

June 26<sup>th</sup>, 2021

To,

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

Dear Sir/ Madam,

**Sub: Outcome of Board Meeting held on June 25th, 2021**

This is to inform you that the Board of Directors of the Company at its meeting held today i.e., on June 25<sup>th</sup>, 2021 at 7:00 p.m. and concluded at 10:30 p.m. has:

- 1) Approved the Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2021 [Standalone and Consolidated] as per Regulation 33 of SEBI Listing Regulations, 2015.
- 2) Approved Audited Balance Sheet as at March 31, 2021 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) 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.
- 4) Pursuant to Regulation 30 of the Securities Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulation, 2015 based on recommendation of Nomination and Remuneration Committee, Mr. Parag Ola has been appointed as Whole Time Director and Key Managerial Personnel of the Company w.e.f June 25<sup>th</sup>, 2021. The brief profile of Mr. Parag Ola is attached as Annexure 1.
- 5) The Key Managerial Personnel under Section 203 of Companies Act, 2013 are as below:
  - a. Mr. Parag Ola, Whole Time Director (WTD);
  - b. Mr. Sujeet Chaudhary, Chief Financial Officer (CFO);
  - c. Mr. Ravindra Mishra, Company Secretary (CS)



**We hereby enclose:**

- Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2021 [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.
- A brief profile of Mr. Parag Ola, as Annexure –I.

Kindly take the same on your records.

Thanking you.

**Yours faithfully,  
For MT Educare Limited**



**Ravindra Mishra  
Company Secretary**



**Annexure-1**

**DISCLOSURE OF EVENTS AND INFORMATION PURSUANT TO REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SEBI CIRCULAR CIR/CFD/CMD/4/20145-DATED-SEPTEMBER 09, 2015.**

Sr. No.	Particulars	Mr. Parag Ola
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment
2	Date of Appointment / <del>Cessation &amp; term of appointment;</del>	June 25 <sup>th</sup> , 2021
3	Brief Profile (in case of Appointment)	<p>He is MBA in Marketing and has over 22 years of experience. Has worked in companies like Speakwell Skills Academy, Future Group, Viztar International, Genovate Solutions and has been associated with Universities, colleges and Educational Institutes, has good experience in Education &amp; Training, Government Business in Skill Development and Livelihood Training in India and abroad. Mr. Ola has played a vital role in placing more than 20000 candidates in the last few years in states like UP, Punjab, Gujrat, Maharashtra, Karnataka and Rajasthan. Mr. Parag Ola has received many Awards from both Government Organizations for Skill Development in India and Private Sectors, for his gallant contribution to the Education &amp; Training Domain.</p> <p>MT Management has Assigned Karnataka Business to Parag in May 2020 and since then he has managed all the hurdles, roadblocks, setbacks and sustained the business. Currently, he was managing MT Educare business as COO.</p>
	Disclosure of Relationships between Directors (in case of Appointment of Director)	Mr. Parag Ola is neither related inter se nor with any other existing Director(s) of the Company.



Statement of Standalone Audited Financial Results for the quarter and year ended March 31, 2021

(Rs. in Lakhs, except EPS data)

