulated amortization on deletions                   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| Accumulated depreciation as at March 31 2022            | (1.22)        | (308.50)                              | (592.64)        | (2,709.03)        | (60.56)                   | (126.00)         | (3,797.95)        |
| Impairment for the year                                 | -             | -                                     | (8.62)          | (0.31)            | -                         | -                | (8.93)            |
| <b>Carrying value as at April 01 2021</b>               | <b>0.01</b>   | <b>14.20</b>                          | <b>35.31</b>    | <b>37.65</b>      | <b>0.01</b>               | -                | <b>87.18</b>      |
| <b>Carrying value as at March 31 2022 <sup>##</sup></b> | -             | <b>7.23</b>                           | <b>2.32</b>     | <b>11.71</b>      | -                         | -                | <b>21.26</b>      |

#### Note:

- \*Mortgage is created in favour of bank for limits granted to Sri Gayatri Education Society. Refer Note 35.1.1
- Term loan and Overdraft facility from bank is secured by first pari passu hypothecation charge on the all movable assets (except vehicle) of the Company both present and future, refer note 17 and note 21
- For related party transaction refer note 37.
- The title deeds of immovable property are in the name of the Company.
- # includes Impairment of ₹ 91.14 lakhs (Nil)
- ## is net off accumulated impairment of ₹ 139.36 lakhs (91.14 lakhs).

### Note 5a: Financial assets- Non current Investments

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>A Investment in equity instruments (fully paid up)</b>   |                        |                        |
| <b>Unquoted</b>   |                        |                        |
| <b>(i) Investment in wholly owned subsidiaries (at cost)</b>  |                        |                        |
| 1,22,449 (Previous Year: 1,22,449) Equity Shares of ₹ 10 each fully paid up of Chitale's Personalised Learning Private Limited.   | 216.00                 | 216.00                 |
| 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10 each fully paid up of MT Education Services Private Limited.   | 1.19                   | 1.19                   |
| 20,000 (Previous Year: 20,000 ) Equity Shares of ₹ 10 each fully paid up of Lakshya Forrum For Competitions Private Limited (formerly known as Lakshya Educare Private Limited) | 1,296.71               | 1,296.71               |
| 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10 each fully paid up of Robomate Edutech Private Limited   | 1.00                   | 1.00                   |
| 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10 each fully paid up of Letspaper Technologies Private Limited   | 1.00                   | 1.00                   |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 5a: Financial assets- Non current Investments (Contd.)

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| 108,000 (Previous Year: 108,000) Equity Shares of ₹ 10 each fully paid up of Labh Ventures India Private Limited  | 1,628.00               | 1,628.00               |
| <b>(ii) Investment in other subsidiary (at cost)</b>  |                        |                        |
| 7,500 (2022: 7,500 ) Equity Shares of ₹ 10 each fully paid up of Sri Gayatri Educational Services Private Limited (extent of holding) 75%(Previous Year: 75%) | 0.75                   | 0.75                   |
| <b>(iii) Investment in other entity (at Fair Value Through Profit and Loss)</b>   |                        |                        |
| 1,250 (Previous Year: 1,250 ) Equity Shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited  | 0.31                   | 0.31                   |
|   | <b>3,144.96</b>        | <b>3,144.96</b>        |
| Aggregate carrying value of unquoted investments  | 3,144.96               | 3,144.96               |
| Provision for impairment (Refer Note 52)  | (1,846.94)             | -                      |
| <b>Total</b>  | <b>1,298.02</b>        | <b>3,144.96</b>        |
| Aggregate carrying value of unquoted investments (at Cost)  | 3,144.65               | 3,144.65               |
| Aggregate carrying value of unquoted investments (at Fair Value Through Profit and Loss)  | 0.31                   | 0.31                   |
| Provision for impairment  | (1,846.94)             | -                      |

### Note 5b: Financial assets- Current Investments (at Fair Value through Profit & Loss)

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Mutual Funds</b>  |                        |                        |
| HDFC Liquid Fund-Direct Plan-Growth Option of Face Value ₹ 1,000 each Nil units (Previous Year: 0.355 units) | 0.01                   | 0.01                   |
| <b>Total</b>   | <b>0.01</b>            | <b>0.01</b>            |
| Aggregate carrying value of investments  | 0.01                   | 0.01                   |
| Provision for impairment   | (0.01)                 | -                      |

### Note 6: Non current financial assets - Loans

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(Unsecured considered good, unless stated otherwise)</b>       |                        |                        |
| At Amortised cost   |                        |                        |
| Loans and advances to others                                      |                        |                        |
| Loans and advances which have significant increase in credit risk | 2,316.41               | 2,316.41               |
| Loans and advances - credit impaired                              | 3,659.30               | 5,125.72               |
|   | <b>5,975.71</b>        | <b>7,442.13</b>        |
| Less: Provision for doubtful loans and advances                   | (3,659.30)             | (5,125.72)             |
|   | <b>(3,659.30)</b>      | <b>(5,125.72)</b>      |
| <b>Total</b>  | <b>2,316.41</b>        | <b>2,316.41</b>        |

**Note 6.1.** Disclosure as required by section 186 (4) refer note 41.2

**Note 6.2.** No Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

**Note 6.3.** The Company has not given any non current loan and advance in the nature of loan to promoter, directors, KMPs, and related parties.

**Note 6.4.** For related party transactions refer note no 37

### Note 7: Other non-current financial assets

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(Unsecured considered good, unless stated otherwise)</b> |                        |                        |
| At Amortised cost   |                        |                        |
| Security deposits   | 230.71                 | 428.10                 |
| Deposit against disputed tax matters                        | 151.23                 | 123.88                 |
| <b>Total</b>  | <b>381.94</b>          | <b>551.98</b>          |

Note : For related party transactions refer note 37

### Note 8: Non-current tax assets (Net)

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Balance with Government Authorities Direct Taxes (net of provision for taxation) | 991.15                 | 926.14                 |
| <b>Total</b>   | <b>991.15</b>          | <b>926.14</b>          |

Note : For related party transactions refer note 37

### Note 9: Trade receivables

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(Unsecured considered good, unless stated otherwise)</b> |                        |                        |
| Trade receivables   | 9,546.96               | 9,983.22               |
| Less: Allowance for bad and doubtful debts                  | (7,981.30)             | (7,235.15)             |
| <b>Total</b>  | <b>1,565.66</b>        | <b>2,748.08</b>        |

**Note:**

#### 9.1 Breakup of trade receivables:

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Trade receivables - considered good - secured                    | -                      | -                      |
| Trade receivables - considered good - unsecured                  | 696.14                 | 1,190.30               |
| Trade receivables which have significant increase in credit risk | 2,845.18               | 5,829.35               |
| Trade receivables - credit impaired                              | 6,005.64               | 2,963.57               |
| <b>Total</b>   | <b>9,546.96</b>        | <b>9,983.22</b>        |
| Less: Allowance for bad and doubtful debts                       | (7,981.30)             | (7,235.15)             |
| <b>Total trade receivables</b>                                   | <b>1,565.66</b>        | <b>2,748.08</b>        |

**9.2** For related parties transactions refer note 37

**9.3** Trade Receivable are non interest bearing and are the credit period extended to them.

**9.4** The company's exposure to credit and currency risk and loss allowance related to trade receivables are disclosed in note 45

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

9.5 No Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

9.6 There are no disputed trade receivables.

|  | As at 31 March 2023 |                  |               |               |                   |                 |
|--|---------------------|------------------|---------------|---------------|-------------------|-----------------|
|  | Less than 6 months  | 6 months -1 year | 1-2 years     | 2-3 Years     | More than 3 years | Total           |
| <b>Undisputed</b>  |                     |                  |               |               |                   |                 |
| Trade receivables - considered good - unsecured                  | 68.37               | 33.36            | 439.07        | 155.34        | -                 | 696.14          |
| Trade receivables which have significant increase in credit risk | -                   | -                | -             | 604.36        | 2,240.82          | 2,845.18        |
| Trade receivables - credit impaired                              | 45.99               | 3.56             | 8.42          | 62.95         | 5,884.71          | 6,005.64        |
| <b>Total</b>   | <b>114.36</b>       | <b>36.93</b>     | <b>447.49</b> | <b>822.65</b> | <b>8,125.54</b>   | <b>9,546.96</b> |

|  | As at 31 March 2022 |                  |                 |                 |                   |                 |
|--|---------------------|------------------|-----------------|-----------------|-------------------|-----------------|
|  | Less than 6 months  | 6 months -1 year | 1-2 years       | 2-3 Years       | More than 3 years | Total           |
| <b>Undisputed</b>  |                     |                  |                 |                 |                   |                 |
| Trade receivables - considered good - unsecured                  | 70.35               | 854.26           | 168.67          | 75.09           | 21.93             | 1,190.30        |
| Trade receivables which have significant increase in credit risk | -                   | 0.00             | 1,115.89        | 601.36          | 4,112.10          | 5,829.35        |
| Trade receivables - credit impaired                              | 7.65                | 48.39            | 48.24           | 881.86          | 1,977.42          | 2,963.57        |
| <b>Total</b>   | <b>78.00</b>        | <b>902.65</b>    | <b>1,332.80</b> | <b>1,558.32</b> | <b>6,111.46</b>   | <b>9,983.22</b> |

### Note 10: Cash and cash equivalents

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Balances with banks in current accounts | 67.02               | 235.65              |
| <b>Total</b>                            | <b>67.02</b>        | <b>235.65</b>       |

### Note 11: Bank balances other than cash and cash equivalents

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Bank Deposits having maturity period less than twelve months (refer note 11.1 & 11.2) | 387.88              | 370.54              |
| Unclaimed Dividend Account (Earmarked account) (refer note 11.3)                      | 1.75                | 2.84                |
| <b>Total</b>  | <b>389.63</b>       | <b>373.38</b>       |

#### Note:

11.1 Held as lien by bank against bank guarantees issued of ₹ 100.77 lakhs (Previous Year : ₹ 95.92 lakhs) and ₹ Nil lakhs (Previous Year: ₹ Nil lakhs) lien against loan taken by Sri Gayatri Education Society

Further, bank guarantee given by the Company against loan taken by Sri Gayatri Education Society via Agreement dated 17 February 2016 was invoked and considered as Non Performing Asset (NPA) by Axis Bank Limited via Notice dated 31 October 2022

11.2 Held as lien by bank against Bank overdraft of ₹ 287.11 lakhs (Previous Year : ₹ 274.62 lakhs).

11.3 The Company can utilise these balances only towards settlement of unclaimed dividend.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 12: Current financial assets - loans

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>(Unsecured, considered good, unless stated otherwise)</b> |                        |                        |
| At Amortised cost  |                        |                        |
| Loans to related parties                                     | 5.12                   | 4.80                   |
| Loans to others  |                        |                        |
| Loans - considered good                                      | -                      | -                      |
| Loans which have significant increase in credit risk         | -                      | -                      |
| Loans - credit impaired                                      | 10,181.37              | 8,714.95               |
|  | <b>10,186.49</b>       | <b>8,719.75</b>        |
| Less: Impairment loss allowances                             | (10,181.38)            | (8,714.95)             |
| <b>Total</b>   | <b>5.12</b>            | <b>4.80</b>            |

**Note 12.1** For related party transactions, refer note 37.

**Note 12.2** Disclosure as required by section 186 (4) refer note 41.2

**Note 12.3** No Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private Companies respectively in which any director is a partner or a director or a member.

**Note 12.4** The Company has not given any current loans and advances in the nature of loan to promoter, directors, Key managerial personnels (KMPs), and related parties.

**Note 12.5** Loans or Advances in the nature of loans granted to related parties are as under, refer note 12 and note 13

| Type of Borrower    | Amount of loans<br>and advances<br>outstanding | % of total loans<br>and advances |
|---------------------|--|----------------------------------|
| Repayable on Demand | <b>31-Mar-23</b>                               |                                  |
| Related Parties     | 2,752.86                                       | 13.35%                           |
|                     | <b>31-Mar-22</b>                               |                                  |
| Related Parties     | 2,734.94                                       | 13.30%                           |

### Note 13: Other current financial assets

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>(Unsecured, considered good, unless stated otherwise)</b> |                        |                        |
| At amortised cost  |                        |                        |
| Security deposits  | 1,160.26               | 858.87                 |
| Unbilled receivables   | 533.45                 | 852.60                 |
| Receivables from related parties                             | 2,747.74               | 2,730.14               |
| Other receivables  | 1,755.99               | 1,717.88               |
| <b>Sub Total</b>   | <b>6,197.44</b>        | <b>6,159.48</b>        |
| Less: Impairment loss allowances                             | (949.39)               | (571.71)               |
| <b>Total</b>   | <b>5,248.05</b>        | <b>5,587.77</b>        |

For related party transactions, refer note 37

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 14: Other current assets

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>(Unsecured, considered good, unless stated otherwise)</b> |                        |                        |
| Prepaid expenses   | 3.08                   | 2.08                   |
| Advance to suppliers   | 107.95                 | 132.26                 |
| <b>Total</b>   | <b>111.03</b>          | <b>134.35</b>          |

For related party transactions, refer note 37

### Note 15: Equity Share capital

The Company has only one class of share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

|  | As at 31 March 2023 |                 | As at 31 March 2022 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | Number of shares    | Amount          | Number of shares    | Amount          |
| <b>(a) Authorised</b>                      |                     |                 |                     |                 |
| Equity shares of ₹ 10/- each               | 80,000,000          | 8,000.00        | 80,000,000          | 8,000.00        |
| <b>(b) Issued, subscribed and paid up</b>  |                     |                 |                     |                 |
| Equity shares of ₹ 10/- each fully paid up | 72,228,054          | 7,222.81        | 72,228,054          | 7,222.81        |
| <b>Total</b>                               | <b>72,228,054</b>   | <b>7,222.81</b> | <b>72,228,054</b>   | <b>7,222.81</b> |

#### Note 15.1

##### Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:

|                                     | As at 31 March 2023 |                 | As at 31 March 2022 |                 |
|-------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                     | Number of shares    | Amount          | Number of shares    | Amount          |
| <b>At the beginning of the year</b> | 7,22,28,054         | 7,222.81        | 7,22,28,054         | 7,222.81        |
| Add: Changes during the year        | -                   | -               | -                   | -               |
| <b>At the end of the year</b>       | <b>7,22,28,054</b>  | <b>7,222.81</b> | <b>7,22,28,054</b>  | <b>7,222.81</b> |

#### Note 15.2 Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Note 15.3

##### Details of equity shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

| Name of shareholder  | As at 31 March 2023 |           | As at 31 March 2022 |           |
|----------------------|---------------------|-----------|---------------------|-----------|
|                      | Number of shares    | % holding | Number of shares    | % holding |
| <b>Equity shares</b> |                     |           |                     |           |
| Zee Learn Limited    | 42,701,173          | 59.12%    | 42,701,173          | 59.12%    |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 15.4 Details of Share held by Holding Company

| Name of shareholder | As at 31 March 2023 |           | As at 31 March 2022 |           |
|---------------------|---------------------|-----------|---------------------|-----------|
|                     | Number of shares    | % holding | Number of shares    | % holding |
| Zee Learn Limited   | 4,27,01,173         | 59.12%    | 4,27,01,173         | 59.12%    |

### Note 15.5 Details of Share held by Promoters

| Name of shareholder | As at 31 March 2023 |                             | As at 31 March 2022 |                             | Percentage (%) change during the year |
|---------------------|---------------------|-----------------------------|---------------------|-----------------------------|---------------------------------------|
|                     | Number of shares    | Percentage (%) total shares | Number of shares    | Percentage (%) total shares |                                       |
| Zee Learn Limited   | 4,27,01,173         | 59.12%                      | 4,27,01,173         | 59.12%                      | No change                             |
| Mahesh R. Shetty    | 1,340               | 0.00%                       | 1,340               | 0.00%                       | No change                             |

### Note 15.6

Aggregate number of equity shares issued as bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil (Previous Year: Nil)

### Note 16: Other equity

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| (a) Securities premium reserve                          | 19,835.77           | 19,835.77           |
| (b) General reserve                                     | (20,554.10)         | (15,695.21)         |
| (c) Surplus / (deficit) in statement of profit and loss | 9.18                | 7.93                |
| <b>Total</b>  | <b>(709.15)</b>     | <b>4,148.49</b>     |

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>(a) Securities premium reserve</b>                                   |                     |                     |
| As per Last Balance Sheet   | 19,835.77           | 19,835.77           |
|   | <b>19,835.77</b>    | <b>19,835.77</b>    |
| <b>(b) General reserve</b>  |                     |                     |
| As per Last Balance Sheet   | (15,695.21)         | (13,178.73)         |
| Add: Transferred from surplus/(deficit) in Statement of Profit and Loss | (4,858.89)          | (2,516.48)          |
|   | <b>(20,554.10)</b>  | <b>(15,695.21)</b>  |
| <b>(c) Surplus/(deficit) in Statement of Profit and Loss</b>            |                     |                     |
| As per Last Balance Sheet   | 7.93                | (7.26)              |
| Add: Net Profit/(Loss) for the year                                     | (4,858.89)          | (2,516.48)          |
| Add: Items of Other Comprehensive Income for the year, net of tax       | 1.24                | 5.67                |
| Add: Deferred tax for earlier years                                     | -                   | 9.52                |
| Transferred to General reserve  | 4,858.89            | 2,516.48            |
|   | <b>9.18</b>         | <b>7.93</b>         |
| <b>Total</b>  | <b>(709.15)</b>     | <b>4,148.49</b>     |



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 17: Non-current financial liabilities - borrowings

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>At Amortised Cost</b>  |                        |                        |
| <b>Secured</b>  |                        |                        |
| Term loan (refer note 17.1 and 17.2)  |                        |                        |
| - from bank   | 348.51                 | 455.14                 |
| - from other parties  | 1,652.49               | 1,652.49               |
| <b>Unsecured:</b>   |                        |                        |
| Intercompany Deposit - Related party ((refer note 17.3 and 37)  | 236.52                 | 101.75                 |
|   | <b>2,237.53</b>        | <b>2,209.38</b>        |
| Less: Current maturity of non-current borrowings and interest accrued and due thereon (refer note 21) | (2,237.53)             | (2,107.63)             |
| <b>Total</b>  | <b>-</b>               | <b>101.75</b>          |

#### Note:

#### Nature of security and terms of repayment for secured borrowings:

##### 17.1 Term Loan from Axis Bank Limited

Term loan from Axis Bank Limited is secured by first pari passu hypothecation charge on the entire current assets and movable assets (except vehicle) of the Company both present and future, pledge of shares owned by the promoter of the Company and personal guarantee given by the promoter of the Company. The said loan is repayable in 8 Half yearly instalment starting from September 2018. Last Instalment was due in February 2022. Rate of interest is 2.50% over banks 12 months Marginal Cost of Funds based Lending Rate (MCLR).

##### Term Loan from Assets Care and Restructuring Enterprise Limited (ACRE) assigned from Xander Finance Private Limited

Term loan from Xander Finance Private Limited is secured by first pari passu hypothecation charge on the entire current assets and movable assets of the Company both present and future and personal guarantee given by the promoter of the Company. The said loan is repayable in 10 half yearly instalments starting from October 2018. Last instalment due in March 2023. Rate of interest is 13.75%. Further the borrowings was assigned by Xander Finance Private Limited to Assets Care and Restructuring Enterprise Limited (ACRE) vide letter dated 23 August 2021.

The Company along with its subsidiaries has applied for One Time Restructuring (OTR) in accordance with Resolution Framework for Covid-19-related Stress issued by Reserve bank of India dated 06 August 2020, bearing reference number DOR.No.BP.BC/3/21.04.048/2020-21 but was rejected by the lender on 28 June 2021 and accordingly was declared as Non-Performing Assets (NPA). Subsequently the lender filed petition in NCLT against the Company which was pending for admission in the NCLT. Since there are disputes w.r.t the claims and the matter is before NCLT, the Company has not recognised interest expense w.e.f 01 October 2021 amounting to ₹ 851.43 lakhs (Previous Year : ₹ 175.86 lakhs).

**17.2** The Company has not submitted quarterly statement as the borrowings are considered Non performing asset by bank and other parties.

**17.3** Inter Corporate deposit from related party and other party is repayable not later than 31 March 2025 and carries interest at the rate of 12.50 % p.a. However, claims have been filed by the Companies and the loan is treated as repayable on demand.

**17.4** The Company has not been declared as wilful defaulter by any lender.

**17.5** For Related party transaction, refer note 37.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Details of Delay and Default in repayment of borrowings - 31 March 2023

#### Delay in Payment

| Lender            | Principal |               |                |
|-------------------|-----------|---------------|----------------|
|                   | Amount    | Due Date      | Delay Days **  |
| Axis Bank Limited | 112.59    | Various dates | 272 - 607 Days |

#### Default in Payment

| Lender   | Principal |              |                |         |
|--|-----------|--------------|----------------|---------|
|  | Amount    | Due Date     | Delay Days **  | Remarks |
| Assets Care and Restructuring Enterprise Limited | 1,472.26  | Various Date | Upto 913 days  | Unpaid  |
| Axis Bank Limited                                | 215.27    | Various Date | 427 - 607 Days | Unpaid  |

| Lender   | Interest |               |               |         |
|--|----------|---------------|---------------|---------|
|  | Amount   | Due Date      | Delay Days ** | Remarks |
| Assets Care and Restructuring Enterprise Limited | 62.41*   | 31/03/2021    | 731 Days      | Unpaid  |
|  | 117.82   | Various dates | Upto 731 Days |         |
| Axis Bank Limited                                | 10.87*   | 31/03/2021    | 731 Days      | Unpaid  |
|  | 122.37   | Various dates | Upto 789 Days |         |

\* The Company had availed to defer scheduled Term Loan as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium for debt servicing for period 1 March 2020 till 31 August 2020. Accordingly, the Company had deferred interest on term loan amounting to ₹ 73.28 lakhs which was repayable not later than 31 March 2021.

\*\* As at 31 March 2023, the Company has considered delays/defaults as per the terms of the original sanction letter and as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium

### Details of Delay and Default in repayment of borrowings - 31 March 2022

#### Delay in Payment

| Lender            | Principal |               |               |
|-------------------|-----------|---------------|---------------|
|                   | Amount    | Due Date      | Delay Days ** |
| Axis Bank Limited | 928.10    | Various dates | 232-536 Days  |

| Lender   | Interest |               |               |
|--|----------|---------------|---------------|
|  | Amount   | Due Date      | Delay Days ** |
| Assets Care and Restructuring Enterprise Limited | 30.27    | Various dates | 91 Days       |

#### Default in Payment

| Lender   | Principal |              |               |         |
|--|-----------|--------------|---------------|---------|
|  | Amount    | Due Date     | Delay Days ** | Remarks |
| Assets Care and Restructuring Enterprise Limited | 1,472.26  | Various Date | 239-548 Days  | Unpaid  |
| Axis Bank Limited                                | 321.90    | Various Date | 232-366 Days  | Unpaid  |

| Lender   | Interest |               |               |         |
|--|----------|---------------|---------------|---------|
|  | Amount   | Due Date      | Delay Days ** | Remarks |
| Assets Care and Restructuring Enterprise Limited | 62.41*   | 31/03/2021    | 366 Days      | Unpaid  |
|  | 117.82   | Various dates | 183-366 Days  |         |
| Axis Bank Limited                                | 10.87*   | 31/03/2021    | 366 Days      | Unpaid  |
|  | 122.37   | Various dates | 183-424 Days  |         |

\* The Company has availed to defer scheduled Term Loan as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium for debt servicing for period 1 March 2020 till 31 August 2020. Accordingly, the Company has deferred interest on term loan amounting to ₹ 73.28 lakhs which was repayable not later than 31 March 2021.

\*\* The Company has considered delays/defaults as per the terms of the original sanction letter and as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 18: Non-current Financial liabilities - Leases

|                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------|------------------------|------------------------|
| Lease Liabilities | 5,124.27               | 4,385.53               |
| <b>Total</b>      | <b>5,124.27</b>        | <b>4,385.53</b>        |

For related party transactions refer note 37

### Note 19: Non current provisions

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Provision for employee benefits: (refer note 42) |                        |                        |
| Provision for gratuity                           | 48.34                  | 284.20                 |
| Provision for leave encashment                   | 28.00                  | 44.19                  |
| <b>Total</b>                                     | <b>76.34</b>           | <b>328.39</b>          |

### Note 20: Other non-current liabilities

|                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Advance fees (refer note 20.1) | 20.16                  | 95.41                  |
| <b>Total</b>                   | <b>20.16</b>           | <b>95.41</b>           |

#### Note:

**20.1** Fees collected in advance from students to the extent of revenue which will not be recognised within the Company's operating cycle have been classified as "Other non current liabilities".

### Note 21: Current financial liabilities - borrowings

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Secured:</b>  |                        |                        |
| Overdraft facility from bank (refer note 21.1 and 21.4)                    | 612.49                 | 736.46                 |
| Current maturities of non current borrowings (refer note 17 and note 21.3) |                        |                        |
| - Banks  | 348.51                 | 455.14                 |
| - Other parties  | 1,652.48               | 1,652.49               |
| <b>Unsecured :</b>   |                        |                        |
| Inter Corporate Deposits   |                        |                        |
| - from Holding Company   | 236.52                 | 101.75                 |
| - from Others  | 323.48                 | 104.75                 |
| <b>Total</b>   | <b>3,173.50</b>        | <b>3,050.59</b>        |

#### Note:

#### 21.1 Nature of security and terms of repayment for secured borrowings:

##### i. Overdraft facility from Axis Bank Limited

- Overdraft facility from Axis Bank Limited of ₹ 5 Crore is secured by first pari passu hypothecation charge on the entire current assets and movable assets of the Company both present and future Bank Overdraft (carries interest rate @ 11.20% pa) and is repayable on demand.
- The Company has exceeded the limit sanctioned in overdraft facility on various dates in FY 22-23 and also on various dates in FY 21-22.
- The Company has not submitted quarterly statements as the borrowings are considered as Non Performing asset by bank and other parties

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 21: Current financial liabilities - borrowings (Contd.)

#### ii. Overdraft facility from ICICI Bank Limited

- a. Overdraft facility from ICICI Bank Limited is equivalent to and secured by fixed deposits (carries interest rate @ 1% pa over FD interest) and is repayable on demand.

#### Note: 21.2. Inter Corporate Deposits

Inter Corporate Deposit from Holding Company and other party is repayable not later than 31 March 2025 and carries an interest at the rate of 12.50% p.a. However, claims have been filed by the lenders and the loan is treated as repayable on demand.

**Note: 21.3.** Nature of security and terms of repayment for secured borrowings and details of delays and default, refer note 17

- v. For Related Party Transactions, refer note 37.

#### 21.4. Details of Default in repayment

##### As at 31 March 2023

| Lender            | Principal |               |            |         |
|-------------------|-----------|---------------|------------|---------|
|                   | Amount    | Due Date      | Delay Days | Remarks |
| Axis Bank Limited | 24.54     | Various dates | 365 Days   | Unpaid  |

##### As at 31 March 2022

| Lender            | Principal |               |            |         |
|-------------------|-----------|---------------|------------|---------|
|                   | Amount    | Due Date      | Delay Days | Remarks |
| Axis Bank Limited | 5.94*     | 31/03/2021    | 366 Days   | Unpaid  |
|                   | 24.54     | Various dates | Overdrawn  | Unpaid  |

\* The Company has availed to defer interest on overdraft facility from bank as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium for debt servicing for period 1 March 2020 till 31 August 2020. Accordingly, the Company has deferred interest on overdraft facility amounting to ₹ 5.94 lakhs and shall be repayable not later than 31 March 2021.

### Note 22: Current Financial liabilities - Leases

|                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------|------------------------|------------------------|
| Lease Liabilities | 56.68                  | 47.35                  |
| <b>Total</b>      | <b>56.68</b>           | <b>47.35</b>           |

### Note 23: Trade payables

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Total undisputed outstanding dues of micro enterprises and small enterprises (refer note 23.1)    | 232.96                 | 81.91                  |
| Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 3,720.44               | 4,036.01               |
| Total disputed outstanding dues of micro enterprises and small enterprises (refer note 23.1)      | 57.88                  | 78.50                  |
| Total disputed outstanding dues of creditors other than micro enterprises and small enterprises   | 225.24                 | 157.26                 |
| <b>Total</b>  | <b>4,236.52</b>        | <b>4,353.68</b>        |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 23: Trade payables (Contd.)

|                               | As on 31/03/2023 |              |               |                   |                 |
|-------------------------------|------------------|--------------|---------------|-------------------|-----------------|
|                               | Less than 1 year | 1-2 years    | 2-3 years     | More than 3 years | Total           |
| (i) Undisputed dues - MSME    | 177.24           | 6.03         | 39.75         | 9.93              | 232.96          |
| (ii) Undisputed dues - Others | 894.20           | 55.62        | 289.98        | 497.12            | 1,736.92        |
| (iii) Disputed dues - MSME    | 5.87             | 5.80         | 8.38          | 37.83             | 57.88           |
| (iv) Disputed dues - Others   | 48.63            | 16.59        | 5.09          | 154.92            | 225.24          |
| <b>Total</b>                  | <b>1,125.94</b>  | <b>84.05</b> | <b>343.21</b> | <b>699.80</b>     | <b>2,253.00</b> |
| Add: Provision for Expenses   |                  |              |               |                   | 1,983.52        |
| <b>Total</b>                  | <b>1,125.94</b>  | <b>84.05</b> | <b>343.21</b> | <b>699.80</b>     | <b>4,236.52</b> |

|                               | As on 31/03/2022 |               |               |                   |                 |
|-------------------------------|------------------|---------------|---------------|-------------------|-----------------|
|                               | Less than 1 year | 1-2 years     | 2-3 years     | More than 3 years | Total           |
| (i) Undisputed dues - MSME    | 18.14            | 39.55         | 22.19         | 2.03              | 81.91           |
| (ii) Undisputed dues - Others | 629.60           | 62.94         | 579.85        | 148.39            | 1,420.78        |
| (iii) Disputed dues - MSME    | 6.36             | 7.17          | 50.47         | 14.50             | 78.50           |
| (iv) Disputed dues - Others   | 95.59            | -             | 61.67         | -                 | 157.26          |
| <b>Total</b>                  | <b>749.69</b>    | <b>109.66</b> | <b>714.17</b> | <b>164.92</b>     | <b>1,738.45</b> |
| Add: Provision for Expenses   |                  |               |               |                   | 2,615.23        |
| <b>Total</b>                  | <b>749.69</b>    | <b>109.66</b> | <b>714.17</b> | <b>164.92</b>     | <b>4,353.68</b> |

#### Note 23.1:

Disclosure relating to suppliers registered under Micro, Small and Medium Enterprises Development Act (MSMED Act) based on the basis of information available with the Company:

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year :  |                        |                        |
| Principal   | 496.63                 | 177.35                 |
| Interest  | 18.91                  | 4.93                   |
|   | <b>515.53</b>          | <b>182.28</b>          |
| Disclosed under trade payable (refer note 23)   | 290.84                 | 160.41                 |
| Disclosed under Other current financial liabilities (refer note 24)   | 224.69                 | 21.87                  |
| <b>Total</b>  |                        |                        |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.   | -                      | -                      |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.   | -                      | -                      |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year.   | 18.91                  | 4.93                   |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | -                      | -                      |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

**Note 23.2** - For Trade Payables to related parties, refer note 37.

**Note 23.3** - other creditors are non interest bearing and are normally settled In normal trade cycle.

**Note 23.4** - The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 45.

### Note 24: Other current financial liabilities

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Payable for capital expenditure  |                        |                        |
| Outstanding dues micro enterprises and small enterprises (refer note 23.1) | 24.55                  | 21.87                  |
| Outstanding dues of capital creditors other than above                     | 95.00                  | 68.02                  |
| Employee related payables  | 329.16                 | 349.31                 |
| Unclaimed dividend (refer note 11)   | 1.75                   | 2.84                   |
| Other payables   |                        |                        |
| Outstanding dues micro enterprises and small enterprises (refer note 23.1) | 200.15                 | -                      |
| Outstanding dues of other payable other than above                         | 1,221.11               | 1,362.17               |
| <b>Total</b>   | <b>1,871.72</b>        | <b>1,804.21</b>        |

For related party transactions, refer note 37.

