

May 28, 2024

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

Dear Sir / Madam,

**Sub: Outcome of Board Meeting held on May 28, 2024**

This is to inform you that the financial results were taken on record by the Resolution Professional and Directors of the Company at a meeting held on May 28, 2024. Given that the Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, and with effect from December 16, 2022, its affairs, business and assets are being managed by Resolution Professional who took charge of the affairs of the Company, and the powers of the board of directors are vested in the resolution professional, Mr. Arihant Nenawati (“RP”), the aforesaid meeting of the Directors was chaired by the RP of the Company who, relying on the certifications, representations and statements of the Directors and management of the Company and the consequent recommendation of the Directors, took on record the Audited Standalone and Consolidated Financial Results for the quarter and Twelve months of the F Y 2023-24 ended on March 31, 2024.

The meeting commenced at 01.11 p.m. and concluded at 04.15 p.m.

**The Following matters were taken on record:**

- 1) Taken on record the Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2024 [Standalone and Consolidated] as per Regulation 33 of SEBI Listing Regulations, 2015.
- 2) Taken on record Audited Balance Sheet as at March 31, 2024 and Statement of Profit & Loss of the Company along with relevant annexures on Standalone and Consolidated basis prepared under IND-AS, for the Financial Year ended on that date.
- 3) Taken on record statement pursuant to Regulation 33(3) (d) of the SEBI Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Standalone and Consolidated Audited Financial Results) is enclosed herewith as per the format prescribed by SEBI vide its circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

We hereby enclose:

- Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2024 [Standalone and Consolidated] as per Regulation 33 of SEBI Listing Regulations, 2015.
- Statement pursuant to Regulation 33(3) (d) of the SEBI Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Standalone and Consolidated Audited Financial Results) is enclosed herewith as per the format prescribed by SEBI vide its circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Thanking you.

Yours faithfully,

**For, MT Educare Limited (In CIRP)**

Arihant  
Nenawati

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**(Arihant Nenawati)**

Resolution Professional

AFA Valid Upto 08-Nov-2024

IP Reg. No: IBBI/IPA-001/IP-P00456/2017-2018/10799

Email ID: mteducare.cirp@gmail.com

**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, IRP has constituted Committee of Creditors on 21-08-2023. previously, IRP was performing function as Resolution Professional under regulation 17(3) of CIRP of IBBI, however on 22nd January, 2024, Mr. Arihant Nenawati were appointed as New Resolution Professional in the application filed by Prudent ARC by the Hon'ble NCLT, Mumbai Bench.

**Statement of Standalone Audited Financial Results for the quarter and year ended 31 March 2024**

(Rs. in lakhs, except EPS)

Sr. No.	Particulars	Quarter ended 31 March 2024	Quarter ended 31 December 2023	Quarter ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
		Refer note 12		Refer note 12		
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	Revenue from operations	572.54	589.69	364.74	2,544.44	3,126.55
	Other income (Refer Note 8)	94.54	(798.98)	183.57	339.72	384.05
	<b>Total income</b>	<b>667.08</b>	<b>(209.29)</b>	<b>548.31</b>	<b>2,884.16</b>	<b>3,510.61</b>
<b>2</b>	<b>Expenses</b>					
	Direct expenses (Refer note 5 (a))	448.15	445.73	348.98	1,944.27	1,916.22
	Employee benefits expense	148.26	127.76	151.90	501.53	936.00
	Finance costs (Refer Note 7)	172.47	190.35	200.91	728.83	703.29
	Depreciation and amortisation expense	160.72	142.52	283.94	680.02	875.32
	Other expenses (Refer Note 5 (b) and Note 8(a))	117.66	(731.94)	1,733.14	562.55	2,367.18
	<b>Total expenses</b>	<b>1,047.26</b>	<b>174.42</b>	<b>2,718.87</b>	<b>4,417.20</b>	<b>6,798.00</b>
<b>3</b>	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(380.18)</b>	<b>(383.71)</b>	<b>(2,170.57)</b>	<b>(1,533.04)</b>	<b>(3,287.40)</b>
	Less: Exceptional items (Refer Note 10)	-	-	1,846.94	-	1,846.94
	<b>Profit/(Loss) before tax</b>	<b>(380.18)</b>	<b>(383.71)</b>	<b>(4,017.50)</b>	<b>(1,533.04)</b>	<b>(5,134.33)</b>
<b>4</b>	Tax expense/(credit)	(14.63)	(26.57)	(186.84)	(58.42)	(275.45)
<b>5</b>	<b>Net Profit/(loss) for the period/year after tax (3-4)</b>	<b>(365.55)</b>	<b>(357.14)</b>	<b>(3,830.66)</b>	<b>(1,474.62)</b>	<b>(4,858.89)</b>
<b>6</b>	<b>Other comprehensive income (Net of tax )</b>					
	Items that will not be reclassified to profit or loss	5.64	-	0.88	23.49	1.24
<b>7</b>	<b>Total comprehensive income/(loss) for the period/year(5+6)</b>	<b>(359.91)</b>	<b>(357.14)</b>	<b>(3,829.78)</b>	<b>(1,451.13)</b>	<b>(4,857.64)</b>
<b>8</b>	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,222.81</b>
<b>9</b>	<b>Other equity</b>				<b>(2,160.27)</b>	<b>(709.15)</b>
<b>10</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters)</b>					
	Basic	(0.51)	(0.49)	(5.30)	(2.04)	(6.73)
	Diluted	(0.51)	(0.49)	(5.30)	(2.04)	(6.73)

 Place : Mumbai  
 Date: 28 May 2024

Arihant  
 Nenawati

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Arihant Nenawati  
 Resolution Professional  
 IBBI/IPA-001/IP-P00456/2017-18/10799  
 Email ID: mteducare.cirp@gmail.com

**Statement of Consolidated Audited Financial Results for the quarter and year ended 31 March 2024**

(Rs. in lakhs, except EPS)