	Particulars	Quarter Ended	Quarter Ended	Quarter Ended 31	Year ended	Year ended
		31 March, 2021	31 December, 2020	March, 2020	31 March, 2021	31 March, 2020
		(Refer Note 7)		(Refer Note 7)		
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	Revenue from operations	630.64	1,221.47	1,636.99	4,852.70	14,668.23
	Other income	623.66	884.44	423.50	2,708.70	2,133.69
	<b>Total income</b>	<b>1,254.30</b>	<b>2,105.91</b>	<b>2,060.49</b>	<b>7,561.40</b>	<b>16,801.92</b>
<b>2</b>	<b>Expenses</b>					
	Direct expenses (Refer note 4)	393.73	458.96	1,338.64	2,177.60	6,854.45
	Employee benefits expense	416.87	481.14	600.40	1,848.58	2,889.90
	Finance costs	243.11	296.60	335.94	1,204.76	1,981.50
	Depreciation and amortisation expense	309.08	561.11	1,119.86	2,162.30	3,722.49
	Other expenses (Refer note 5)	673.93	540.64	988.07	2,207.07	2,938.61
	<b>Total expenses</b>	<b>2,036.72</b>	<b>2,338.45</b>	<b>4,382.91</b>	<b>9,600.31</b>	<b>18,386.95</b>
<b>3</b>	<b>Profit/(loss) from ordinary activities before exceptional items and tax (1-2)</b>	<b>(782.42)</b>	<b>(232.54)</b>	<b>(2,322.42)</b>	<b>(2,038.91)</b>	<b>(1,585.03)</b>
<b>4</b>	Exceptional items (Refer note 14)	-	-	3,114.65	-	3,114.65
<b>5</b>	<b>Profit/(loss) before tax for the period/year (3-4)</b>	<b>(782.42)</b>	<b>(232.54)</b>	<b>(5,437.07)</b>	<b>(2,038.91)</b>	<b>(4,699.68)</b>
<b>6</b>	Tax expense/(credit)	1,147.00	15.92	262.22	965.15	530.32
<b>7</b>	<b>Net Profit / (Loss) for the period/year after tax (5-6)</b>	<b>(1,929.42)</b>	<b>(248.46)</b>	<b>(5,699.29)</b>	<b>(3,004.06)</b>	<b>(5,230.00)</b>
<b>8</b>	<b>Other comprehensive income (including tax effect)</b>					
	Items that will not be reclassified to profit or loss (Net of tax )	(9.15)	12.25	(40.31)	27.60	(46.74)
<b>9</b>	<b>Total comprehensive income/(loss) for the period/year (7+8)</b>	<b>(1,938.57)</b>	<b>(236.21)</b>	<b>(5,739.60)</b>	<b>(2,976.46)</b>	<b>(5,276.74)</b>
<b>10</b>	<b>Paid up equity share capital ( Face Value Rs. 10 per share )</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>11</b>	<b>Other equity</b>				<b>6,649.78</b>	<b>9,626.23</b>
<b>12</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>					
	Basic	(2.67)	(0.34)	(7.89)	(4.16)	(7.24)
	Diluted	(2.67)	(0.34)	(7.89)	(4.16)	(7.24)

For and on behalf of the Board of Directors

Parag Ola  
Digitally signed by Parag Ola  
Date: 2021.06.26 00:37:45 +05'30'

Parag Ola  
Whole Time Director  
DIN: 08133069

SUJEET KUMAR CHAUDHARY  
Digitally signed by SUJEET KUMAR CHAUDHARY  
Date: 2021.06.26 00:38:09 +05'30'

Sujeet Chaudhary  
Chief Financial Officer

Mumbai, 25 June 2021

Standalone Statement of Assets and Liabilities as at 31 March , 2021

(Rs. in lakhs )