### Note 25: Other current liabilities

|                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Advance fees (refer note 25.1) | 1,556.86               | 1,296.97               |
| Statutory dues payables        | 170.32                 | 230.57                 |
| <b>Total</b>                   | <b>1,727.19</b>        | <b>1,527.54</b>        |

**25.1** Fees collected in advance from students to the extent of revenue which will be recognised within the Company's operating cycle have been classified as "Other current liabilities".

### Note 26: Current provisions

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Provision for employee benefits:(refer note 42) |                        |                        |
| Provision for gratuity                          | 250.26                 | 14.85                  |
| Provision for leave encashment                  | 79.36                  | 83.24                  |
| Provision for bonus                             | 17.10                  | -                      |
| <b>Total</b>                                    | <b>346.72</b>          | <b>98.09</b>           |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 27 Revenue from operations

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Revenue from services</b>            |                             |                             |
| Revenue from coaching/teaching services | 3,462.22                    | 3,134.66                    |
| Less : Discount and concession          | (446.13)                    | (400.89)                    |
| <b>Subtotal (a)</b>                     | <b>3,016.09</b>             | <b>2,733.77</b>             |
| <b>Other operating revenues</b>         |                             |                             |
| Sale of hardware/content                | 38.42                       | 74.99                       |
| Others (refer note 27.2)                | 72.04                       | 231.16                      |
| <b>Subtotal (b)</b>                     | <b>110.46</b>               | <b>306.15</b>               |
| <b>Total (a+b)</b>                      | <b>3,126.55</b>             | <b>3,039.92</b>             |

#### Note:

27.1: Ind AS 115 "Revenue from contract with customer" as under:

#### A) Disaggregation of revenue from customers

The following table shows disaggregation of revenue by major service lines/Geographical:

|                                  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| Coaching/teaching services/India | 3,016.09                    | 2,733.77                    |
| Sale of hardware/content /India  | 38.42                       | 74.99                       |
| Others/India                     | 72.04                       | 231.16                      |
| <b>Total</b>                     | <b>3,126.55</b>             | <b>3,039.92</b>             |

#### B) Reconciliation of revenue from customers

The following table shows reconciliation of revenue by major service lines:

|                            | Year ended 31 March 2023 |                                     |                          |                            |
|----------------------------|--------------------------|-------------------------------------|--------------------------|----------------------------|
|                            | Contract price           | Adjustments for<br>unearned revenue | Discount &<br>concession | Revenue from<br>Operations |
| Coaching/teaching services | 3,277.57                 | 184.64                              | (446.13)                 | 3,016.09                   |
| Sale of hardware           | 38.42                    | -                                   | -                        | 38.42                      |
| Others                     | 72.04                    | -                                   | -                        | 72.04                      |
| <b>Total</b>               | <b>3,388.04</b>          | <b>184.64</b>                       | <b>(446.13)</b>          | <b>3,126.55</b>            |

|                            | Year ended 31 March 2022 |                                     |                          |                            |
|----------------------------|--------------------------|-------------------------------------|--------------------------|----------------------------|
|                            | Contract price           | Adjustments for<br>unearned revenue | Discount &<br>concession | Revenue from<br>Operations |
| Coaching/teaching services | 3,140.71                 | (6.06)                              | (400.89)                 | 2,733.77                   |
| Sale of hardware           | 74.99                    | -                                   | -                        | 74.99                      |
| Others                     | 231.16                   | -                                   | -                        | 231.16                     |
| <b>Total</b>               | <b>3,446.86</b>          | <b>(6.06)</b>                       | <b>(400.89)</b>          | <b>3,039.92</b>            |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 27 Revenue from operations (Contd.)

#### C) Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Trade receivables relating to contracts with customers (net of impairment allowances) (refer note 9) | 1,565.66                    | 2,748.08                    |
| <b>Contract assets:</b>  |                             |                             |
| - Unbilled receivables (net of impairment allowances) (refer note 13)                                | 155.78                      | 852.60                      |
| <b>Contract liabilities:</b>   |                             |                             |
| - Advance fees, current (refer note 25)  | 1,556.86                    | 1,296.97                    |
| - Advance fees, non-current (refer note 20)  | 20.16                       | 95.41                       |

#### D) Transaction price allocated to the remaining performance obligation

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

|              | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------|-----------------------------|-----------------------------|
| Advance fees | 20.16                       | 95.41                       |

Management expect that 100 % of the transaction price allocated to the unsatisfied contracts as of March 31, 2023 amounting to ₹ 20.16 Lakhs (Previous Year ₹ 95.41 Lakhs) will be recognised as revenue during the year ended March 31, 2025.

#### E) Timing of Revenue Recognition

| Revenue by offerings                     | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Services transferred at point in time    | 110.46                      | 306.15                      |
| Services transferred over period in time | 3,016.09                    | 2,733.77                    |
| <b>Total</b>                             | <b>3,126.55</b>             | <b>3,039.92</b>             |

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

**27.2** Other operating income mainly includes reimbursement of expenses by subsidiary Company.

**27.3** For related party transactions, refer note 37.

**27.4** There are no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment as per Income tax Act, 1961.



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 28: Other income

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Interest income on financial assets carried at amortised cost (refer note 28.1) | 80.24                       | 72.31                       |
| Unwinding of discount on interest free security deposit                         | 125.82                      | 50.27                       |
| Net gain on Sale of Property, Plant & Equipment/ Intangible assets              | -                           | 2.77                        |
| Net gain on de-recognition of Right of use asset                                | -                           | 207.93                      |
| Miscellaneous income (refer note 28.3)  | 177.99                      | 671.48                      |
| <b>Total</b>  | <b>384.05</b>               | <b>1,004.75</b>             |

### Note 28.1

|                               | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------|-----------------------------|-----------------------------|
| <b>Interest :</b>             |                             |                             |
| Deposits from Banks           | 18.18                       | 27.94                       |
| Interest on Income Tax Refund | 61.71                       | -                           |
| Loans                         | 0.35                        | 44.36                       |
| <b>Total</b>                  | <b>80.24</b>                | <b>72.31</b>                |

28.2 For related party transactions, refer note 37

28.3 Miscellaneous income includes liabilities/balances no longer required written back of ₹ 166.44 lakhs (Previous Year: ₹ 663.90 lakhs).

### Note 29: Direct expenses

|                                    | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------|-----------------------------|-----------------------------|
| Rent                               | 307.40                      | 299.18                      |
| Rates and taxes                    | 20.67                       | 8.73                        |
| Electricity expenses               | 163.09                      | 84.33                       |
| Student material and test expenses | 281.63                      | 211.03                      |
| Visiting lecturer fees             | 1,104.85                    | 889.15                      |
| Bandwidth charges                  | 27.20                       | 57.92                       |
| Direct Professional expenses       | 4.72                        | 5.79                        |
| Others                             | 6.65                        | 9.26                        |
| <b>Total</b>                       | <b>1,916.22</b>             | <b>1,565.39</b>             |

For related party transactions, refer note 37

### Note 30: Employee benefits expense

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Salaries, bonus and other allowances                      | 850.23                      | 1,015.15                    |
| Contribution to provident and other funds (refer note 42) | 49.04                       | 57.48                       |
| Gratuity expense (refer note 42)                          | 11.97                       | 40.96                       |
| Staff welfare expenses                                    | 24.76                       | 18.31                       |
| <b>Total</b>  | <b>936.00</b>               | <b>1,131.90</b>             |

For related party transactions, refer note 37

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 31: Finance costs

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Interest expense on borrowings at amortised cost | 18.32                       | 198.26                      |
| Interest expense on lease liability              | 606.37                      | 516.10                      |
| Other borrowing cost                             | 38.19                       | 122.87                      |
| Interest other                                   | 40.40                       | -                           |
| <b>Total</b>                                     | <b>703.29</b>               | <b>837.23</b>               |

For related party transactions, refer note 37

### Note 32: Depreciation and Amortisation

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Depreciation on property, plant and equipment | 176.61                      | 263.99                      |
| Depreciation of right-of-use assets           | 686.89                      | 820.28                      |
| Amortisation of intangible assets             | 11.82                       | 56.97                       |
| <b>Total</b>                                  | <b>875.32</b>               | <b>1,141.23</b>             |

For related party transactions, refer note 37

### Note 33: Other expenses

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Rates and taxes  | 6.15                        | 14.63                       |
| Insurance charges  | 3.74                        | 6.99                        |
| Repairs and maintenance  | 108.51                      | 59.57                       |
| Communication expenses   | 59.02                       | 33.12                       |
| Travelling and conveyance expenses   | 28.01                       | 50.44                       |
| Legal and Professional charges   | 237.40                      | 222.56                      |
| Printing and stationary expense  | 19.89                       | 16.46                       |
| Director's sitting fees  | 5.00                        | 6.60                        |
| Corporate social responsibility expenses (refer note 43)   | -                           | 14.50                       |
| Security charges   | 16.40                       | 14.78                       |
| House keeping expenses   | 88.00                       | 49.65                       |
| Auditor's remuneration (refer note 33.1)   | 24.53                       | 24.87                       |
| Bad Debts written off  | -                           | 3.47                        |
| Provision for doubtful debts/receivables   | 1,123.83                    | 616.04                      |
| Impairment of Property, Plant and Equipment/ Intangible assets   | -                           | 48.22                       |
| Provision for Impairment of Investments  | 0.01                        | -                           |
| Net loss on Sale / Discard of Property, Plant & Equipment / Intangible assets / Capital Work in Progress | 502.99                      | -                           |
| Advertisement and Publicity Expenses   | 53.79                       | 100.78                      |
| Business promotion expenses  | 62.28                       | 33.15                       |
| Other miscellaneous expenses   | 27.62                       | 116.15                      |
| <b>Total</b>   | <b>2,367.18</b>             | <b>1,431.96</b>             |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 33.1: Payment to Auditors

|                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------|-----------------------------|-----------------------------|
| Audit Fees     | 22.10                       | 22.10                       |
| Tax Audit      | 2.25                        | 2.25                        |
| Reimbursements | 0.18                        | 0.52                        |
| <b>Total</b>   | <b>24.53</b>                | <b>24.87</b>                |

### Note 34: Earnings/(loss) per share (EPS)

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Basic and Diluted</b>  |                        |                        |
| Net profit/(loss) for the year attributable to the equity shareholders (₹ in lakhs) | (4,858.89)             | (2,516.48)             |
| Weighted average number of equity shares for Basic EPS (in nos)                     | 72,228,054             | 72,228,054             |
| Weighted average number of equity shares for Diluted EPS (in nos)                   | 72,228,054             | 72,228,054             |
| Face value per share (in ₹)   | 10.00                  | 10.00                  |
| Earnings/(Loss) per equity share - Basic (in ₹)                                     | (6.73)                 | (3.48)                 |
| Earnings/(Loss) per equity share - Diluted (in ₹)                                   | (6.73)                 | (3.48)                 |

### Note 35: Contingent liabilities

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Contingent Liabilities not provided for in respect of -</b>   |                        |                        |
| Disputed Direct taxes  |                        |                        |
| - Under Appeals  | 493.83                 | 512.15                 |
| - Claims received (other than under appeals)   | 172.48                 | 71.80                  |
| Disputed Indirect taxes  |                        |                        |
| - Under Appeals  | 2,300.23               | 1,702.63               |
| - Claims received (other than under appeals)   | 4,101.92               | -                      |
| Other Statutory Dues   | 168.14                 | 210.99                 |
| Claims against the Company not acknowledged as debt  |                        |                        |
| Corporate guarantee against the loan outstanding of ₹ 729.85 lakhs as on 31 March 2023 (Previous year 699.19 lakhs) to other party (refer note 35.1.1)       | 2,435.00               | 2,435.00               |
| Corporate guarantee against the loan outstanding of ₹ 1,532.09 lakhs as on 31 March 2023 (Previous year 1,367.87) to related party (refer note 35.1.2)       | 1,532.09               | 1,367.87               |
| Corporate guarantee against the loan outstanding of ₹ 4,740.46 lakhs as on 31 March 2023 (Previous year 4,289.95 lakhs) to related party (refer note 35.1.3) | 4,620.00               | 4,620.00               |
| Other Matters (refer note 35.1.4)  | 29.68                  | -                      |
| Invocation of Shares (refer note 35.1.6)   | 681.21                 | -                      |
| Interest on borrowings not provided for (refer note 35.1.7)  | 851.43                 | 175.86                 |
| Ministry of Minority Affairs (GOI) (refer note 35.1.8)   | 256.83                 | -                      |
| Claims received under Insolvency and Bankruptcy Code- in excess of accounts (refer note 35.1.9)  | 1,168.31               | -                      |
| Connect Residuary Private Limited (refer note 35.1.10)   | 548.62                 | -                      |
| Guarantee - IndusInd Bank (refer note 35.1.11)   | 22.10                  | -                      |
| Insolvency Resolution professional fees  | 6.00                   | -                      |
| <b>Total</b>   | <b>19,387.87</b>       | <b>11,096.30</b>       |

1. Corporate guarantee is provided to a bank in respect of loan taken by Sri Gayatri Educational Society pursuant to the

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 35: Contingent liabilities (Contd.)

long term partnership arrangement entered through Company's subsidiary Sri Gayatri Educational Services Private Limited. Corporate guarantee is utilised for business purposes.

2. Corporate guarantee is provided to a party in respect of loan taken by subsidiary Company, Lakshya Forum For Competitions Private Limited. Corporate guarantee is utilised for business purposes.
3. Corporate guarantee is provided to a party in respect of loan taken by subsidiary Company, Labh Ventures India Private Limited. Corporate guarantee is utilised for business purposes.
4. The Company has received legal notices of claims/law suits filed against it related to other matters. In the opinion of the management, no material liability is likely to arrive on account of such claims/law suits.
5. Amount represents the best possible estimate. The Company has engaged reputed professionals to protect its interest and has been advised that it has firm legal position against such disputes.
6. The Company had taken loan from a Bank and other lenders which was secured against the pledge of equity shares of the Company held by one of its promoters. The pledge was invoked by the lenders and was adjusted against the dues owed by the Company. Total Amount of shares pledged and Invoked was ₹ 974.41 lacs as received by the Company in Insolvency and Bankruptcy Code, 2016 (IBC) claim from its Promoter Mr. Mahesh Shetty, out of which ₹ 293.20 lacs was pertaining to the Company and has been already provided for in the books of accounts, balance ₹ 681.21 lacs is pertaining to subsidiary Company and has been considered above as contingent liability.
7. The Company has not recognised interest expense on term loan from Axis Bank and ACRE w.e.f 01 October 2021 amounting to ₹ 851.43 lakhs (excluding penal interest if any)(Previous Year : ₹ 175.86 lakhs).
8. As per Notice received dated 30 January 2023 from Ministry of Minority Affairs (GOI) (MoMA), the Company has failed to comply with the Ministry's guidelines/office orders/terms and conditions mentioned in the MOU and also the Company failed to furnish satisfactory responses to the Show Cause Notice dated 26 July 2022 received from Ministry and accordingly the Ministry decided to barred the Company for a period of 5 years from all initiatives / schemes of MoMA. Additionally, the grants released to the Company by the Ministry would be recovered along with 10% penal interest per annum as mentioned in General Financial Rules (GFR) 2017.
9. During the year Financial year 22-23, the Company has received claims under IBC consequent to NCLT order dated 16 December, 2022 as referred in note 1 above. The amount taken as contingent liability is to the extent of claim amount received from various vendors over and above the liability accounted in the books of accounts.
10. Connect Residuary Private limited (Operational Creditor) had filed petition in NCLT seeking to initiate Corporate Insolvency Resolution Process (CIRP) against the Company by invoking the provisions of Section 9 of Insolvency and Bankruptcy code, 2016 read with Rule 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for resolution of unresolved operational debt of 548.62 lacs, pertaining to which the Company received NCLT order dated 16 December 2022.
11. The Company received claim from IndusInd Bank towards Guarantee for ₹ 22.10 lakhs under IBC. However, the said claim was rejected by CIRP since the guarantee was already expired as on date on submission of claim.

### 35.2 Capital and other commitments:

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): |                        |                        |
| Property, Plant and Equipment   | 5.57                   | 39.08                  |

As on date, Company has not made any Capex budget nor it has any plans to spend any amount on long term assets or any business expansions except as mentioned above.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

**35.3 (i)** An employee of the Company Mr. Ashish Srivastava has committed fraud against the Company over the past few years by transferring salaries to the account of non existing employees. In doing such fraudulent transfer, he has committed falsification of documents. The fraud is discovered by the Company during the year. The Company has identified initial fraud of ₹ 50.00 lakhs (approx) and the matter is under investigation to determine the final quantum. The Company had terminated the service with immediate effect and the employee had been asked to repay the amount to the Company by 31 January, 2023. However, out of total receivable, the Company has only recovered ₹ 18.00 lakhs till date.

**35.3 (ii)** An employee of the Company Mr. Harshad Kabule has committed fraud during the year, by transferring funds to certain bank accounts. In doing such fraudulent transfers, he had committed falsification of documents, impersonation and other criminal acts. The Company had identified fraud of ₹ 123.00 lakhs (approx) and the matter is under investigation. The Company had terminated the service with immediate effect and the employee had been asked to repay the amount to the Company.

### Note 36: Deferred tax assets (net)

#### (a) The major components of income tax for the year are as under:

##### (i) Income tax related to items recognised directly in the statement of profit and loss

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Income tax recognised in profit and loss</b>                          |                             |                             |
| <b>Current tax</b>   |                             |                             |
| - In respect of current year *   | -                           | -                           |
| - In respect of previous year  | -                           | 257.79                      |
| <b>Deferred tax (credit) / charge</b>                                    | (275.45)                    | 195.64                      |
| <b>Total income tax (credit)/ expense recognised in the current year</b> | <b>(275.45)</b>             | <b>453.43</b>               |
| <b>Effective Tax rate</b>  | <b>8%</b>                   | <b>-22%</b>                 |

\* No provision for income tax has been made in the absence of taxable income computed under the provisions of the Income Tax Act, 1961.

##### ii) Deferred tax related to items recognised in the other comprehensive income (OCI) during the year

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Deferred tax on remeasurement (gains)/losses on defined benefit plan | (0.42)                      | (1.91)                      |
| <b>Deferred tax charged to OCI</b>                                   | <b>(0.42)</b>               | <b>(1.91)</b>               |

##### iii) Deferred tax related to items recognised in the statement of profit or loss during the year

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Fair valuation of Financial Instruments                    | -                           | 4.19                        |
| Allowances for credit losses                               | -                           | (47.13)                     |
| Allowances on payment basis                                | 4.75                        | (44.45)                     |
| Depreciation   | (53.66)                     | (74.58)                     |
| Other deductible temporary difference                      | (226.54)                    | (33.67)                     |
| <b>Deferred tax charged to Statement of profit or loss</b> | <b>(275.45)</b>             | <b>(195.64)</b>             |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 36: Deferred tax assets (net) (Contd.)

#### (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Tax expense for the year can be reconciled to the accounting profits as follows:</b> |                             |                             |
| Profit/(loss) before tax  | (3,287.40)                  | (2,063.04)                  |
| Income Tax rate (%)   | 25.17%                      | 25.17%                      |
| <b>Income tax expense (a)</b>   | <b>(827.44)</b>             | <b>(519.27)</b>             |
| Earlier year tax  | -                           | 257.79                      |
| Other deductible temporary difference*  | 551.99                      | 714.91                      |
| <b>Total (b)</b>  | <b>551.99</b>               | <b>972.70</b>               |
| <b>Total income tax expense recognised in the current year (a+b)</b>                    | <b>(275.45)</b>             | <b>453.43</b>               |

\* excludes deductible temporary difference for which deferred tax has not been created

#### (c) Deferred tax relates to the following:

| Reconciliation of deferred tax assets / (liabilities) net: | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Opening balance  | 6,619.27               | 6,816.82               |
| - Recognised in other comprehensive income                 | (0.42)                 | (1.91)                 |
| - Recognised in statement of profit or loss                | 275.45                 | (195.64)               |
| <b>Total</b>   | <b>6,894.29</b>        | <b>6,619.26</b>        |

#### (d) Components of Deferred tax assets /(liabilities) :

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Deferred tax Assets (net) comprises of deductible temporary difference on account of :</b> |                        |                        |
| Allowance for Doubtful Debts and Advances   | 5,235.81               | 5,235.81               |
| Provision for Employee Benefits   | 102.17                 | 107.34                 |
| Written down value of Property , plant and equipments/Intangible assets                       | 764.71                 | 711.05                 |
| Business Loss and Unabsorbed Depreciation carried forward                                     | 313.86                 | 313.86                 |
| Other deductible temporary difference   | 477.74                 | 251.20                 |
| <b>Total</b>  | <b>6,894.29</b>        | <b>6,619.26</b>        |

(e) There are no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(f) No proceedings are initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988

#### (g) Deferred Tax Assets not created on :

##### (i) Unused tax losses

The Company has unused tax business losses and unabsorbed depreciation of ₹ 6729.99 Lakhs (Previous year: ₹ 4,823.35 Lakhs). The losses are available for offsetting for eight years against future taxable income of the Company. Deferred tax assets of ₹ 1,380.06 lakhs (Previous year: ₹ 900.15 Lakhs) has been not recognised in respect of unused tax losses of ₹ 5,482.94 lakhs (Previous year: ₹ 3,576.30 Lakhs) in absence of convincing evidence to generate sufficient future taxable profits. Significant management judgement has been considered in determining the provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimate of the taxable income for the period over which deferred tax assets will be recovered.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 36: Deferred tax assets (net) (Contd.)

The Company has unabsorbed business loss / depreciation loss which according to the management will be used to set off taxable income arising in next few years from operations of the Company. However, deferred tax assets has not been recognised due to virtual certainty for realisability of such deferred tax assets.

- (ii) Deferred tax asset on provision for doubtful debts, other advances and loans of ₹ 495.32 lakhs (Previous year: ₹ 153.71 Lakhs) is not created in absence of convincing evidence to generate sufficient future taxable incomes.

### Note 37: Related party disclosures

As per IND AS 24 "Related Party Disclosures" as referred in Accounting Standard Rules, the disclosure of transactions with the related parties as defined therein are given below. All transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis.

#### (A) Names of related parties and description of relationship as identified and certified by the Company:

| Description of relationship       | Names of related parties   |
|-----------------------------------|--|
| Holding Company                   | Zee Learn Limited  |
| Wholly Owned Subsidiary Companies | Chitale's Personalised Learning Private Limited<br>MT Education Services Private Limited<br>Lakshya Forrum For Competitions Private Limited<br>Robomate Edutech Private Limited<br>Letspaper Technologies Private Limited<br>Labh Ventures India Private Limited   |
| Subsidiary Company                | Sri Gayatri Educational Services Private Limited (extent of holding) 75% (Previous year : 75%)   |
| Fellow Subsidiary Companies       | Liberium Global Resources Private Limited<br>Digital Ventures Private Limited<br>Academia Edificio Private Limited   |
| Key management personnel (KMP)    | Roshan Lal Kamboj - Independent Director<br>Dattatraya Kelkar Ramchandra - Independent Director<br>Nanette Ralph D'sa - Independent Director<br>Surender Singh - Non-Executive Director<br>Vipin Choudhary - Non-Executive Director<br>Karunn Kandoi - Non-Executive Independent Director<br>Sujeet Chaudhary (Chief Financial Officer w.e.f 25 November, 2020 to 30 September 2021)<br>Ravindra Ashok Mishra - Company Secretary<br>Siddhartha Haldar (Chief Financial Officer w.e.f. 7 December 2021 to 7 November, 2022)<br>Nirav Parekh (Chief Financial Officer w.e.f. 8 November 2022 to 13 February, 2023)<br>Parag Ola (Whole time Director w.e.f. 25 June 2021 to 24 January, 2023) |
| Other related parties             | Essel Corporate LLP<br>Mahesh Shetty<br>Mahesh Tutorials Chembur   |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 37: Related party disclosures (Contd.)

#### (B) Details of transactions with related parties in the ordinary course of business for the year ended:

|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| <b>Transactions entered during the year:</b>                          |               |               |
| Other operating revenues  |               |               |
| Lakshya Forrum For Competitions Private Limited                       | 72.04         | 231.16        |
|   | <b>72.04</b>  | <b>231.16</b> |
| <b>Other Income</b>   |               |               |
| <b>Interest income on financial assets measured at amortised cost</b> |               |               |
| Sri Gayatri Educational Services Private Limited                      | 0.35          | 0.41          |
| Robomate Edutech Private Limited                                      | -             | 0.20          |
| MT Education Services Private Limited                                 | -             | 43.75         |
|   | <b>0.35</b>   | <b>44.36</b>  |
| <b>Unwinding of discount on Interest free deposits</b>                |               |               |
| Labh Ventures India Private Limited                                   | 12.63         | 14.29         |
|   | <b>12.63</b>  | <b>14.29</b>  |
| <b>Employee Benefit Expenses (Refer note no 30)</b>                   |               |               |
| <b>Ravindra Mishra</b>  | 16.08         | 15.92         |
| Sujeet Chaudhary  | -             | 16.56         |
| Parag Ola   | 33.03         | 49.09         |
| Siddhartha Halдар   | 20.95         | 11.13         |
| Nirav Parekh  | 17.33         | -             |
|   | <b>87.38</b>  | <b>92.69</b>  |
| <b>Interest expense on borrowings</b>                                 |               |               |
| Zee Learn Limited   | 12.34         | 1.75          |
|   | <b>12.34</b>  | <b>1.75</b>   |
| <b>Interest expense on lease liabilities</b>                          |               |               |
| Labh Ventures India Private Limited                                   | 458.72        | 410.70        |
|   | <b>458.72</b> | <b>410.70</b> |
| <b>Depreciation on Right of Use Assets</b>                            |               |               |
| Labh Ventures India Private Limited                                   | 266.88        | 276.33        |
|   | <b>266.88</b> | <b>276.33</b> |
| <b>Directors' sitting fees</b>  |               |               |
| Roshanlal Kamboj  | 1.20          | 1.40          |
| Dattatray Kelkar Ramchandra   | 1.10          | 1.20          |
| Nanette Ralph D'Sa  | 1.10          | 1.40          |
| Surender Singh  | 1.00          | 1.40          |
| Karunn Kandoi   | 0.20          | 0.60          |
| Vipin Choudhary   | 0.40          | 0.60          |
|   | <b>5.00</b>   | <b>6.60</b>   |
| <b>Legal and Professional charges</b>                                 |               |               |
| Zee Learn Limited   | 90.00         | -             |
| Essel Corporate LLP   | -             | 15.00         |
|   | <b>90.00</b>  | <b>15.00</b>  |
| <b>House keeping charges</b>  |               |               |
| Liberium Global Resources Private Limited                             | 47.18         | 50.66         |
|   | <b>47.18</b>  | <b>50.66</b>  |



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 37: Related party disclosures (Contd.)

|   | 31 March 2023        | 31 March 2022        |
|---|----------------------|----------------------|
| <b>Provision for Impairment of Investments</b>        |                      |                      |
| Chitale's Personalised Learning Private Limited       | 216.00               | -                    |
| MT Education Services Private Limited                 | 1.19                 | -                    |
| Labh Ventures India Private Limited                   | 1,628.00             | -                    |
| Letspaper Technologies Private Limited                | 1.00                 | -                    |
| Sri Gayatri Educational Services Private Limited      | 0.75                 | -                    |
|   | <b>1,846.94</b>      | <b>-</b>             |
| <b>Loans, advances and deposits given</b>             |                      |                      |
| MT Education Services Private Limited                 | 31.56                | -                    |
| Chitale's Personalised Learning Private Limited       | 10.05                | -                    |
| Sri Gayatri Educational Services Private Limited      | 0.19                 | 0.58                 |
| Labh Ventures India Private Limited                   | 8.08                 | 7.00                 |
| Letspaper Technologies Private Limited                | 8.82                 | -                    |
| Robomate Edutech Private Limited                      | 0.63                 | -                    |
|   | <b>59.33</b>         | <b>7.57</b>          |
| <b>Advances and deposits received back (net)</b>      |                      |                      |
| MT Education Services Private Limited                 | -                    | 105.32               |
| Letspaper Technologies Private Limited                | -                    | 7.10                 |
| Robomate Edutech Private Limited                      | -                    | 0.36                 |
| Lakshya Forrum For Competitions Private Limited       | 31.52                | -                    |
| Chitale's Personalised Learning Private Limited       | -                    | 181.56               |
|   | <b>31.52</b>         | <b>294.33</b>        |
| <b>Loans (including interest) given received back</b> |                      |                      |
| MT Education Services Private Limited                 | -                    | 366.88               |
| Robomate Edutech Private Limited                      | -                    | 2.24                 |
|   | <b>-</b>             | <b>369.12</b>        |
| <b>Borrowings taken</b>                               |                      |                      |
| Zee Learn Limited                                     | 125.00               | 180.00               |
|   | <b>125.00</b>        | <b>180.00</b>        |
| <b>Borrowings taken repaid</b>                        |                      |                      |
| Zee Learn Limited                                     | -                    | 80.00                |
|   | <b>-</b>             | <b>80.00</b>         |
| <b>Outstanding at the end of the year:</b>            |                      |                      |
|   | <b>31 March 2023</b> | <b>31 March 2022</b> |
| <b>Right-of-use assets</b>                            |                      |                      |
| Labh Ventures India Private Limited                   | 2,559.25             | 2,826.13             |
|   | <b>2,559.25</b>      | <b>2,826.13</b>      |
| <b>Investment in Subsidiaries</b>                     |                      |                      |
| Chitale's Personalised Learning Private Limited       | 216.00               | 216.00               |
| Lakshya Forum for Competitions Private Limited        | 1,296.71             | 1,296.71             |
| Sri Gayatri Educational Services Private Limited      | 0.75                 | 0.75                 |
| MT Education Services Private Limited                 | 1.19                 | 1.19                 |
| Robomate Edutech Private Limited                      | 1.00                 | 1.00                 |
| Letspaper Technologies Private Limited                | 1.00                 | 1.00                 |
| Labh Ventures India Private Limited                   | 1,628.00             | 1,628.00             |
|   | <b>3,144.65</b>      | <b>3,144.65</b>      |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 37: Related party disclosures (Contd.)

|  | 31 March 2023   | 31 March 2022   |
|--|-----------------|-----------------|
| <b>Security Deposits</b>   |                 |                 |
| Labh Ventures India Private Limited                                  | 136.88          | 124.26          |
|  | <b>136.88</b>   | <b>124.26</b>   |
| <b>Loan and Advances to related parties</b>                          |                 |                 |
| MT Education Services Private Limited                                | -               | -               |
| Sri Gayatri Educational Services Private Limited                     | 5.12            | 4.80            |
| Robomate Edutech Private Limited                                     | -               | -               |
|  | <b>5.12</b>     | <b>4.80</b>     |
| <b>Borrowings from related party</b>                                 |                 |                 |
| Zee Learn Limited  | 236.52          | 101.75          |
|  | <b>236.52</b>   | <b>101.75</b>   |
| <b>Trade Receivables</b>   |                 |                 |
| Robomate Edutech Private Limited                                     | 3.37            | 3.37            |
| Lakshya Forrum For Competitions Private Limited                      | 506.33          | 880.27          |
|  | <b>509.70</b>   | <b>883.64</b>   |
| <b>Other Current Financial Asset- Receivables</b>                    |                 |                 |
| MT Education Services Private Limited                                | 156.73          | 126.56          |
| Chitale's Personalised Learning Private Limited                      | 170.67          | 160.62          |
| Sri Gayatri Educational Services Private Limited                     | 3.08            | 2.89            |
| Lakshya Forrum For Competitions Private Limited                      | 2,370.60        | 2,402.12        |
| Labh Ventures India Private Limited                                  | 46.03           | 37.95           |
| Letspaper Technologies Private Limited                               | 0.31            | -               |
| Robomate Edutech Private Limited                                     | 0.32            | -               |
|  | <b>2,747.74</b> | <b>2,730.14</b> |
| <b>Advance to suppliers</b>  |                 |                 |
| Labh Ventures India Private Limited                                  | 50.00           | 50.00           |
|  | <b>50.00</b>    | <b>50.00</b>    |
| <b>Other current financial liabilities- Employee Related Payable</b> |                 |                 |
| Ravindra Mishra  | 3.65            | 2.77            |
| Parag Ola  | 0.24            | 19.36           |
| Siddhartha Halder  | 3.32            | 2.88            |
| Nirav Parekh   | 4.64            | -               |
|  | <b>11.85</b>    | <b>25.01</b>    |
| <b>Trade Payables/ Other payables</b>                                |                 |                 |
| Robomate Edutech Private Limited                                     | -               | 0.31            |
| Letspaper Technologies Private Limited                               | 61.65           | 70.16           |
| Lakshya Forrum For Competitions Private Limited                      | 1.34            | 1.34            |
| Zee Learn Limited  | 137.88          | 32.40           |
| Essel Corporate LLP  | 21.73           | 21.73           |
| Liberium Global Resources Private Limited                            | 9.49            | 10.36           |
| Mahesh Tutorials Chembur   | 25.15           | 25.15           |
| Mahesh Shetty  | 3.15            | 3.15            |
|  | <b>260.39</b>   | <b>164.60</b>   |
| <b>Lease liabilities</b>   |                 |                 |
| Labh Ventures India Private Limited                                  | 4,381.57        | 3,922.85        |
|  | <b>4,381.57</b> | <b>3,922.85</b> |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 37: Related party disclosures (Contd.)

|   | 31 March 2023   | 31 March 2022   |
|---|-----------------|-----------------|
| <b>Contingent liabilities : Corporate Guarantee</b>   |                 |                 |
| Corporate Guarantee given to a party on behalf of loan taken by Lakshya Forrum For Competitions Private Limited | 1,532.09        | 1,367.87        |
| Corporate Guarantee given to a party on behalf of loan taken by labh Ventures Private Limited                   | 4,620.00        | 4,620.00        |
|   | <b>6,152.09</b> | <b>5,987.87</b> |

**Note 37.1:** The above mentioned amount does not include amount in respect of post employment benefits (i.e gratuity and leave encashment) as the same is not determinable.