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31 March	31 December	31 March	31 March	31 March
		2024	2023	2023	2024	2023
		Refer note 12		Refer note 12		
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	Revenue from operations	962.58	1087.79	914.13	4733.45	5819.26
	Other income (Refer Note 8)	79.43	(791.26)	180.91	403.45	449.93
	<b>Total income</b>	<b>1,042.01</b>	<b>296.53</b>	<b>1,095.04</b>	<b>5,136.90</b>	<b>6,269.19</b>
<b>2</b>	<b>Expenses</b>					
	Direct expenses (Refer note 5 (a))	889.87	859.15	871.56	3651.94	3829.04
	Employee benefits expense	262.09	208.69	229.12	860.63	1383.12
	Finance costs (Refer Note 7)	324.44	308.17	202.47	1214.88	864.32
	Depreciation and amortisation expense	246.85	245.61	344.80	1036.50	1091.83
	Other expenses (Refer Note 5 (b) and Note 8(a))	313.83	(612.67)	2739.32	1004.13	3770.45
	<b>Total expenses</b>	<b>2,037.09</b>	<b>1,008.95</b>	<b>4,387.27</b>	<b>7,768.09</b>	<b>10,938.77</b>
<b>3</b>	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(995.07)</b>	<b>(712.42)</b>	<b>(3,292.23)</b>	<b>(2,631.19)</b>	<b>(4,669.58)</b>
	Less: Exceptional items (Refer Note 10)	-	-	1627.52	-	1627.52
	<b>Profit/(Loss) before tax</b>	<b>(995.07)</b>	<b>(712.42)</b>	<b>(4,919.74)</b>	<b>(2,631.19)</b>	<b>(6,297.09)</b>
<b>4</b>	Tax expense/(credit)	45.38	29.54	(181.81)	134.07	(226.36)
<b>5</b>	<b>Net Profit/(loss) for the period/year after tax attributable to the shareholders of the Company (3-4)</b>	<b>(1,040.45)</b>	<b>(741.96)</b>	<b>(4,737.93)</b>	<b>(2,765.26)</b>	<b>(6,070.73)</b>
<b>6</b>	<b>Other comprehensive income (Net of tax )</b>					
	Items that will not be reclassified to profit or loss (Net of tax )	4.84	-	(0.19)	24.43	0.12
<b>7</b>	<b>Total comprehensive income/(loss) for the period/year(5+6)</b>	<b>(1,035.61)</b>	<b>(741.96)</b>	<b>(4,738.10)</b>	<b>(2,740.83)</b>	<b>(6,070.61)</b>
<b>8</b>	<b>Profit/(Loss) for the year attributable to:</b>					
	Owners of the Company	(1,040.45)	(741.96)	(4,737.93)	(2,765.26)	(6,070.73)
	Non controlling interest	-	-	-	-	-
<b>9</b>	<b>Other comprehensive income/(loss) for the year attributable to:</b>					
	Owners of the Company	4.84	-	(0.19)	24.43	0.12
	Non controlling interest	-	-	-	-	-
<b>10</b>	<b>Total comprehensive income/(loss) for the year attributable to:</b>					
	Owners of the Company	(1,035.61)	(741.96)	(4,738.12)	(2,740.83)	(6,070.61)
	Non - controlling interest	-	-	-	-	-
<b>11</b>	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,222.81</b>
<b>12</b>	<b>Other equity</b>				<b>(4,280.72)</b>	<b>(1,539.89)</b>
<b>13</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>					
	Basic	(1.44)	(1.03)	(6.56)	(3.83)	(8.40)
	Diluted	(1.44)	(1.03)	(6.56)	(3.83)	(8.40)

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**Arihant Nenawati**  
 Resolution Professional  
 IBBI/IPA-001/IP-P00456/2017-18/10799  
 Email ID: mteducare.cirp@gmail.com

 Place : Mumbai  
 Date: 28 May 2024

Standalone Statement of Assets and Liabilities as at 31 March 2024

(Rs. in lakhs )

	As at 31 March 2024	As at 31 March 2023
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	496.53	545.30
Right -of -use assets	3,003.48	3,323.69
Capital work-in-progress	15.00	-
Intangible assets	4.12	9.45
Financial assets		
- Investments	1,298.02	1,298.02
- Loans	-	2,316.41
- Other financials assets	342.84	381.94
Deferred tax assets (net)	6,935.86	6,894.29
Non-current tax assets (net)	1,054.67	991.15
<b>Total non-current assets</b>	<b>13,150.51</b>	<b>15,760.25</b>
<b>Current assets</b>		
Financial assets		
-Trade receivables	1,297.39	1,565.66
- Cash and cash equivalents	252.76	67.02
- Bank balances other than cash and cash equivalents	411.28	389.63
-Loans	1,752.07	5.12
-Other financial assets	5,125.10	5,248.05
Other current assets	87.68	111.03
<b>Total current assets</b>	<b>8,926.28</b>	<b>7,386.51</b>
<b>TOTAL ASSETS</b>	<b>22,076.81</b>	<b>23,146.76</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,222.81	7,222.81
Other equity	(2,160.27)	(709.15)
<b>Total equity</b>	<b>5,062.53</b>	<b>6,513.66</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Lease liabilities	5,397.03	5,124.27
Provisions	52.30	76.34
Other non-current liabilities	82.97	20.16
<b>Total non-current liabilities</b>	<b>5,532.29</b>	<b>5,220.77</b>
<b>Current liabilities</b>		
Financial Liabilities		
- Borrowings	3,296.59	3,173.50
- Lease liabilities	198.24	56.68
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises	244.38	290.84
Total outstanding dues of creditors other than micro and small enterprises	3,681.62	3,945.68
- Other financial liabilities	2,682.60	1,871.72
Provisions	349.61	346.72
Other current liabilities	1,028.95	1,727.19
<b>Total current liabilities</b>	<b>11,481.98</b>	<b>11,412.33</b>
<b>Total liabilities</b>	<b>17,014.27</b>	<b>16,633.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,076.81</b>	<b>23,146.76</b>

**Consolidated Statement of Assets and Liabilities as at 31 March 2024**

(Rs. in lakhs)

	As at	As at
	31 March 2024	31 March 2023
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,274.53	2,349.97
Right -of - use assets	1,820.99	1,327.58
Capital work-in-progress	15.00	21.83
Investment Property	3,415.62	3,528.73
Intangible assets	4.12	9.45
Financial assets		
- Investments	0.36	0.36
-Loans	86.75	3,444.14
-Other financials assets	261.78	286.32
Deferred tax assets (net)	7,584.84	7,548.55
Non-current tax assets (net)	1,137.25	1,080.71
<b>Total non-current assets</b>	<b>16,601.24</b>	<b>19,597.64</b>
<b>Current assets</b>		
Financial assets		
-Trade receivables	918.48	1,096.18
- Cash and cash equivalents	417.74	372.72
- Bank balances other than cash and cash equivalents	580.12	551.34
-Loans	7,095.73	4,308.10
-Other financial assets	3,312.31	3,348.84
Other current assets	153.93	170.15
<b>Total current assets</b>	<b>12,478.30</b>	<b>9,847.33</b>
<b>TOTAL ASSETS</b>	<b>29,079.54</b>	<b>29,444.97</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,222.81	7,222.81
Other equity	(4,280.72)	(1,539.89)
<b>Total equity</b>	<b>2,942.10</b>	<b>5,682.92</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Borrowings	-	4,740.46
- Lease liabilities	1,644.44	1,322.31
Provisions	125.01	146.56
Deferred tax liabilities (net)	331.12	150.47
Other non-current liabilities	122.14	71.56
<b>Total non-current liabilities</b>	<b>2,222.70</b>	<b>6,431.36</b>
<b>Current liabilities</b>		
Financial Liabilities		
- Borrowings	11,597.90	5,391.37
- Lease liabilities	263.89	90.69
- Trade payables		
Total outstanding dues of micro and small enterprises	777.01	808.81
Total outstanding dues of creditors other than micro and small enterprises	4,859.06	5,157.95
- Other financial liabilities	4,068.68	2,993.23
Provisions	378.94	368.36
Other current liabilities	1,969.27	2,520.28
<b>Total current liabilities</b>	<b>23,914.75</b>	<b>17,330.69</b>
<b>Total liabilities</b>	<b>26,137.44</b>	<b>23,762.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,079.54</b>	<b>29,444.97</b>