Particulars	As at	As at
	31 March, 2021	31 March, 2020
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	1,372.79	1,865.26
Right of use assets	4,250.74	7,270.23
Capital work-in-progress	-	0.54
Intangible assets	87.18	213.70
Intangible assets under development	-	11.96
Financial Assets		
- Investments	3,144.96	3,144.96
-Loans	453.64	2,470.79
Deferred tax assets (net)	6,816.81	7,791.25
Non-current tax assets	1,167.58	1,121.08
Other non-current assets		0.95
<b>Total non-current assets</b>	<b>17,293.70</b>	<b>23,890.72</b>
<b>Current assets</b>		
Financial Assets		
-Investments	0.01	887.78
-Trade receivables	3,647.87	2,535.36
- Cash and cash equivalents	100.71	108.19
- Bank Balances other than Cash and Cash Equivalents	524.05	518.33
-Loans	3,837.98	1,967.38
-Other financial assets	5,240.51	5,817.04
Other current assets	70.57	188.74
<b>Total current assets</b>	<b>13,421.70</b>	<b>12,022.82</b>
<b>TOTAL ASSETS</b>	<b>30,715.40</b>	<b>35,913.54</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,222.81	7,222.81
Other equity	6,649.78	9,626.23
<b>Total equity</b>	<b>13,872.59</b>	<b>16,849.04</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Borrowings	551.00	1,668.15
- Other financial liabilities (including lease liabilities)	3,781.42	5,592.91
Provisions	428.11	408.36
Other non-current liabilities	33.90	211.32
<b>Total non-current liabilities</b>	<b>4,794.43</b>	<b>7,880.74</b>
<b>Current liabilities</b>		
Financial Liabilities		
- Borrowings	561.52	-
- Trade payables	-	
Outstanding dues of micro enterprises and small enterprises	74.72	60.44
Outstanding dues of creditors other than micro and small enterprises	4,578.78	2,436.66
- Other financial liabilities (including lease liabilities)	5,056.33	6,592.22
Provisions	153.90	136.93
Other current liabilities	1,623.13	1,957.51
<b>Total current liabilities</b>	<b>12,048.38</b>	<b>11,183.76</b>
<b>Total liabilities</b>	<b>16,842.81</b>	<b>19,064.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,715.40</b>	<b>35,913.54</b>

Statement of Standalone Cash Flows for the year ended 31 March 21

	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
	₹ in lakhs	₹ in lakhs
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax	(2,038.91)	(4,699.68)
Adjustments for:		
Depreciation and amortisation expenses	2,162.30	3,722.49
Impairment of property, plant and equipment	91.14	-
Interest income	(1,624.55)	(1,592.86)
Finance Cost	1,204.76	1,981.49
Net gain on sale of investments	(14.10)	(9.47)
Net gain on Investements through FVTPL	(0.00)	(8.31)
Net Gain on sale of property, plant and equipment	(0.80)	27.24
Allowance for doubtful debts and advances/ Bad debts	1,273.66	3,675.96
Liabilities written back	(680.10)	-
Net Gain on De-recognition of Right of Use Asset	(91.48)	-
Gain on lease modification	(187.49)	-
Net loss on foreign exchange transactions and translations	0.61	0.69
<b>Operating profit before working capital changes</b>	<b>95.04</b>	<b>3,097.56</b>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	1,463.23	1,182.98
(Decrease)/Increase in trade and other payables	(1,930.28)	1,520.43
Cash generated from/(used in) operations	(372.01)	5,800.97
Net income tax paid	(46.50)	(104.74)
<b>Net cash generated (used in)/ from operating activities (A)</b>	<b>(418.51)</b>	<b>5,696.23</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	8.24	1.39
Capital expenditure on property, plant and equipment and intangibles	(2.40)	(171.82)
Purchase of Current investments	-	(1,650.00)
Sale of current investments	656.87	1,025.00
Redemption of Non Convertible Debentures in subsidiary company	245.00	-
Decrease/(Increase) in other bank balances	2.38	-
Loans and advances (given)/received back	-	2,760.66
Interest received	-	537.77
<b>Net cash flow (used in)/generated from investing activities (B)</b>	<b>910.09</b>	<b>2,503.00</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from non-current borrowings	-	(4,181.88)
Proceeds/(Repayment) from current borrowings	63.39	(110.67)
Payment of lease liability	(374.19)	(3,031.99)
Finance cost paid	(188.26)	(986.68)
<b>Net cash flow (used in)/ from financing activities (C)</b>	<b>(499.06)</b>	<b>(8,311.22)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(7.48)</b>	<b>(111.99)</b>
Cash and cash equivalents at the beginning of the year	108.19	220.18
<b>Cash and cash equivalents at the end of the year</b>	<b>100.71</b>	<b>108.19</b>

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

To the Board of Directors of  
**MT Educare Limited**

**Report on the Audit of the Standalone Annual Financial Results**

**Qualified Opinion**

We have audited the accompanying standalone annual financial results of **MT Educare Limited** (hereinafter referred to as "the Company"), for the quarter ended 31 March 2021 and for the year ended 31 March 2021 ("the Statement" or "Standalone annual 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").