**Note 37.2:** Transactions and closing balances are considered after considering the IND AS adjustments to make comparable with financial statements for reporting purpose.

### Note 38: Segment reporting

The Company's operations predominantly relates to a single segment viz. conducting commercial training, coaching, tutorial classes and activities incidental and ancillary thereon. The Chief Operating Decision Maker (CODM) (Chief Executive Officer) reviews the operations of the Company as one operating segment. Accordingly, segment information as required under IND AS 108 "Operating Segments" is not applicable to the Company.

### Note 39 Transactions with struck off companies

The Company does not have any transactions and balances outstanding with Companies struck off under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

### Note 40 Crypto Currency and Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note 41

**41.1** Disclosures as required under regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### 1a Loans

| Name of the Party                                | Relationship            | Amount Outstanding as on 31 March, 2023 | Maximum amount outstanding during the year ( 2022-23 ) | Amount Outstanding as on 31 March, 2022 | Maximum amount outstanding during the year ( 2021-22 ) |
|--|-------------------------|---|--|---|--|
| MT Education Services Private Limited            | Wholly owned Subsidiary | -                                       | -  | -                                       | 319.50   |
| Robomate Edutech Private Limited                 | Wholly owned Subsidiary | -                                       | -  | -                                       | 1.53   |
| Sri Gayatri Educational Services Private Limited | Subsidiary              | 2.50                                    | 2.50   | 2.50                                    | 2.50   |

The above figures are excluding the interest accrued thereon.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### 1b Advances in the nature of loans given to subsidiaries

| Name of the Party                                | Relationship            | Amount Outstanding as on 31 March, 2023 | Maximum amount outstanding during the year (2022-23) | Amount Outstanding as on 31 March, 2022 | Maximum amount outstanding during the year (2021-22) |
|--|-------------------------|---|--|---|--|
| MT Education Services Private Limited            | Wholly owned Subsidiary | 156.74                                  | 156.74   | 126.56                                  | 257.43   |
| Robomate Edutech Private Limited                 | Wholly owned Subsidiary | 0.32                                    | 0.32   | -                                       | 5.02   |
| Sri Gayatri Educational Services Private Limited | Subsidiary              | 3.08                                    | 3.08   | 2.89                                    | 2.89   |
| Chitale's Personalised Learning Private Limited  | Wholly owned Subsidiary | 170.67                                  | 170.67   | 160.62                                  | 357.41   |
| Lakshya Forrum For Competitions Private Limited  | Wholly owned Subsidiary | 2,370.60                                | 2,874.29   | 2,402.12                                | 2,490.07   |
| Labh Ventures India Private Limited              | Wholly owned Subsidiary | 46.03                                   | 46.03  | 37.95                                   | 37.95  |
| Letspaper Technologies Private Limited           | Wholly owned Subsidiary | 0.31                                    | 0.31   | -                                       | 9.92   |
|  |                         | <b>2,747.74</b>                         | <b>3,251.43</b>                                      | <b>2,730.14</b>                         | <b>3,160.69</b>                                      |

2 Investment in shares of subsidiaries by the Company: Refer note 5a

### 41.2 Information required under section 186(4) of the Companies Act, 2013

#### 1 Loans Given

| Name of the Party                                | ₹ 31 March 2022  | Given    | Repaid/ Adjusted | ₹ 31 March 2023  |
|--|------------------|----------|------------------|------------------|
| Sri Gayatri Educational Society *                | 8,101.70         | -        | -                | 8,101.70         |
| Aryan Foundation*                                | 1,680.29         | -        | 5.82             | 1,674.47         |
| Taleem Research Foundation*                      | 800.00           | -        | -                | 800.00           |
| Zee Learn Education Society*                     | 400.00           | -        | -                | 400.00           |
| Mount Litera Education Foundation*               | 400.00           | -        | -                | 400.00           |
| Gyanmala Public Education Trust*                 | 400.00           | -        | -                | 400.00           |
| Sri Gayatri Educational Services Private Limited | 2.50             | -        | -                | 2.50             |
| <b>Total</b>                                     | <b>11,784.48</b> | <b>-</b> | <b>5.82</b>      | <b>11,778.66</b> |

Loans are given for general purpose. The above figures are excluding the interest accrued thereon. Rate of interest ranging between 12-14 %. The above loans are repayable in the range of 0 to 5 years.

\* As approved by the Board, the Company has given waiver of interest to various trusts.

#### 2 Investment Made

There are no investment other than those mentioned in note 5a and 5b of financial statements

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### 3 Guarantees Given

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Corporate guarantee against the loan outstanding of ₹ 729.85 lakhs as on 31 March 2023 (Previous Year ₹ 699.19 lakhs) to other party (refer note 35.3.1)       | 2,435.00               | 2,435.00               |
| Corporate guarantee against the loan outstanding of ₹ 1,532.09 lakhs as on 31 March 2023 (Previous Year ₹ 1,367.87 lakhs) to related party (refer note 35.3.2) | 1,532.09               | 1,367.87               |
| Corporate guarantee against the loan outstanding of ₹ 4,740.46 lakhs as on 31 March 2023 (Previous Year ₹ 4,289.95 lakhs) to related party (refer note 35.3.3) | 4,620.00               | 4,620.00               |
| Guarantee-IndusInd Bank (refer note 35.3.4)  | 22.10                  | -                      |
| <b>Total</b>   | <b>8,609.19</b>        | <b>8,422.87</b>        |

#### Note:

- Corporate guarantee was provided to a bank in respect of loan taken by Sri Gayatri Educational Society pursuant to the long term partnership arrangement entered through Company's subsidiary Sri Gayatri Educational Services Private Limited and was utilised for business purposes. Corporate Guarantee has been invoked and declared as NPA by bank via notice dated 31 October 2022
- Corporate guarantee is provided to a party in respect of loan taken by subsidiary Company, Lakshya Forum For Competitions Private Limited. Corporate guarantee is utilised for business purposes.
- Corporate guarantee is provided to a party in respect of loan taken by subsidiary Company, Labh Ventures India Private Limited. Corporate guarantee is utilised for business purposes.
- The Company received claim from IndusInd Bank towards Guarantee for ₹ 22.10 lakhs under IBC. However, the said claim was rejected by CIRP since the guarantee was already expired as on date on submission of claim.

### 4 Securities Given

The Company has mortgaged Office building in favour of bank for limits granted to Sri Gayatri Education Society.

#### Note 42: Employee benefit plans

In accordance with the Indian Accounting Standard-19 'Employee Benefits', the Company has calculated the various benefits provided to employees as under:

##### a Defined contribution plans

The Company makes contributions towards provident fund and Labour Welfare fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

During the year, the Company has recognized the following amounts in the Statement of profit and loss:-

| Particulars                                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Employers' contribution to provident fund      | 48.73                  | 57.48                  |
| Employers' contribution to labour welfare fund | 0.31                   | -                      |

₹ in lakhs

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 42: Employee benefit plans (Contd.)

#### b Defined benefit plans

##### (a) Gratuity (funded)

The liability towards gratuity is determined based on actuarial valuation carried out by using Projected Unit Credit Method.

##### (b) Other long term benefits (unfunded)

The compensated absences are payable to all eligible employees at the rate of daily salary of each day of accumulated leave on death or on resignation or upon retirement on attaining retirement age, whichever is earlier. The liability towards compensated absences are determined based on actuarial valuation carried out by using Projected Unit Credit Method.

In accordance with Indian Accounting Standard 19, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions:

#### Actuarial assumptions:

| Particulars  | 31 March, 2023                                    | 31 March, 2022                                    |
|--|---|---|
| Discount rate per annum                                    | 7.30%   | 6.10%   |
| Expected Rate of Increase in compensation levels per annum | 6.00%   | 6.00%   |
| Expected rate of return on plan assets                     | NA  | NA  |
| Mortality Rate   | Indian assured lives Mortality (2012-14) Ultimate | Indian assured lives Mortality (2012-14) Ultimate |
| Retirement Age   | 58 years  | 58 years  |
| Withdrawal Rate  | 21.50%  | 21.50%  |
| Attrition  | 21.50%  | 21.50%  |

- The discount rate is based on the prevailing market yields Indian Government securities as at the balance sheet date for the estimated term of the obligations.

- Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

- The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

##### (a) Gratuity (funded)

#### i. Changes in the fair value of plan assets:

| Particulars  | 31 March, 2023 | 31 March, 2022 |
|--|----------------|----------------|
| <b>Fair value of plan assets as at the beginning of the year</b> | 16.55          | 15.45          |
| Expected return on plan assets                                   | 0.83           | 0.86           |
| Contributions  | 8.00           | -              |
| Benefits paid  | -              | -              |
| Actuarial loss on plan assets                                    | 0.47           | 0.24           |
| <b>Fair value of plan assets as at the end of the year</b>       | <b>25.85</b>   | <b>16.55</b>   |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 42: Employee benefit plans (Contd.)

- ii. Changes in the present value of the defined benefit obligation are as follows:

| Particulars   | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| <b>Present value of defined benefit obligation at beginning of the year</b> | 315.59         | 435.80         |
| Interest cost   | 18.62          | 23.46          |
| Current service cost  | 11.97          | 18.36          |
| Past service cost   | -              | -              |
| Benefits paid   | (20.52)        | (124.01)       |
| Actuarial (gain) / loss on obligation                                       | (1.22)         | (7.34)         |
| Transfer in/(out) obligation  | -              | (30.68)        |
| <b>Present value of defined benefit obligation at the end of the year</b>   | <b>324.44</b>  | <b>315.59</b>  |

- iii. Reconciliation of present value of defined benefit obligation and fair value of assets:

| Particulars   | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| Present value of obligation as at the end of the year     | 324.44         | 315.59         |
| Fair value of plan assets as at the end of the year       | 25.85          | 16.55          |
| <b>Unfunded net liability recognized in balance sheet</b> | <b>298.59</b>  | <b>299.05</b>  |
| <b>Amount classified as:</b>                              |                |                |
| <b>Current provision (Refer note 25)</b>                  | <b>250.26</b>  | <b>14.85</b>   |
| <b>Non-current provision (Refer note 19)</b>              | <b>48.34</b>   | <b>284.20</b>  |

- iv. Expenses recognized in Statement of Profit and Loss:

| Particulars             | 31 March, 2023 | 31 March, 2022 |
|-------------------------|----------------|----------------|
| Current service cost    | 11.97          | 18.36          |
| Interest cost           | 17.79          | 22.60          |
| <b>Total</b>            | <b>29.76</b>   | <b>40.96</b>   |
| Actual benefit payments | 20.52          | 124.01         |
| Actual contributions    | 8.00           | -              |

- v. Expenses recognized in Other comprehensive Income (OCI):

| Particulars  | 31 March, 2023 | 31 March, 2022 |
|--|----------------|----------------|
| Expected return on plan assets                       | (0.47)         | (0.24)         |
| Net actuarial loss/(gain) recognized during the year | (1.18)         | (7.33)         |
| <b>Total</b>   | <b>(1.66)</b>  | <b>(7.57)</b>  |

Actuarial gain of ₹ 1.66 lakhs (Previous year gain : ₹ 7.57 lakhs) is included in other comprehensive income.

- vi. Investment details of the plan assets:

| Particulars                    | 31 March, 2023 | 31 March, 2022 |
|--------------------------------|----------------|----------------|
| Government of India Securities | -              | -              |
| Corporate bonds                | -              | -              |
| Insurer managed funds          | 25.85          | 16.55          |
| Special deposit scheme         | -              | -              |
| Others                         | -              | -              |
| <b>Total fund balance</b>      | <b>25.85</b>   | <b>16.55</b>   |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 42: Employee benefit plans (Contd.)

vii. A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

| Particulars                                 | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| <b>Impact on defined benefit obligation</b> | <b>324.44</b>  | <b>315.59</b>  |
| Discount rate                               |                |                |
| 1% increase                                 | (2.95)         | (3.98)         |
| 1% decrease                                 | 3.19           | 4.32           |
| Rate of increase in salary                  |                |                |
| 1% increase                                 | 3.20           | 4.27           |
| 1% decrease                                 | (3.01)         | (4.01)         |
| Rate of withdrawal Rate                     |                |                |
| 1% increase                                 | (0.13)         | (0.09)         |
| 1% decrease                                 | 0.10           | 0.08           |

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

|                 |  |
|-----------------|--|
| Investment Risk | The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.   |
| Interest Risk   | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.  |
| Longevity Risk  | The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary Risk     | The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.   |

viii. Maturity profile of defined benefit obligation:

| Particulars   | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| Year 1  | 259.08         | 232.03         |
| Year 2  | 15.71          | 18.47          |
| Year 3  | 13.78          | 16.19          |
| Year 4  | 11.14          | 14.18          |
| Year 5  | 10.81          | 11.65          |
| Year 5 onwards  | 29.38          | 36.21          |
| The weighted average duration of the defined benefit obligation | 4.4 years      | 4.4 years      |

ix. Employer's best estimate for contribution during next year:

The expected contribution for defined benefit plan for the next financial year will be in line with 2022-23.



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 42: Employee benefit plans (Contd.)

#### (b) Compensated absences (Unfunded)

The leave salary are payable to all eligible employees at the rate of daily salary of each day of accumulated leave (upto 39 days) on death or on resignation or upon retirement on attaining retirement age.

The liability for compensated absences as at year end is ₹ 107.36 lakhs (Previous year : ₹ 127.43 lakhs)

Short term Provision as at year end is ₹ 79.36 lakhs (Previous year : ₹ 83.24 lakhs)

Long term Provision as at year end is ₹ 28.00 lakhs (Previous year : ₹ 44.19 lakhs)

### Note 43: Corporate Social Responsibility (CSR)

|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Shortfall of previous years                 | -             | 14.01         |
| Amount required to be spent during the year | -             | -             |
| Amount of expenditure incurred/spend        | -             | 14.50         |
| Shortfall at the end of the year            | -             | -             |

The Company had previous years shortfall of ₹ 14.01 lakhs which it spent in FY 2021-22 on promotion of education as a part of CSR activity

The Company has not made any contribution to any trust controlled by it as per Ind AS 24

Gross amount required to be spent by the Company during the year ₹ Nil (Previous year - ₹ Nil)

### Note 44: Financial instruments - Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### Financial Instrument measured at Fair Value through Profit and Loss

No financial assets/liabilities have been valued using level 2 and 3 fair value measurements.

#### Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

|  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| <b>Financial assets measured at amortized cost</b>                     |               |               |
| Investments  | -             | -             |
| 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  | 2,321.53      | 2,321.21      |
| Other financial assets   | 5,629.99      | 6,139.75      |
| <b>Financial assets measured at Fair value through profit and loss</b> |               |               |
| Investments  | -             | 0.01          |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 44: Financial instruments - Fair value hierarchy (Contd.)

|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| <b>Financial liabilities measured at amortized cost</b>                         |               |               |
| Borrowings  | 3,173.50      | 3,152.34      |
| Lease Liabilities   | 5,180.95      | 4,432.88      |
| Trade Payables  | 4,236.52      | 4,353.68      |
| Other financial liabilities   | 1,871.72      | 1,804.21      |
| No Financial liabilities have been valued at fair value through Profit and Loss |               |               |

### Note 45: Financial instruments - Risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. For details of the Company's current and non current loans and borrowings, including interest rate profiles, refer to Note 17 and 20 of these financial statements.

##### Exposure to interest rate risk

The summary quantitative data about the Company's exposure to interest rate risk as reported to the management of the Company is as follows:

|                                 | 31 March 2023 | 31 March 2022 |
|---------------------------------|---------------|---------------|
| Interest on term loan from bank | -             | 84.18         |

Interest on term loan from bank has not been provided for as the accounts have become NPA

##### Interest rate sensitivity

The Company is exposed to the interest rate fluctuations of 2.50% over banks 12 months MCLR (Range from 11.00% to 9.90% per annum as on 31 March 2023). The following table demonstrates the sensitivity to a 25bps increase or decrease in the interest rates with all other variables held constant. The sensitivity analysis is prepared as at the reporting date.

| Effect in INR lakhs             | Profit or loss |           |
|---------------------------------|----------------|-----------|
|                                 | Strengthening  | Weakening |
| <b>31 March, 2023</b>           |                |           |
| Interest on term loan from bank | -              | -         |

Interest on term loan from bank has not been provided for as the accounts have become NPA, hence, the interest rate sensitivity has been considered as Nil

| Effect in INR lakhs             | Profit or loss |           |
|---------------------------------|----------------|-----------|
|                                 | 31 March, 2022 | Weakening |
| <b>31 March, 2022</b>           |                |           |
| Interest on term loan from bank | 2.98           | (2.98)    |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 45: Financial instruments - Risk management objectives and policies (Contd.)

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

#### (iii) Other price risk

The Company does not have exposure to equity securities price risk arising from investments in equity shares (Unquoted) held by the Company and classified in the balance sheet at fair value through profit and loss.

### (B) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counter-party;
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counter-party; and
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The Company limits its exposure to credit risk of balances held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus in bank accounts.

The Company recognises expected credit loss based on the following:

| Description of category  | Category                                  | Internal Rating (IR) | Basis of recognition of expected credit loss provision |  |
|--|---|----------------------|--|--|
|  |   |                      | Loans, deposits and other receivables                  | Trade receivables                                      |
| Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong | Standard assets with moderate credit risk | IR 1                 | 12 month expected credit losses                        | life time expected credit losses (simplified approach) |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 45: Financial instruments - Risk management objectives and policies (Contd.)

| Description of category   | Category                                 | Internal Rating (IR) | Basis of recognition of expected credit loss provision |  |
|---|--|----------------------|--|--|
|   |  |                      | Loans, deposits and other receivables                  | Trade receivables                                      |
| Assets where there is significant increase in credit risk and high probability of default.  | Substandard assets with high credit risk | IR 2                 | life time expected credit losses                       | life time expected credit losses (simplified approach) |
| Assets are written off when there is no reasonable expectation of recovery. As and when recoveries are made these are recognised in profit and loss | Doubtful assets, credit impaired         | IR 3                 | Asset is written off                                   |  |

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity recognises impairment loss allowance based on 12-month ECL.

ECL in respect of trade receivables is as follows:

|  | Internal Rating (IR) | 31 March, 2023  | 31 March, 2022  |
|--|----------------------|-----------------|-----------------|
| Balance at the beginning                 | IR 2                 | 7,235.15        | 7,418.57        |
| Expected loss recognised/(reversed)(net) |                      | 746.16          | (183.43)        |
| Amounts written off                      |                      | -               | -               |
| <b>Balance at the end</b>                |                      | <b>7,981.30</b> | <b>7,235.15</b> |

|  | Internal Rating (IR) | 31 March, 2023  | 31 March, 2022  |
|--|----------------------|-----------------|-----------------|
| Gross carrying amount                            | IR 2                 | 9,546.96        | 9,983.22        |
| Provision for doubtful receivables including ECL |                      | (7,981.30)      | (7,235.15)      |
| <b>Balance at the end of the year</b>            |                      | <b>1,565.66</b> | <b>2,748.08</b> |

ECL in respect of current and non current financial assets loans is as follows:

|  | 31 March, 2023   | 31 March, 2022   |
|--|------------------|------------------|
| Balance at the beginning                 | 13,840.68        | 13,566.89        |
| Expected loss recognised/(reversed)(net) | -                | 273.79           |
| Amounts written off                      | -                | -                |
| <b>Balance at the end</b>                | <b>13,840.68</b> | <b>13,840.68</b> |

|   | Internal Rating (IR) | 31 March, 2023  | 31 March, 2022  |
|---|----------------------|-----------------|-----------------|
| Gross carrying amount                     | IR 2                 | 16,162.20       | 16,161.88       |
| Provision for doubtful loans and advances |                      | (13,840.68)     | (13,840.68)     |
| <b>Balance at the end of the year</b>     |                      | <b>2,321.53</b> | <b>2,321.21</b> |

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 45: Financial instruments - Risk management objectives and policies (Contd.)

#### (C) Liquidity risk

The Company is under CIRP. Liquidity crisis has led to delay in vendor payments and default in repayment of principal and interest to lenders. Since, the Company is under CIRP, it is not required to meet any loan or interest obligation till the resolution plan is implemented.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason, extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entail liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risk as it has tendency to compound other risk. It entails management of assets, liabilities focused on a medium to long term perspective and future net cash flows on day by day basis in order to assess liquidity risk.

The table below analysis financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| As at 31 March, 2023                        | Contractual cash flows |                 |               |               |                   |
|---|------------------------|-----------------|---------------|---------------|-------------------|
|   | Total                  | 1 year or less  | 1-2 years     | 2-5 years     | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                 |               |               |                   |
| Borrowings                                  | 3,173.50               | 3,173.50        | -             | -             | -                 |
| Lease Liabilities                           | 5,180.95               | 56.68           | 305.99        | 423.08        | 4,395.20          |
| Trade payables                              | 4,236.52               | 4,236.52        | -             | -             | -                 |
| Other current financial liabilities         | 1,871.72               | 1,871.72        | -             | -             | -                 |
| <b>Total</b>                                | <b>14,462.70</b>       | <b>9,338.42</b> | <b>305.99</b> | <b>423.08</b> | <b>4,395.20</b>   |

| As at 31 March, 2022                        | Contractual cash flows |                 |               |               |                   |
|---|------------------------|-----------------|---------------|---------------|-------------------|
|   | Total                  | 1 year or less  | 1-2 years     | 2-5 years     | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                 |               |               |                   |
| Borrowings                                  | 3,152.34               | 3,152.34        | -             | 101.75        | -                 |
| Lease Liabilities                           | 4,432.88               | 48.47           | 231.78        | 229.80        | 3,922.84          |
| Trade payables                              | 4,353.68               | 4,353.68        | -             | -             | -                 |
| Other current financial liabilities         | 1,804.21               | 1,804.21        | -             | -             | -                 |
| <b>Total</b>                                | <b>13,743.11</b>       | <b>9,358.71</b> | <b>231.78</b> | <b>331.55</b> | <b>3,922.84</b>   |

#### Note 46 (a) : Capital management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 46 (a) : Capital management (Contd.)

The Company's adjusted net debt to equity ratio is as follows:

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Total borrowings along with accrued interest * | 3,173.50               | 3,152.34               |
| Less : Cash and cash equivalents               | (67.02)                | (235.65)               |
| <b>Adjusted net debt</b>                       | <b>3,106.48</b>        | <b>2,916.69</b>        |
| Equity   | 7,222.81               | 7,222.81               |
| Other Equity                                   | (709.15)               | 4,148.49               |
| <b>Total Equity</b>                            | <b>6,513.66</b>        | <b>11,371.29</b>       |
| Adjusted net debt to equity ratio              | <b>0.48</b>            | <b>0.26</b>            |

\* Effect of qualification in independent auditors report not considered

### Note 46 (b) : Reconciliation of Non cash transaction of financial liability

Reconciliation of borrowings:

|            | As at<br>31 March 2022 | Amount Paid(Net) | Non - Cash changes |               | As at<br>31 March 2023 |
|------------|------------------------|------------------|--------------------|---------------|------------------------|
|            |                        |                  | Interest Accrued   | Other Changes |                        |
| Borrowings | 3,152.34               | (226.13)         | 18.32              | 228.97        | 3,173.50               |

### Note 47 - Disclosures required by Indian Accounting Standard (Ind AS) 116 - Leases

#### Short Term Leases

The Company has taken office, residential facilities and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 11 months to 60 months.

The following is the movement in lease liabilities for the year ended 31 March, 2023

|                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| Opening                              | 4,432.89               | 4,642.48               |
| Additions                            | 557.06                 | 406.47                 |
| Finance cost accrued during the year | 606.37                 | 516.10                 |
| Deletions                            | -                      | 614.23                 |
| lease liabilities adjusted/paid      | 415.37                 | 517.94                 |
| Closing                              | <b>5,180.95</b>        | <b>4,432.88</b>        |

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis

|                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------|------------------------|------------------------|
| Less than one year   | 56.67                  | 48.47                  |
| One to five years    | 729.08                 | 461.57                 |
| More than five years | <b>4,395.20</b>        | <b>3,922.84</b>        |

49 The Company has loans, trade receivables and other receivables of ₹ 4,933.07 lakhs (net of provisions) outstanding as at 31 March 2023 from parties, which are overdue/rescheduled. The management anticipate progress in business in the coming period which will enable recovery of the receivables in an orderly manner. Accordingly, the management considers the outstanding dues to be good and recoverable.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

- 50** (a) The Company has not advanced or loaned or invested funds during the year (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (b) The Company has not received any fund during the year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 51 : Additional information

| Sr. No. | Ratios                          | Numerator  | Denominator  | 31-Mar-23  |             | 31-Mar-22 |             | Variance Reason for variance greater than 25% |  |
|---------|---------------------------------|--|--|------------|-------------|-----------|-------------|---|--|
|         |                                 |  |  | Numerator  | Denominator | Ratio     | Denominator |   | Ratio  |
| 1       | Current Ratio                   | Current Assets   | Current Liabilities  | 7,386.51   | 11,412.33   | 0.65      | 10,881.46   | 0.83  | -22%   |
| 2       | Debt - Equity Ratio             | Short/Long term debts + other fixed payments   | Shareholders' Equity   | 8,354.46   | 6,513.66    | 1.28      | 11,371.30   | 0.67  | 92%<br>Due to reduction in total equity for loss incurred during the year                  |
| 3       | Debt Service Coverage Ratio     | Net Operating Income (Net profit after tax + non cash operating expenses + interest + other adjustments) | Total Debt services - current debt obligation incl. interest principal and lease payments due in coming year | (1,708.79) | 3,230.19    | (0.53)    | 3,097.94    | (0.03)  | 1838%<br>Due to reduction in Net Operating income and increase in current debt obligations |
| 4       | Return on Equity Ratio          | Net Income (Profit after tax)  | Shareholders' Equity   | (4,858.89) | 6,513.66    | (0.75)    | 11,371.30   | (0.22)  | 237%<br>Due to reduction in total equity for loss incurred during the year                 |
| 5       | Trade Receivable Turnover Ratio | Net Sales  | Avg Accounts Receivable  | 3,126.55   | 10,458.11   | 30%       | 11,523.60   | 26%   | 13%<br>Due to reduction in trade receivables   |
| 6       | Trade Payable Turnover Ratio    | Net Credit Purchases   | Avg Accounts Payable   | 1,386.49   | 4,295.10    | 32%       | 4,503.59    | 24%   | 32%<br>Due to increase in direct cost in current year                                      |
| 7       | Net Capital Turnover Ratio      | Total sales  | Working Capital (Current Assets- Current Liabilities)  | 3,126.55   | (4,025.82)  | -78%      | (1,797.41)  | -169%   | -54%<br>Due to reduction in working capital  |
| 8       | Net Profit Ratio                | Net profit after tax   | Net Sales  | (4,858.89) | 3,126.55    | (1.55)    | 3,039.92    | (0.83)  | 88%<br>Due to loss incurred and exceptional items  |
| 9       | Return on Capital Employed      | EBIT   | Capital Employed (Total Equity + Total Debt + Deferred Tax Liabilities)                                      | (1,708.79) | 9,687.17    | (0.18)    | 14,523.64   | (0.01)  | 2929%<br>Due to loss incurred  |

- Ratios applicable as per nature and operations of the Company have been considered.



## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 52: Exceptional Items

In view of no operating activities / negative net worth/ default in repayment of debts of secured creditors, the investment in subsidiary Companies of MT Educare Limited namely Chitale's Personalised Learning Private Limited, MT Education Services Private Limited, Letspaper Technologies Private Limited, Labh Ventures India Private Limited and Sri Gayatri Educational Services Private Limited has been impaired by ₹ 1,846.94 Lakhs (Previous year : ₹ Nil Lakhs).

### Note 53: Going Concern

The entire economy witnessed Covid 19 impact till February, 2022 and its consequential impact in Financial Year 2022 - 23. The Company is also facing the impact of covid and post covid economic scenario. Though the Company is currently being in corporate insolvency resolution process, looking at prime objective of Insolvency and Bankruptcy Code, 2016 (IBC) which enumerates that all possible efforts be made to ensure the business operation of the corporate debtor continues as going concern to provide resolution to the solutions and maximisation of assets of the corporate debtor. The going concern assumption is continued looking at various data, estimates and other factors and prime objective of IBC. The financial statements have been prepared on a going concern basis based on the business potentials and steps taken by the Company.

### Note 54: Social Security Code, 2020

The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Management will assess the impact once the subject rules under the Code are notified and will give appropriate impact in the standalone financial statements when the Code becomes effective.

### Note 55: Authorisation of Financial Statements

The Honourable NCLT admitted the application filed by Connect Residuary Private Limited by pronouncing on 16 December, 2022 and appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional (IRP) of the Company from 22 December, 2022. For the information set out in the standalone financial statements for the year ended 31 March, 2023, the IRP has relied upon the accuracy and veracity of any and all information and data provided by the officials of the Company and the records of the Company made available by such officials. For all such information and data, the IRP has assumed that such information and data are in conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the standalone financial statements and that they give true and fair view of the position of the Company as the dates and period indicated therein. Accordingly the IRP is not making any representations regarding accuracy, veracity and completeness of the data or information in the standalone financial statements.

The Directors of the Company have approved the above financial statements at their meeting held on 23 May 2023 which was chaired by Mr. Ashwin Shah, Interim Resolution Professional ('IRP') and IRP took the same on record basis recommendation from the directors.

With respect to the financial statements for the 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:

- (i) The IRP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
- (ii) 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;

## Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

- (iii) The IRP, in review of the financial statements and while signing this statement of financial statements, 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 financial statements. The statement of financial statements of the Corporate Debtor for the year ended 31 March, 2022 have been taken on record by the IRP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the 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 financial statements 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 financial statements.
- (iv) In terms of the provisions of the Code, the IRP is required to undertake a review of certain transactions. Such review has been completed.

### Note 56: Exceptional Items Other Notes

Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.