<b>MT Educare Limited</b>		
<b>Standalone Statement of Cash Flows for the year ended 31 March 2024</b>		
	<b>(Rs. in lakhs )</b>	
	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
	<b>(Audited)</b>	<b>(Audited)</b>
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before exceptional items and tax	(1,533.04)	(3,287.40)
Adjustments for:		
Depreciation and amortisation expense	680.02	875.32
Loss on sale / discard of property, plant and equipment/ intangible assets/ capital work-in-progress (net)	-	502.99
Interest income	(321.09)	(206.06)
Finance costs	728.83	703.29
Provision for doubtful debts /receivables	(70.96)	1,123.83
Liabilities written back	(18.63)	(166.44)
Provision for impairment of investments		0.01
<b>Operating profit/ (loss) before working capital changes</b>	<b>(534.87)</b>	<b>(454.46)</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in trade and other receivables	625.16	545.78
(Increase)/Decrease in trade and other payables	(89.12)	1,006.95
<b>Cash generated from/(used in) operations</b>	<b>1.17</b>	<b>1,098.27</b>
Direct taxes paid (net of refunds)	(63.51)	(65.01)
<b>Net cash from /(used in) operating activities (A)</b>	<b>(62.35)</b>	<b>1,033.26</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including Capital Work-in-Progress, Capital advances and Capital creditors)	(48.44)	(166.84)
Proceeds from sale of property, plant and equipment/ intangible assets	-	4.84
(Increase)/Decrease in other bank balances	(50.03)	(16.26)
Repayment of loan given	790.00	
Interest received	28.39	0.03
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>719.92</b>	<b>(178.23)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings (net)	-	225.00
Proceeds/(Repayment) of Working Capital loan (net)	123.08	(342.13)
Proceeds/(Repayment) from Borrowings to banks and financial institutions (net)	-	(109.00)
Repayment of lease liabilities	(583.06)	(667.98)
Finance costs paid	(11.86)	(129.54)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(471.84)</b>	<b>(1,023.65)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>185.74</b>	<b>(168.62)</b>
Cash and cash equivalents at the beginning of the year	67.02	235.65
<b>Cash and cash equivalents at the end of the year</b>	<b>252.76</b>	<b>67.02</b>
<b>Cash and cash equivalents at the end of the year</b>		
* Comprises:		
Balances with banks in current accounts	252.76	67.02
	<b>252.76</b>	<b>67.02</b>

Statement of Consolidated Cash Flows for the year ended 31 March 2024

(Rs. in lakhs)

	For the year ended 31 March 2024	For the year ended 31 March 2023
	(Audited)	(Audited)
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before exceptional items before tax	(2,631.24)	(4,669.58)
Adjustments for:		
Depreciation and amortisation expense	1,036.50	1,091.83
Interest income	(302.94)	(215.53)
Finance Costs	1,214.88	864.32
Loss on sale / discard of property, plant and equipment/ intangible assets/ capital work in progress (net)	-	619.89
Provision for doubtful debts /receivables	(60.78)	1,918.62
Liabilities written back	(100.42)	(233.74)
Provision for impairment of investments	-	0.01
<b>Operating profit before working capital changes</b>	<b>(843.99)</b>	<b>(624.19)</b>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	400.09	455.66
Increase / (Decrease) in trade and other payables	300.61	405.06
<b>Cash generated from/(used in) operations</b>	<b>(143.25)</b>	<b>236.53</b>
Direct taxes paid (net of refund)	(58.60)	(36.62)
<b>Net cash from / (used in) operating activities (A)</b>	<b>(201.85)</b>	<b>199.94</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including Capital Work-in-Progress, Capital advances and Capital creditors)	(138.93)	(256.63)
Proceeds from sale of property, plant and equipment/ intangible assets	-	4.84
Repayment of loan given	790.00	
(Increase)/ Decrease in other bank balances	(28.78)	(23.58)
Interest received		-
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>622.29</b>	<b>(275.37)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings (net)	670.00	1,430.69
Proceeds/(Repayment) from Borrowings to banks and financial institutions (net)	123.08	(109.00)
Payment of lease liabilities	(1,156.64)	(1,024.22)
Finance costs paid	(11.85)	(174.77)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(375.41)</b>	<b>122.70</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>45.03</b>	<b>47.29</b>
Cash and cash equivalents at the beginning of the year	372.72	325.45
<b>Cash and cash equivalents at the end of the year</b>	<b>417.75</b>	<b>372.72</b>
<b>Cash and cash equivalents at the end of the year</b>		
Comprises:		
Balances with banks in current accounts	417.75	372.72
	<b>417.75</b>	<b>372.72</b>



**Notes to the Statement of Audited standalone and consolidated financial results for the quarter and year ended 31 March 2024 :**

1 Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the application and ordered the commencement of Corporate Insolvency Resolution Process ("CIRP") of MT Educare Limited ("Corporate Debtor", "the Company") vide its Order dated 16 December 2022. The NCLT had appointed Mr. Ashwin B. Shah as the Interim Resolution Professional ("IRP") 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. Finally, Hon'ble NCLAT Order was pronounced on 18 August 2023 whereby Appeal filed by Director Mr. Vipin Choudhry was dismissed. The said Order dated 18 August 2023 was served upon IRP on 21 August 2023. IRP immediately constituted Committee of Creditors on 21 August 2023. COC at its meeting held on 29 December 2023, in terms of section 22(2) of the Code, resolved with the requisite voting share, to replace the IRP with Mr Arihant Nenawati as Resoluton Professional (RP) which has been confirmed by the NCLT in its Order dated 22 January 2024.

This is to bring to your kind attention that the Hon'ble Mumbai Bench of NCLT, had with effect from 16 December 2022 admitted Corporate Insolvency Resolution Process (CIRP) of the MT Educare Limited vide order no.C.P.No. 1291/IBC/MB/2021 appointing Mr. Ashwin Bhavanji Shah, having Registration No. IBBI/IPA-001/IP-P02648/2021-2022/14054 as the Interim Resolution Professional (IRP) for conducting the CIRP in the matter of the MT Educare Limited (copy of the said NCLT order dated December 16,2022 is enclosed herewith).

Further, this is to bring into your notice that the Hon'ble NCLT Mumbai vide order dated 22 January, 2024, order received to the Resolution Professional (RP) on January 31, 2024, (copy of the said NCLT order dated January 22, 2024 is enclosed herewith) replaced Mr. Ashwin Bhavanji Shah (IRP) with the undersigned Resolution Professional (RP), Mr. Arihant Nenawati, having IBBI Registration No.IBB/IPA-001/IP-P00456/2017-2018/10799.

During the CIRP period, claims from 683 creditors amounting to Rs. 22,919.13 lakhs were received, out of which 659 claims amounting to Rs. 9,498.87 lakhs were admitted. Further, claims of Rs.7,555.53 lakhs were not admitted for the reasons best communicated to the creditors. A detailed list of creditors is available on the official website of the Corporate Debtor.

In furtherance to the Form G published on 8 January, 2024, we had received intimation of interest from Nine Resolution Applicants each depositing with an EMD of Rs. 25.00 lakhs in line with the RFRP issued.

A meeting was scheduled on 6 May, 2024 wherein initial negotiations took place between the CoC members and the PRAs. The discussions regarding plan improvement with the PRAs is still ongoing, based on the decision taken by the CoC. The RP will approach the Hon'ble NCLT Mumbai for Final Order.

With respect to the standalone and consolidated financial results for the quarter and year ended 31 March 2024, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers

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

c. The RP, in review of the standalone and consolidated financial results and while signing this standalone and consolidated financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these standalone and consolidated financial results. The standalone and consolidated financial results of the Corporate Debtor for the quarter and year ended 31 March 2024 have been taken on record by the RP solely on the basis of and relying on the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP 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 and consolidated financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the standalone and consolidated financial results.

d. In terms of the Code's provisions, the RP must undertake a review to determine avoidance transactions.

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

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

3 The Standalone and Consolidated Financial Results have been reviewed by the Audit Committee duly Chaired by RP and taken on record at the meetings held on 28 May 2024. The Statutory auditors have expressed disclaimer of opinion in respect of the standalone and consolidated results for the year ended 31 March 2024.

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

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

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

6 The Group / Company has loans, trade receivables and other receivables of Rs.11,141.80 lakhs / Rs. 8,046.73 lakhs (net of provisions) outstanding as at 31 March 2024 from parties which are overdue/rescheduled. Management/RP anticipate progress in business in the coming period which will enable recovery of the receivables in an orderly manner. Additionally, the management/RP considers the outstanding dues to be good and recoverable.