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

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- b) except for the possible effect of the matter described in the basis of qualified opinion paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other comprehensive income/ (loss) and other financial information of the Company for the quarter ended 31 March 2021 and for the year ended 31 March 2021.

**Basis for Qualified Opinion**

- a) The Company have recognized net deferred tax assets of Rs. 6,816.81 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax asset can be utilized. In our opinion, due to uncertainties arising out of the outbreak of COVID -19 and the existence of unutilized tax losses available, it is uncertain that the Company would achieve sufficient taxable profits in future against which deferred tax asset can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 31 March 2021. Had the deferred tax asset not been recognized, the net loss for the year ended 31 March 2021 would have been higher by Rs. 6,816.81 lakhs.
- b) The Company did not obtain/ receive balance confirmation from the most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 31 March, 2021 due to Covid-19 disruption. Hence, we could not obtain external confirmations as required in SA-505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.
- c) The Company has loans, trade receivables and other receivables of Rs 5,202.72 lakhs (net of provisions) outstanding as at 31 March 2021 from other parties having operations in the education sector, which are overdue. The management is of the opinion that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and therefore management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the accompanying standalone annual 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 Annual Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provision of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

The pandemic Covid-19 has caused an adverse impact on the business operations of the Company and its financial health. The revenue of the Company has declined sequentially for the year ended March 31, 2021 and as a result the Company has been incurring losses. Further, the Company has defaulted in its debt and other obligations. These indicate the existence of uncertainty that may cast doubt on the Company’s ability to continue as a going concern. The appropriateness of assumption of going concern is dependent upon improvement in cash flows through normal operations in post COVID-19, timely monetization of assets and approval of Company’s one time restructuring of debts.

Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

We draw attention to

- a) Note 6 to the Statement that states that the management has made an assessment of the impact of COVID-19 on the Company’s operations, financial performance, and position as at and for the year ended 31 March 2021 and has concluded that there is no impact which is required to be recognized in the standalone annual financial results. Accordingly, no adjustments have been made to the financial results. However, the extent of the impact of the COVID-19 pandemic on the Company’s standalone annual financial results is dependent upon future developments.
- b) Note 9 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 1,905.04 lakhs (net of provisions) outstanding as at 31 March 2021, which represent amounts recoverable for various Central and State Government/ Agencies projects in education/skill development sector. Based on internal assessment of the management which includes considering the progress of the discussions with the relevant government parties, past trends, contractual rights and evidence of service delivery, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 31 March 2021 are good and recoverable.
- c) Note 11 regarding invocation of pledge held by one of the promoter of the Company by the lender on account of repayment defaults.

Our opinion is not modified in respect of these matters.

#### **Management’s Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of standalone annual financial statements. The Company’s Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act 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 annual 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 annual financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone annual financial results**

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

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 annual 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 financial 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 through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 in the standalone annual financial results made by the management.
- Conclude on the appropriateness of the management'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 annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual 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 controls 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.

The comparative standalone financial information of the Company for the corresponding quarter ended 31 March 2020 and year ended 31 March 2020 included in these standalone annual financial results were audited by the predecessor auditor who expressed modified conclusion / opinion dated 25 September 2020 on the financial information and financial statements of the Company.

**Other matter**

The standalone annual financial results includes the results for the quarter ended 31 March 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the Listing Regulations.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035