As per our report of even date attached

#### For **MGB & Co. LLP**

Chartered Accountants  
Firm Registration Number 101169W/W-100035

#### **Hitendra Bhandari**

Partner  
Membership Number: 107832

Place : Mumbai  
Date : 23 May 2023

#### For **MT Educare Limited**

CIN: L80903MH2006PLC163888

#### **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

#### **Ravindra Mishra**

Company Secretary  
Membership no. ACS 29159

#### **Surender Singh**

Director  
DIN - 08206770

## ANNEXURE TO THE FINANCIAL STATEMENT

# AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES AS PER THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2023:

(₹ in lakhs)

| Name of the Subsidiary | Sri Gayatri Educational Services Private Limited | Robomate Edutech Private Limited | Letspaper Technologies Private Limited |
|------------------------|--|----------------------------------|--|
| Share capital          | 1.00   | 1.00                             | 1.00                                   |
| Reserves & surplus     | (7.67)   | (4.50)                           | (4.17)                                 |
| Total assets           | 3.29   | 2.53                             | 62.49                                  |
| Total Liabilities      | 9.96   | 6.04                             | 65.66                                  |
| Investments            | 0.00   | 0.00                             | 0.00                                   |
| Turnover               | 0.00   | 0.00                             | 0.00                                   |
| Profit before taxation | (1.02)   | (0.57)                           | (0.69)                                 |
| Tax expense            | 0.00   | 0.13                             | 0.00                                   |
| Profit after taxation  | (1.02)   | (0.70)                           | (0.69)                                 |
| Proposed Dividend      | Nil  | Nil                              | Nil                                    |
| % of shareholding      | 75%  | 100%                             | 100%                                   |

(₹ in lakhs)

| Name of the Subsidiary | Chitale's Personalised Learning Private Limited | MT Education Services Private Limited | Lakshya Forrum For Competitions Private Limited (formerly known as Lakshya Educare Private Limited) | Labh Venture Private Limited |
|------------------------|---|---------------------------------------|---|------------------------------|
| Share capital          | 12.24   | 1.00                                  | 2.00  | 10.80                        |
| Reserves & surplus     | (255.95)  | 6.34                                  | (1,222.41)  | 1,493.55                     |
| Total assets           | 188.78  | 301.61                                | 8,243.44  | 7,128.41                     |
| Total Liabilities      | 432.48  | 294.27                                | 9,463.85  | 5,624.05                     |
| Investments            | 0.00  | 0.00                                  | 0.00  | 0.05                         |
| Turnover               | 0.00  | 0.00                                  | 2,764.75  | 802.62                       |
| Profit before taxation | (344.86)  | (3.14)                                | (780.13)  | 76.89                        |
| Tax expense            | (37.80)   | 0.00                                  | 3.89  | 70.38                        |
| Profit after taxation  | (307.06)  | (3.14)                                | (784.02)  | 6.51                         |
| Proposed Dividend      | Nil   | Nil                                   | Nil   | Nil                          |
| % of shareholding      | 100%  | 100%                                  | 100%  | 100%                         |

#### Notes:

The Company does not have any Associate/Joint Venture.

**For and on behalf of the Board**

Place: Mumbai  
Date: 8/08/2023

**Surender Singh**  
Erstwhile Chairman & Non-Executive Director  
DIN: 08206770

# Independent Auditor's Report

To,  
The Members of **MT Educare Limited**

## Report on the Audit of the Consolidated Financial Statements

### 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 statement for the year ended 31 March 2023, vest with the IRP.

#### 1. Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **MT Educare Limited** ("the Holding Company or the Company") and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements") or ("the Statement").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of the consolidated affairs of the group as at 31 March 2023, consolidated loss and consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### 2. Basis for Qualified Opinion

- a) The Group has recognized net deferred tax assets of ₹ 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 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 ₹ 7,548.55 lakhs and Net worth of the Group as at 31 March 2023 would have been lower by ₹ 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 ₹ 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 accompanying consolidated annual financial statement. 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 No 1 of the consolidated annual financial statement 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 ₹ 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 ₹ 1,200.63 lakhs and the Net worth of the Group would have been lower

by ₹ 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 balance for the balances lying in current accounts of ₹ 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 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 including which are non-quantifiable as referred therein.

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

**3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the Key audit matters to be communicated in our report.

| S. No. | Key Audit Matter   | How our audit addressed the key audit matter   |
|--------|--|--|
| 1.     | <p><b>Revenue Recognition (Note 27 to the accompanying Consolidated financial statements)</b></p> <p>Revenue is one of the key profit driver and is therefore susceptible to misstatement. Cut off is the key assertion in so far as revenue recognition is concerned. The revenue is also deferred for part of services which have not been rendered.</p> <p>Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.</p> <p>Considering the significant risk and judgment involved in revenue recognition and estimating accruals relating to discounts recognised in relation to services provided during the year, it was determined to be a key audit matter in our audit of the consolidated financial statements.</p> | <p>Our audit procedures, included amongst others, the following:</p> <ul style="list-style-type: none"> <li>i. Assessed the Group's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.</li> <li>ii. Involving verification of controls surrounding revenue invoicing.</li> <li>iii. Testing the end-to-end reconciliation from business support systems to billing and to the general ledger. Performed substantive analytical procedures over the significant revenue streams.</li> <li>iv. Assessed transactions taking place before and after year end to ensure that revenue was recognized in the appropriate period.</li> <li>v. Tested the calculations related to discounts and other supporting documents on test check basis.</li> <li>vi. Performing procedures to test the accuracy and completeness of adjustments, and to ensure that the revenue recognition criteria adopted by the Group is in line with the Group's accounting policies</li> </ul> |

#### 4. **Material Uncertainty relating to Going Concern**

The National Company Law Tribunal has admitted a petition under the Insolvency and Bankruptcy Code, 2016. The Group continues to incur losses and has defaulted in its debts / 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 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 going concern during CIRP as referred in Note 51 to the consolidated financial statements. Accordingly, the consolidated financial statements are continued to be prepared on going concern basis. The appropriateness of the preparation of consolidated financial statements 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. Our Opinion is not modified in respect of this matter.

#### 5. **Information other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Report, Director's report, but does not include the consolidated financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### 6. **Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements**

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 consolidated financial statements, 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 53 of consolidated financial statements.

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors/IRP of the companies included in the Group are responsible for assessing the ability of the Group and of to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/IRP of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## 7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary Companies which are companies incorporated in India 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 ability of the Group 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 statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 8. Other Matter

- (a) Pursuant to applications 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 has admitted the applications and ordered the commencement of corporate insolvency process ("CIRP") of MT Educare Limited (Corporate Debtor) vide its Order dated 16 December 2022 and Mr. Ashwin B Shah was appointed as the Interim Resolution Professional by the NCLT. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23 December 2022. Director Mr. Vipin Choudhary 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 stayed the Constitution 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 COC is not yet formed.

- (b) The consolidated financial statements of the Group shall be signed by the chairperson / managing director / whole time director or in absence of all of them, it should be signed by any director of the Holding Company who is duly authorized by the board of directors to sign the consolidated financial statements. As mentioned in the Note 1 of the consolidated financial statements, in view of the ongoing corporate insolvency resolution process, the powers of the directors stand suspended and are exercised by the Interim Resolution Professional.

## 9. Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and, except for the matter described in the "Basis for Qualified Opinion" paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) Except for the effects/possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements.
  - d) Except for the effects/possible effects of the matter described in the "Basis for

Qualified Opinion" paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2023 and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The matters described under the basis for qualified opinion paragraph above and qualified opinion paragraph of "Annexure B" to this report in our opinion, may have an adverse effect functioning of the Group and on the amounts disclosed in consolidated financial statements of the Group;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

According to records of the Holding Company examined by us, and information and explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group to the consolidated financial statements - Refer Note 35 of the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and



- iii. Following are the instances of delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund (IEPF) by the Group –

| Year          | Amount (₹/ Lakhs) | Due date        | Transferred to IEPF on | Delay in number of days |
|---------------|-------------------|-----------------|------------------------|-------------------------|
| F.Y.2014-2015 | 0.75              | 04 October 2022 | 27 November 2022       | 53                      |
| F.Y.2015-2016 | 0.34              | 03 January 2023 | 11 April 2023          | 96                      |

- iv. a) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Group from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the information and details provided and other audit procedures followed, nothing has come to our notice that has caused us to believe that the representations under sub clause iv(a) and (b) contain any material misstatement.
- v. The Group has not declared or paid dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832  
UDIN: 23107832BGWAXM5327

Place : Mumbai  
Date : 23 May 2023

## Annexure - A to the Independent Auditor's Report

**Annexure referred to in paragraph 9(1) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the consolidated financial statements for the year ended 31 March 2023.**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

(₹ in lakhs)

| Sr. No | Name of Companies                                | Holding Company/ Subsidiary | Clause number of the CARO report which is qualified or is adverse |
|--------|--|-----------------------------|---|
| 1      | MT Educare Limited                               | Holding Company             | (iii), (vii), (ix), (xi), (xvii) and (xix)                        |
| 2      | Lakshaya Forrum for Competitions Private Limited | Subsidiary                  | (iii), (vii), (ix), (xvii) and (xix)                              |
| 3      | Chitale's Personalised Learning Private Limited  | Subsidiary                  | vii, (xvii) and (xix)   |
| 4      | Letspaper Technoloies Private Limited            | Subsidiary                  | (xvii) and (xix)  |
| 5      | MT Education Services Private Limited            | Subsidiary                  | (xvii) and (xix)  |
| 6      | Robomate EduTeach Private Limited                | Subsidiary                  | (xvii) and (xix)  |
| 7      | Sri Gayatri Educational Services Private Limited | Subsidiary                  | (xvii) and (xix)  |
| 8      | Labh Ventures India Private Limited              | Subsidiary                  | (ix)  |

## Annexure - B to the Independent Auditor's Report

### Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 9(2) (f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the MT Educare Limited on the Consolidated Financial Statements for the year ended 31 March 2023

We have audited the internal financial controls over financial reporting of **MT Educare Limited** ("the Company" or "the Holding Company"), and its subsidiary companies, incorporated in India as of 31 March, 2023, in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Holding Company, and its subsidiary companies incorporated in India, internal financial controls over financial reporting as at 31 March 2023:

- a. The Holding Company and its subsidiaries internal process with regard to evaluation of the recognition of deferred tax assets.
- b. The Holding Company and its subsidiaries internal process with regard to confirmation and reconciliation of balance of trade receivables, bank balances, loans and advances, trade payables, other liabilities including the claims of operational/financial/other creditors and employees and claims for guarantee obligations which are not providing for adjustments, which are required to be made to the carrying values of such assets and liabilities.
- c. In respect of delays in payment of certain statutory/ financial dues and filing of certain statutory returns during the year with the respective authorities.
- d. The Holding Company and its subsidiaries internal process with regards to comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities.
- e. The Holding Company and its subsidiaries internal financial control with regard to the compliance with the applicable Indian Accounting Standards and evaluation of carrying values of assets and liabilities and other matters, as fully explained in 'Basis for

Qualified Opinion' paragraph of our main report, resulting in the Holding Company and its subsidiaries not providing for adjustments, which are required to be made, to the consolidated financial statements

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

### Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the effects / possible effects of the material weakness described in the 'Basis for qualified opinion' paragraph above on the achievement of the objectives of the control criteria, the Holding Company, and its subsidiary companies incorporated in India has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls over consolidated financial statements were operating effectively as at 31 March, 2023 based on the internal control over consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial statements issued by the Institute of Chartered Accountants of India

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company as at and for the year ended 31 March 2023, and the material weakness has affected our audit opinion on the consolidated financial statements of the Company for the year ended 31 March 2023, and we have expressed a Qualified opinion on those consolidated financial statements of the Company.

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832  
UDIN: 23107832BGWAXM5327

Place : Mumbai  
Date : 23 May 2023

# Consolidated Balance Sheet

## as at 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

| Particulars  | Note No | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|---------|------------------------|------------------------|
| <b>ASSETS</b>  |         |                        |                        |
| <b>Non-current assets</b>  |         |                        |                        |
| Property, plant and equipment  | 4a      | 2,349.97               | 2,989.83               |
| Right of use assets  | 4b      | 1,327.58               | 985.17                 |
| Capital work-in-progress   | 4c      | 21.83                  | 56.79                  |
| Investment property  | 4d      | 3,528.73               | 3,641.84               |
| Goodwill   | 4e      | -                      | 1,627.52               |
| Intangible assets  | 4f      | 9.45                   | 21.91                  |
| Financial assets   |         |                        |                        |
| - Investments  | 5a      | 0.36                   | 0.36                   |
| - Loans  | 6       | 3,444.14               | 4,368.70               |
| - Other financial assets   | 7       | 286.32                 | 485.01                 |
| Deferred tax assets (net)  | 34      | 7,548.55               | 7,251.79               |
| Non-current tax assets (net)   | 8       | 1,080.71               | 1,044.09               |
| <b>Total non-current assets</b>  |         | <b>19,597.64</b>       | <b>22,473.00</b>       |
| <b>Current assets</b>  |         |                        |                        |
| Financial Assets   |         |                        |                        |
| - Investments  | 5b      | -                      | 0.01                   |
| - Trade Receivables  | 9       | 1,096.18               | 2,420.53               |
| - Cash and cash equivalents  | 10      | 372.72                 | 325.45                 |
| - Bank balances other than cash and cash equivalents                                   | 11      | 551.34                 | 527.75                 |
| - Loans  | 12      | 4,308.10               | 3,383.54               |
| - Other financial assets   | 13      | 3,348.84               | 4,030.56               |
| Other current assets   | 14      | 170.15                 | 122.20                 |
| <b>Total current assets</b>  |         | <b>9,847.33</b>        | <b>10,810.05</b>       |
| <b>TOTAL ASSETS</b>  |         | <b>29,444.97</b>       | <b>33,283.06</b>       |
| <b>EQUITY AND LIABILITIES</b>  |         |                        |                        |
| <b>Equity</b>  |         |                        |                        |
| Equity share capital   | 15      | 7,222.81               | 7,222.81               |
| Other equity   | 16      | (1,539.89)             | 4,530.73               |
| <b>Equity attributable to owners of the company</b>                                    |         | <b>5,682.92</b>        | <b>11,753.54</b>       |
| Non controlling interests  |         | -                      | -                      |
| <b>Total equity</b>  |         | <b>5,682.92</b>        | <b>11,753.54</b>       |
| <b>Liabilities</b>   |         |                        |                        |
| <b>Non-current liabilities</b>   |         |                        |                        |
| Financial liabilities  |         |                        |                        |
| - Borrowings   | 17      | 4,740.46               | 4,210.50               |
| - Lease liabilities  | 18      | 1,322.31               | 723.85                 |
| Provisions   | 19      | 146.56                 | 385.93                 |
| Deferred tax liabilities (net)   | 34      | 150.47                 | 80.09                  |
| Other non-current liabilities  | 20      | 71.56                  | 199.11                 |
| <b>Total non-current liabilities</b>   |         | <b>6,431.36</b>        | <b>5,599.48</b>        |
| <b>Current liabilities</b>   |         |                        |                        |
| Financial liabilities  |         |                        |                        |
| - Borrowings   | 21      | 5,391.37               | 4,599.65               |
| - Lease liabilities  | 22      | 90.69                  | 225.63                 |
| - Trade payables   | 23      | -                      | -                      |
| Total outstanding dues of micro enterprises and small enterprises                      |         | 808.81                 | 176.71                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |         | 5,157.95               | 5,810.04               |
| - Other financial liabilities  | 24      | 2,993.23               | 3,093.85               |
| Other current liabilities  | 25      | 2,520.28               | 1,896.26               |
| Provisions   | 26      | 368.36                 | 127.58                 |
| Current tax liabilities  |         | -                      | 0.33                   |
| <b>Total current liabilities</b>   |         | <b>17,330.69</b>       | <b>15,930.05</b>       |
| <b>Total liabilities</b>   |         | <b>23,762.05</b>       | <b>21,529.53</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |         | <b>29,444.97</b>       | <b>33,283.06</b>       |

The accompanying notes forms an integral part of the financial statements 1 - 56

As per our report of even date attached

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

For **MT Educare Limited**  
CIN: L80903MH2006PLC163888

**Hitendra Bhandari**  
Partner  
Membership Number: 107832

**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

**Surender Singh**  
Director  
DIN - 08206770

Place : Mumbai  
Date : 23 May 2023

**Ravindra Mishra**  
Company Secretary  
Membership no. ACS 29159

## Consolidated statement of profit and loss for the Year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

| Particulars  | Note No.     | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|--------------|----------------------------------|----------------------------------|
| <b>Income</b>  |              |                                  |                                  |
| Revenue from operations  | 27           | 5,819.26                         | 5,304.99                         |
| Other income   | 28           | 449.93                           | 1,497.67                         |
| <b>Total income</b>  |              | <b>6,269.19</b>                  | <b>6,802.66</b>                  |
| <b>Expenses</b>  |              |                                  |                                  |
| Direct expenses  | 29           | 3,829.04                         | 3,105.10                         |
| Employee benefits expense  | 30           | 1,383.12                         | 1,426.62                         |
| Finance costs  | 31           | 864.32                           | 1,062.01                         |
| Depreciation and amortisation expense  | 32           | 1,091.83                         | 1,471.76                         |
| Other expenses   | 33           | 3,770.46                         | 2,023.50                         |
| <b>Total expenses</b>  |              | <b>10,938.77</b>                 | <b>9,088.99</b>                  |
| <b>Profit/(Loss) before exceptional items and tax</b>                        |              | <b>(4,669.58)</b>                | <b>(2,286.33)</b>                |
| Less: Exceptional items (Refer Note 55)                                      |              | 1,627.52                         | -                                |
| <b>Profit/(Loss) before tax</b>  |              | <b>(6,297.10)</b>                | <b>(2,286.33)</b>                |
| <b>Tax expense:</b>  | <b>34</b>    |                                  |                                  |
| (a) Current tax  |              |                                  |                                  |
| - Current year   |              |                                  |                                  |
| - Earlier years  |              | 0.13                             | 308.35                           |
| (b) Deferred tax   |              | (226.49)                         | (42.27)                          |
| Total tax expenses   |              | (226.36)                         | 266.08                           |
| <b>Profit/(Loss) for the year</b>  | <b>(A)</b>   | <b>(6,070.74)</b>                | <b>(2,552.41)</b>                |
| <b>Other comprehensive income (OCI)</b>                                      |              |                                  |                                  |
| Items that will not be reclassified to statement of profit and loss          |              |                                  |                                  |
| Remeasurement of defined benefit plan  |              | 0.16                             | 13.42                            |
| Income tax effect on above   |              | (0.04)                           | (3.38)                           |
| <b>Other comprehensive income for the year</b>                               | <b>(B)</b>   | <b>0.12</b>                      | <b>10.04</b>                     |
| <b>Total comprehensive income/(loss) for the year</b>                        | <b>(A+B)</b> | <b>(6,070.62)</b>                | <b>(2,542.37)</b>                |
| <b>Profit/(Loss) for the year attributable to:</b>                           |              |                                  |                                  |
| Owners of the Company  |              | (6,070.74)                       | (2,552.41)                       |
| Non controlling interest   |              | -                                | -                                |
| <b>Other comprehensive income/(loss) for the year attributable to:</b>       |              |                                  |                                  |
| Owners of the Company  |              | 0.12                             | 10.04                            |
| Non controlling interest   |              | -                                | -                                |
| <b>Total comprehensive income/(loss) for the year attributable to:</b>       |              |                                  |                                  |
| Owners of the Company  |              | (6,070.62)                       | (2,542.37)                       |
| Non - controlling interest   |              | -                                | -                                |
| <b>Earnings/(Loss) per equity share [Face value per share of ₹10 each] :</b> |              |                                  |                                  |
| Basic (₹)  | 36           | (8.40)                           | (3.53)                           |
| Diluted (₹)  | 36           | (8.40)                           | (3.53)                           |

The accompanying notes forms an integral part of the financial statements 1-56

As per our report of even date attached

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

**Hitendra Bhandari**  
Partner  
Membership Number: 107832

Place : Mumbai  
Date : 23 May 2023

For **MT Educare Limited**  
CIN: L80903MH2006PLC163888

**Ashwin Bhavanji Shah**  
Interim Resolution Professional  
AFA Valid Upto 19-Mar-2024  
IP Reg. No: IBBI/PA-001/IP/P-02648/2021-22/14054  
Email ID: mteducare.cirp@gmail.com

**Ravindra Mishra**  
Company Secretary  
Membership no. ACS 29159

**Surender Singh**  
Director  
DIN - 08206770

## Consolidated statement of cash flows

### for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

| Particulars  | For the Year ended<br>31 March 2023 | For the Year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| <b>A. Cash flow from operating activities</b>  |                                     |                                     |
| Profit/(Loss) before exceptional items before tax  | (4,669.58)                          | (2,286.33)                          |
| Adjustments for:   |                                     |                                     |
| Depreciation and amortisation expenses   | 1,091.83                            | 1,471.76                            |
| Impairment loss of Property, Plant and Equipment / Intangible assets                                     | -                                   | 48.22                               |
| Interest income  | (215.53)                            | (70.96)                             |
| Finance Cost   | 864.32                              | 1,062.01                            |
| Net loss on sale / discard of Property, Plant & Equipment / Intangible assets / Capital Work in Progress | 619.89                              | 219.52                              |
| Provision for doubtful debts/ receivables  | 1,918.62                            | 608.68                              |
| Liabilities written back   | (233.74)                            | (1,057.01)                          |
| Provision for impairment of investments  | 0.01                                | -                                   |
| Net Gain on de-recognition of Right of Use Asset   | -                                   | (299.85)                            |
| <b>Operating profit before working capital changes</b>   | <b>(624.19)</b>                     | <b>(303.96)</b>                     |
| Changes in working capital:  |                                     |                                     |
| Decrease/(Increase) in trade and other receivables   | 455.66                              | 1,493.59                            |
| (Decrease)/Increase in trade and other payables  | 405.08                              | (668.79)                            |
| <b>Cash generated from/(used in) operations</b>  | <b>236.56</b>                       | <b>520.83</b>                       |
| Direct Taxes paid (net of refund)  | (36.62)                             | 21.52                               |
| <b>Net cash generated from/(used in) operating activities (A)</b>  | <b>199.94</b>                       | <b>542.34</b>                       |
| <b>B. Cash flow from investing activities</b>  |                                     |                                     |
| Purchase of property, plant and equipment / Intangible assets (including Capital Work-in Progress)       | (256.63)                            | 55.86                               |
| Proceeds from sale of property, plant and equipment / Intangible assets                                  | 4.84                                | 38.70                               |
| Decrease/(Increase) in other bank balances   | (23.58)                             | 173.02                              |
| Decrease/(Increase) from Loans (net)   | -                                   | 167.82                              |
| <b>Net cash flow from investing activities (B)</b>   | <b>(275.37)</b>                     | <b>435.40</b>                       |
| <b>C. Cash flow from financing activities</b>  |                                     |                                     |
| Proceeds/(Repayment) from borrowings (net)   | 1,430.69                            | 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  | (174.77)                            | (72.48)                             |
| <b>Net cash flow used in financing activities ©</b>  | <b>122.70</b>                       | <b>(879.73)</b>                     |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>   | <b>47.27</b>                        | <b>98.02</b>                        |
| Cash and cash equivalents at the beginning of the year   | 325.45                              | 227.44                              |
| <b>Cash and cash equivalents at the end of the year (Refer note 10)</b>                                  | <b>372.72</b>                       | <b>325.45</b>                       |
| <b>Components of cash and cash equivalents at the end of the year</b>                                    |                                     |                                     |
| Balances with banks in current accounts  | 372.72                              | 325.45                              |
|  | <b>372.72</b>                       | <b>325.45</b>                       |

## Consolidated statement of cash flows for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Notes:

1. As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 46
2. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 46
3. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

The accompanying notes forms an integral part of the financial statements

As per our report of even date attached

#### For **MGB & Co. LLP**

Chartered Accountants  
Firm Registration Number 101169W/W-100035

#### **Hitendra Bhandari**

Partner  
Membership Number: 107832

Place : Mumbai  
Date : 23 May 2023

#### For **MT Educare Limited**

CIN: L80903MH2006PLC163888

#### **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

#### **Ravindra Mishra**

Company Secretary  
Membership no. ACS 29159

#### **Surender Singh**

Director  
DIN - 08206770



## Consolidated Statement of changes in equity for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### A) Equity share capital

| Particulars                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Balance at the beginning of the reporting period | 7,222.81               | 7,222.81               |
| Changes in equity share capital during the year  | -                      | -                      |
| Balance at the end of the reporting year         | 7,222.81               | 7,222.81               |

The Company is not required to make any changes in Equity Share Capital as there are no prior period errors.

### B) Other equity

| Particulars   | Attributable to owners of the company |                                  |                    |                      |  | Non -<br>controlling<br>interests | Total             |
|---|---------------------------------------|----------------------------------|--------------------|----------------------|--|-----------------------------------|-------------------|
|   | Reserves and Surplus                  |                                  |                    |                      |  |                                   |                   |
|   | Capital<br>reserve                    | Securities<br>premium<br>reserve | General<br>reserve | Retained<br>earnings | Total<br>attributable<br>to owners of<br>the company |                                   |                   |
| <b>Balance as at 01 April 2021 (A)</b>                    | <b>17.49</b>                          | <b>20,032.01</b>                 | <b>(13,008.09)</b> | <b>31.68</b>         | <b>7,073.09</b>                                      | -                                 | <b>7,073.09</b>   |
| Net Profit/(Loss) for the year                            | -                                     | -                                | -                  | (2,552.41)           | (2,552.41)   | -                                 | (2,552.41)        |
| Other comprehensive income/(loss), net of tax             | -                                     | -                                | -                  | 10.04                | 10.04  | -                                 | 10.04             |
| <b>Total Comprehensive income/(loss) for the year (B)</b> | <b>-</b>                              | <b>-</b>                         | <b>-</b>           | <b>(2,542.37)</b>    | <b>(2,542.37)</b>                                    | <b>-</b>                          | <b>(2,542.37)</b> |
| Transferred to general reserve                            | -                                     | -                                | (2,552.41)         | 2,552.41             | -  | -                                 | -                 |
| <b>Total ©</b>  | <b>-</b>                              | <b>-</b>                         | <b>(2,552.41)</b>  | <b>2,552.41</b>      | <b>-</b>   | <b>-</b>                          | <b>-</b>          |
| <b>Balance as at 31 March 2022 (D= A+B+C)</b>             | <b>17.49</b>                          | <b>20,032.01</b>                 | <b>(15,560.50)</b> | <b>41.73</b>         | <b>4,530.73</b>                                      | <b>-</b>                          | <b>4,530.73</b>   |
| Net Profit/(Loss) for the year                            | -                                     | -                                | -                  | (6,070.74)           | (6,070.74)   | -                                 | (6,070.74)        |
| Other Comprehensive income/(loss), net of tax             | -                                     | -                                | -                  | 0.12                 | 0.12   | -                                 | 0.12              |
| <b>Total Comprehensive income/(loss) for the year (E)</b> | <b>-</b>                              | <b>-</b>                         | <b>-</b>           | <b>(6,070.62)</b>    | <b>(6,070.62)</b>                                    | <b>-</b>                          | <b>(6,070.62)</b> |
| Transferred to general reserve                            | -                                     | -                                | (6,070.74)         | 6,070.74             | -  | -                                 | -                 |
| <b>Total (F)</b>  | <b>-</b>                              | <b>-</b>                         | <b>(6,070.74)</b>  | <b>6,070.74</b>      | <b>-</b>   | <b>-</b>                          | <b>-</b>          |
| <b>Balance as at 31 March 2023 (G=D+E+F)</b>              | <b>17.49</b>                          | <b>20,032.01</b>                 | <b>(21,631.24)</b> | <b>41.85</b>         | <b>(1,539.89)</b>                                    | <b>-</b>                          | <b>(1,539.89)</b> |

#### Note:

- Capital Reserve represents capital surplus and not normally available for distribution as dividend
- Securities Premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive Income.
- The Group is not required to make any changes in Other Equity as there are no prior period errors.

The accompanying notes forms an integral part of the financial statements

As per our report of even date attached

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

**Hitendra Bhandari**  
Partner  
Membership Number: 107832

Place : Mumbai  
Date : 23 May 2023

For **MT Educare Limited**  
CIN: L80903MH2006PLC163888

**Ashwin Bhavanji Shah**  
Interim Resolution Professional  
AFA Valid Upto 19-Mar-2024  
IP Reg. No: IBBI/PA-001/IP/P-02648/2021-22/14054  
Email ID: mteducare.cirp@gmail.com

**Ravindra Mishra**  
Company Secretary  
Membership no. ACS 29159

**Surender Singh**  
Director  
DIN - 08206770

# Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

## 1 Corporate information

MT Educare Limited ('the 'Company' or the 'Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive and chartered accountancy examinations. The company is domiciled in India and is incorporated under the provisions of erstwhile Companies Act, 1956. The Company's share are listed on two recognised stock exchanges - National Stock Exchange and Bombay Stock Exchange.

Pursuant to an application filed by Connect Residuary Private Limited before the National Group 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 Group") 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 Group 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.

The consolidated financial statements of the Group shall be signed by the chairperson / managing director / whole time director or in absence of all of them, it should be signed by any director of the Holding Company who is duly authorized by the board of directors to sign the consolidated financial statements. In view of the ongoing CIRP, the powers of the directors stand suspended and are exercised by the IRP ( refer note 53)

## 2 Summary of significant accounting policies

### 2.1 Basis of accounting and preparation of financial statements

#### (a) Statement of Compliance with Ind AS

These financial statements of the Group (also referred to as consolidated financial statements) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements are approved for issue by the Audit Committee and Board of Directors at its meeting held on 23 May, 2023

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### (b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value
- ii) Share based payment measured at fair value
- iii) Defined benefit plans – plan assets measured at fair value

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

- iv) Assets classified as held for sale - measured at the lower of carrying amount or fair value less costs to sell

The consolidated financial statements are prepared in Indian Rupees ('INR') and all values are rounded off to the nearest lakhs, except when otherwise indicated.

### 2.2 Cash and cash equivalents

Cash and cash equivalent in the Consolidated Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consists of cash at bank and on hand and short-term deposits, as defined above.

### 2.3 Property, plant and equipment, capital work in progress and capital advances

An item of Property, Plant and Equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of Property, Plant and Equipment are carried out at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/acquisition and exclusive of input tax credit or other tax credit available to the Group.

Subsequent expenditure relating to property, plant and equipment is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

In case of centers closed down or relocated during the period, Written Down Value (WDV) of leasehold improvements / fixtures as on the date on which the centre is closed down / relocated are completely written off.

Capital Work-In-Progress are assets that are not ready for the intended use as at the Balance Sheet date. Capital advances represents advances given towards acquisition of property, plant and equipment and are outstanding as at the Balance Sheet date. Capital advances are disclosed under other non-current assets.

### 2.4 Intangible assets and Intangible assets under development

#### Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

The Group's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets under development: Expenses incurred on in-house development of courseware and products are shown as Intangible asset under development till the asset is ready to use. They shall be capitalized either individually or as a knowledge bank in the form of Technology Aided Teaching (TAT) / Multimedia Software. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Ind AS 38, "Intangible Assets".

### 2.5 Depreciation / Amortisation on property, plant and equipment and intangible assets

Depreciation is calculated on a straight-line basis to allocate the cost of assets, net of their residual values, if any, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. The useful lives have been determined based on technical evaluation in line with useful lives mentioned in Schedule II to the Act except for air-conditioners, office equipments and computer hardware where the management believes the revised useful life of these assets correctly reflect the periods over which the assets are expected to be used. Useful life for Air-conditioners, Office equipments and Computer hardware is 6, 4 and 4 years respectively which are grouped under plant and machinery (including office equipments) and computers and e learning equipments.

Residual values, useful life of assets and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year with the

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

effect of any changes in the estimate is accounted for on a prospective basis.

Amortization of the intangible assets is provided on pro-rata basis on straight line basis based on management's technical assessment of useful life of the assets:

- (i) 3 years on non-compete fees and Technology Aided Teaching (TAT)
- (ii) 5 years on Enterprise Resources Planning Software (ERP) and other software
- (iii) 5 years on purchase of Trademark
- (iv) 3 years for content
- (v) 3 years on goodwill, based on management's current estimate of useful life of the asset.

### 2.6 Impairment of non-financial assets

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, The Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### 2.7 Goodwill and impairment of goodwill

Goodwill is measured as the excess of the sum of the consideration transferred over the net of acquisition-date amounts of the identifiable assets

acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in Statement of Profit and Loss.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

### 2.8 Revenue recognition

Group earns revenue primarily from providing coaching and educational support services to customer. The Group has applied Ind AS 115 "Revenue from contract with customer" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

- Revenue related to coaching services to students/government is recognised based on time elapsed mode and revenue is straight lined over the period of course duration.
- Revenue from sale of hardware/content is recognised upfront at the point in time when the hardware / content is delivered to the customer via online/offline delivery, wherever applicable, while the Group retains neither managerial involvement nor the effective control.
- Management fee is recognised as per the terms of the contract.
- Revenue from government projects includes fees for services rendered and is recognised over the period of the training and coaching service duration, after taking into account the uncertainty involved in condition to be fulfilled vide the terms of contract.
- In arrangements of providing both coaching services as well as hardware/content to students, the Group has applied the guidance in Ind AS 115 "Revenue from Contract with Customers", by

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

The Group recognises revenue on satisfaction of a performance obligation which is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as a part of the contract. Revenue excludes taxes collected from Customers.