7 The Company and its Subsidiary had taken loan from Bank and Financial Institution and others ("lenders"). The Group / Company has not recognised interest expense (excluding penal interest if any) of Rs. 512.99 lakhs / Rs. 348.32 lakhs respectively for year ended 31 March 2024 respectively (cumulative Rs. 1,713.61 Lakhs/ Rs.1,199.75 Lakhs upto 31 March 2024. The claims are submitted by financial creditors, however the adjustments, if any, thereof including other claims shall be done in accordance of the outcome of the CIRP.

8 a) The Group/Company had recognised interest income of Rs 854.90 lakhs/ Rs 854.90 lakhs and also created a provision for doubtful receivable of Rs 854.90 lakhs/Rs 854.90 lakhs for half year ended 30 September 2023. During the quarter ended 31 December 2023, the Group/Company has reversed the interest income and the corresponding provision of Rs 854.90 lakhs/Rs 854.90 lakhs.

b) The Group/ Company has not provided for interest income of Rs 2,522.66 lakhs / Rs. 1,762.64 lakhs for the year ended 31 March 2024 on loans given considering prudence for pending recovery of long outstanding principal amount.

9 The Group / Company has been continued as going concern. With regard to Corporate Debtor viz MT Educare Limited, in CIRP, the business operations are continued by RP in accordance with objective of IBC 2016 to ensure that going concern is continued for maximising the value of corporate debtor.

10 During the year ended 31 March 2023, in view of no operating activities / negative networth/ default in repayment of debts of secured creditors in certain subsidiaries of MT Educare Limited, the investment in subsidiaries companies have been impaired by Rs 1846.94 Lakhs in standalone financial statement and goodwill in consolidation impaired by Rs 1627.52 lakhs in consolidated financials statement and shown as exceptional item.

11 SVC Cooperative Bank Ltd( SVC) has issued demand notice u/s 13(2) of SARFAESI Act on Labh Ventures India Private Limited (a subsidiary company) as principal borrower and Holding company as corporate guarantor for Rs 4973 Lakhs. SVC Cooperative Bank Ltd has filed claim before IRP for Rs 4,973 Lakhs since corporate debtor was corporate guarantor. However, the claim submitted by SVC Cooperative Bank Ltd has not been admitted by IRP. Further SVC Cooperative bank has taken Land and building including related assets (property) situated at Mangalore under their possession vide notice no. CRL / MIS. CASE NO 48/2024 on 15th March 2024. The Company has reported the lender to withdraw the possession of the said property citing the statutory provision of CIRP.

12 Figures for the Quarter ended 31 March 2024 and 31 March, 2023 are the balancing figures between audited figures for the financial year and reviewed year to date figure upto third quarter of the respective financial year.

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

**Arihant  
Nenawati**  
Digitally signed  
by Arihant  
Nenawati  
Date: 2024.05.28  
16:29:35 +05'30'

**Arihant Nenawati  
Resolution Professional**

**IBBI/IPA-001/IP-P00456/2017-18/10799**

**Email ID: mteducare.cirp@gmail.com**

Place : Mumbai

Date: 28 May, 2024

**Independent Auditor's Report on Audit of the Annual Standalone Financial Results of MT Educare Limited pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended**

To  
The Board of Directors / Resolution Professional (RP) of **MT Educare Limited**

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

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by an operational creditor against MT Educare Limited ("the Company") and ordered the commencement of CIRP of MT Educare Limited, the Company/ 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. Mr. Vipin Choudhary, Director of the Company, challenged the Order of Hon'ble NCLT before Hon'ble NCLAT, New Delhi. Hon'ble NCLAT vide Order dated 18 August 2023, dismissed the appeal filed by the Director, Mr. Vipin Choudhary. IRP constituted Committee of Creditors (COC) on 21 August 2023. The Committee of Creditors (COC) at its meeting held on 29 December 2023, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professional with Mr. Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT vide its Order dated 22 January 2024, with a 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 results for the year ended 31 March 2024, vests with the RP.

**Disclaimer of Opinion**

We have audited the accompanying annual standalone financial results of MT Educare Limited (hereinafter referred to as "the Company"), for the year ended 31 March 2024 (the "Statement" or "Standalone financial results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

We do not express an opinion on the accompanying standalone financial results of the Company. Because of the significance of the matters described in paragraph "Basis for Disclaimer of Opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the standalone financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- gives a true and fair view, in conformity with other accounting principles generally accepted in India of the net loss and the other comprehensive loss and other financial information of the Company for the year ended 31 March 2024.

**Basis for Disclaimer of Opinion**

For the paragraphs (a) to (j) mentioned below, we are unable to comment on the elements of standalone financial results which may require necessary adjustments/disclosures in the Standalone financial results including but not limited to an impact on the Company's ability to continue as a going concern and these adjustments when made, may have material and pervasive impact on the outcome of the Standalone financial results for the year ended 31 March 2024. Accordingly, pending these adjustments and unavailability of sufficient and appropriate evidence in respect of these items, we are unable to express our opinion on the standalone financial results of the Company.



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MGB & Co. (a partnership firm) converted into MGB & Co LLP (a Limited Liability Partnership with Regn No. AAC-2940) w.e.f 13th May, 2014



- a) We draw attention to Note 1(e) of the standalone financial results regarding admission of the Company into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- b) 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 and non availability of confirmation of substantial balances, 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 loss for the year ended 31 March 2024. 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". Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- c) We have not received bank statement/ confirmation of balance for the balance lying in current account with bank of Rs 5.36 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 2024 and on the carrying value of cash and cash equivalents. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- d) We have been informed by the RP that certain information including the minutes of the meetings of the COC, and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with other than the COC and Hon'ble NCLT. In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact on the resolution process. Accordingly, we are unable to comment on the impact, if any, on the accompanying standalone financial results including recognition, measurement and disclosures, that may arise had we been provided access to the above mentioned information.
- e) We draw attention to Note 11 of the standalone financial results, wherein the Company has acquired land and building including related assets ("property") on lease from a subsidiary company. The subsidiary company has defaulted on loan taken against the property. The lender has taken the possession of the property under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI"). The Company/ RP has requested the lender to withdraw the possession of the property citing the statutory provisions of CIRP. In view of the above, we are unable to comment on carrying value of Right of use assets of Rs 2,135.30 lakhs, security deposits/ advances given Rs 174.05 lakhs and corresponding lease liabilities of Rs 4,893.93 lakhs as at 31 March 2024, and its consequential impact on the standalone financial results.
- f) The Company has recognized net deferred tax assets of Rs 6,935.86 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. Due to losses during the year and pendency of CIRP, it is uncertain that the Company would achieve sufficient taxable income in future against which such deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / RP's assessment of recognition of deferred tax assets as at 31 March 2024. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- g) i) The Company has outstanding loans, trade receivables and other receivables ("receivables") of Rs 8,046.73 lakhs (net of provisions) as at 31 March 2024, which are overdue / rescheduled. The management / RP envisages the same to be good and recoverable. In view of long outstanding, we are unable to assess whether adjustments are necessary to the carrying value of these outstanding receivables and the consequential impact on the accompanying standalone financial results. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- ii) As referred in Note 8 (b) of the standalone financial results, the Company has not provided interest income of Rs. 1,762.64 lakhs for the year ended 31 March 2024, pending recoveries of long outstanding loans (included in g(i) above).