**Sanjay Kothari**



Partner

Membership Number 048215

Mumbai, 25 June 2021

UDIN: 21048215AAAAGN5287

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, 2021 (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	7,561.41	7,561.41		
	2	Total Expenditure	9,600.31	16,417.12		
	3	Net Profit/(loss) after tax	(3,004.06)	(9,820.87)		
	4	Earnings per share (Rs.)	(4.16)	(13.60)		
	5	Total Assets	30,715.41	23,898.60		
	6	Total Liabilities	16,842.84	16,842.84		
	7	Networth	13,872.59	7,055.78		
II	<b>Audit Qualifications:</b>					
	<b>(a) Details of Audit Qualification:</b>					
	<p>a. The Company have recognized net deferred tax assets of Rs. 6,816.81 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax asset can be utilized. In our opinion, due to uncertainties arising out of the outbreak of COVID -19 and the existence of unutilized tax losses available, it is uncertain that the Company would achieve sufficient taxable profits in future against which deferred tax asset can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 31 March 2021. Had the deferred tax asset not been recognized, the net loss for the year ended 31 March 2021 would have been higher by Rs. 6,816.81 lakhs.</p>					
	<b>Frequency of Qualification:</b> Appearing for the second time					
	<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. Management is confident about generating sufficient profitability over the next 5 years and management is of the view that the company will generate sufficient taxable profits to utilize the DTA.</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					
	<p>a. The Company did not obtain/ receive balance confirmation from the most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 31 March, 2021 due to Covid-19 disruption. Hence, we could not obtain external confirmations as required in SA-505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.</p>		<p>(ii) If Management is unable to estimate the impact, reasons for the same:</p>			
	<p><b>Frequency of Qualification:</b> Appearing for the first time</p>		<p>a. The Company had sent necessary request for balance confirmations to most vendors/Parties (Except Government Department/Ministries). The company could not get the necessary balance confirmations due to disruptions caused by Covid-19. The company is confident about the confirmations &amp; reconciliations of the balances with the third Parties.</p>			

	<p>b. The Company has loans, trade receivables and other receivables of Rs 5,202.72 lakhs (net of provisions) outstanding as at 31 March 2021 from other parties having operations in the education sector, which are overdue. The management is of the opinion that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and therefore management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the accompanying standalone annual financial results</p> <p><b>Frequency of Qualification:</b> Appearing for the first time</p>	<p>b. Covid-19 Pandemic &amp; ensuing lockdowns imposed by central/state governments impacted the operations of third parties, however the management is confident that simultaneously with recovery from Covid 19, the balances shall be adequately recovered.</p>
		<p>(iii) Auditor's Comment on (i) and (ii) above: Auditor's comments are self-explanatory in auditor's report</p>
<p>III</p>	<p><b>Signatories:</b></p>	
	<p>Sujeet Chaudhary Chief Financial Officer 25 June, 2021</p>	<p>SUJEET KUMAR CHAUDHARY y</p> <p>Digitally signed by SUJEET KUMAR CHAUDHARY Date: 2021.06.26 00:34:10 +05'30'</p>
	<p>Roshan Lal Kamboj Chairman of Audit Committee 25 June, 2021</p>	<p>S/d-</p>
	<p>Statutory Auditors For MGB &amp; Co. LLP Firm Registration No. 101169W/W-100035</p>   <p>Sanjay Kothari Partner Membership No. 048215 25 June, 2021</p>	

Statement of Consolidated Audited Financial Results for the quarter and year ended March 31, 2021