Contract assets are recognised when there is excess of revenue earned over billings/receipts on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Advance fees ("contract liability") is recognised when there is billings/receipts in excess of revenues.

### 2.9 Other income

Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement in case of sales provided that it is probable that the economic benefits associated with the royalty shall flow and the amount of royalty can be measured reliably.

Dividend income from investments is recognised when the right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow and also the amount of dividend income can be measured reliably.

### 2.10 Foreign currency transactions and translations

#### Initial recognition:

Items included in the consolidated financial statements are measured using the currency of the

primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency. Foreign currency transactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

#### Conversion:

Foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

#### Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

### 2.11 Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity and Compensated Absences.

#### Defined contribution plan:

The Group's contribution to Provident Fund and Employee State Insurance are considered as defined contribution plan and are recognised as an expense in the Consolidated Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The Group has no further obligations under these plans beyond its monthly contributions.

#### Defined benefit plan:

For Defined Benefit Plans in the form of Gratuity - funded, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

### Short term and Other Long term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits, employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date."

### 2.12 Leases

The Group as a lessee: 'The Group's lease asset classes primarily consist of leases for building premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to

extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease payments have been classified as financing cash flows.

### Operating lease / Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.13 Earnings per share

Basic Earnings Per Share is calculated by dividing the Net profit / loss after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period and for all periods presented are adjusted for events of bonus, granting and vesting employee stock options to employees. For the purpose of calculating diluted

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

earnings per share, the net profit / loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.14 Tax expense

Tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using applicable tax rates that have been enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

#### Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity,

in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

### 2.15 Provisions, Contingent liabilities, contingent assets and commitments

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

### 2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

### 2.17 Borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of asset, if any. All other borrowing costs are expensed in the period in which they occur.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### 2.18 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment Property. Investment property is measured at its cost, including related transaction costs and, where applicable, borrowing costs less depreciation and impairment, if any. Depreciation on building is provided over its useful life using the straight lining method.

Useful life considered for calculation of depreciation for assets class are as follows:

Factory building - 30 years

### 2.19 Business combinations

Business combinations are accounted for using the 'Acquisition Method'. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as 'Goodwill'. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as 'Capital Reserve'. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the 'Pooling of Interests Method'. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as 'Capital Reserve' under equity.

### 2.20 Events occurring after the reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed as at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### 2.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A. Financial assets

##### a) Initial recognition and measurement

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

##### b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- i) Debt instruments measured at amortised cost
- ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments measured at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at FVTOCI or FVTPL



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

### Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

#### i) Debt instruments measured at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

#### ii) Debt instruments measured at FVTOCI

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

#### iii) Debt instruments measured at FVTPL

Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Debt instruments which are held for trading are classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

#### iv) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### B. Derecognition of financial assets

A financial asset is derecognised only when

- i) The Group has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

the extent of continuing involvement in the financial asset.

### C. Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

- i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve months after the reporting date) or
- ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on twelve months ECL.

### D. Financial liabilities

- a) **Initial recognition and measurement**  
Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial liability at initial recognition. All financial liabilities

are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

#### b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities measured at amortised cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

#### i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

#### ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are carried in the statement of profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.

#### c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### E. Derivatives

The Group uses interest rate swaps to hedge its variability in cash flows from interest payments arising from floating rate liabilities i.e. when interests are paid according to benchmark market interest rates. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

#### Fair value measurement

The Group measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers, if any, have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.22 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries (together referred to as Group"). Control exists when the Group has:

- power over the investee;
  - exposure or rights, to variable returns from its involvement with the investee; and
  - ability to use its power over the investee to affect its returns.
- The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Generally, there is a presumption that a majority of voting rights result in control. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity. Any investment retained is measured at fair value. Any resultant gain or loss is recognised in the Consolidated Statement of Profit and Loss. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Group, i.e. year ended on 31 March 2023. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Group and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses in accordance with Ind AS 110 "Consolidated Financial Statements". Further, the carrying amount of the Holding Group's investments in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated on consolidation.
- b) Profit or loss and each component of Other Comprehensive Income (the 'OCI') are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- c) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary

companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus' in the consolidated financial statements.

d) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders' at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year and each component of other comprehensive income of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders' of the Group.

e) Goodwill arising on consolidation is not amortised but tested for impairment."

### 2.23 Significant accounting estimates and judgements

The preparation of consolidated financial statements requires management to exercise judgment in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accounting disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

#### (a) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

### (b) Useful lives and residual values

The Group reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

### (c) Impairment testing

i Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

### (d) Tax

i The Group's tax charge is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

ii Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

iii The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the

losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Group in which the deferred tax asset has been recognized.

### (e) Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 40-, 'Employee benefits'.

### (f) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions."

### (g) Leases

The Group has exercised judgement in determining the lease term as the non cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

security, the funds necessary to obtain an asset of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

### 3 Recent accounting pronouncements

#### Recent Indian Accounting Standards (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group

has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statement.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4a : Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2023 are as follows:

|  | Freehold land | Building (Refer note (a)) | Plant & machinery (including office equipments) | Furniture and fixtures | Vehicles | Computers and E-learning equipment | Total      |
|--|---------------|---------------------------|---|------------------------|----------|------------------------------------|------------|
| Gross carrying value as at 01 April 2022     | 445.49        | 2,475.82                  | 2,010.16  | 4,043.22               | 31.32    | 2,331.65                           | 11,337.65  |
| Additions                                    | -             | -                         | 38.77   | 211.69                 | -        | 22.58                              | 273.04     |
| Disposals / Discard                          | -             | -                         | (1,450.86)                                      | (2,870.11)             | (15.06)  | (976.64)                           | (5,312.67) |
| Gross carrying value as at 31 March 2023     | 445.49        | 2,475.82                  | 598.07  | 1,384.80               | 16.25    | 1,377.59                           | 6,298.01   |
| Accumulated depreciation as at 01 April 2022 | -             | (954.70)                  | (1,754.05)                                      | (3,428.12)             | (29.74)  | (2,181.20)                         | (8,347.81) |
| Depreciation for the Year                    | -             | (135.47)                  | (65.68)   | (83.84)                | -        | (37.73)                            | (322.71)   |
| Disposals / Discard                          | -             | -                         | 1,349.50  | 2,443.18               | 14.31    | 915.50                             | 4,722.48   |
| Accumulated depreciation as at 31 March 2023 | -             | (1,090.17)                | (470.23)  | (1,068.78)             | (15.44)  | (1,303.43)                         | (3,948.04) |
| Carrying value as at 01 April 2022           | 445.49        | 1,521.12                  | 256.11  | 615.10                 | 1.58     | 150.44                             | 2,989.83   |
| Carrying value as at 31 March 2023           | 445.49        | 1,385.65                  | 127.84  | 316.02                 | 0.82     | 74.16                              | 2,349.97   |

### Note 4b : Right-of-use asset

The changes in the carrying value of Right of use asset for the year ended 31 March 2023 are as follows :

|   | Leased Premises   | Total             |
|---|-------------------|-------------------|
| Gross carrying value as at 01 April 2022            | 3,656.37          | 3,656.37          |
| Additions   | 993.43            | 993.43            |
| Deletions   | -                 | -                 |
| <b>Gross carrying value as at 31 March 2023</b>     | <b>4,649.81</b>   | <b>4,649.81</b>   |
| <b>Accumulated depreciation as at 01 April 2022</b> | <b>(2,671.20)</b> | <b>(2,671.20)</b> |
| Depreciation for the Year                           | (651.02)          | (651.02)          |
| Deletions   | -                 | -                 |
| <b>Accumulated depreciation as at 31 March 2023</b> | <b>(3,322.22)</b> | <b>(3,322.22)</b> |
| <b>Carrying value as at 01 April 2022</b>           | <b>985.17</b>     | <b>985.17</b>     |
| <b>Carrying value as at 31 March 2023</b>           | <b>1,327.58</b>   | <b>1,327.58</b>   |

### Note 4c: Capital Work in Progress

The changes in the carrying value of Capital Work in Progress for the year ended 31 March 2023 are as follows :

|                             | Amount  |
|-----------------------------|---------|
| <b>As at 01 April 2022</b>  | 56.79   |
| Additions during the year   | -       |
| Impairment for the year     | (10.17) |
| Capitalised during the year | (24.79) |
| <b>As at 31 March 2023</b>  | 21.83   |

#### Capital Work in Progress (Capital Work in Progress) ageing Schedule

| Capital Work in Progress | Amount in Capital Work in Progress for a period of |           |           |                   | Total |
|--------------------------|--|-----------|-----------|-------------------|-------|
|                          | Less than 1 year                                   | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress     | -  | 21.83     | -         | -                 | 21.83 |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4d : Investment Property

The changes in the carrying value of Investment Property for the year ended 31 March 2023 are as follows :

| Particulars   | Freehold land   | Building        | Total           |
|---|-----------------|-----------------|-----------------|
| <b>Gross carrying value as at 01 April 2022</b>     | <b>1,039.48</b> | <b>3,317.79</b> | <b>4,357.27</b> |
| Additions   | -               | -               | -               |
| Deletions   | -               | -               | -               |
| <b>Gross carrying value as at 31 March 2023</b>     | <b>1,039.48</b> | <b>3,317.79</b> | <b>4,357.27</b> |
| <b>Accumulated depreciation as at 01 April 2022</b> | <b>-</b>        | <b>(715.43)</b> | <b>(715.43)</b> |
| Depreciation for the Year                           | -               | (113.11)        | (113.11)        |
| Deletions   | -               | -               | -               |
| <b>Accumulated depreciation as at 31 March 2023</b> | <b>-</b>        | <b>(828.54)</b> | <b>(828.54)</b> |
| <b>Carrying value as at 01 April 2022</b>           | <b>1,039.48</b> | <b>2,602.36</b> | <b>3,641.84</b> |
| <b>Carrying value as at 31 March 2023</b>           | <b>1,039.48</b> | <b>2,489.25</b> | <b>3,528.73</b> |

### Note 4e : Goodwill

The changes in the carrying value of Goodwill for the year ended 31 March 2023 are as follows :

| Particulars   | Goodwill on consolidation | Goodwill (acquired seperately) | Total             |
|---|---------------------------|--------------------------------|-------------------|
| <b>Gross carrying value as at 01 April 2022</b>     | <b>1,627.52</b>           | <b>137.47</b>                  | <b>1,764.99</b>   |
| Additions   | -                         | -                              | -                 |
| Deletions   | -                         | -                              | -                 |
| <b>Gross carrying value as at 31 March 2023</b>     | <b>1,627.52</b>           | <b>137.47</b>                  | <b>1,764.99</b>   |
| <b>Accumulated depreciation as at 01 April 2022</b> | <b>-</b>                  | <b>(137.47)</b>                | <b>(137.47)</b>   |
| Depreciation for the Year                           | -                         | -                              | -                 |
| Deletions   | -                         | -                              | -                 |
| <b>Accumulated depreciation as at 31 March 2023</b> | <b>-</b>                  | <b>(137.47)</b>                | <b>(137.47)</b>   |
| <b>Impairment for the year</b>                      | <b>(1,627.52)</b>         | <b>-</b>                       | <b>(1,627.52)</b> |
| <b>Carrying value as at 01 April 2022</b>           | <b>1,627.52</b>           | <b>-</b>                       | <b>1,627.52</b>   |
| <b>Carrying value as at 31 March 2023</b>           | <b>-</b>                  | <b>-</b>                       | <b>-</b>          |

### Note 4d: Intangible assets

The changes in the carrying value of acquired intangible assets for the year ended 31 March 2023 are as follows :

| Particulars   | Trademark     | Enterprise resource planing software | Software        | Content           | Non compete fees | Technology aided teaching | Total             |
|---|---------------|--------------------------------------|-----------------|-------------------|------------------|---------------------------|-------------------|
| <b>Gross carrying value as at 01 April 2022</b>     | <b>1.22</b>   | <b>336.80</b>                        | <b>604.74</b>   | <b>3,365.59</b>   | <b>60.56</b>     | <b>126.00</b>             | <b>4,494.91</b>   |
| Additions   | -             | -                                    | -               | -                 | -                | -                         | -                 |
| Disposals / Discard                                 | -             | -                                    | (390.30)        | -                 | -                | -                         | -390.30           |
| <b>Gross carrying value as at 31 March 2023</b>     | <b>1.22</b>   | <b>336.80</b>                        | <b>214.44</b>   | <b>3,365.59</b>   | <b>60.56</b>     | <b>126.00</b>             | <b>4,104.61</b>   |
| <b>Accumulated depreciation as at 01 April 2022</b> | <b>(1.22)</b> | <b>(328.93)</b>                      | <b>(602.45)</b> | <b>(3,353.84)</b> | <b>(60.56)</b>   | <b>(126.00)</b>           | <b>(4,472.99)</b> |
| Amortization expense                                | -             | (6.47)                               | (2.01)          | (3.98)            | -                | -                         | (12.46)           |
| Disposals / Discard                                 | -             | -                                    | 390.30          | -                 | -                | -                         | 390.30            |
| <b>Accumulated depreciation as at 31 March 2023</b> | <b>(1.22)</b> | <b>(335.40)</b>                      | <b>(214.17)</b> | <b>(3,357.82)</b> | <b>(60.56)</b>   | <b>(126.00)</b>           | <b>(4,095.16)</b> |
| <b>Carrying value as at 01 April 2022</b>           | <b>-</b>      | <b>7.87</b>                          | <b>2.29</b>     | <b>11.75</b>      | <b>-</b>         | <b>-</b>                  | <b>21.91</b>      |
| <b>Carrying value as at 31 March 2023</b>           | <b>-</b>      | <b>1.40</b>                          | <b>0.28</b>     | <b>7.77</b>       | <b>-</b>         | <b>-</b>                  | <b>9.45</b>       |



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note:

- Mortgage is created in favour of bank for limits granted to Sri Gayatri Education Society. Refer Note 35.1.1
- Term loan from bank is secured by first pari passu hypothecation charge on the all movable assets (except vehicle) of the Company both present and future, refer note 17 and note 21.
- For related party transaction, refer note 37.
- The title deeds of immovable property are in the name of the Company.
- In view of no operating activities and default in repayment of debts of secured creditors in subsidiary of MT Educare Limited, the goodwill on consolidation of ₹ 1,627.52 lakhs is impaired.

### Note 4a : Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2022 were as follows:

| Particulars   | Freehold land | Building (Refer note (a)) | Plant & machinery (including office equipments) | Furniture and fixtures | Vehicles | Computers and E-learning equipment | Total      |
|---|---------------|---------------------------|---|------------------------|----------|------------------------------------|------------|
| Gross carrying value as at 01 April 2021                  | 445.49        | 2,475.82                  | 2,045.21  | 4,083.25               | 31.32    | 2,533.80                           | 11,614.89  |
| Additions   | -             | -                         | 3.66  | 7.80                   | -        | 11.36                              | 22.82      |
| Deletions   | -             | -                         | (38.71)   | (47.83)                | -        | (213.52)                           | (300.06)   |
| Gross carrying value as at 31 March 2022                  | 445.49        | 2,475.82                  | 2,010.16  | 4,043.22               | 31.32    | 2,331.65                           | 11,337.65  |
| Accumulated depreciation as at 01 April 2021 <sup>#</sup> | -             | (886.25)                  | (1,722.48)                                      | (2,965.90)             | (29.74)  | (2,309.74)                         | (7,914.12) |
| Depreciation for the Year                                 | -             | (68.45)                   | (66.76)   | (254.42)               | -        | (53.35)                            | (442.98)   |
| Disposals/adjustments                                     | -             | -                         | 35.91   | 52.69                  | -        | 182.26                             | 270.86     |
| Accumulated depreciation as at 31 March 2022 <sup>#</sup> | -             | (954.70)                  | (1,753.33)                                      | (3,167.63)             | (29.74)  | (2,180.83)                         | (8,086.24) |
| Impairment for the year                                   | -             | -                         | (0.72)  | (260.49)               | -        | (0.37)                             | (261.58)   |
| Carrying value as at 01 April 2021                        | 445.49        | 1,589.56                  | 322.72  | 1,117.35               | 1.57     | 224.06                             | 3,700.77   |
| Carrying value as at 31 March 2022 <sup>##</sup>          | 445.49        | 1,521.11                  | 256.11  | 615.10                 | 1.57     | 150.44                             | 2,989.83   |

### Note 4b : Right-of-use asset

The changes in the carrying value of Right of use asset for the year ended 31 March 2022 were as follows :

| Particulars  | Leased Premises   | Total             |
|--|-------------------|-------------------|
| Gross carrying value as at 01 April 2021               | 5,120.21          | 5,120.21          |
| Additions  | 674.62            | 674.62            |
| Deletions  | 2,138.46          | 2,138.46          |
| <b>Gross carrying value as at 31 March 2022</b>        | <b>3,656.37</b>   | <b>3,656.37</b>   |
| <b>Accumulated depreciation as at 01 April 2021</b>    | <b>(2,996.92)</b> | <b>(2,996.92)</b> |
| Depreciation for the Year                              | (853.19)          | (853.19)          |
| Disposals/adjustments                                  | 1,178.91          | 1,178.91          |
| <b>Accumulated depreciation as at 31 March 2022</b>    | <b>(2,671.20)</b> | <b>(2,671.20)</b> |
| <b>Impairment for the year</b>                         | <b>2,123.29</b>   | <b>2,123.30</b>   |
| <b>Carrying value as at 31 March 2022<sup>##</sup></b> | <b>985.17</b>     | <b>985.17</b>     |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4c: Capital Work in Progress

The changes in the carrying value of Capital Work in Progress for the year ended 31 March 2022 were as follows :

|                             | Amount       |
|-----------------------------|--------------|
| <b>As at 01 April 2021</b>  | -            |
| Addition during the year    | 56.79        |
| Capitalised during the year | -            |
| <b>as at 31 March 2022</b>  | <b>56.79</b> |

### Note 4d : Investment Property

The changes in the carrying value of Investment Property for the year ended 31 March 2022 were as follows:

| Particulars   | Freehold land   | Building        | Total           |
|---|-----------------|-----------------|-----------------|
| <b>Gross carrying value as at 01 April 2021</b>     | <b>1,039.48</b> | <b>3,317.79</b> | <b>4,357.27</b> |
| Additions   | -               | -               | -               |
| Deletions   | -               | -               | -               |
| <b>Gross carrying value as at 31 March 2022</b>     | <b>1,039.48</b> | <b>3,317.79</b> | <b>4,357.27</b> |
| <b>Accumulated depreciation as at 01 April 2021</b> | -               | <b>(602.32)</b> | <b>-602.32</b>  |
| Depreciation for the Year                           | -               | (113.11)        | -113.11         |
| Disposals/adjustments                               | -               | -               | -               |
| <b>Accumulated depreciation as at 31 March 2022</b> | -               | <b>(715.43)</b> | <b>(715.43)</b> |
| <b>Impairment for the year</b>                      | <b>1,039.48</b> | <b>2,715.47</b> | <b>3,754.95</b> |
| <b>Carrying value as at 31 March 2022 ##</b>        | <b>1,039.48</b> | <b>2,602.36</b> | <b>3,641.84</b> |

### Note 4e : Goodwill

The changes in the carrying value of Right of use asset for the year ended 31 March 2022 were as follows:

| Particulars   | Goodwill on consolidation | Goodwill (acquired seperately) | Total           |
|---|---------------------------|--------------------------------|-----------------|
| <b>Gross carrying value as at 01 April 2021</b>     | <b>1,627.52</b>           | <b>137.47</b>                  | <b>1,764.99</b> |
| Additions   | -                         | -                              | -               |
| Deletions   | -                         | -                              | -               |
| <b>Gross carrying value as at 31 March 2022</b>     | <b>1,627.52</b>           | <b>137.47</b>                  | <b>1,764.99</b> |
| <b>Accumulated depreciation as at 01 April 2021</b> | -                         | <b>(137.47)</b>                | <b>(137.47)</b> |
| Depreciation for the Year                           | -                         | -                              | -               |
| Disposals/adjustments                               | -                         | -                              | -               |
| <b>Accumulated depreciation as at 31 March 2022</b> | -                         | <b>(137.47)</b>                | <b>(137.47)</b> |
| <b>Impairment for the year</b>                      | -                         | -                              | -               |
| <b>Carrying value as at 31 March 2022 ##</b>        | <b>1,627.52</b>           | -                              | <b>1,627.52</b> |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 4f : Intangible assets

The changes in the carrying value of acquired intangible assets for the year ended 31 March 2022 are as follows:

| Particulars   | Trademark     | Enterprise resource planning software | Software        | Content           | Technology aided teaching | Non compete fees | Total             |
|---|---------------|---------------------------------------|-----------------|-------------------|---------------------------|------------------|-------------------|
| <b>Gross carrying value as at 01 April 2021</b>                 | <b>1.22</b>   | <b>336.80</b>                         | <b>604.74</b>   | <b>3,365.59</b>   | <b>60.56</b>              | <b>126.00</b>    | <b>4,494.91</b>   |
| Additions   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| Deletions   | -             | -                                     | -               | -                 | -                         | -                | -                 |
| <b>Gross carrying value as at 31 March 2022</b>                 | <b>1.22</b>   | <b>336.80</b>                         | <b>604.74</b>   | <b>3,365.59</b>   | <b>60.56</b>              | <b>126.00</b>    | <b>4,494.91</b>   |
| <b>Accumulated depreciation as at 01 April 2021<sup>#</sup></b> | <b>(1.22)</b> | <b>(321.56)</b>                       | <b>(569.45)</b> | <b>(3,322.81)</b> | <b>(60.56)</b>            | <b>(126.00)</b>  | <b>(4,401.58)</b> |
| Amortization expense  | -             | (7.37)                                | (24.38)         | (30.72)           | -                         | -                | (62.48)           |
| Accumulated amortization on deletions                           | -             | -                                     | -               | -                 | -                         | -                | -                 |
| <b>Accumulated amortization as at 31 March 2022<sup>#</sup></b> | <b>(1.22)</b> | <b>(328.93)</b>                       | <b>(593.83)</b> | <b>(3,353.53)</b> | <b>(60.56)</b>            | <b>(126.00)</b>  | <b>(4,464.06)</b> |
| <b>Provision for impairment for the year</b>                    |               |                                       | <b>(8.62)</b>   | <b>(0.31)</b>     |                           |                  | <b>(8.93)</b>     |
| <b>Carrying value as at 01 April 2021</b>                       | <b>-</b>      | <b>15.25</b>                          | <b>35.30</b>    | <b>42.78</b>      | <b>-</b>                  | <b>-</b>         | <b>93.33</b>      |
| <b>Carrying value as at 31 March 2022<sup>##</sup></b>          | <b>-</b>      | <b>7.87</b>                           | <b>2.29</b>     | <b>11.75</b>      | <b>-</b>                  | <b>-</b>         | <b>21.91</b>      |

#### Notes:

- Mortgage is created in favour of bank for limits granted to Sri Gayatri Education Society. Refer Note 35.1.1
- Term loan from bank is secured by first pari passu hypothecation charge on the all movable assets (except vehicle) of the Company both present and future, refer note 17 and note 21.
- For related party transaction, refer note 37.
- The title deeds of immovable property are in the name of the Company.
- <sup>#</sup>includes Impairment of ₹ 103.74 lakhs (Nil)
- <sup>##</sup>is net off accumulated impairment of ₹ 374.15 lakhs (103.74 lakhs)

### Note 5a: Financial assets- Non current Investments

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Investment in entity instruments (fully paid up)</b>   |                        |                        |
| <b>Unquoted</b>   |                        |                        |
| Investment in other entity (at Fair Value Through Profit and Loss)  |                        |                        |
| 1,250 (Previous Year : 1,250) Equity Shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited            | 0.31                   | 0.31                   |
| 475.5 Equity shares of ₹ 10/- each fully paid up The Shamrao Vithal Co-operative Bank Limited ( Previous Year: 290 equity shares) | 0.05                   | 0.05                   |
| <b>Total</b>  | <b>0.36</b>            | <b>0.36</b>            |
| Aggregate carrying value of unquoted investments  | 0.36                   | 0.36                   |
| Provision for impairment  | -                      | -                      |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 5b: Financial assets - Current Investments (at Fair Value through Profit and Loss)

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Mutual Funds</b>   |                        |                        |
| HDFC Liquid Fund-Direct Plan-Growth Option of Face Value ₹ 1,000 each<br>Nil units (Previous Year: 0.355 units) | 0.01                   | 0.01                   |
|   | <b>0.01</b>            | <b>0.01</b>            |
| Aggregate carrying value of investments   | <b>0.01</b>            | <b>0.01</b>            |
| Provision for impairment  | <b>(0.01)</b>          | -                      |

### Note 6 Non current financial assets - loans

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(Unsecured considered good, unless stated otherwise)</b> |                        |                        |
| At Amortised cost   |                        |                        |
| Loans and advances  |                        |                        |
| Loans - considered good - unsecured                         | -                      | 2,052.29               |
| Loans which have significant increase in credit risk        | 3,444.14               | 2,316.41               |
| Loans - credit impaired                                     | 3,659.30               | 5,125.72               |
|   | <b>7,103.44</b>        | <b>9,494.42</b>        |
| Less: Provision for doubtful loans and advances             | (3,659.30)             | (5,125.72)             |
| <b>Total</b>  | <b>3,444.14</b>        | <b>4,368.70</b>        |

**Note 6.1.** No Debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

**Note 6.2.** The Group has not given any non current loans and advances in the nature of loan to promoter, directors, Key managerial personnels (KMPs), and related parties.

### Note 7: Other non-current financial assets

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(Unsecured considered good, unless stated otherwise)</b> |                        |                        |
| At Amortised cost   |                        |                        |
| Security deposits   | 135.09                 | 361.13                 |
| Deposit against disputed tax matters                        | 151.23                 | 123.88                 |
| <b>Total</b>  | <b>286.32</b>          | <b>485.01</b>          |

Note : For related party transactions refer note 37

### Note 8: Non-current tax assets (Net)

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Balance with Government Authorities Direct Taxes<br>(net of provision for taxation) | 1,080.71               | 1,044.10               |
| <b>Total</b>  | <b>1,080.71</b>        | <b>1,044.10</b>        |

Note : For related party transactions refer note 37

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 9: Trade receivables

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Trade receivables                          | 9,876.57               | 10,026.97              |
|  | 9,876.57               | 10,026.97              |
| Less: Allowance for bad and doubtful debts | (8,780.39)             | (7,606.43)             |
| <b>Total</b>                               | <b>1,096.18</b>        | <b>2,420.53</b>        |

#### Note:

#### 9.1 Breakup of Trade receivables:

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Trade receivables - considered good - unsecured                  | 990.24                 | 367.49                 |
| Trade receivables which have significant increase in credit risk | 2,658.24               | 6,678.90               |
| Trade receivables - credit impaired                              | 6,228.09               | 2,980.58               |
| <b>Total</b>   | <b>9,876.57</b>        | <b>10,026.97</b>       |
| Less: Allowance for bad and doubtful debts                       | (8,780.39)             | (7,606.43)             |
| <b>Total trade receivables</b>                                   | <b>1,096.18</b>        | <b>2,420.53</b>        |

9.2 For related parties transactions refer note 37.

9.3 Trade Receivable are non interest bearing and credit period extended to them.

9.4 The Group's exposure to credit and currency risk and loss allowance related to trade receivables are disclosed in note 44

9.5 No Debts due by directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

9.6 There are no disputed trade receivables.

|  | As at 31 March 2023 |                 |               |                 |                   | Total           |
|--|---------------------|-----------------|---------------|-----------------|-------------------|-----------------|
|  | Less than 6 months  | 6 months-1 year | 1-2 years     | 2-3 Years       | More than 3 years |                 |
| <b>Undisputed</b>  |                     |                 |               |                 |                   |                 |
| Trade receivables - considered good - unsecured                  | 68.84               | 33.36           | 439.65        | 448.37          | -                 | 990.22          |
| Trade receivables which have significant increase in credit risk | -                   | -               | -             | 604.36          | 2,053.89          | 2,658.25        |
| Trade receivables - credit impaired                              | 61.51               | 6.19            | 12.51         | 78.43           | 6,069.46          | 6,228.11        |
| <b>Total</b>   | <b>130.35</b>       | <b>39.56</b>    | <b>452.16</b> | <b>1,131.16</b> | <b>8,123.35</b>   | <b>9,876.58</b> |

|  | As at 31 March 2022 |                 |                 |                 |                   | Total            |
|--|---------------------|-----------------|-----------------|-----------------|-------------------|------------------|
|  | Less than 6 months  | 6 months-1 year | 1-2 years       | 2-3 Years       | More than 3 years |                  |
| <b>Undisputed</b>  |                     |                 |                 |                 |                   |                  |
| Trade receivables - considered good - unsecured                  | 17.48               | 87.29           | 165.70          | 75.09           | 21.93             | 367.49           |
| Trade receivables which have significant increase in credit risk | -                   | -               | 1,174.46        | 1,233.12        | 4,271.32          | 6,678.90         |
| Trade receivables - credit impaired                              | 7.65                | 48.39           | 48.24           | 898.89          | 1,977.42          | 2,980.60         |
| <b>Total</b>   | <b>25.13</b>        | <b>135.68</b>   | <b>1,388.40</b> | <b>2,207.10</b> | <b>6,270.67</b>   | <b>10,026.97</b> |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 10: Cash and cash equivalents

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Balances with banks in current accounts | 372.72                 | 325.45                 |
| <b>Total</b>                            | <b>372.72</b>          | <b>325.45</b>          |

### Note 11 Bank Balances other than cash and cash equivalents

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Balances with banks:</b>  |                        |                        |
| Bank Deposits having maturity period less than twelve months (refer note 11.1 and note 11.2) | 549.59                 | 523.44                 |
| Bank Deposits having maturity period more than twelve months                                 | -                      | 1.47                   |
| Less: Shown under other current financial assets- note 13                                    | -                      | -                      |
| Unclaimed Dividend Account (Earmarked account) (refer note 11.3)                             | 1.75                   | 2.84                   |
| <b>Total</b>   | <b>551.34</b>          | <b>527.75</b>          |

#### Note:

**11.1** Held as lien by bank against bank guarantees issued of ₹ 100.77 lakhs (Previous Year : ₹ 95.92 lakhs and ₹ Nil lakhs (Previous Year: ₹ Nil lakhs) lien against loan taken by Sri Gayatri Education Society. Further, Bank Guarantee given by the Group against loan taken by Sri Gayatri Education Society via Agreement dated 17 February 2016 was invoked and considered as Non Performing Asset (NPA) by Axis Bank via Notice dated 31 October 2022

**11.2** Held as lien by bank against Bank overdraft of ₹ 287.11 lakhs (Previous Year : ₹ 274.62 lakhs).

**11.3** The Group can utilise these balances only towards settlement of unclaimed dividend.

### Note 12 Current Financial Assets - loans

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>(Unsecured, considered good, unless stated otherwise)</b> |                        |                        |
| At Amortised cost  |                        |                        |
| Loans and advances   |                        |                        |
| Loans - considered good - unsecured                          | -                      | 223.83                 |
| Loans which have significant increase in credit risk         | 4,308.10               | 8,714.95               |
| Loans - credit impaired                                      | 10,181.38              | 3,159.72               |
|  | <b>14,489.48</b>       | <b>12,098.50</b>       |
| Less: Impairment loss allowances                             | (10,181.38)            | (8,714.95)             |
| <b>Total</b>   | <b>4,308.10</b>        | <b>3,383.54</b>        |

**Note 12.1** For related party transactions, refer note 37.

**Note 12.2** No Debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

**Note 12.3** The Group has not given any current loans and advances in the nature of loan to promoter, directors, Key managerial personnels (KMPs), and related parties.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 13 Other current financial assets

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(Unsecured, considered good, unless stated otherwise)</b>              |                        |                        |
| Security Deposits   | 1,270.01               | 880.42                 |
| Bank Deposits having original maturity period not more than twelve months | 0.65                   | 0.62                   |
| Unbilled receivables  | 684.27                 | 1,311.24               |
| Others  | 2,475.61               | 2,409.99               |
| <b>Sub Total</b>  | <b>4,430.54</b>        | <b>4,602.27</b>        |
| Less : Impairment loss allowances   | (1,081.70)             | (571.71)               |
| <b>Total</b>  | <b>3,348.84</b>        | <b>4,030.56</b>        |

### Note 14 Other current assets

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Prepaid expenses                                    | 3.30                   | 2.56                   |
| Balances with government authorities - indirect tax | 70.83                  | 2.79                   |
| Advances to suppliers                               | 90.81                  | 110.11                 |
| Gratuity Fund                                       | 5.15                   | 5.15                   |
| Others  | 0.05                   | 1.58                   |
| <b>Total</b>  | <b>170.15</b>          | <b>122.20</b>          |

For related party transactions, refer note 37

### Note 15: Equity Share capital

The Company has only one class of share capital having a face value of ₹ 10 per share, referred to herein as equity shares.

|  | As at 31 March 2023 |                 | As at 31 March 2022 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | Number of shares    | Amount          | Number of shares    | Amount          |
| <b>(a) Authorised</b>                      |                     |                 |                     |                 |
| Equity shares of ₹ 10/- each               | 8,00,00,000         | 8,000.00        | 8,00,00,000         | 8,000.00        |
| <b>(b) Issued, subscribed and paid up</b>  |                     |                 |                     |                 |
| Equity shares of ₹ 10/- each fully paid up | 7,22,28,054         | 7,222.81        | 7,22,28,054         | 7,222.81        |
| <b>Total</b>                               | <b>7,22,28,054</b>  | <b>7,222.81</b> | <b>7,22,28,054</b>  | <b>7,222.81</b> |

#### Note 15.1

Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

|                                     | As at 31 March 2023 |                 | As at 31 March 2022 |                 |
|-------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                     | Number of shares    | Amount          | Number of shares    | Amount          |
| <b>At the beginning of the year</b> | 7,22,28,054         | 7,222.81        | 7,22,28,054         | 7,222.81        |
| Add: Shares issued during the year  | -                   | -               | -                   | -               |
| <b>At the end of the year</b>       | <b>7,22,28,054</b>  | <b>7,222.81</b> | <b>7,22,28,054</b>  | <b>7,222.81</b> |

#### Note 15.2 Rights, preferences and restrictions attached to shares

"The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 15.3

Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

| Class of shares / Name of shareholder | As at 31 March 2023 |           | As at 31 March 2022 |           |
|---------------------------------------|---------------------|-----------|---------------------|-----------|
|                                       | Number of shares    | % holding | Number of shares    | % holding |
| <b>Equity shares</b>                  |                     |           |                     |           |
| Zee Learn Limited                     | 4,27,01,173         | 59.12%    | 4,27,01,173         | 59.12%    |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### Note 15.4 Shares held by holding Company

| Name of shareholder  | As at 31 March 2023 |           | As at 31 March 2022 |           | % change during the year |
|----------------------|---------------------|-----------|---------------------|-----------|--------------------------|
|                      | Number of shares    | % holding | Number of shares    | % holding |                          |
| <b>Equity shares</b> |                     |           |                     |           |                          |
| Zee Learn Limited    | 4,27,01,173         | 59.12%    | 4,27,01,173         | 59.12%    | No Change                |

### Note 15.5 Details of Share held by Promoters

| Name of shareholder  | As at 31 March 2023 |           | As at 31 March 2022 |           | % change during the year |
|----------------------|---------------------|-----------|---------------------|-----------|--------------------------|
|                      | Number of shares    | % holding | Number of shares    | % holding |                          |
| <b>Equity shares</b> |                     |           |                     |           |                          |
| Zee Learn Limited    | 4,27,01,173         | 59.12%    | 4,27,01,173         | 59.12%    | No Change                |
| Mahesh R. Shetty     | 1,340               | 0.00%     | 1,340               | 0.00%     | No Change                |

### Note 15.6

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil (Previous Year : Nil)

### Note 16: Other equity

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| (a) Capital reserve                                     | 17.49                  | 17.49                  |
| (b) Securities premium reserve                          | 20,032.01              | 20,032.01              |
| (c) General reserve                                     | (21,631.24)            | (15,560.50)            |
| (d) Surplus / (deficit) in statement of profit and loss | 41.85                  | 41.73                  |
| <b>Total</b>  | <b>(1,539.89)</b>      | <b>4,530.73</b>        |

|                                       | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------|------------------------|------------------------|
| <b>(a) Capital Reserve</b>            |                        |                        |
| As per last balance sheet             | 17.49                  | 17.49                  |
|                                       | <b>17.49</b>           | <b>17.49</b>           |
| <b>(a) Securities premium reserve</b> |                        |                        |
| As per Last Balance Sheet             | 20,032.01              | 20,032.01              |
|                                       | <b>20,032.01</b>       | <b>20,032.01</b>       |



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 16: Other equity (Contd.)