- h) The Company has not provided for interest expense of Rs. 348.32 lakhs for the year ended 31 March 2024 and Rs. 1,199.75 lakhs upto 31 March 2024 on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan and claims received. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- i) The Company's investment in subsidiary companies of Rs 1,297.71 lakhs are considered as good and fully recoverable by the management/ RP, inspite of accumulated losses, complete erosion of networth and liquidity constraints. In the absence of sufficient and appropriate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying values of these non-current investments as per Ind AS 109 "Financial Instruments", and the consequential impact on the accompanying Standalone financial results.
- j) The Company has incurred net loss during the year and has accumulated losses resulting in negative networth, its current liabilities exceeding current assets resulting in negative working capital and has defaulted in its debt/ other obligations. Accordingly, there exists a material uncertainty about the Company's ability to continue as a "Going Concern" since the future of the Company is dependent upon the successful implementation of the Resolution plan. The standalone financial results has been prepared by the management/ RP assuming going concern basis of accounting, for which we have not been able to obtain sufficient appropriate audit evidence regarding the use of such assumption, based on management's/ RP' assessment of the successful outcome of the ongoing Resolution process with no adjustments having been made to the carrying value of assets and liabilities and their presentation and classification in the standalone financial results.

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

#### **Responsibilities of the Management/ RP and Those Charged with Governance for the Standalone Financial Results**

Pursuant to 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 has admitted the application and ordered the commencement of CIRP of MT Educare Limited, the Company/ 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. Mr. Vipin Choudhary, Director of the Company, challenged the Order of Hon'ble NCLT before Hon'ble NCLAT, New Delhi. Hon'ble NCLAT vide Order dated 18 August 2023 dismissed the appeal filed by the Director Mr. Vipin Choudhary. IRP constituted Committee of Creditors (COC) on 21 August 2023. The Committee of Creditors (COC) at its meeting of held on 29 December 2023, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professional with Mr. Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT vide its Order dated 22 January 2024, with a direction to initiate appropriate action contemplated, with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

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


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

In preparing the Standalone financial results, the management/ RP is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors/ RP either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management / RP.
- Conclude on the appropriateness of management's / RP's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

The standalone financial results includes the results for the quarter ended 31 March, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter ended 31 December of the relevant financial year, which were subject to limited review by us, as required under the Listing Regulations. Our opinion on the Audit of the standalone financial results for the year ended 31 March, 2024 is not modified in respect of this matter.

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



**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 28 May 2024

UDIN: 24107832BKEOCX4387



**Independent Auditor's Report on Audit of the Annual Consolidated Financial Results of MT Educare Limited pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended**

To  
The Board of Directors / Resolution Professional (RP) of **MT Educare Limited**

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

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by an operational creditor against MT Educare Limited (the "Holding Company") and ordered the commencement of CIRP of MT Educare Limited, the Holding Company/ 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. Mr. Vipin Choudhary, Director of the Holding Company, challenged the Order of Hon'ble NCLT before Hon'ble NCLAT, New Delhi. Hon'ble NCLAT vide Order dated 18 August 2023, dismissed the appeal filed by the Director Mr. Vipin Choudhary. IRP constituted Committee of Creditors (COC) on 21 August 2023. The Committee of Creditors (COC) at its meeting held on 29 December 2023, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professional with Mr. Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT vide its Order dated 22 January 2024, with a 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 financial results for the year ended 31 March 2024, vests with the RP.

The consolidated annual financial results includes the financial results of the following entities:

**Holding Company**  
MT Educare Limited

**Subsidiaries**

- a. MT Education Services Private Limited
- b. Lakshya Forum for Competitions Private Limited
- c. Chitale's Personalised Learning Private Limited
- d. Sri Gayatri Educational Services Private Limited
- e. Robomate Edutech Private Limited
- f. Letspaper Technologies Private Limited
- g. Labh Ventures India Private Limited

**Disclaimer of Opinion**

We have audited the accompanying annual consolidated financial results of MT Educare Limited (the "Holding Company") and its subsidiaries (hereinafter referred to as "Group"), as referred above, for the year ended 31 March 2024 (the "Statement" or "Consolidated financial results"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

We do not express an opinion on the accompanying consolidated financial results of the Group. Because of the significance of the matters described in paragraph "Basis for Disclaimer of Opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the consolidated financial results:



- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- b) gives a true and fair view, in conformity with other accounting principles generally accepted in India of the net loss and the total comprehensive loss and other financial information of the Group for the year ended 31 March 2024.

### **Basis for Disclaimer of Opinion**

For the paragraphs (a) to (i) mentioned below, we are unable to comment on the elements of consolidated financial results which may require necessary adjustments/disclosures in the consolidated financial results including but not limited to an impact on the Group's ability to continue as a going concern and these adjustments when made, may have material and pervasive impact on the outcome of the consolidated financial results for the year ended 31 March 2024. Accordingly, pending these adjustments and unavailability of sufficient and appropriate evidence in respect of these items, we are unable to express our opinion on the consolidated financial results of the Group.

- a) We draw attention to Note 1 (e) of the consolidated financial results regarding admission of the Holding Company into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- b) 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 and non-availability of confirmation of substantial balances, 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 loss for the year ended 31 March 2024. 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". Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- c) We have not received bank statement/ confirmation of balance for the balance lying in current accounts with bank of Rs 11.34 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 2024 and on the carrying value of cash and cash equivalents. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- d) We have been informed by the RP that certain information including the minutes of the meetings of the COC, and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with other than the COC and Hon'ble NCLT. In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact on the resolution process. Accordingly, we are unable to comment on the impact, if any, on the accompanying consolidated financial results including recognition, measurement and disclosures, that may arise had we been provided access to the above mentioned information.
- e) We draw attention to Note 11 of the consolidated financial results, wherein the land and building including related assets ("property") of a subsidiary company has been acquired by the lender under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") for default in repayment of dues by the subsidiary company. The Holding Company/RP being the lessee of the property has requested the lender to withdraw the possession of the property citing the statutory provisions of CIRP. In view of the above, we are unable to comment on carrying value of property of Rs 4,476.65 lakhs and corresponding borrowings of Rs 5,413.44 lakhs and its consequential impact on the consolidated financial results.



- f) The Group has recognized net deferred tax assets of Rs 7,584.84 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. 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 / RP's assessment of recognition of deferred tax assets as at 31 March 2024. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- g) i) The Group has outstanding loans, trade receivables and other receivables ("receivables") of Rs 11,141.80 lakhs (net of provisions) as at 31 March 2024, which are overdue / rescheduled. The management / RP envisages the same to be good and recoverable. In view of long outstanding, we are unable to assess whether adjustments are necessary to the carrying value of these outstanding receivables and the consequential impact on the accompanying consolidated financial results. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- ii) As referred in Note 8 (b) of the consolidated financial results, the Group has not provided interest income of Rs. 2,522.66 lakhs for the year ended 31 March 2024, pending recoveries of long outstanding loans (included in g(i)) above).
- h) The Group has not provided for interest expense of Rs. 512.99 lakhs for the year ended 31 March 2024 and Rs. 1,713.61 lakhs upto 31 March 2024 on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan and claims received. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our opinion for the year ended 31 March 2023, was modified in respect of this matter.
- i) The Group has incurred net loss during the year and has accumulated losses resulting in negative networth, its current liabilities exceeding current assets resulting in negative working capital and has defaulted in its debt/ other obligations. Accordingly, there exists a material uncertainty about the Group's ability to continue as a "Going Concern" since the future of the Group is dependent upon the successful implementation of the Resolution plan of the Holding Company. The consolidated financial results has been prepared by the management/ RP assuming going concern basis of accounting, for which we have not been able to obtain sufficient appropriate audit evidence regarding the use of such assumption, based on management's/ RP's assessment of the successful outcome of the ongoing Resolution process with no adjustments having been made to the carrying value of assets and liabilities and their presentation and classification in the consolidated financial results.