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter Ended 31 March, 2021 (Refer Note 7)	Quarter Ended 31 December, 2020	Quarter Ended 31 March, 2020 (Refer Note 7)	Year ended 31 March, 2021	Year ended 31 March, 2020
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	Revenue from operations	393.65	1,290.13	2,329.63	7,517.81	20,516.47
	Other income	894.68	1,383.60	575.97	3,789.96	2,626.19
	<b>Total income</b>	<b>1,288.33</b>	<b>2,673.73</b>	<b>2,905.60</b>	<b>11,307.77</b>	<b>23,142.66</b>
<b>2</b>	<b>Expenses</b>					
	Direct expenses (Refer note 4)	926.54	294.29	2,162.01	3,904.37	10,389.06
	Employee benefits expense	435.01	501.42	583.32	1,945.94	3,192.73
	Finance costs	428.10	389.30	468.13	1,663.12	2,403.24
	Depreciation and amortisation expense	519.87	636.51	1,354.84	2,633.74	4,287.99
	Other expenses (Refer note 5)	967.64	753.71	955.60	2,950.24	3,637.59
	<b>Total expenses</b>	<b>3,277.16</b>	<b>2,575.23</b>	<b>5,523.90</b>	<b>13,097.41</b>	<b>23,910.61</b>
<b>3</b>	<b>Profit/(loss) from ordinary activities before exceptional items and tax (1-2)</b>	<b>(1,988.83)</b>	<b>98.50</b>	<b>(2,618.30)</b>	<b>(1,789.64)</b>	<b>(767.95)</b>
<b>4</b>	Exceptional items ( Refer note 14)	-	-	3,114.65	-	3,114.65
<b>5</b>	<b>Profit/(loss) before tax for the period/year (3-4)</b>	<b>(1,988.83)</b>	<b>98.50</b>	<b>(5,732.95)</b>	<b>(1,789.64)</b>	<b>(3,882.60)</b>
<b>6</b>	Tax expense/(credit)	951.67	(2.88)	169.80	1,233.21	710.78
<b>7</b>	<b>Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (5-6)</b>	<b>(2,940.50)</b>	<b>101.38</b>	<b>(5,902.75)</b>	<b>(3,022.85)</b>	<b>(4,593.38)</b>
<b>8</b>	<b>Other comprehensive income (including tax effect)</b>					
	Items that will not be reclassified to profit or loss (Net of tax )	(4.77)	13.96	(29.46)	32.55	(35.89)
<b>9</b>	<b>Total comprehensive income for the period/year(7+8)</b>	<b>(2,945.27)</b>	<b>115.34</b>	<b>(5,932.21)</b>	<b>(2,990.30)</b>	<b>(4,629.27)</b>
<b>10</b>	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81
<b>11</b>	<b>Other equity</b>				7,073.10	10,063.39
<b>12</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>					
	Basic	(4.07)	0.14	(8.17)	(4.19)	(6.36)
	Diluted	(4.07)	0.14	(8.17)	(4.19)	(6.36)

Notes to the Statement of standalone and consolidated financial results for the quarter and year ended March 31, 2021:

- These results have been prepared in accordance with the Indian Accounting Standards (INDAS) notified under Companies Indian Accounting Standards Rules, 2015.
- The Standalone and Consolidated Financial Results have been audited and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25 June, 2021.
- 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".
- Direct expenses mainly includes fees paid to visiting faculties, purchase and printing of study material which is issued to students as a part of course material, center related utilities etc.
- Other expenses includes provision for bad and doubtful debts/receivable of Rs. 361.89 lakhs/ Rs. 502.83 lakhs for the quarter ended 31 March, 2021, and Rs. 1273.66 lakhs / Rs. 1607.71 lakhs for the year ended 31 March, 2021 for the Company/ Group respectively.

6 Note on COVID -19

The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the education sector as well, as all of the Company/ Group's coaching centres continued to remain shut for major part of the year ended March 31, 2021. However, during this period, the Company/ Group continued to provide coaching for the ongoing courses "on line" and thus transitioned the same from physical coaching model to an "on-line" model. The Company/ Group has also taken strategic initiatives to introduce "on line" courses alongside physical classroom courses going forward and thus has taken efforts to keep the disruption in the business to the minimum.

In preparation of these financial statements, the Company/ Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to the assessment of liquidity and going concern, recoverable values of its financial and non-financial assets, and the impact on revenues. Based on current indicators of future economic conditions, the Company/ Group expects to fully recover the carrying amount of its assets. Basis the Company/ Group's projected cash flows for the next one year, management has concluded that the Company/ Group will have sufficient liquidity to continue its operations, although it expects possible delays with respect to collections from its government customers. Accordingly, necessary provisions have been made under the Expected Credit Loss model adopted by the Company/ Group.

The extent of the impact on the Company/ Group's operations remains uncertain and may differ from that estimated as at the date of approval of these financial results and will be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unknowable duration of COVID-19 and among other things, the impact of governmental actions imposed in response to the pandemic. The Company/ Group is monitoring the rapidly evolving situation and its potential impacts on the Company/ Group's financial position, results of operations, liquidity, and cash flows.