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>(b) General reserve</b>  |                        |                        |
| As per Last Balance Sheet   | (15,560.50)            | (13,008.09)            |
| Add: Transferred from surplus/(deficit) in statement of Profit and Loss | (6,070.74)             | (2,552.41)             |
|   | <b>(21,631.24)</b>     | <b>(15,560.50)</b>     |
| <b>(c) Surplus / (deficit) in statement of profit and Loss</b>          |                        |                        |
| As per last balance sheet   | 41.73                  | 31.69                  |
| Add: Net profit/(loss) for the year                                     | (6,070.74)             | (2,552.41)             |
| Add: Items of Other Comprehensive Income for the year, net of tax       | 0.12                   | 10.04                  |
| Transferred to general reserve  | 6,070.74               | 2,552.41               |
|   | <b>41.85</b>           | <b>41.73</b>           |
| <b>Total</b>  | <b>(1,539.89)</b>      | <b>4,530.73</b>        |

### Note 17 Non current financial liabilities borrowings

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>At amortised cost</b>   |                        |                        |
| <b>Secured:</b>  |                        |                        |
| Term loan (refer note 17.1 and 17.2)   |                        |                        |
| - from Bank  | 5,088.98               | 4,745.07               |
| - from other parties   | 3,020.37               | 3,020.36               |
| <b>Unsecured:</b>  |                        |                        |
| Intercorporate Deposit - Related party (refer note 17.3 and 37)  | 1,086.52               | 101.75                 |
| Less: Current maturities of non current borrowings and interest accrued and due thereon ( refer note 21) | <b>(4,455.40)</b>      | <b>(3,656.69)</b>      |
| <b>Total</b>   | <b>4,740.46</b>        | <b>4,210.50</b>        |

#### Note:

#### 17.1 Nature of security and terms of repayment for secured borrowings:

##### Term Loan from Banks

Term loan from Axis bank limited is secured by first pari passu hypothecation charge on the entire current assets and movable assets (except vehicle) of the Company both present and future, pledge of shares owned by the promoter of the Company and personal guarantee given by the promoter of the Company. The said loan is repayable in 8 Half yearly installment starting from September 2018. Last Instalment was due in February 2022. Rate of interest is 2.50% over banks 12 months Marginal Cost of Funds based Lending Rate (MCLR).

Term loan from SVC Co-operative Bank Limited is secured by mortgage of immovable property at Mangalore. The said loan was restructured in accordance with Resolution Framework for Covid-19-related Stress issued by Reserve Bank of India dated 06 August 2020 bearing reference number DOR.No.BP.BC/3/21.04.048/2020-21 with sanction letter dated 22 March 2021. As per the revised sanction letter the loan is repayable in 36 monthly EMI of ₹ 49.60 lakhs from January 2023 to December 2025, 36 monthly EMI of ₹ 57.30 lakhs from January 2026 to December 2028, 9 monthly EMI of ₹ 66.10 lakhs from January 2029 to September 2031, further the subsidiary company has received Moratorium of 2 years from January 2021 to December 2022.

##### Term Loan from Assets Care and Restructuring Enterprise Limited (ACRE) assigned from Xander Finance Private Limited

Term loan from Xander Finance Private Limited is secured by first pari passu hypothecation charge on the entire current assets and movable assets of the Group both present and future and personal guarantee given by the promoter. The said loan is repayable in 10 half yearly installments starting from October 2018. Last instalment was due in March 2023.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 17 Non current financial liabilities borrowings (Contd.)

Rate of interest is 13.75%. Further the borrowings was assigned by Xander Finance Private Limited to Assets Care and Restructuring Enterprise Limited (ACRE) vide letter dated 23 August 2021.

The Group had applied for One Time Restructuring (OTR) in accordance with Resolution Framework for Covid-19-related Stress issued by Reserve bank of India dated 06 August 2020, bearing reference number DOR.No.BP.BC/3/21.04.048/2020-21, but was rejected by the lender on 28 June 2021 and accordingly was declared as Non-Performing Assets (NPA). Subsequently the lender filed petition in National Company Law Tribunal (NCLT) against the Group which was pending for admission in the NCLT. Since there are disputes w.r.t the claims and the matter is before NCLT, the Group has not recognised interest expense w.e.f 01 October 2021 amounting to ₹ 1,200.63 lakhs (excluding penal interest if any) (Previous Year : ₹ 257.74 lakhs).

**17.2** The Group has submitted quarterly statement as the borrowings are considered Non performing asset by bank and other parties.

**17.3** Inter Corporate deposit from related party and other party is repayable not later than 31 March 2025 and carries interest at the rate of 12.50 % p.a. However, claims have been filed by the companies in the holding company and hence, the loan is treated as repayable on demand.

**17.4** The Group has not been declared wilful defaulter by any bank or financial Institutions or other lender.

**17.5** For Related party transaction refer note 37.

### Details of Delay and Default in repayment of borrowings - 31 March 2023

#### Details of Delay in repayment

| Lender            | Principal |               |               |
|-------------------|-----------|---------------|---------------|
|                   | Amount    | Due Date      | Delay Days ** |
| Axis Bank Limited | 112.59    | Various dates | Upto 607 Days |

#### Default in repayment

| Lender   | Principal |               |               |         |
|--|-----------|---------------|---------------|---------|
|  | Amount    | Due Date      | Delay Days ** | Remarks |
| Assets Care and Restructuring Enterprise Limited | 2,666.59  | Various Dates | Upto 913 Days | Unpaid  |
| Axis Bank Limited                                | 215.27    | Various Dates | Upto 607 Days | Unpaid  |
| SVC Co-operative Bank Limited                    | 181.20    | Various Dates | Upto 89 Days  | Unpaid  |

#### Default in repayment

| Lender   | Interest |               |                |         |
|--|----------|---------------|----------------|---------|
|  | Amount   | Due Date      | Delay Days **  | Remarks |
| Assets Care and Restructuring Enterprise Limited | 112.34*  | 31/03/2021    | 731 Days       | Unpaid  |
|  | 41.27    | Various Dates | Upto 1065 Days |         |
|  | 200.15   | Various dates | Upto 731 Days  |         |
| Axis Bank Limited                                | 10.87*   | 31/03/2021    | 731 Days       | Unpaid  |
|  | 122.37   | Various dates | Upto 789 Days  |         |
| SVC Co-operative Bank Limited                    | 21.59    | Various Dates | Upto 89 Days   | Unpaid  |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 17 Non current financial liabilities borrowings (Contd.)

#### Details of Delay and Default in repayment of borrowings - 31 March 2022

##### Default in repayment

| Lender            | Principal |               |               |
|-------------------|-----------|---------------|---------------|
|                   | Amount    | Due Date      | Delay Days ** |
| Axis Bank Limited | 928.10    | Various dates | 232-536 Days  |

| Lender   | Interest |               |               |
|--|----------|---------------|---------------|
|  | Amount   | Due Date      | Delay Days ** |
| Assets Care and Restructuring Enterprise Limited | 30.27    | Various dates | 91 Days       |
|  | 12.63    | 31/01/2021    | 90 Days       |

##### Default in repayment

| Lender   | Principal |            |               |         |
|--|-----------|------------|---------------|---------|
|  | Amount    | Due Date   | Delay Days ** | Remarks |
| Assets Care and Restructuring Enterprise Limited | 247.95    | 30/09/2020 | 183 Days      | Unpaid  |
|  | 247.95    | 31/03/2021 | 1 Day         |         |
| Axis Bank Limited                                | 312.50    | 31/08/2020 | 213 Days      | Unpaid  |
|  | 312.50    | 28/02/2021 | 32 Days       |         |

|  | Interest |               |               |         |
|--|----------|---------------|---------------|---------|
|  | Amount   | Due Date      | Delay Days ** | Remarks |
| Assets Care and Restructuring Enterprise Limited | 112.34*  | 31/03/2021    | 366 Days      | Unpaid  |
|  | 241.42   | Various dates | 183-700 Days  |         |
| Axis Bank Limited                                | 10.87*   | 31/03/2021    | 366 Days      | Unpaid  |
|  | 122.37   | Various dates | 183-424 Days  |         |

\* The Group has availed to defer scheduled Term Loan as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium for debt servicing for period 1 March 2020 till 31 August 2020. Accordingly, the Company has deferred interest on term loan amounting to ₹ 112.34 lakhs and which was repayable not later than 31 March 2021.

\*\* The Group has considered delays/defaults as per the terms of the original sanction letter and as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium.

### Note 18 Lease liabilities

|                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------|------------------------|------------------------|
| Lease Liabilities | 1,322.31               | 723.85                 |
| <b>Total</b>      | <b>1,322.31</b>        | <b>723.85</b>          |

For related party transactions refer note 37

### Note 19 Non current provisions

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Provision for employee benefits: (refer note 41) |                        |                        |
| Provision for gratuity                           | 105.81                 | 324.48                 |
| Provision for leave encashment                   | 40.75                  | 61.45                  |
| <b>Total</b>                                     | <b>146.56</b>          | <b>385.93</b>          |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 20 Other non-current liabilities

|                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Advance fees (refer note 20.1) | 71.56                  | 199.11                 |
| <b>Total</b>                   | <b>71.56</b>           | <b>199.11</b>          |

#### Note:

**20.1** Fees collected in advance from students to the extent of revenue which will not be recognised within the Group's operating cycle have been classified as "Other non current liabilities".

### Note 21: Current financial liabilities borrowings

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Secured:</b>   |                        |                        |
| Overdraft facility from bank (refer note 21.1 and 21.4)               | 612.49                 | 917.65                 |
| Current maturities of non current borrowings (refer note 17 and 21.3) |                        |                        |
| - Banks   | 348.51                 | 455.14                 |
| - Other parties   | 3,020.37               | 3,020.36               |
| <b>Unsecured :</b>  |                        |                        |
| Inter Corporate Deposit   | -                      | -                      |
| - from related parties (refer note 17)                                | 1,086.52               | 101.75                 |
| - from others   | 323.48                 | 104.75                 |
| <b>Total</b>  | <b>5,391.37</b>        | <b>4,599.65</b>        |

#### Note:

#### 21.1 Nature of security and terms of repayment for secured borrowings:

##### i. Overdraft facility from Axis Bank Limited

- a. Overdraft facility from bank is secured by first pari passu hypothecation charge on the entire current assets and movable assets of the Company both present and future. Bank Overdraft (carries interest rate @ 11.2% pa) and is repayable on demand.
- b. The Group has exceeded the limit sanctioned in overdraft facility on various dates in FY 22-23 and also on various dates in FY 21-22.
- c. The Group has not submitted quarterly statements as the borrowings are considered as Non Performing asset by bank and other parties

##### ii. Overdraft facility from ICICI Bank Limited

- a. Overdraft facility from ICICI Bank Limited is secured by fixed deposit (FD) (carries interest rate @ 1% pa over FD interest) and is repayable on demand.

#### Note: 21.2. Inter Corporate Deposits

- i. Inter Corporate Deposit from Holding Company and other party is repayable not later than 31 March 2025 and carries an interest at the rate of 12.50% p.a. However, claims have been filed by the lenders and the loan is treated as repayable on demand.

**Note: 21.3.** Nature of security and terms of repayment for secured borrowings and details of delays and default, refer note 17

For Related Party Transactions, refer note 37.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 21: Current financial liabilities - borrowings (Contd.)

#### 21.4. Details of Default in repayment

As at 31 March 2023

| Lender            | Principal |               |            |         |
|-------------------|-----------|---------------|------------|---------|
|                   | Amount    | Due Date      | Delay Days | Remarks |
| Axis Bank Limited | 24.54     | Various dates | 365 Days   | Unpaid  |

As at 31 March 2022

| Lender            | Principal |               |            |         |
|-------------------|-----------|---------------|------------|---------|
|                   | Amount    | Due Date      | Delay Days | Remarks |
| Axis Bank Limited | 5.94*     | 31/03/2021    | 366 Days   | Unpaid  |
|                   | 24.54     | Various dates | Overdrawn  | Unpaid  |

\* The Group had availed to defer interest on overdraft facility from bank as per RBI Circular of 27 March 2020 and 23 May 2020 on Moratorium for debt servicing for period 1 March 2020 till 31 August 2020. Accordingly, the Group had deferred interest on overdraft facility amounting to ₹ 5.94 lakhs which was repayable not later than 31 March 2021.

### Note 22: Current Financial liabilities - Leases

| Particulars       | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------|------------------------|------------------------|
| Lease liabilities | 90.69                  | 225.64                 |
| <b>Total</b>      | <b>90.69</b>           | <b>225.64</b>          |

### Note 23: Trade payables

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Total undisputed outstanding dues of micro enterprises and small enterprises (refer note 23.1)           | 748.43                 | 92.34                  |
| Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises (MSME) | 4,879.68               | 5,601.86               |
| Total disputed outstanding dues of micro enterprises and small enterprises (refer note 23.1)             | 60.38                  | 84.37                  |
| Total disputed outstanding dues of creditors other than micro enterprises and small enterprises          | 278.27                 | 208.18                 |
| <b>Total</b>   | <b>5,966.76</b>        | <b>5,986.75</b>        |

|                               | As on 31/03/2023    |              |               |                      |                 |
|-------------------------------|---------------------|--------------|---------------|----------------------|-----------------|
|                               | Less than<br>1 year | 1-2 years    | 2-3 years     | More than<br>3 years | Total           |
| (i) Undisputed dues - MSME    | 684.82              | 9.45         | 40.78         | 13.38                | 748.43          |
| (ii) Undisputed dues - Others | 1,418.74            | 57.04        | 323.75        | 615.08               | 2,414.60        |
| (iii) Disputed dues - MSME    | 6.69                | 7.14         | 8.39          | 38.16                | 60.38           |
| (iv) Disputed dues - Others   | 48.63               | 17.10        | 42.39         | 170.14               | 278.27          |
| <b>Total</b>                  | <b>2,158.89</b>     | <b>90.73</b> | <b>415.30</b> | <b>836.75</b>        | <b>3,501.67</b> |
| Add: Provision for Expenses   |                     |              |               |                      | 2,465.08        |
| <b>Total</b>                  | <b>2,158.89</b>     | <b>90.73</b> | <b>415.30</b> | <b>836.75</b>        | <b>5,966.76</b> |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 23: Trade payables (Contd.)

|                               | As on 31/03/2022 |               |               |                   |                 |
|-------------------------------|------------------|---------------|---------------|-------------------|-----------------|
|                               | Less than 1 year | 1-2 years     | 2-3 years     | More than 3 years | Total           |
| (i) Undisputed dues - MSME    | 19.52            | 42.53         | 28.23         | 2.05              | 92.34           |
| (ii) Undisputed dues - Others | 858.93           | 76.71         | 750.14        | 311.35            | 1,997.13        |
| (iii) Disputed dues - MSME    | 6.87             | 8.05          | 54.91         | 14.55             | 84.37           |
| (iv) Disputed dues - Others   | 95.59            | 30.46         | 76.49         | 5.64              | 208.18          |
| <b>Total</b>                  | <b>980.91</b>    | <b>157.75</b> | <b>909.77</b> | <b>333.59</b>     | <b>2,382.02</b> |
| Add: Provision for Expenses   |                  |               |               |                   | 3,604.73        |
| <b>Total</b>                  | <b>980.91</b>    | <b>157.75</b> | <b>909.77</b> | <b>333.59</b>     | <b>5,986.75</b> |

#### Note 23.1:

Disclosure relating to suppliers registered under Micro, Small and Medium Enterprises Development Act (MSMED Act) based on the basis of information available with the Group:

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year:   |                        |                        |
| Principal   | 1,039.11               | 298.26                 |
| Interest  | 19.58                  | 5.56                   |
|   | <b>1,058.69</b>        | <b>303.82</b>          |
| Disclosed under trade payable (refer note 23)   | 808.81                 | 176.71                 |
| Disclosed under other current financial liabilities (refer note 24)   | 249.88                 | 127.12                 |
| Total   |                        |                        |
| (a) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.   | -                      | -                      |
| (b) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.   | -                      | -                      |
| (c) The amount of interest accrued and remaining unpaid at the end of each accounting year.   | 19.58                  | 5.56                   |
| (d) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | -                      | -                      |

**Note 23.2** - For Trade Payable to related parties, refer note 37.

**Note 23.3** - other creditors are non interest bearing and are normally settled In normal trade cycle.

**Note 23.4** - The Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 44

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 24: Other current financial liabilities

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Financial liabilities</b>   |                        |                        |
| Payable for capital expenditure  |                        |                        |
| Outstanding dues of micro enterprises and small enterprises<br>(refer note 23.1) | 47.52                  | 24.77                  |
| Outstanding dues of creditors other than above                                   | 314.69                 | 144.06                 |
| Security Deposits  | 5.77                   | 5.77                   |
| Employee related payables  | 396.84                 | 385.75                 |
| Unclaimed dividend payable (refer note 11)                                       | <b>1.75</b>            | <b>2.84</b>            |
| Other payables   |                        | -                      |
| Outstanding dues of micro enterprises and small enterprises<br>(refer note 23.1) | 202.37                 | 102.34                 |
| Outstanding dues of creditors other than above                                   | 2,024.30               | 2,428.31               |
| <b>Total</b>   | <b>2,993.23</b>        | <b>3,093.85</b>        |

For related party transactions, refer note 37.

### Note 25: Other current liabilities

| Particulars                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Advance fees (refer note 25.1) | 2,319.62               | 1,636.36               |
| Statutory dues payables        | 200.64                 | 259.64                 |
| Others                         | 0.02                   | 0.25                   |
| <b>Total</b>                   | <b>2,520.28</b>        | <b>1,896.26</b>        |

25.1 Fees collected in advance from students to the extent of revenue which will be recognised within the Group's operating cycle have been classified as "Other current liabilities".

### Note 26: Current provisions

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Provision for employee benefits (refer note 41)</b> |                        |                        |
| Provision for gratuity                                 | 256.23                 | 33.40                  |
| Provision for leave encashment                         | 95.03                  | 94.18                  |
| Provision for bonus                                    | 17.10                  | -                      |
| <b>Total</b>   | <b>368.36</b>          | <b>127.58</b>          |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 27 Revenue from operations

| Particulars                             | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Revenue from services</b>            |                             |                             |
| Revenue from coaching/teaching services | 7,325.40                    | 7,266.78                    |
| Less : Discount and concession          | (1,544.56)                  | (2,038.34)                  |
| <b>Subtotal (a)</b>                     | <b>5,780.84</b>             | <b>5,228.44</b>             |
| <b>Other operating revenues</b>         |                             |                             |
| Sale of hardware/content                | 38.42                       | 74.99                       |
| Others                                  | -                           | 1.56                        |
| <b>Subtotal (b)</b>                     | <b>38.42</b>                | <b>76.55</b>                |
| <b>Total (a+b)</b>                      | <b>5,819.26</b>             | <b>5,304.99</b>             |

#### Note:

##### 27.1

#### A) Disaggregation of revenue from customers

The following table shows disaggregation of revenue by major service lines/Geographical:

|                                  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| Coaching/teaching services/India | 5,780.84                    | 5,228.44                    |
| Sale of hardware/Content/India   | 38.42                       | 74.99                       |
| Others/India                     | -                           | 1.56                        |
| <b>Total</b>                     | <b>5,819.26</b>             | <b>5,304.99</b>             |

#### B) Reconciliation of revenue from customers

The following table shows reconciliation of revenue by major service lines:

|                            | Year ended 31 March 2023 |                                     |                          |                            |
|----------------------------|--------------------------|-------------------------------------|--------------------------|----------------------------|
|                            | Contract price           | Adjustments for<br>unearned revenue | Discount &<br>concession | Revenue from<br>Operations |
| Coaching/teaching services | 6,769.70                 | 555.70                              | (1,544.56)               | 5,780.84                   |
| Sale of hardware/Content   | 38.42                    | -                                   | -                        | 38.42                      |
| <b>Total</b>               | <b>6,808.12</b>          | <b>555.70</b>                       | <b>(1,544.56)</b>        | <b>5,819.26</b>            |

|                            | Year ended 31 March 2022 |                                     |                          |                            |
|----------------------------|--------------------------|-------------------------------------|--------------------------|----------------------------|
|                            | Contract price           | Adjustments for<br>unearned revenue | Discount &<br>concession | Revenue from<br>Operations |
| Coaching/teaching services | 7,440.32                 | (173.55)                            | (2,038.34)               | 5,228.44                   |
| Sale of hardware/Content   | 74.99                    | -                                   | -                        | 74.99                      |
| Others                     | 1.56                     | -                                   | -                        | 1.56                       |
| <b>Total</b>               | <b>7,516.88</b>          | <b>(173.55)</b>                     | <b>(2,038.34)</b>        | <b>5,304.99</b>            |



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 27 Revenue from operations (Contd.)

#### C) Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Trade receivables relating to contracts with customers (refer note 9) | 1,096.18                    | 2,420.53                    |
| <b>Contract assets:</b>   |                             |                             |
| - Unbilled receivables (net of impairment allowances) (refer note 13) | 174.29                      | 1,311.24                    |
| <b>Contract liabilities:</b>  |                             |                             |
| - Advance fees, current (refer note 25)                               | 2,319.62                    | 1,636.36                    |
| - Advance fees, non-current (refer note 20)                           | 71.56                       | 199.11                      |

#### D) Transaction price allocated to the remaining performance obligation

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

|              | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------|-----------------------------|-----------------------------|
| Advance fees | 71.56                       | 199.11                      |

#### E) Timing of Revenue Recognition

| Revenue by offerings                     | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Services transferred at point in time    | 38.42                       | 76.55                       |
| Services transferred over period in time | 5,780.84                    | 5,228.44                    |
| <b>Total</b>                             | <b>5,819.26</b>             | <b>5,304.99</b>             |

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

27.2 There are no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment as per Income tax Act, 1961.

### Note 28: Other income

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Interest income on financial assets carried at amortised cost       | 88.37                       | 34.99                       |
| Interest on Income Tax Refund                                       | 0.65                        | 7.76                        |
| Unwinding of discount on interest free security deposit             | 127.16                      | 35.98                       |
| Net Gain on Sale of Property, Plant & Equipments/ Intangible assets | -                           | 2.77                        |
| Net Gain on De-recognition of Right of Use Assets                   | -                           | 299.85                      |
| Provision for doubtful debts written back                           | 7.78                        | -                           |
| Excess provision written back                                       | -                           | 59.31                       |
| Miscellaneous income  | 225.97                      | 1,057.01                    |
| <b>Total</b>  | <b>449.93</b>               | <b>1,497.67</b>             |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 28.1

|                               | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------------|-----------------------------|-----------------------------|
| <b>Interest :</b>             |                             |                             |
| Deposits from Banks           | 26.66                       | 29.93                       |
| Interest on Income tax Refund | 61.71                       | 5.06                        |
| Loans                         | -                           |                             |
| <b>Total</b>                  | <b>88.37</b>                | <b>34.99</b>                |

28.2 For related party transactions, refer note 37

28.3 Miscellaneous income includes liabilities/balances no longer required written back of ₹ 233.74 lakhs (Previous Year: ₹ 1,057.01 lakhs).

### Note 29 Direct expenses

|                                    | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------|-----------------------------|-----------------------------|
| Rent                               | 307.40                      | 299.18                      |
| Rates and taxes                    | 20.67                       | 8.73                        |
| Electricity expenses               | 163.09                      | 84.33                       |
| Student material and test expenses | 281.63                      | 211.03                      |
| Visiting lecturer fees             | 1,104.85                    | 889.15                      |
| Bandwidth charges                  | 27.20                       | 57.92                       |
| Direct Professional expenses       | 4.72                        | 5.79                        |
| Others                             | 6.65                        | 9.26                        |
| <b>Total</b>                       | <b>1,916.22</b>             | <b>1,565.39</b>             |

For related party transactions, refer note 37

### Note 30: Employee benefits expense

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Salaries, bonus and other allowances                      | 850.23                      | 1,015.15                    |
| Contribution to provident and other funds (refer note 42) | 49.04                       | 57.48                       |
| Gratuity expense (refer note 42)                          | 11.97                       | 40.96                       |
| Staff welfare expenses                                    | 24.76                       | 18.31                       |
| <b>Total</b>  | <b>936.00</b>               | <b>1,131.90</b>             |

For related party transactions, refer note 37

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 29 Direct expenses

| Particulars                        | For the year ended 31 March 2023 | MTEL            | CPLPL        | MTESPL   | LEPL            | SGESPL   | REPL     | Lets paper | Labh     | Adjustments | For the year ended 31 March 2022 |
|------------------------------------|----------------------------------|-----------------|--------------|----------|-----------------|----------|----------|------------|----------|-------------|----------------------------------|
| Rent                               | 446.08                           | 307.40          | 1.79         | -        | 136.88          | -        | -        | -          | -        | -           | 452.67                           |
| Rates and taxes                    | 81.72                            | 20.67           | -            | -        | 61.05           | -        | -        | -          | -        | -           | 8.73                             |
| Electricity                        | 163.20                           | 163.09          | 0.11         | -        | -               | -        | -        | -          | -        | -           | 109.69                           |
| Student material and test expenses | 331.66                           | 281.63          | 0.14         | -        | 49.88           | -        | -        | -          | -        | -           | 271.26                           |
| Visiting lecturer fees             | 2,655.33                         | 1,104.85        | 5.80         | -        | 1,544.68        | -        | -        | -          | -        | -           | 2,139.61                         |
| Bandwidth charges                  | 64.92                            | 27.20           | -            | -        | 37.73           | -        | -        | -          | -        | -           | 79.51                            |
| Professional fees                  | 79.48                            | 4.72            | 2.72         | -        | 72.04           | -        | -        | -          | -        | -           | 34.36                            |
| Others                             | 6.65                             | 6.65            | -            | -        | -               | -        | -        | -          | -        | -           | 9.26                             |
| <b>Total</b>                       | <b>3,829.04</b>                  | <b>1,916.22</b> | <b>10.56</b> | <b>-</b> | <b>1,902.26</b> | <b>-</b> | <b>-</b> | <b>-</b>   | <b>-</b> | <b>-</b>    | <b>3,105.10</b>                  |

For related party transactions, refer note 37

### Note 30 Employee benefits expense

| Particulars   | For the year ended 31 March 2023 | MTEL          | CPLPL       | MTESPL   | LEPL          | SGESPL   | REPL     | Lets paper | Labh     | Adjustments | For the year ended 31 March 2022 |
|---|----------------------------------|---------------|-------------|----------|---------------|----------|----------|------------|----------|-------------|----------------------------------|
| Salaries, wages, bonus and other allowances               | 1,252.73                         | 850.23        | 2.35        | -        | 400.15        | -        | -        | -          | -        | -           | 1,276.92                         |
| Contribution to provident and other funds (refer note 41) | 76.07                            | 49.04         | -           | -        | 27.03         | -        | -        | -          | -        | -           | 75.60                            |
| Gratuity expense (refer note 41)                          | 18.82                            | 11.97         | -           | -        | 6.86          | -        | -        | -          | -        | -           | 50.09                            |
| Staff Welfare Expenses                                    | 35.50                            | 24.76         | 0.07        | -        | 10.67         | -        | -        | -          | -        | -           | 24.02                            |
| <b>Total</b>  | <b>1,383.12</b>                  | <b>936.00</b> | <b>2.41</b> | <b>-</b> | <b>444.71</b> | <b>-</b> | <b>-</b> | <b>-</b>   | <b>-</b> | <b>-</b>    | <b>1,426.62</b>                  |