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

#### **Responsibilities of the Management/ RP and Those Charged with Governance for the Consolidated Financial Results**

Pursuant to 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 has admitted the application and ordered the commencement of CIRP of MT Educare Limited, the Holding Company/ 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. Mr. Vipin Choudhary, Director of the Holding Company, challenged the Order of Hon'ble NCLT before Hon'ble NCLAT, New Delhi. Hon'ble NCLAT vide Order dated 18 August 2023 dismissed the appeal filed by the Director Mr. Vipin Choudhary. IRP constituted Committee of Creditors (COC) on 21 August 2023. The Committee of Creditors (COC) at its meeting held on 29 December 2023, in terms of Section 22 (2) of the Code, resolved with

the requisite voting share, to replace the Interim Resolution Professional with Mr. Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT vide its Order dated 22 January 2024, with a direction to initiate appropriate action contemplated, with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

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

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

In preparing the consolidated financial results, the respective management/RP is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors/ RP either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's responsibilities for the Audit of the Consolidated financial results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management / RP
- Conclude on the appropriateness of respective management's / RP's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

The consolidated financial results includes the results for the quarter ended 31 March, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter ended 31 December of the relevant financial year, which were subject to limited review by us, as required under the Listing Regulations. Our opinion on the Audit of the consolidated financial results for the year ended 31 March, 2024 is not modified in respect of this matter.

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

Chartered Accountants

Firm Registration Number 101169WW-100035



**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 28 May 2024

UDIN: 24107832BKFOCY5231



ANNEXURE-I						
Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results-Standalone)						
Statement of Impact of Audit Qualifications for the Financial Year ended 31 March 2024 (See regulation 33 of SEBI (LODR) Regulations, 2015)						
I	Sl. No.	Particulars	Audited Figures (Rs. in Lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in Lakhs) (as reported after adjusting for qualifications)		
	1	Turnover/Total Income	2,884.16	4,646.80		
	2	Total Expenditure	4,417.20	12,552.81		
	3	Net Profit/(loss) after tax	(1,474.62)	(7,847.59)		
	4	Earnings per share (Rs.)	(2.04)	(10.87)		
	5	Total Assets	22,076.81	16,903.59		
	6	Total Liabilities	17,014.27	18,214.02		
	7	Networth	5,062.53	(1,310.43)		
II	<b>Audit Qualifications:</b>					
	<b>Details of Audit Qualification:</b>					
	<p>a. The Company has recognized net deferred tax assets of Rs 6,935.86 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. 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 future against which such deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / RP's assessment of recognition of deferred tax assets as at 31 March 2024. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p><b>Frequency of Qualification: During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier 4 years upto 31 March 2023</b></p>					
	<p>b. The Company has not provided for interest expense of Rs. 348.32 lakhs for the year ended 31 March 2024 and Rs. 1,199.75 lakhs upto 31 March 2024 on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan and claims received. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p><b>Frequency of Qualification: During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier 2 years upto 31 March 2023.</b></p>					
	<p>c. As referred in Note 8 (b) of the standalone financial results, the Company has not provided interest income of Rs. 1,762.64 lakhs for the year ended 31 March 2024, pending recoveries of long outstanding loans (included in g(i)) above).</p> <p><b>Frequency of Qualification: During the year, Disclaimer of Opinion is given.</b></p>					
	<b>(b) Type of Audit Qualification:</b>			Qualified Opinion		

<b>(c) For Audit Qualification(s) where the impact is quantified by the Auditor, Managements Views:</b>	
<p>a. Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench (“NCLT”) in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder (“Code”), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process (“CIRP”) of MT Educare Limited (“Corporate Debtor”, “the Company”) vide its order dated 16 December, 2022. The NCLT had appointed Mr. Ashwin B. Shah as the interim resolution professional for the Corporate Debtor vide its order dated 16 December, 2022. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23rd December, 2022. Further, this is to bring into your notice that the Hon'ble NCLT Mumbai vide order dated January 22, 2024, order received to the Resolution Professional (RP) on January 31, 2024, (copy of the said NCLT order dated January 22, 2024 is enclosed herewith) replaced Mr. Ashwin Bhavanji Shah (IRP) with the undersigned Resolution Professional (RP), Mr. Arihant Nenawati, having IBBI Registration No. IBB/IPA-001/IP-P00456/2017-2018/10799. The RP of the view, that after approval of resolution plan by adjudicating authority, the successful PRA would revive the Corporate Debtor, thus the DTA assets would be carried at same level.</p> <p>b. During the CIRP period, claims from 683 creditors amounting to Rs.2,29,19,13,487/- were received, out of which 659 claims amounting to Rs. 94,98,87,414/- were admitted. Further, claims of Rs. 75,55,53,011/- were not admitted for the reasons best communicated to the creditors. A detailed list of creditors is available on the official website of the Corporate Debtor. AS per the Code, initiation of the CIRP put a moratorium on any interest cost associated with the liability exist on CIRP commencement date.</p> <p>c. in view of any recoverability of the loan and advances until the certainly arrives we have not recognised any income on the same.</p>	
<b>(d) For Audit Qualification(s) where the impact is not quantified by the Auditor:</b>	
	(i) Management’s estimation on the impact of audit qualification: Nil
	(ii) If Management is unable to estimate the impact, reasons for the same:
a. i) The Company has outstanding loans, trade receivables and other receivables (“receivables”) of Rs 8,046.73 Lakhs (net of provisions) as at 31 March 2024, which are overdue / rescheduled. The management / RP envisages the same to be good and recoverable. In view of long outstanding, we are unable to assess whether adjustments are necessary to the carrying value of these outstanding receivables and the consequential impact on the accompanying standalone financial results. Our opinion for the year ended 31	a i). At this present juncture, the management considers the outstanding dues to be good and recoverable and under the supervision of the RP, management is pursuing all the parties for payments. As majority of the advances to different education trust which are facing post covid difficulties in their operation was the main cause of delay in payments.

<p>March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier 3 years upto 31 March 2023</b></p> <p>b) We draw attention to Note 1(e) of the standalone financial results regarding admission of the Company into Corporate Insolvency Resolution Process (“CIRP”), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier year i.e. 31 March 2023</b></p> <p>c) 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 and non availability of confirmation of substantial balances, 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 loss for the year ended 31 March 2024. 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”. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier year i.e. 31 March 2023</b></p>	<p>b. The CIR Process at its last stage of final negotiation of CoC with the PRAs and the claim admitted is finalized and shared with the PRAs and available on official site. Due to various contingencies in the claim with related to interest, penal provision in contract terms and timing of the claim may cause variation in amount recorded in the financial statements.</p> <p>c. The Company had made excess provision in the earlier years and adjustments of provision to various loans and advances, balances with government authorities, deposits, trade and other receivables. Further deposit with Government Authorities in respect of disputed matter is subject to outcome of dispute. The RP maintained the status -quo with respect to the earlier year provision and contingencies which are depended upon the final outcome of any dispute raised with the Government authorities.</p>
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<p>d) We have not received bank statement/ confirmation of balance for the balance lying in current account with bank of Rs 5.36 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 2024 and on the carrying value of cash and cash equivalents. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier year i.e. 31 March 2023</b></p> <p>e) We have been informed by the RP that certain information including the minutes of the meetings of the COC, and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with other than the COC and Hon'ble NCLT. In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact on the resolution process. Accordingly, we are unable to comment on the impact, if any, on the accompanying standalone financial results including recognition, measurement and disclosures, that may arise had we been provided access to the above mentioned information.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given</b></p> <p>f) We draw attention to Note 11 of the standalone financial results, wherein the Company has acquired land and building including related assets ("property") on lease from a subsidiary company. The subsidiary company has defaulted on loan taken against the property. The lender has taken the possession of the property under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI"). The Company/ RP has requested the lender to withdraw the possession of the property citing the statutory provisions of CIRP. In view of the above, we are</p>	<p>d. There is no change from the previous year. These are old and non-operative bank accounts wherein there no transactions during the year and which will not have any material impact. The RP has sent an intimation letter to respective bank for closure of the account by transferring the balance to main CIRP account maintained by him.</p> <p>e. In line with IBC Code, which restrict the sharing on any confidential document except to intended recipient, we have shared limited information the auditor impacting financials position of the Company. All other matter are not concerning directly to the auditor were not shared.</p> <p>f. We are in the process of taking appropriate action based on the legal opinion requested for the said matter.</p>
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unable to comment on carrying value of Right of use assets of Rs 2,135.30 lakhs, security deposits/ advances given Rs 174.05 lakhs and corresponding lease liabilities of Rs 4,893.93 lakhs as at 31 March 2024, and its consequential impact on the standalone financial results.

Frequency of Qualification: **During the year, Disclaimer of Opinion is given**

g) The Company has incurred net loss during the year and has accumulated losses resulting in negative networth, its current liabilities exceeding current assets resulting in negative working capital and has defaulted in its debt/ other obligations. Accordingly, there exists a material uncertainty about the Company's ability to continue as a "Going Concern" since the future of the Company is dependent upon the successful implementation of the Resolution plan. The standalone financial results has been prepared by the management/ RP assuming going concern basis of accounting, for which we have not been able to obtain sufficient appropriate audit evidence regarding the use of such assumption, based on management's/ RP' assessment of the successful outcome of the ongoing Resolution process with no adjustments having been made to the carrying value of assets and liabilities and their presentation and classification in the standalone financial results.

Frequency of Qualification: **During the year, Disclaimer of Opinion is given**

g. The Corporate debtor continue to be under Corporate Insolvency Resolution Process (CIRP). The Company Operations are going on as going concern under the supervision of the Resolution Professional in line with the rule and regulation prescribed under the IBC Code 2016. Committee of Creditors are in the final stage of discussion with PRAs and expected to arrive at conclusion in near future. Accordingly, the audited standalone financial results are prepared on going concern basis. The appropriateness of the preparation of audited standalone financial results on going concern basis is critically dependent upon final Order to be pronounced by the Hon'ble NCLT on the decision taken by the CoC. However, the ultimate outcome of which is at present not ascertainable and depended upon the the final decision of the CoC. During the year, under the supervision of the RP, management has taken various steps to keep the corporate debtor as going concern.



1 various steps including notices to sundry debtors and others to recover the outstanding dues.

2. The Company were able to fund operational expenses without any external borrowings.

3. During the CIRP, except few delays, were able to adhere to statutory compliances.

4. Management has taken various steps to identify non-critical loss making centres. They have defined strategies like franchise model, consolidation of centres etc to reduce the cost related to loss making centres of the Company.



<p>h) The Company's investment in subsidiary companies of Rs 1,297.71 lakhs are considered as good and fully recoverable by the management/ RP, inspite of accumulated losses, complete erosion of networth and liquidity constraints. In the absence of sufficient and appropriate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying values of these non-current investments as per Ind AS 109 "Financial Instruments", and the consequential impact on the accompanying Standalone financial results.</p> <p><b>Frequency of Qualification: During the year, Disclaimer of Opinion is given.</b></p>	<p>h) In furtherance to the Form G published on 8th Jan, 2024, we had received intimation of interest from Nine Resolution Applicants each depositing with an EMD of Rs. 25,00,000/- in line with the RFRP issued. A meeting was scheduled on 6th May, 2024 wherein initial negotiations took place between the CoC members and the PRAs. The discussions regarding plan improvement with the PRAs is still ongoing. All subsidiary investment hold good to successful PRA and decision of any impact of provision is deferred till then.</p>
	<p>(iii) Auditor's Comment on (i) and (ii) above: Auditor's Comment are self-explanatory in auditor's report.</p>
<p><b>III Signatories:</b></p>	
<p><b>Arihant Nenawati</b>  <b>Resolution Professional</b>  AFA Valid Upto 08-Nov-2024  IP Reg. No: IBBI/IPA-001/IP-P00456/2017-2018/10799  Email ID: mteducare.cirp@gmail.com  Date: 28<sup>th</sup> May, 2024</p>	<p><b>Arihant Nenawati</b>  Digitally signed by Arihant Nenawati  Date: 2024.05.28 16:30:30 +05'30'</p>
<p>Statutory Auditors  <b>For MGB &amp; Co. LLP</b>  Firm Registration No. 101169W/W-100035  <b>Hitendra Bhandari</b>  Partner  Membership Number - 107832  28 May 2024</p>	<p>  </p>

**ANNEXURE-I**

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

**Statement of Impact of Audit Qualifications for the Financial Year ended March 31<sup>st</sup>, 2024 (See regulation 33 of SEBI (LODR) Regulations, 2015)**

I	Sl. No.	Particulars	Audited Figures (Rs. in Lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in Lakhs) (as reported after adjusting for qualifications)
	1	Turnover/Total Income	5,136.90	7,659.56
	2	Total Expenditure	7,768.14	17,066.59
	3	Net Profit/(loss) after tax	(2,765.30)	(9,541.09)
	4	Earnings per share (Rs.)	(3.83)	(13.21)
	5	Total Assets	29,079.54	24,017.36
	6	Total Liabilities	26,137.44	27,851.05
	7	Networth	2,942.10	(3,833.69)

**II Audit Qualifications:**

**(a) Details of Audit Qualification:**

a. The Group has recognized net deferred tax assets of Rs 7,584.84 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. 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 / RP's assessment of recognition of deferred tax assets as at 31 March 2024. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.

**Frequency of Qualification: During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier 4 years upto 31 March 2023**

b. The Group has not provided for interest expense of Rs. 512.99 lakhs for the year ended 31 March 2024 and Rs. 1,713.61 lakhs upto 31 March 2024 on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan and claims received. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs". Our opinion for the year ended 31 March 2023, was modified in respect of this matter.

**Frequency of Qualification: During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier 2 years upto 31 March 2023**

c. As referred in Note 8 (b) of the consolidated financial results, the Group has not provided interest income of Rs. 2,522.66 lakhs for the year ended 31 March 2024, pending recoveries of long outstanding loans (included in g(i)) above).

Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given.</b>	
<b>(b) Type of Audit Qualification:</b>	Qualified Opinion
<b>For Audit Qualification(s) where the impact is quantified by the Auditor, Managements Views:</b>	
<p>a. Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench (“NCLT”) in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder (“Code”), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process (“CIRP”) of MT Educare Limited (“Corporate Debtor”, “the Company”) vide its order dated 16 December, 2022. The NCLT had appointed Mr. Ashwin B. Shah as the interim resolution professional for the Corporate Debtor vide its order dated 16 December, 2022. Interim Resolution Professional took charge of the affairs of the corporate debtor on 23rd December, 2022. Further, this is to bring into your notice that the Hon'ble NCLT Mumbai vide order dated January 22, 2024, order received to the Resolution Professional (RP) on January 31, 2024, (copy of the said NCLT order dated January 22, 2024 is enclosed herewith) replaced Mr. Ashwin Bhavanji Shah (IRP) with the undersigned Resolution Professional (RP), Mr. Arihant Nenawati, having IBBI Registration No. IBB/IPA-001/IP-P00456/2017-2018/10799. The RP of the view, that after approval of resolution plan by adjudicating authority, the successful PRA would revive the Corporate Debtor, thus the DTA assets would be carried at same level.</p> <p>b. During the CIRP period, claims from 683 creditors amounting to Rs.2,29,19,13,487/- were received, out of which 659 claims amounting to Rs. 94,98,87,414/- were admitted. Further, claims of Rs. 75,55,53,011/- were not admitted for the reasons best communicated to the creditors. A detailed list of creditors is available on the official website of the Corporate Debtor. AS per the Code, initiation of the CIRP put a moratorium on any interest cost associated with the liability exist on CIRP commencement date.</p> <p>c. in view of any recoverability of the loan and advances until the certainly arrives we have not recognised any income on the same.</p>	
<b>(e) For Audit Qualification(s) where the impact is not quantified by the Auditor:</b>	
	(i) Management’s estimation on the impact of audit qualification: Nil
	(ii) If Management is unable to estimate the impact, reasons for the same:
a. The Group has outstanding loans, trade receivables and other receivables (“receivables”) of Rs 11,141.80 lakhs (net of provisions) as at 31 March 2024, which are overdue / rescheduled. The management / RP envisages the same to be good and recoverable. In view of long outstanding, we are unable to assess whether adjustments are necessary to the carrying value of these outstanding receivables and the consequential	a At this present juncture, the management considers the outstanding dues to be good and recoverable and under the supervision of the RP, management is pursuing all the parties for payments. As majority of the advances to different education trust which are facing post covid difficulties in their operation was the main cause of delay in payments.

	<p>impact on the accompanying consolidated financial results. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier 3 years upto 31 March 2023</b></p> <p>b. We draw attention to Note 1 (e) of the consolidated financial results regarding admission of the Holding Company into Corporate Insolvency Resolution Process (“CIRP”), and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. We are unable to comment on adjustments, if any, pending reconciliation and determination of final obligation. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier year i.e. 31 March 2023</b></p> <p>c. 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 and non availability of confirmation of substantial balances, 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 loss for the year ended 31 March 2024. Non-determination of fair value of financial assets and liabilities are not in</p>	<p>b) The CIR Process at its last stage of final negotiation of CoC with the PRAs and the claim admitted is finalized and shared with the PRAs and available on official site. Due to various contingencies in the claim with related to interest, penal provision in contract terms and timing of the claim may cause variation in amount recorded in the financial statements.</p> <p>c.) The Company had made excess provision in the earlier years and adjustments of provision to various loans and advances, balances with government authorities, deposits, trade and other receivables. Further deposit with Government Authorities in respect of disputed matter is subject to outcome of dispute. The RP maintained the status -quo with respect to the earlier year provision and contingencies which are depended upon the final outcome of any dispute raised with the Government authorities.</p>
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<p>compliance with Ind AS 109 “Financial Instruments” and Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier year i.e. 31 March 2023</b></p> <p>d. We have not received bank statement/ confirmation of balance for the balance lying in current accounts with bank of Rs 11.34 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 2024 and on the carrying value of cash and cash equivalents. Our opinion for the year ended 31 March 2023, was modified in respect of this matter.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given. Qualified opinion was given in the earlier year i.e. 31 March 2023</b></p> <p>e. The Group has incurred net loss during the year and has accumulated losses resulting in negative networth, its current liabilities exceeding current assets resulting in negative working capital and has defaulted in its debt/ other obligations. Accordingly, there exists a material uncertainty about the Group’s ability to continue as a “Going Concern” since the future of the Group is dependent upon the successful implementation of the Resolution plan of the Holding Company. The consolidated financial results has been prepared by the management/ RP assuming going concern basis of accounting, for which we have not been able to obtain sufficient appropriate audit evidence regarding the use of such assumption, based on management’s/ RP’s assessment of the successful outcome of the ongoing</p>	<p>d) There is no change from the previous year. These are old and non-operative bank accounts wherein there no transactions during the year and which will not have any material impact. The RP has sent an intimation letter to respective bank for closure of the account by transferring the balance to main CIRP account maintained by him.</p> <p>e) The Corporate debtor continue to be under Corporate Insolvency Resolution Process (CIRP). The Company Operations are going on as going concern under the supervision of the Resolution Professional in line with the rule and regulation prescribed under the IBC Code 2016. Committee of Creditors are in the final stage of discussion with PRAs and expected to arrive at conclusion in near future. Accordingly, the audited standalone as well as Consol financial results are prepared on going concern basis. The appropriateness of the preparation of audited standalone as well as Consol financial results on going concern basis is critically dependent upon final Order to be pronounced by the Hon’ble NCLT on the decision taken by the CoC. However, the ultimate outcome of which is at present not ascertainable and depended upon the the final decision of the CoC. During the year, under the supervision of the RP, management has taken various steps to keep the corporate debtor as going concern.</p>
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<p>Resolution process with no adjustments having been made to the carrying value of assets and liabilities and their presentation and classification in the consolidated financial results.</p> <p>Frequency of Qualification <b>During the year, Disclaimer of Opinion is given.</b></p> <p>f. We have been informed by the RP that certain information including the minutes of the meetings of the COC, and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with other than the COC and Hon'ble NCLT. In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact on the resolution process. Accordingly, we are unable to comment on the impact, if any, on the accompanying consolidated financial results including recognition, measurement and disclosures, that may arise had we been provided access to the above mentioned information.</p> <p>Frequency of Qualification <b>During the year, Disclaimer of Opinion is given.</b></p> <p>g. We draw attention to Note 11 of the consolidated financial results, wherein the land and building including related assets ("property") of a subsidiary company has been acquired by the lender under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") for default in repayment of dues by the subsidiary company. The Holding Company/RP being the lessee of the</p>	<ol style="list-style-type: none"> <li>1. various steps including notices to sundry debtors and others to recover the outstanding dues.</li> <li>2. The Company were able to find operational expenses without any external borrowings.</li> <li>3. During the CIRP, except few delays, were able to adhere to statutory compliances.</li> <li>4. Management has taken various steps to identify non-critical loss making centres. They have defined strategies like franchise model, consolidation of centres etc to reduce the cost related to loss making centres of the Company.</li> </ol> <p>f. In line with IBC Code, which restrict the sharing on any confidential document except to intended recipient, we have shared limited information the auditor impacting financials position of the Company. All other matter are not concerning directly to the auditor were not shared.</p> <p>g. We are in the process of taking appropriate action based on the legal opinion requested for the said matter.</p>
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	<p>property has requested the lender to withdraw the possession of the property citing the statutory provisions of CIRP. In view of the above, we are unable to comment on carrying value of property of Rs 4,476.65 lakhs and corresponding borrowings of Rs 5,413.44 lakhs and its consequential impact on the consolidated financial results.</p> <p>Frequency of Qualification: <b>During the year, Disclaimer of Opinion is given.</b></p>	
		<p>(iii) Auditor's Comment on (i) and (ii) above: Auditor's Comment are self-explanatory in auditor's report.</p>
III	<p><b>Signatories:</b></p>	
	<p><b>Arihant Nenawati</b>  <b>Resolution Professional</b>  AFA Valid Upto 08-Nov-2024  IP Reg. No: IBBI/IPA-001/IP-P00456/2017-2018/10799  Email ID: mteducare.cirp@gmail.com  Date: 28<sup>th</sup> May, 2024</p>	<p><b>Arihant Nenawati</b> Digitally signed by Arihant Nenawati  Date: 2024.05.28 16:28:19 +05'30'</p>
	<p>Statutory Auditors  <b>For MGB &amp; Co. LLP</b>  Firm Registration No. 101169W/W-100035  <b>Hitendra Bhandari</b>  Partner  Membership Number - 107832  28 May 2024</p>	