For related party transactions, refer note 37

**Note 31 Finance costs**

| Particulars                                      | For the year ended 31 March 2023 |              |          |               |             |          |            |               |                 |  | For the year ended 31 March 2022 |
|--|----------------------------------|--------------|----------|---------------|-------------|----------|------------|---------------|-----------------|--|----------------------------------|
|  | MTEL                             | CPLPL        | MTESPL   | LEPL          | SGESPL      | REPL     | Lets paper | Labh          | Adjustments     |  |                                  |
| Interest expense on borrowings at amortised cost | 18.32                            | 11.23        | -        | 13.65         | 0.35        | -        | -          | 544.79        | (83.62)         |  | 713.40                           |
| Interest expense on lease liability              | 606.37                           | -            | -        | 79.15         | -           | -        | -          | -             | (458.72)        |  | 220.88                           |
| Other borrowing costs                            | 38.19                            | 0.16         | -        | 40.84         | -           | -        | -          | 13.21         | -               |  | 127.73                           |
| Interest other                                   | 40.40                            | -            | -        | -             | -           | -        | -          | -             | -               |  | -                                |
| <b>Total</b>                                     | <b>703.29</b>                    | <b>11.38</b> | <b>-</b> | <b>133.64</b> | <b>0.35</b> | <b>-</b> | <b>-</b>   | <b>558.00</b> | <b>(542.34)</b> |  | <b>1,062.01</b>                  |

For related party transactions, refer note 37

**Note 32 Depreciation and amortisation expense**

| Particulars  | For the year ended 31 March 2023 |             |          |               |          |          |            |               |                 |  | For the year ended 31 March 2022 |
|--|----------------------------------|-------------|----------|---------------|----------|----------|------------|---------------|-----------------|--|----------------------------------|
|  | MTEL                             | CPLPL       | MTESPL   | LEPL          | SGESPL   | REPL     | Lets paper | Labh          | Adjustments     |  |                                  |
| Depreciation on property, plant and equipment/ Investment property | 176.61                           | 2.08        | -        | 65.11         | -        | -        | -          | 165.58        | 19.62           |  | 618.57                           |
| Amortisation of Intangible assets                                  | 11.82                            | -           | -        | -             | -        | -        | -          | -             | -               |  | -                                |
| Depreciation of right-of-use assets                                | 686.89                           | -           | -        | 218.37        | -        | -        | -          | -             | (254.24)        |  | 853.19                           |
| <b>Total</b>   | <b>875.32</b>                    | <b>2.08</b> | <b>-</b> | <b>283.48</b> | <b>-</b> | <b>-</b> | <b>-</b>   | <b>165.58</b> | <b>(234.62)</b> |  | <b>1,471.76</b>                  |

For related party transactions, refer note 37

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 33: Other expenses

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Rates and taxes  | 8.17                        | 15.73                       |
| Insurance charges  | 4.90                        | 9.52                        |
| Repairs and maintenance  | 182.75                      | 69.71                       |
| Communication expenses   | 66.78                       | 35.29                       |
| Legal and Professional charges   | 268.09                      | 236.87                      |
| Travelling and conveyance expenses   | 85.60                       | 69.51                       |
| Printing and stationery expenses   | 46.43                       | 23.70                       |
| Director's sitting fees  | 5.00                        | 6.60                        |
| Corporate social responsibility expenses (refer note 42)   | -                           | 14.50                       |
| Security charges   | 21.09                       | 24.29                       |
| House keeping expenses   | 120.51                      | 51.13                       |
| Auditor's remuneration (refer note 33.1)   | 32.12                       | 32.65                       |
| Bad Debts written off  | -                           | 3.47                        |
| Provision for doubtful debts/receivables   | 1,918.62                    | 616.04                      |
| Provision for Impairment of Investments  | 0.01                        | -                           |
| Net loss on Sale / Discard of Property, Plant & Equipment / Intangible assets / Capital Work in Progress | 619.89                      | 222.29                      |
| Impairment of Property, plant and equipment/ Intangible assets   | -                           | 48.22                       |
| Advertisement and Publicity expenses   | 114.82                      | 186.79                      |
| Business promotion expenses  | 207.53                      | 158.73                      |
| Other miscellaneous expenses   | 68.13                       | 198.47                      |
| <b>Total</b>   | <b>3,770.45</b>             | <b>2,023.50</b>             |

For related party transactions, refer note 37

### Note 33.1 Auditor's remuneration ( excluding applicable taxes)

|                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------|-----------------------------|-----------------------------|
| Audit Fees     | 28.58                       | 28.58                       |
| Tax audit      | 3.25                        | 3.25                        |
| Reimbursements | 0.29                        | 0.82                        |
| <b>Total</b>   | <b>32.12</b>                | <b>32.65</b>                |

### Note 34: Deferred tax assets (net)

#### (a) The major components of income tax for the year are as under:

- (i) Income tax related to items recognised directly in the statement of profit and loss

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Income tax recognised in profit and loss</b>                          |                             |                             |
| <b>Current tax</b>   |                             |                             |
| - In respect of current year *   | -                           | -                           |
| - In respect of previous year  | 0.13                        | 308.35                      |
| <b>Deferred tax (credit) / charge</b>                                    | (226.49)                    | (42.27)                     |
| <b>Total income tax (credit)/ expense recognised in the current year</b> | <b>(226.36)</b>             | <b>266.08</b>               |
| <b>Effective Tax rate</b>  | <b>11%</b>                  | <b>-13%</b>                 |

\* No provision for income tax has been made in the absence of taxable income computed under the provisions of the Income Tax Act, 1961 of India.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 34: Deferred tax assets (net) (Contd.)

- ii) Deferred tax related to items recognised in the other comprehensive income (OCI) during the year

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Deferred tax on remeasurement (gains)/losses on defined benefit plan | (0.04)                      | (3.38)                      |
| <b>Deferred tax charged to OCI</b>                                   | <b>(0.04)</b>               | <b>(3.38)</b>               |

- iii) Deferred tax related to items recognised in the statement of profit or loss during the year

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Fair valuation of Financial Instruments                      | (81.71)                     | (226.64)                    |
| Allowances for credit losses                                 | (0.07)                      | 104.91                      |
| Allowances on payment basis                                  | 164.06                      | (89.64)                     |
| Depreciation   | (38.81)                     | 17.17                       |
| Other deductible temporary difference                        | (269.96)                    | 71.56                       |
| Minimum Alternate Tax ( MAT ) Credit Entitlement Written off | -                           | 80.37                       |
| <b>Deferred tax charged to Statement of profit or loss</b>   | <b>(226.49)</b>             | <b>(42.27)</b>              |

### (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Tax expense for the year can be reconciled to the accounting profits as follows:</b> |                             |                             |
| Profit/(loss) before tax  | (6,297.10)                  | (2,286.33)                  |
| Income Tax rate (%)   | 25.17%                      | 25.17%                      |
| <b>Income tax expense (a)</b>   | <b>(1,584.98)</b>           | <b>(575.47)</b>             |
| Earlier year tax  | 0.13                        | 308.35                      |
| Other deductible temporary difference *   | 1,358.49                    | 533.20                      |
| <b>Total (b)</b>  | <b>1,358.62</b>             | <b>841.55</b>               |
| <b>Total income tax expense recognised in the current year (a+b)</b>                    | <b>(226.36)</b>             | <b>266.08</b>               |

\* excludes other deductible temporary difference for which deferred tax has not been created

### (c) Deferred tax relates to the following:

| Reconciliation of deferred tax assets / (liabilities) net: | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Opening balance  | 7,171.70               | 7,126.05               |
| - Recognised in other comprehensive income                 | 0.04                   | 3.38                   |
| - Recognised in statement of profit or loss                | 226.49                 | 42.27                  |
| <b>Total</b>   | <b>7,398.09</b>        | <b>7,171.70</b>        |

### (d) Components of deferred tax assets / (liabilities):

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>Deferred tax Assets (net) comprises of other deductible temporary difference on account of :</b> |                        |                        |
| Provision for Employee Benefits   | 125.22                 | 130.55                 |
| Allowances for credit losses  | 5,369.31               | 5,329.26               |
| Written down value of Property , plant and equipments/Intangible assets                             | 564.99                 | 860.83                 |
| Business Loss and Unabsorbed Depreciation carried forward   | 661.69                 | 323.40                 |
| Other deductible temporary difference   | 676.87                 | 527.66                 |
| <b>Total</b>  | <b>7,398.09</b>        | <b>7,171.70</b>        |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 34: Deferred tax assets (net) (Contd.)

- (e) There are no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (f) No proceedings are initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

#### (g) Deferred Tax Assets not created on :

##### (i) Unused tax losses

The Group has unused tax business losses and unabsorbed depreciation of ₹ 8,005.93 Lakhs (Previous year: ₹ 5,077.32 Lakhs). The losses are available for offsetting for eight years against future taxable income of the Group. Deferred tax assets of ₹ 1,363.65 lakhs (Previous year: ₹ 954.57 Lakhs) has been not recognised in respect of unused tax losses of ₹ 5,417.76 lakhs (Previous year: ₹ 3,792.47 Lakhs) in absence of convincing evidence to generate sufficient future taxable profits. Significant management judgement has been considered in determining the provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimate of the taxable income for the period over which deferred tax assets will be recovered.

The Group has unabsorbed business loss / depreciation loss which according to the management will be used to set off taxable income arising in next few years from operations of the Group. However, deferred tax assets has not been recognised due to virtual certainty for realisability of such deferred tax assets.

- (ii) Deferred tax asset on provision for doubtful debts, other advances and loans of ₹ 561.48 lakhs (Previous year: ₹ 151.00 Lakhs) is not created in absence of convincing evidence to generate sufficient future taxable profits.

### Note 35: Contingent liabilities

| 35.1   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Contingent Liabilities not provided for in respect of -</b>   |                        |                        |
| Disputed Direct taxes  |                        |                        |
| - Under Appeals  | 552.01                 | 512.15                 |
| - Claims received (other than under appeals)   | 172.48                 | 72.85                  |
| Disputed Indirect taxes  |                        |                        |
| - Under Appeals  | 2,300.23               | 1,702.63               |
| - Claims received (other than under appeals)   | 4,101.92               |                        |
| Other Statutory Dues   | 168.14                 | 373.39                 |
| Other Matters (refer note 35.1.2)  | 160.10                 | -                      |
| Corporate guarantee against the loan outstanding of ₹ 729.85 lakhs as on 31 March 2023 (Previous year 699.19 lakhs) to other party (refer note 35.1.1) | 2,435.00               | 2,435.00               |
| Invocation of Shares (refer note 35.1.4)   | 681.21                 | -                      |
| Interest not provided for borrowings (refer note 35.1.5)   | 851.43                 | -                      |
| Ministry of Minority Affairs (GOI) (refer note 35.1.6)   | 355.03                 | -                      |
| Claims received under IBC - in excess of accounts (refer note 35.1.7)  | 1,168.31               | -                      |
| Operational Creditor (refer note 35.1.8)   | 548.62                 | -                      |
| Guarantee - IndusInd Bank (refer note 35.1.9)  | 22.10                  | -                      |
| Insolvency Resolution professional Fees  | 6.00                   | -                      |

#### Note:

- Corporate guarantee is provided to a bank in respect of loan taken by Sri Gayatri Educational Society pursuant to the long term partnership arrangement entered through company's subsidiary Sri Gayatri Educational Services Private Limited. Corporate guarantee is utilised for business purposes.
- The Group has received legal notices of claims/law suits filed against it related to other matters. In the opinion of the management, no material liability is likely to arrive on account of such claims/law suits.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 35: Contingent liabilities (Contd.)

- 3 Amount represents the best possible estimate. The Group has engaged reputed professionals to protect its interest and has been advised that it has firm legal position against such disputes.
- 4 The Company had taken loan from a Bank and other lenders which was secured against the pledge of equity shares of the Company held by one of its promoters. The pledge was invoked by the lenders and was adjusted against the dues owed by the Company. Total Amount of shares pledged and Invoked was ₹ 974.41 lacs as received by the Company in Insolvency and Bankruptcy Code, 2016 (IBC) claim from its Promoter Mr. Mahesh Shetty, out of which ₹ 293.20 lacs was pertaining to the Company and has been already provided for in the books of accounts, balance ₹ 681.21 lacs is pertaining to subsidiary company and has been considered above as contingent liability.
- 5 The Company has not recognised interest expense on term loan from Axis Bank and ACRE w.e.f 01 October 2021 amounting to ₹ 851.43 lakhs (excluding penal interest if any) of the Company.(Previous Year : ₹ 175.86 lakhs)
- 6 As per Notice received dated 30 January 2023 from Ministry of Minority Affairs (GOI) (MoMA), the Company has failed to comply with the Ministry's guidelines/office orders/terms and conditions mentioned in the MOU and also the Company failed to furnish satisfactory responses to the Show Cause Notice dated 26 July 2022 received from Ministry and accordingly the Ministry decided to barred the Company for a period of 5 years from all initiatives / schemes of MoMA. Additionally, the grants released to the Company by the Ministry would be recovered along with 10% penal interest per annum as mentioned in General Financial Rules (GFR) 2017.
- 7 During the year Financial year 22-23, the Company has received claims under IBC consequent to NCLT order dated 16 December, 2022 as referred in note 1 above. The amount taken as contingent liability is to the extent of claim amount received from various vendors over and above the liability accounted in the books of accounts.
- 8 Connect Residuary Private limited (Operational Creditor) had filed petition in NCLT seeking to initiate Corporate Insolvency Resolution Process (CIRP) against the Company by invoking the provisions of Section 9 of Insolvency and Bankruptcy code, 2016 read with Rule 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for resolution of unresolved operational debt of 548.62 lacs, pertaining to which the Company received NCLT order dated 16 December 2022.
- 9 The Company received claim from IndusInd Bank towards Guarantee for ₹ 22.10 lakhs under IBC. However, the said claim was rejected by CIRP since the guarantee was already expired as on date on submission of claim.

### 35.2 Capital and other commitments:

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): |                        |                        |
| Property, Plant and Equipment   | 7.43                   | 46.41                  |

As on date, the Group has not made any Capex budget nor it has any plans to spend any amount on long term assets or any business expansions except as mentioned above.

**35.3 (i)** An employee of the Company Mr. Ashish Srivastava has committed fraud against the Company over the past few years by transferring salaries to the account of non existing employees. In doing such fraudulent transfer, he has committed falsification of documents. The fraud is discovered by the Company during the year. The Company has identified initial fraud of ₹ 50.00 lakhs (approx) and the matter is under investigation to determine the final quantum. The Company had terminated the service with immediate effect and the employee had been asked to repay the amount to the Company by 31 January, 2023. However, out of total receivable, the Company has only recovered ₹ 18.00 lakhs till date.

**35.3 (ii)** An employee of the Company Mr. Harshad Kabule has committed fraud during the year, by transferring funds to certain bank accounts. In doing such fraudulent transfers, he had committed falsification of documents, impersonation and other criminal acts. The Company had identified fraud of ₹ 123.00 lakhs (approx) and the matter is under investigation. The Company had terminated the service with immediate effect and the employee had been asked to repay the amount to the Company.



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All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 36: Earnings/(loss) per equity share (EPS)

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Basic and Diluted</b>   |                        |                        |
| Net profit/(loss) for the year attributable to the equity shareholders (₹ in lacs) | (6,070.74)             | (2,552.41)             |
| Weighted average number of equity shares for Basic EPS                             | 7,22,28,054            | 7,22,28,054            |
| Weighted average number of equity shares for Diluted EPS                           | 7,22,28,054            | 7,22,28,054            |
| Face value per share (in ₹)  | 10.00                  | 10.00                  |
| Earnings/(Loss) per equity share - Basic (in ₹)                                    | (8.40)                 | (3.53)                 |
| Earnings/(Loss) per equity share - Diluted (in ₹)                                  | (8.40)                 | (3.53)                 |

### Note 37: Related party disclosures

#### (A) Names of related parties and description of relationship as identified and certified by the Company:

| Description of relationship       | Names of related parties   |
|-----------------------------------|--|
| Holding company                   | Zee Learn Limited  |
| Wholly Owned Subsidiary companies | Chitale's Personalised Learning Private Limited<br>MT Education Services Private Limited<br>Lakshya Forum For Competitions Private Limited<br>Robomate Edutech Private Limited<br>Letpaper Technologies Private Limited<br>Labh Ventures India Private Limited   |
| Fellow Subsidiary Companies       | Liberium Global Resources Private Limited<br>Digital Ventures Private Limited<br>Academia Edificio Private Limited   |
| Key management personnel (KMP)    | Roshan Lal Kamboj - Independent Director<br>Dattatraya Kelkar Ramchandra - Independent Director<br>Nanette Ralph D'sa - Independent Director<br>Surender Singh - Non-Executive Director<br>Vipin Choudhary - Non-Executive Director<br>Karunn Kandoi - Non-Executive Independent Director<br>Sujeet Chaudhary (Chief Financial Officer w.e.f 25 November, 2020 to 30 September 2021)<br>Ravindra Ashok Mishra - Company Secretary<br>Siddhartha Haldar (Chief Financial Officer w.e.f. 7 December 2021 to 7 November, 2022)<br>Nirav Parekh (Chief Financial Officer w.e.f. 8 November 2022 to 13 February, 2023)<br>Parag Ola (Whole time Director w.e.f. 25 June 2021 to 24 January, 2023) |
| Other related parties             | Essel Corporate LLP<br>Mahesh Shetty<br>Mahesh Tutorials Chembur   |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 37: Related party disclosures (Contd.)

#### (B) Details of transactions with related party in the ordinary course of business for the year ended:

|  | 31 March 2023   | 31 March 2022 |
|--|-----------------|---------------|
| <b>Transactions entered during the year:</b>                         |                 |               |
| <b>Employee Benefit Expenses</b>                                     |                 |               |
| Mr Ravindra Mishra   | 16.08           | 15.92         |
| Mr Sujeet Chaudhary  | -               | 16.56         |
| Mr Parag Ola   | 33.03           | 49.09         |
| Mr Siddhartha Halder   | 20.95           | 11.13         |
| Mr Nirav Parekh  | 17.33           | -             |
|  | <b>87.38</b>    | <b>92.69</b>  |
| <b>Finance Cost</b>  |                 |               |
| <b>Interest expense on borrowings at amortised cost</b>              |                 |               |
| Zee Learn Limited  | 12.43           | 1.75          |
| Liberium Global Resources Private Limited                            | 10.18           | -             |
|  | <b>22.61</b>    | <b>1.75</b>   |
| <b>Other Expenses</b>  |                 |               |
| <b>Director's sitting fees</b>                                       |                 |               |
| Roshanlal Kamboj   | 1.20            | 1.40          |
| Dattatray Kelkar Ramchandra  | 1.10            | 1.20          |
| Nanette Ralph D'Sa   | 1.10            | 1.40          |
| Surender Singh   | 1.00            | 1.40          |
| Mr Karunn Kandoi   | 0.20            | 0.60          |
| Mr Vipin Choudhary   | 0.40            | 0.60          |
|  | <b>5.00</b>     | <b>6.60</b>   |
| <b>Legal and Professional charges</b>                                |                 |               |
| Zee Learn Limited  | 90.00           | -             |
| Essel Corporate LLP  | -               | 15.00         |
|  | <b>90.00</b>    | <b>15.00</b>  |
| <b>House keeping charges</b>   |                 |               |
| Liberium Global Resources Private Limited                            | 47.18           | 50.66         |
|  | <b>47.18</b>    | <b>50.66</b>  |
| <b>Borrowings taken</b>  |                 |               |
| Zee Learn Limited  | 375.00          | 180.00        |
| Liberium Global Resources Private Limited                            | 600.00          | -             |
|  | <b>975.00</b>   | <b>180.00</b> |
| <b>Borrowings taken repaid</b>                                       |                 |               |
| Zee Learn Limited  | -               | 80.00         |
|  | <b>-</b>        | <b>80.00</b>  |
| <b>Outstanding at the end of the year:</b>                           |                 |               |
| <b>Borrowings from related party</b>                                 |                 |               |
| Zee Learn Limited  | 486.52          | 101.75        |
| Liberium Global Resources Private Limited                            | 600.00          | -             |
|  | <b>1,086.52</b> | <b>101.75</b> |
| <b>Other current financial liabilities- Employee Related Payable</b> |                 |               |
| Mr Ravindra Mishra   | 3.65            | 2.77          |
| Mr Parag Ola   | 0.24            | 19.36         |
| Mr Siddhartha Halder   | 3.32            | 2.88          |
| Mr Nirav Parekh  | 4.64            | -             |
|  | <b>11.85</b>    | <b>25.01</b>  |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 37: Related party disclosures (Contd.)

|   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| <b>Trade Payable/ Other payables</b>      |               |               |
| Zee Learn Limited                         | 137.88        | 32.40         |
| Essel Corporate LLP                       | 21.73         | 21.73         |
| Liberium Global Resources Private Limited | 19.67         | 10.36         |
| Mahesh Tutorials Chembur                  | 25.15         | 25.15         |
| Mr. Mahesh Shetty                         | 3.15          | 3.15          |
|   | <b>207.58</b> | <b>92.79</b>  |

**Note 37.1:** The amount does not include amount in respect of post employment benefits (i.e gratuity and leave encashment) as the same is not determinable.

**Note 37.2:** Transactions and closing balances are considered after considering the IND AS adjustments to make comparable with financial statements for reporting purpose.

### Note 38: Segment reporting

The Group's operations predominantly relates to a single segment viz. conducting commercial training, coaching, tutorial classes and activities incidental and ancillary thereon. The Chief Operating Decision Maker (CODM) (Chief Executive Officer) reviews the operations of the Group as one operating segment. Accordingly, segment information as required under IND AS 108 "Operating Segments" is not applicable to the Group.

### Note 39: Transactions with struck off companies

The Group does not have any transactions and balances outstanding with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

### Note 40: Crypto Currency and Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note 41: Employee benefit plans

In accordance with the Indian Accounting Standard-19 'Employee Benefits', the Group has calculated the various benefits provided to employees as under:

#### a Defined contribution plans

The Group makes contributions towards provident fund, Employee State Insurance Fund and Labour Welfare fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

During the year, the Group has recognized the following amounts in the Statement of profit and loss:-

| Particulars                                    | 31 March, 2023 | 31 March, 2022 |
|--|----------------|----------------|
| Employers' contribution to provident fund      | 75.69          | 75.60          |
| Employers' contribution to labour welfare fund | 0.31           | -              |

#### b Defined benefit plans

##### (a) Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 41: Employee benefit plans (Contd.)

#### (b) Other long term benefits

The compensated absences are payable to all eligible employees at the rate of daily salary of each day of accumulated leave on death or on resignation or upon retirement on attaining retirement age, whichever is earlier. The liability towards compensated absences are determined based on actuarial valuation carried out by using Projected Unit Credit Method.

In accordance with Indian Accounting Standard 19, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions:

#### Actuarial assumptions:

| Particulars  | Employee gratuity (funded)/unfunded               |   |
|--|---|---|
|  | 31 March, 2023                                    | 31 March, 2022                                    |
| Discount rate per annum                                    | 7.30%   | 6.10%-7.35%                                       |
| Expected Rate of Increase in compensation levels per annum | 6.00%   | 6.00%   |
| Expected rate of return on plan assets                     | NA  | NA  |
| Mortality Rate   | Indian assured lives Mortality (2012-14) Ultimate | Indian assured lives Mortality (2012-14) Ultimate |
| Retirement Age   | 58 years  | 58 years  |
| Withdrawal Rate  | 20% - 21.5%                                       | 2% - 21.5%  |
| Attrition  | 20% - 21.5%                                       | 2% - 21.5%  |

- The discount rate is based on the prevailing market yields Indian Government securities as at the balance sheet date for the estimated term of the obligations.

- Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

- The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

#### (a) Gratuity (funded)

##### i. Changes in the fair value of plan assets:

| Particulars  | 31 March, 2023 | 31 March, 2022 |
|--|----------------|----------------|
| <b>Fair value of plan assets as at the beginning of the year</b> | 21.98          | 20.51          |
| Expected return on plan assets                                   | 1.30           | 1.21           |
| Contributions  | 8.00           | -              |
| Benefits paid  | -              | -              |
| Actuarial loss on plan assets                                    | 0.47           | 0.25           |
| <b>Fair value of plan assets as at the end of the year</b>       | <b>31.75</b>   | <b>21.98</b>   |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 41: Employee benefit plans (Contd.)

- ii. Changes in the present value of the defined benefit obligation are as follows:

| Particulars   | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| <b>Present value of defined benefit obligation at beginning of the year</b> | 374.71         | 483.33         |
| Interest cost   | 22.00          | 26.97          |
| Current service cost  | 18.82          | 24.04          |
| Past service cost   | -              | -              |
| Benefits paid   | (25.64)        | (146.46)       |
| Actuarial (gain) / loss on obligation                                       | 0.31           | (13.17)        |
| <b>Present value of defined benefit obligation at the end of the year</b>   | <b>390.20</b>  | <b>374.71</b>  |

- iii. Reconciliation of present value of defined benefit obligation and fair value of assets:

| Particulars   | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| Present value of obligation as at the end of the year | 390.20         | 374.71         |
| Fair value of plan assets as at the end of the year   | 31.75          | 21.98          |
| <b>Net liability recognized in balance sheet</b>      | <b>358.46</b>  | <b>352.72</b>  |
| <b>Amount classified as:</b>                          |                |                |
| Current provision (refer note 26)                     | 256.23         | 33.40          |
| Non-current provision (refer note 19)                 | 105.81         | 324.48         |
| Other Current Asset (refer note 14)                   | 5.15           | 5.15           |

- iv. Expenses recognized in Statement of Profit and Loss:

|                         | 31 March, 2023 | 31 March, 2022 |
|-------------------------|----------------|----------------|
| Current service cost    | 18.82          | 24.04          |
| Past service cost*      | -              | -              |
| Interest cost           | 20.70          | 25.76          |
| <b>Total</b>            | <b>39.53</b>   | <b>49.80</b>   |
| Actual benefit payments | 25.64          | 146.46         |
| Actual contributions    | 8.00           | -              |

- v. Expenses recognized in Other comprehensive Income (OCI):

|  | 31 March, 2023 | 31 March, 2022 |
|--|----------------|----------------|
| Expected return on plan assets                       | (0.47)         | (0.25)         |
| Net actuarial loss/(gain) recognized during the year | 0.31           | (13.17)        |
| <b>Total</b>   | <b>(0.16)</b>  | <b>(13.42)</b> |

Actuarial gain of ₹ 1.66 lakhs (Previous year gain : ₹ 7.57 lakhs) is included in other comprehensive income.

- vi. Investment details of the plan assets:

|                                | 31 March, 2023 | 31 March, 2022 |
|--------------------------------|----------------|----------------|
| Government of India Securities | -              | -              |
| Corporate Bonds                | -              | -              |
| Insurer Managed Funds          | 31.75          | 21.98          |
| Special Deposit Scheme         | -              | -              |
| Others                         | -              | -              |
| <b>Total fund balance</b>      | <b>31.75</b>   | <b>21.98</b>   |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 41: Employee benefit plans (Contd.)

vii. A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

|   | 31 March, 2023 | 31 March, 2022 |
|---|----------------|----------------|
| <b>Impact on defined benefit obligation</b> | <b>390.20</b>  | <b>374.71</b>  |
| Discount rate                               |                |                |
| 1% increase                                 | (4.56)         | (5.95)         |
| 1% decrease                                 | 4.93           | 6.47           |
| Rate of increase in salary                  |                |                |
| 1% increase                                 | 4.94           | 4.40           |
| 1% decrease                                 | (4.66)         | (6.01)         |
| Rate of employee turnover                   |                |                |
| 1% increase                                 | (0.11)         | (0.11)         |
| 1% decrease                                 | 0.04           | 0.10           |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

|                 |  |
|-----------------|--|
| Investment Risk | The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.   |
| Interest Risk   | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.  |
| Longevity Risk  | The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary Risk     | The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.   |

viii Maturity profile of defined benefit obligation:

|  | 31 March, 2023           | 31 March, 2022            |
|--|--------------------------|---------------------------|
| Year 1   | 288.20                   | 250.60                    |
| Year 2   | 23.90                    | 26.74                     |
| Year 3   | 22.03                    | 23.69                     |
| Year 4   | 16.82                    | 21.60                     |
| Year 5   | 20.27                    | 17.00                     |
| Year 5 onwards   | 42.66                    | 54.68                     |
| <b>The weighted average duration of the defined benefit obligation</b> | <b>4.28 to 4.4 years</b> | <b>4.4 to 17.53 years</b> |

ix Employer's best estimate for contribution during next year:

The expected contribution for defined benefit plan for the next financial year will be in line with 2022-23.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 41: Employee benefit plans (Contd.)

#### (b) Other long term benefits

The leave salary are payable to all eligible employees at the rate of daily salary of each day of accumulated leave (upto 40 days) on death or on resignation or upon retirement on attaining retirement age.

The liability for compensated absences as at year end is ₹ 135.78 lakhs (31 March 2022: ₹ 155.63 Lakhs)

Short term Provision as at year end is ₹95.03 Lakhs (31 March 2022: ₹ 94.18 Lakhs)

Long term Provision as at year end is ₹40.75 Lakhs(31 March 2022: ₹ 61.45 lakhs)

### 'Note 42 : Corporate social responsibility

Gross amount required to be spent by the Group during the year 2022-23 - Nil (Previous year - Nil )

### Note 43 : Financial instruments - fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### Financial Instrument measured at fair value through profit and loss

No financial assets/liabilities have been valued using level 2 and 3 fair value measurements.

#### Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

| Particulars  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| <b>Financial assets measured at amortized cost</b>                     |               |               |
| 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  | 7,752.24      | 7,752.24      |
| Other financial assets   | 3,635.15      | 4,515.57      |
| <b>Financial assets measured at fair value through profit and loss</b> |               |               |
| Investments  | 0.36          | 0.37          |
| <b>Financial liabilities measured at amortized cost</b>                |               |               |
| Borrowings   | 10,131.83     | 8,810.15      |
| Trade payables   | 5,966.76      | 5,986.75      |
| Other financial liabilities  | 2,993.23      | 3,093.85      |
| Lease Liabilities  | 1,413.00      | 949.49        |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 44 : Financial instruments - risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

##### (i) Interest rate risk

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

For details of the Group's non current loans and borrowings, including interest rate profiles, refer to Note 18.

##### Exposure to interest rate risk

The summary quantitative data about the Group's exposure to interest rate risk as reported to the management of the Group is as follows:

|                                 | 31 March 2023 | 31 March 2022 |
|---------------------------------|---------------|---------------|
| Interest on term loan from bank | 302.05        | 517.05        |

##### Interest rate sensitivity

The Group is exposed to the interest rate fluctuations of 1.75% over banks 12 months MCLR (Range from 9.90% to 11.00% per annum as on March 31, 2023). The following table demonstrates the sensitivity to a 25 bps increase or decrease in the interest rates with all other variables held constant. The sensitivity analysis is prepared as at the reporting date.

| Effect                          | Profit or loss          |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | Increase in basis point | Decrease in basis point |
| <b>31 March 2023</b>            |                         |                         |
| Interest on term loan from bank | -                       | -                       |

| Effect                          | Profit or loss          |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | Increase in basis point | Decrease in basis point |
| <b>31 March 2022</b>            |                         |                         |
| Interest on term loan from bank | 13.17                   | (13.17)                 |

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

##### (iii) Other price risk

The Group does not have exposure to equity securities price risk arising from investments in equity shares (unquoted) held by the Group and classified in the balance sheet at fair value through profit and loss.



## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 44 : Financial instruments - risk management objectives and policies (Contd.)

#### (B) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counter-party;
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counter-party; and
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The Group limits its exposure to credit risk of balances held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus in bank accounts.

The Group recognises expected credit loss based on the following:

| Description of category   | Category                                  | Internal Rating (IR) | Basis of recognition of expected credit loss provision |  |
|---|---|----------------------|--|--|
|   |   |                      | Loans, deposits and other receivables                  | Trade receivables                                      |
| Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong              | Standard assets with moderate credit risk | IR 1                 | 12 month expected credit losses                        | life time expected credit losses (simplified approach) |
| Assets where there is significant increase in credit risk and high propability of default.  | Substandard assets with high credit risk  | IR 2                 | life time expected credit losses                       | life time expected credit losses (simplified approach) |
| Assets are written off when there is no reasonable expectation of recovery. As and when recoveries are made these are recognised in profit and loss | Doubtful assets, credit impaired          | IR 3                 | Asset is written off                                   |  |

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 44 : Financial instruments - risk management objectives and policies (Contd.)

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity recognises impairment loss allowance based on 12-month ECL.

ECL in respect of trade receivables is as follows:

|  | Internal Rating (IR) | 31 March, 2023  | 31 March, 2022  |
|--|----------------------|-----------------|-----------------|
| Balance at the beginning                 |                      | 7,606.43        | 7,849.16        |
| Expected loss recognised/(reversed)(net) | IR 2                 | 1,173.96        | (242.73)        |
| Amounts written off                      |                      | -               | -               |
| <b>Balance at the end of the year</b>    |                      | <b>8,780.39</b> | <b>7,606.43</b> |

|  | Internal Rating (IR) | 31 March, 2023  | 31 March, 2022  |
|--|----------------------|-----------------|-----------------|
| Gross carrying amount                            |                      | 9,876.57        | 10,026.97       |
| Provision for doubtful receivables including ECL | IR 2                 | (8,780.39)      | (7,606.43)      |
| <b>Balance at the end of the year</b>            |                      | <b>1,096.18</b> | <b>2,420.53</b> |

ECL in respect of current and non current financial assets loans is as follows:

|  | Internal Rating (IR) | 31 March, 2023   | 31 March, 2022   |
|--|----------------------|------------------|------------------|
| Balance at the beginning                 |                      | 13,840.68        | 13,566.89        |
| Expected loss recognised/(reversed)(net) | IR 2                 | -                | 273.79           |
| Amounts written off                      |                      | -                | -                |
| <b>Balance at the end</b>                |                      | <b>13,840.68</b> | <b>13,840.68</b> |

|   | Internal Rating (IR) | 31 March, 2023  | 31 March, 2022  |
|---|----------------------|-----------------|-----------------|
| Gross carrying amount                     |                      | 21,592.91       | 21,592.91       |
| Provision for doubtful loans and advances | IR 2                 | (13,840.67)     | (13,840.67)     |
| <b>Balance at the end of the year</b>     |                      | <b>7,752.24</b> | <b>7,752.24</b> |

### (C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The management monitors rolling forecast on the liquidity position and cash and cash equivalents on the basis of expected cash flows.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 44 : Financial instruments - risk management objectives and policies (Contd.)

The table below analysis financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| As at 31 March, 2023                        | Contractual cash flows |                |           |           |                   |
|---|------------------------|----------------|-----------|-----------|-------------------|
|   | Total                  | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                |           |           |                   |
| Borrowings                                  | 10,131.83              | 6,970.17       | 597.60    | 620.10    | 1,943.97          |
| Trade Payables                              | 5,966.76               | 5,966.76       | -         | -         | -                 |
| Other current financial liabilities         | 2,993.23               | 2,993.23       | -         | -         | -                 |
| Lease liability                             | 1,413.00               | 90.69          | 1,322.31  | -         | -                 |
| <b>Total</b>                                |                        |                |           |           |                   |

| As at 31 March, 2022                        | Contractual cash flows |                |           |           |                   |
|---|------------------------|----------------|-----------|-----------|-------------------|
|   | Total                  | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                |           |           |                   |
| Borrowings                                  | 8,810.15               | 4,599.65       | 724.80    | 2,411.15  | 1,074.56          |
| Trade Payables                              | 5,986.75               | 5,986.74       | -         | -         | -                 |
| Other current financial liabilities         | 3,093.81               | 3,093.81       | -         | -         | -                 |
| Lease liability                             | 949.49                 | 225.64         | 723.84    | -         | -                 |
| <b>Total</b>                                |                        |                |           |           |                   |

### Note 45 : Capital management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Group consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

#### The Group's adjusted net debt to equity ratio is as follows:

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Total borrowings along with accrued interest * | 10,131.83              | 8,810.15               |
| Less : Cash and cash equivalents               | (372.72)               | (325.45)               |
| <b>Adjusted net debt</b>                       | <b>9,759.11</b>        | <b>8,484.70</b>        |
| Equity   | 7,222.81               | 7,222.81               |
| Other equity                                   | (1,539.89)             | 4,530.73               |
| <b>Total equity</b>                            | <b>5,682.92</b>        | <b>11,753.54</b>       |
| Adjusted net debt to equity ratio              | <b>1.72</b>            | <b>0.72</b>            |

\* Effect of qualification in independent auditors report not considered

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 46 Reconciliation of borrowings:

|            | As at<br>31 March 2022 | Amount Paid(Net) | Non - Cash changes |               | As at<br>31 March 2023 |
|------------|------------------------|------------------|--------------------|---------------|------------------------|
|            |                        |                  | Interest Accrued   | Other Changes |                        |
| Borrowings | 8,810.15               | 718.15           | 563.12             | 40.41         | 10,131.83              |

### Note 47 : List of subsidiaries consolidated

Details of the subsidiaries at the end of the reporting period are as follows:

| Name of subsidiary   | Place of incorporation and operation | Principal activities                    | Proportion of ownership interest and voting rights held by the Group |                        |
|--|--------------------------------------|---|--|------------------------|
|  |                                      |   | As at<br>31 March 2023   | As at<br>31 March 2022 |
| Lakshya Forrum for Competitions Private Limited (formerly known as Lakshya Educare Private Limited)* | India                                | Education support and coaching services | 100%   | 100%                   |
| MT Education Services Private Limited  | India                                | Education support and coaching services | 100%   | 100%                   |
| Chitale's Personalised Learning Private Limited  | India                                | Education support and coaching services | 100%   | 100%                   |
| Sri Gayatri Educational Services Private Limited   | India                                | Education support and coaching services | 75%  | 75%                    |
| Robomate Edutech Private Limited   | India                                | Education support and coaching services | 100%   | 100%                   |
| Letspaper Technologies Private Limited   | India                                | Education support and coaching services | 100%   | 100%                   |
| Labh Ventures India Private Limited  | India                                | Acquiring and leasing properties        | 100%   | 100%                   |

\* The subsidiary Company has changed the name from Lakshya Educare Private Limited to Lakshya Forrum for Competitions Private Limited from 25 January 2019.

### Note 48 : Disclosures required by Indian Accounting Standard (Ind AS) 116 - Leases

The following is the movement in lease liabilities for the year ended 31 March, 2023

|                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| <b>Opening</b>                       | 949.49                 | 2,236.12               |
| <b>Additions</b>                     | 993.43                 | 674.62                 |
| Finance cost accrued during the year | 226.80                 | 220.88                 |
| Deletions                            | -                      | 1,560.36               |
| lease liabilities - repayment        | 756.73                 | 621.79                 |
| <b>Closing</b>                       | <b>1,413.00</b>        | <b>949.49</b>          |

Refer note 4(b) for movement in Right of use assets

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis

|                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------|------------------------|------------------------|
| Less than one year | 90.69                  | 225.64                 |
| One to five years  | <b>1,322.31</b>        | <b>723.85</b>          |

The Group has taken office, residential facilities and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 11 months to 60 months.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 49 :

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

### Note 50 :

- (a) The Group has not advanced or loaned or invested funds during the year (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (b) The Group has not received any fund during the year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 55 (A) : Additional information

| Sr. No. | Ratios                                  | Numerator  | Denominator  | 31-Mar-23  |             |        | 31-Mar-22  |             |        | Variance Reason for variance greater than 25% |   |
|---------|---|--|--|------------|-------------|--------|------------|-------------|--------|---|---|
|         |   |  |  | Numerator  | Denominator | Ratio  | Numerator  | Denominator | Ratio  |   | %   |
| 1       | Current Ratio (times)                   | Current Assets   | Current Liabilities  | 9,847.33   | 17,330.69   | 0.57   | 10,810.05  | 15,930.05   | 0.68   | -16%  |   |
| 2       | Debt - Equity Ratio (times)             | Short/Long term debts + other fixed payments   | Shareholders' Equity   | 10,131.84  | 5,682.92    | 1.78   | 8,810.15   | 11,753.54   | 0.75   | 138%  | Due to reduction in total equity for loss incurred during the year                |
| 3       | Debt Service Coverage Ratio (times)     | Net Operating Income (Net profit after tax + non cash operating expenses + interest + other adjustments) | Total Debt services - current debt obligation incl. interest principal and lease payments due in coming year | (2,713.43) | 10,131.84   | (0.27) | 247.43     | 8,810.15    | 0.03   | -1054%  | Due to reduction in Net Operating income and increase in current debt obligations |
| 4       | Return on Equity Ratio (times)          | Net Income (Profit after tax)  | Shareholders' Equity   | (6,070.74) | 5,682.92    | (1.07) | (2,552.41) | 11,753.54   | (0.22) | 392%  | Due to reduction in total equity for loss incurred during the year                |
| 5       | Trade Receivable Turnover Ratio (times) | Net Sales  | Avg Accounts Receivable (Gross)  | 5,819.26   | 10,949.52   | 53%    | 5,304.99   | 12,157.65   | 44%    | 22%   | Due to reduction in trade receivables   |
| 6       | Trade Payable Turnover Ratio            | Net Credit Purchases   | Avg Accounts Payable   | 2,986.99   | 5,976.75    | 50%    | 2,410.87   | 6,264.39    | 38%    | 30%   | Due to increase in direct cost in current year                                    |
| 7       | Net Capital Turnover Ratio (times)      | Total sales  | Working Capital (Current Assets - Current Liabilities)   | 5,819.26   | (7,483.36)  | -78%   | 5,304.99   | (5,120.00)  | -104%  | -25%  | Due to reduction in working capital   |
| 8       | Net Profit Ratio (times)                | Net Profit after tax   | Net Sales  | (6,070.74) | 5,819.26    | -104%  | (2,552.41) | 5,304.99    | -48%   | 117%  | Due to loss incurred and exceptional items  |
| 9       | Return on Capital Employed (times)      | EBIT   | Capital Employed (Total Equity + Total Debt + Deferred Tax Liabilities)                                      | (2,713.43) | 15,965.23   | -17%   | 247.43     | 20,643.77   | 1%     | -1518%  | Due to loss incurred  |

- Ratios applicable as per nature and operations of the Group have been considered.

## Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 51: Going Concern

The entire economy witnessed Covid 19 impact till February, 2022 and its consequential impact in FY 2022 - 23. The Group is also facing the impact of covid and post covid economic scenario. Though the Holding Company is currently being in corporate insolvency resolution process, looking at prime objective of Insolvency and Bankruptcy Code, 2016 (IBC) which enumerates that all possible efforts be made to ensure the business operation of the corporate debtor continues as going concern to provide resolution to the solutions and maximisation of assets of the corporate debtor. The going concern assumption is continued looking at various data, estimates and other factors and prime objective of IBC. The financial statements have been prepared on a going concern basis based on the business potentials and steps taken by the Group.

### Note 52: Social Security Code, 2020

The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Management will assess the impact once the subject rules under the Code are notified and will give appropriate impact in the standalone financial statements when the Code becomes effective.

### Note 53: Authorisation of Financial Statements

The Honourable NCLT admitted the application filed by Connect Residuary Private Limited by pronouncing on 16 December, 2022 and appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional (IRP) of the Company from 22 December, 2022. For the information set out in the standalone financial statements for the year ended 31 March, 2023, the IRP has relied upon the accuracy and veracity of any and all information and data provided by the officials of the company and the records of the company made available by such officials. For all such information and data, the IRP has assumed that such information and data are in conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the standalone financial statements and that they give true and fair view of the position of the Company as the dates and period indicated therein. Accordingly the IRP is not making any representations regarding accuracy, veracity and completeness of the data or information in the standalone financial statements.

The Directors of the Company have approved the above financial statements at their meeting held on 23 May 2023 which was chaired by Mr. Ashwin Shah, Interim Resolution Professional ('IRP') and IRP took the same on record basis recommendation from the directors.

With respect to the financial statements for the 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:

- (i) The IRP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
- (ii) 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;
- (iii) The IRP, in review of the financial statements and while signing this statement of financial statements, 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 financial statements. The statement of financial statements of the Corporate Debtor for the year ended 31 March, 2022 have been taken on record by the IRP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the 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 financial statements 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 financial statements.
- (iv) In terms of the provisions of the Code, the IRP is required to undertake a review of certain transactions. Such review has been completed.

# Notes forming part of the Consolidated Financial Statements

## for the year ended 31 March 2023

All amounts are in Indian ₹ in lakhs unless otherwise stated

### Note 54 (B): Additional information pursuant to para 2 of general instruction for the preparation of Consolidated financial statements

| Sr. No   | Name of the Subsidiary Company                   | Net Assets (total assets minus total liabilities) |            | Share in profit or loss     |            | Share in other Comprehensive Income |        | Share in Total Comprehensive Income |            |
|----------|--|---|------------|-----------------------------|------------|-------------------------------------|--------|-------------------------------------|------------|
|          |  | As % of Consolidated net asset                    | Amount     | As % of Consolidated profit | Amount     | As % of Consolidated profit         | Amount | As % of Consolidated profit         | Amount     |
| <b>1</b> | <b>Parent Company</b>                            |   |            |                             |            |                                     |        |                                     |            |
|          | MT Educare Limited                               | 115%  | 6,513.65   | 80%                         | (4,858.87) | 1035%                               | 1.24   | 80%                                 | (4,857.62) |
| <b>2</b> | <b>Subsidiary Companies</b>                      |   |            |                             |            |                                     |        |                                     |            |
|          | Lakshya Forrum for Competitions Private Limited  | -21%  | (1,220.41) | 13%                         | (784.03)   | -934%                               | (1.12) | 13%                                 | (785.15)   |
|          | MT Education Services Private Limited            | 0%  | 7.34       | 0%                          | (3.14)     | 0%                                  | -      | 0%                                  | (3.14)     |
|          | Chitale's Personalised Learning Private Limited  | -4%   | (243.71)   | 5%                          | (307.06)   | 0%                                  | -      | 5%                                  | (307.06)   |
|          | Sri Gayatri Educational Services Private Limited | 0%  | (6.67)     | 0%                          | (1.02)     | 0%                                  | -      | 0%                                  | (1.02)     |
|          | Robomate Edutech Private Limited                 | 0%  | (3.50)     | 0%                          | (0.70)     | 0%                                  | -      | 0%                                  | (0.70)     |
|          | Letspaper Technologies Private Limited           | 0%  | (3.17)     | 0%                          | (0.69)     | 0%                                  | -      | 0%                                  | (0.69)     |
|          | Labh Ventures India Private Limited              | 26%   | 1,504.14   | 0%                          | 6.51       | 0%                                  | -      | 0%                                  | 6.51       |
|          |  |   | 5,682.92   |                             | (6,070.74) |                                     | 0.12   |                                     | (6,070.62) |

### Note 55 : Exceptional Items

In view of no operating activities and default in repayment of debts of secured creditors in subsidiary of MT Educare Limited, the goodwill on consolidation of ₹ 1,627.52 lakhs (Previous year : ₹ Nil Lakhs) is impaired.

### Note 56 : Other notes

Previous year's figures have been regrouped / reclassified wherever necessary to makethem comparable with the current year's classification / disclosure.

As per our report of even date attached

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

**Hitendra Bhandari**  
Partner  
Membership Number: 107832

For **MT Educare Limited**  
CIN: L80903MH2006PLC163888

**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

**Surender Singh**  
Director  
DIN - 08206770

Place : Mumbai  
Date : 23 May 2023

**Ravindra Mishra**  
Company Secretary  
Membership no. ACS 29159

Consolidated



# Notice

**NOTICE** is hereby given that the Seventeenth Annual General Meeting of the MT Educare Limited (a Company undergoing Corporate Insolvency Resolution Process ("CIRP")) will be held on Monday the 25<sup>th</sup> day of September, 2023 at 02.30 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following businesses:

## Note:

The members are hereby informed that Corporate Insolvency Resolution Process ("CIRP") of MT Educare Limited ("the Company") as per the provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/CODE") was initiated by Connect Residuary Private Limited (CRPL) a Operational Creditor of the Company. The Operational Creditor's petition to initiate the CIRP was admitted by the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai bench by vide Order dated December 16, 2022. Further, vide the aforesaid NCLT order and pursuant to Section 9 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers were vested with the Interim Resolution Professional ("IRP"), Mr. Ashwin Bhavanji Shah (IP Registration no. IBBI/IPA 001/IP-P02648/2021-2022/14054) to manage affairs of the company. Subsequently, Mr. Vipin Choudhary, the Erstwhile Director of the Company challenged against the order of Hon'ble NCLT, Mumbai Bench in National Company Law Appellate Tribunal (NCLAT), New Delhi, accordingly the formation of committee of creditors ("CoC") is kept on hold till further communication, however on 2<sup>nd</sup> June, 2023 hon'ble NCLAT, New Delhi heard both the parties and argument of both the parties has been concluded and the matter was kept for order.

The appointment/re-appointments of the Directors are recommended only for the sole purpose of complying with the applicable provision(s) of the Companies Act, 2013 (as amended) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, pursuant to Section 9 of the IBC, the powers the Board of Directors shall stand suspended during the continuance of the CIRP.

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2023, the Board's Report to the Shareholders under section 134 of the Companies Act, 2013 and the Auditors' Report thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2023.

2. To appoint a director in place of Mr. Surender Singh (DIN: 08206770) who has consented to retire by rotation for compliance with the requirements of Section 152(6) of the Companies Act, 2013, offers himself for re-appointment.

## SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the members hereby ratify and confirm the remuneration of ₹.60,000/- (Rupees Sixty thousand) plus applicable taxes and reimbursement of out of pocket expenses payable to M/s Joshi Apte & Associates, Cost Accountants (Firm Registration No 00240) for conduct of audit of the cost records of the Company for the financial year ending March 31, 2024.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all documents and filing of requisite forms that may be required on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Karunn Kandoi (DIN 01344843), who holds the office of Independent Director of the Company until February 29<sup>th</sup>, 2024 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not

liable to retire by rotation for a period of five years from March 1<sup>st</sup>, 2024 until February 28<sup>th</sup>, 2029."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all documents and filing of requisite forms that may be required on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

**By order of the Board**

**Ravindra Mishra**

Company Secretary

Membership No: A29159

Place: Mumbai

Date: 8/08/2023

**Registered Office:**

220, Flying Colors, 2<sup>nd</sup> Floor,  
Pandit Din Dayal Upadhyay Marg,  
L.B.S. Cross Road, Mulund (West),  
Mumbai – 400080

**Admin Office/Corporate Office:**

135, Continental Building,  
Dr. A. B Road, Worli, Mumbai - 400018  
CIN: L80903MH2006PLC163888  
E-mail: info@mteducare.com  
Phone No: 022-25937700,25937700 / 800 / 900,  
Fax No: 022-25937799,25937799  
Website: www.mteducare.com

**NOTES:**

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 17<sup>th</sup> Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.

Further, Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and MCA Circulars, the 17<sup>th</sup> AGM of the Company is being held through VC/OAVM on Monday, September 25, 2023 at 2:30 p.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at 220, Flying Colours, Pandit Din Dayal Upadhyay Marg, Off. L.B.S Cross Road, Mulund West, Mumbai - 400080, which shall be the deemed venue of the AGM.

National Security Depository Limited ("NSDL") shall be providing facility for voting through remote e voting, for participation in the AGM thorough VC/ OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at note no. 21.

2. As per the provisions of Clause 3.A.II. of the General Circular No.20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 and 4 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 4 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2, 3 and Item No. 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
4. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
5. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail

on its registered e-mail address to ravindramishra@mteducare.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

6. In pursuance of Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has notified closure of Register of Members and Share Transfer Books from Tuesday, 19<sup>th</sup> September, 2023 to Monday, 25<sup>th</sup> September, 2023 (both days inclusive).
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend (if any). The Company or its Registrar and Transfer Agents, Link Intime India Private Limited ("Link Intime") cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members.
8. The MCA had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company are available on the website of the Company at [www.mteducare.com](http://www.mteducare.com) and on MCA's website. The Member(s) whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPF/refund.html>. The Company will transfer the unclaimed Dividend for FY 15-16 to the IEPF as per table mentioned in point no. 16 of Corporate Governance (Dividend History & unclaimed Dividend). The Company requests the Members who have not claimed the dividend for the said year to encash the same before the due date.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities

market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Link Intime.

10. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH 13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the request of the same with Company as well as RTA i.e Link Intime. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Link Intime in case the shares are held in physical form. The nomination form can be obtained from Link Intime as well.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
 

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Non-Resident Indian Members are requested to inform Link Intime, immediately of:
  - A. Change in their residential status on return to India for permanent settlement.
  - B. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participant (DPs) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

14. Any change of particulars including address, bank mandate and nomination for shares held in Demat form, should be notified only to the respective Depository Participants where the Member has opened his/her Demat account. The Company or its share transfer agent will not act on any direct request from these Members for change of such details. However requests for any change in particulars in respect of shares held in physical form should be sent to Link Intime.
15. RBI vide it's Circular No. DPSS. (CO). EPPD. No.191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform from October 1, 2009. Consequently you are requested to provide your new account number allocated to you. After implementation of Core Banking System by your Bank NECS credit to your old account may either be rejected or returned.
- Please provide to the Share Registrars and Transfer Agents new Bank Account particulars along with a copy of the cheque duly cancelled by quoting your reference folio number in case of shares held by you in physical form. In case the shares are in Dematerialised form, you may kindly provide the same to your Depository Participant, so that your future dividend payments (if any) can correctly be credited to your new account.
16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent i.e. Link Intime. The equity shares of the Company are compulsorily traded in demat form. Members desirous of trading in the shares of the Company are requested to get their shares dematerialized.
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.mteducare.com](http://www.mteducare.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. The Company will also be publishing an advertisement in newspaper containing the details about the AGM i.e., the conduct of AGM through VC/OAVM, date and time of AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/RTA, and other matters as may be required.
18. The Company has listed its shares at NSE Limited and BSE Limited, Mumbai.
- The Annual Listing Fees for Both the Stock Exchanges has been paid for the financial year 2022-2023.
19. Members desiring any information as regards Accounts are requested to write to the Company, at least seven days before the date of the meeting so as to enable the Management to keep the information ready.
20. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.
- 21. E-Voting:**
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e voting to its Members in respect of the business to be transacted at the 17<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to not more than 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
- The attendance of the Members attending the EGM/ AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The Company has appointed Mr. Shravan A. Gupta, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://mteeducare.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- i) The remote e-voting period will commence on Thursday, 21<sup>st</sup> September, 2023 (9:00 a.m.) and will end on Sunday, 24<sup>th</sup> September, 2023 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 14<sup>th</sup> September, 2023, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting thereafter.
- ii) The voting rights of Members shall be in proportion of their holding in the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 14<sup>th</sup> September, 2023.
- iii) Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure as aforesaid but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.
- iv) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock

the votes cast through remote e-voting and shall make, not later than forty eight hours from the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- v) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, [www.mteeducare.com](http://www.mteeducare.com) and on the website of NSDL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to NSE Limited and BSE Limited.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

**The remote e-voting period begins on Thursday, 21<sup>st</sup> September, 2023 (9:00 a.m.) and will end on Sunday, 24<sup>th</sup> September, 2023 (5:00 p.m.). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 14<sup>th</sup> September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 14<sup>th</sup> September, 2023.**

#### **How do I vote electronically using NSDL e-Voting system?**





*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL  | <ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>  |

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from

NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares

for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.shravangupta@gmail.com](mailto:cs.shravangupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre or Mr. Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [ravindramishra@mteducare.com](mailto:ravindramishra@mteducare.com) and [Secretarial@mteducare.com](mailto:Secretarial@mteducare.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [ravindramishra@mteducare.com](mailto:ravindramishra@mteducare.com) and [Secretarial@mteducare.com](mailto:Secretarial@mteducare.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining



virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL**

**e-Voting system.** After successful login, you can see link of “**VC/OAVM link**” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [ravindramishra@mteducare.com](mailto:ravindramishra@mteducare.com) and [Secretarial@mteducare.com](mailto:Secretarial@mteducare.com). The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to [ravindramishra@mteducare.com](mailto:ravindramishra@mteducare.com) and [Secretarial@mteducare.com](mailto:Secretarial@mteducare.com) on or before Friday September 22<sup>nd</sup>, 2023. Those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102(1) OF THE COMPANIES ACT, 2013

### Item No. 2

The profile and specific areas of expertise of Mr. Surender Singh are provided as below:

|  |   |
|--|---|
| Name of Director   | Surender Singh  |
| Directors Identification Number (DIN)                              | 08206770  |
| Date of Appointment  | 24/07/2020  |
| Qualification  | Post Graduation   |
| Expertise in Specific functional Areas                             | Mr. Surender Singh, BA (Hon's) in Political Science and MA in History, is a Retired IPS with experience in all matters pertaining to Security management including cyber security and forensic; risk analysis; data analysis; intelligence; security audit; protection of intellectual property and people/ asset management. |
| No. of Equity Shares held  | Nil   |
| Directorships Held in Indian Public Companies as on date of Notice | *10   |
| (*Including Deemed Public Company)                                 |   |
| Relationship with any other Director inter-se                      | NA  |

### Item No. 3

As per Section 148(3) of the Companies Act, 2013 read with Rule 6(2) of the Companies (Cost Records and Audit) Rules, 2014, the Companies engaged in education services are mandatorily required to appoint/re-appoint a Cost Auditor and file Cost Audit Report. Accordingly, the re-appointment of M/s Joshi Apte & Associates, Cost Accountants (Firm Registration No 00240) to conduct the audit of the cost records of the Company relating to its Education Services for the Financial Year ending March 31, 2024 on a remuneration of ₹ 60,000/- (Rupees Sixty Thousand) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2024.

The ordinary resolution as set out in Item No. 3 for approval of Members.

None of the Directors and /or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in this ordinary resolution set out in Item no. 3

### Item No. 4

At the 15<sup>th</sup> Annual General Meeting held on September 27<sup>th</sup>, 2021, Members of the Company had approved appointment of Mr Karunn Kandoi, as Independent Director of the Company not liable to retire by rotation. The current term of the said appointment of Mr Karunn Kandoi as Independent Director of the Company shall expire on February 29<sup>th</sup>, 2024. As per Section 149(10) of the Act, an Independent Director shall be eligible for re-appointment for a second term of up to 5 years with Shareholders approval by passing a Special Resolution.

Since the current term of appointment of Mr Karunn Kandoi is expiring and based on the performance evaluation and after reviewing confirmation of independence received, recommends re-appointment of Mr Karunn Kandoi as an Independent Director for the second term of 5 years commencing from the expiry of his current term of appointment i.e. from March 1<sup>st</sup>, 2024 until February 28<sup>th</sup>, 2029. Appropriate notice has been received from a Member proposing re-appointment of Mr Karunn Kandoi as an Independent Director of the Company and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013.

Mr Karunn Kandoi who is proposed to be re-appointed for the second term as an Independent Director of the Company fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is Independent of the management. Brief Profile and other details of Mr Karunn Kandoi forms part of this Notice.

The Special Resolution as set out in Item No 4 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr Karunn Kandoi (whose appointment is proposed in the resolution) are in any way concerned or interested in the resolution.

**The profile and specific areas of expertise of Mr. Karunn Kandoi are provided as below:**

|  |  |
|--|--|
| Name of Director   | Karunn Kandoi  |
| Directors Identification Number (DIN)                              | 01344843   |
| Effective date of re-appointment                                   | 01/03/2024   |
| Qualification  | B.E & M.B.A  |
| Expertise in Specific functional Areas                             | Mr. Karunn Kandoi, heads business operations and is executive director for the Apply Board-India, a recent UniCorn, since August 2020. Before this Karunn Kandoi has worked with Extramarks Education India Private Limited as the Director- Whole Time & President Global Business. Prior to joining Extramarks he founded Shree Eduserve Private Limited, raised venture funding in it and created the largest brand for learning English in India. EdTech Professional with over 18 years of experience and a demonstrated history of working in the e-learning industry. Skilled in creating and expanding businesses, Operations Management, Management, Driving growth for technology led products, Leadership, and Marketing. Karunn Kandoi has a B.E. and is an MBA from the University of Washington, specialized in Product Management & Marketing. Karunn Kandoi has participated on various panels on EdTech organized by the likes of Asian Development Bank, CNBC, News Nation, Education Department of the Govt. of Kenya, FICCI-India etc... |
| No. of Equity Shares held  | Nil  |
| Directorships Held in Indian Public Companies as on date of Notice | 2  |
| Relationship with any other Director inter-se                      | NA   |

**By order of the Board****Ravindra Mishra**

Company Secretary

Membership No: A29159

Place: Mumbai

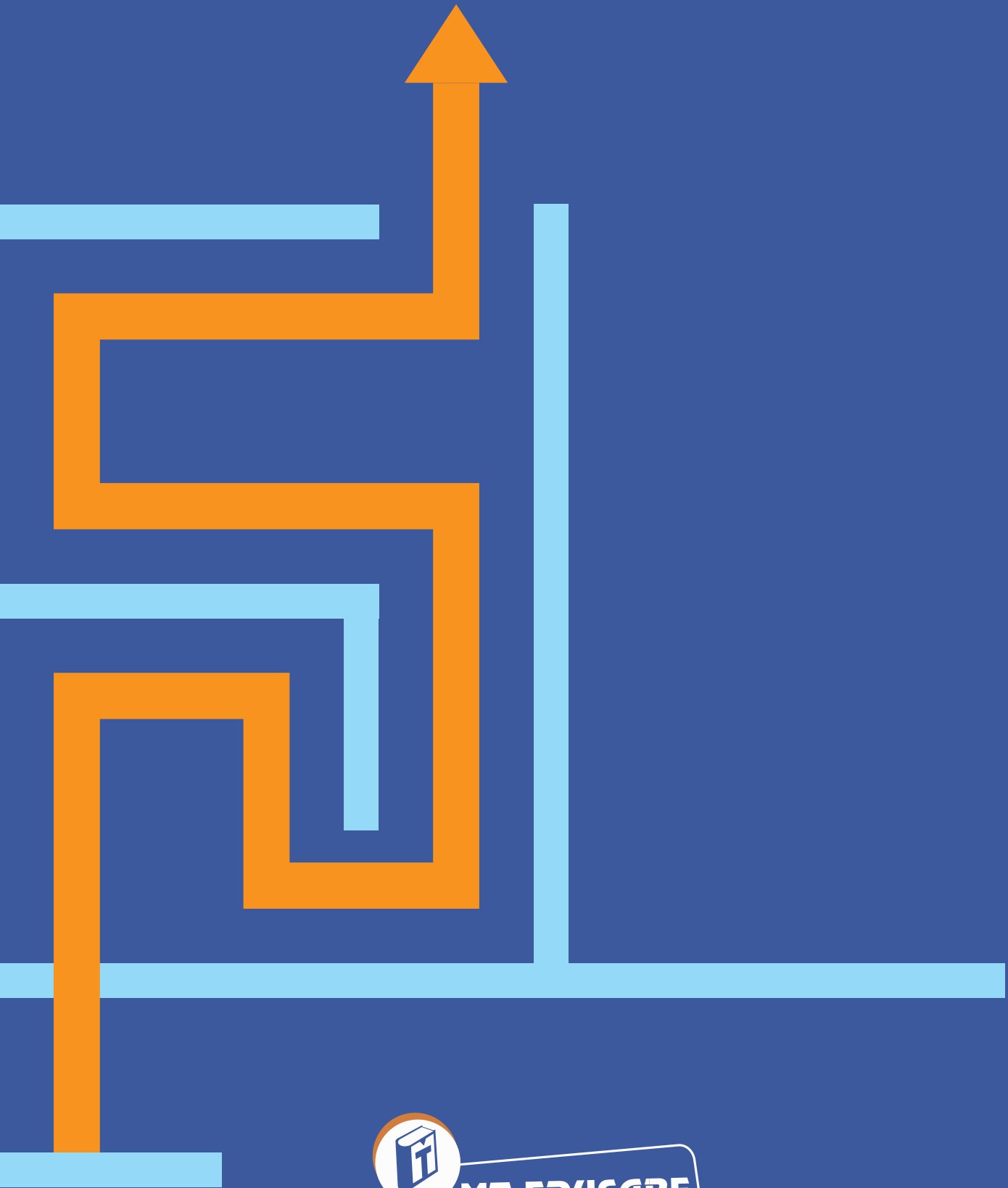
Date: 8<sup>th</sup> August, 2023**Registered Office:**

220, Flying Colors, 2<sup>nd</sup> Floor,  
 Pandit Din Dayal Upadhyay Marg,  
 L.B.S. Cross Road, Mulund (West),  
 Mumbai – 400080

**Admin Office/Corporate Office:**

135, Continental Building,  
 Dr. A. B Road, Worli, Mumbai - 400018  
 CIN: L80903MH2006PLC163888  
 E-mail: info@mteducare.com  
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 Website: www.mteducare.com





CIN: L80903MH2006PLC163888

220, 2<sup>nd</sup> Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S. Cross Rd., Mulund (West), Mumbai - 400080

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