7 Figure for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures for the financial year and reviewed year to date figure upto third quarter of the respective financial years.

8 The Company/ Group has loans, trade receivables and other receivables of Rs 5,202.72 lakhs/ 11,114.92 lakhs (net of provisions) outstanding as at 31 March 2021 from other parties having operations in the education sector, which are overdue. The management is of the opinion that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and therefore the management considers the same as good and recoverable.

9 The Company/ Group has undertaken various Central and State Government/ Agencies, projects in education/skill development sector. Most of these projects are complete, however the dues outstanding (net of provisions) of Rs 1,905.04 lakhs/ Rs. 3,074.97 lakhs from the concerned department/ agency have not been realized mainly on account of delays and long process. In the opinion of the management, it has made necessary provision, wherever required and such balances are fully recoverable.

10 Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 1 April 2019, domestic companies have an option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. Accordingly, the Company and its subsidiaries has elected to exercise the option of reduced corporate income tax rate as permitted under section 115BAA of the Income Tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019, except two subsidiaries who had exercised the option in the previous years

11 The Group had taken loan from a Non Banking Financial Company (lender) which was secured against the pledge of equity shares of the Company held by one of the promoters. The pledge was invoked by the lender during the quarter ended 31 December 2020 and Rs 738.40 lakhs is adjusted against the dues owed by the Group.

12 The pandemic Covid-19 has caused an adverse impact on the business operations of the Company/ Group and its financial health. The revenue of the Company/ Group has declined sequentially for the year ended March 31, 2021 and as a result the Group has been incurring losses. Further, the Company/Group has defaulted in its debt and other obligations. These indicate the existence of uncertainty that may cast doubt on the Group's ability to continue as a going concern. The appropriateness of assumption of going concern is dependent upon improvement in cash flows through normal operations in post COVID-19, timely monetization of assets and approval of Company/ Group's one time restructuring of debts. The financial statements have been prepared on a going concern basis based on cumulative input of the following business potentials and mitigating factors.

13 The Company/ Group did not obtain/ receive balance confirmation from the most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 31 March, 2021 due to Covid-19 disruption. Hence, the reconciliation could not be carried out for the year ended 31 March 2021.

14 The Company/ Group had, during the earlier years given loans to a trust to support its business operations. On account of delay in recovery of the same (including interest accrued thereon), the Company/ Group has made the provision of Rs. 3,114.65 lakhs against the entire amount of loan receivables (including interest accrued thereon) during the previous year and disclosed the same as Exceptional item.

15 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30 March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective

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

For and on behalf of the Board of Directors

Para  
g Ola  
Parag Ola  
Whole Time Director  
DIN: 08133069

SUJEET  
KUMAR  
CHAUDHARY

Sujeet Chaudhary  
Chief Financial Officer

Mumbai, 25 June 2021

Consolidated Statement of Assets and Liabilities as at 31 March, 2021

(Rs. in lakhs )

Particulars	As at	As at
	31 March, 2021	31 March, 2020
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	4,037.35	3,790.61
Right of use assets	2,123.29	4,555.71
Capital work-in-progress	-	676.11
Investment Property	3,418.35	3,868.06
Goodwill	1,627.52	1,627.52
Intangible assets	93.33	244.59
Intangible assets under development	-	11.96
Financial Assets		
- Investments	0.34	0.34
-Loans	3,435.44	6,421.87
Deferred tax assets (net)	7,263.41	8,291.90
Non-current tax assets	1,331.12	1,502.84
Other non-current assets	0.73	1.78
<b>Total non-current assets</b>	<b>23,330.88</b>	<b>30,993.29</b>
<b>Current assets</b>		
Financial Assets		
- Investments	0.01	642.78
-Trade receivables	3,044.85	3,593.36
- Cash and cash equivalents	227.44	340.73
- Bank Balances other than Cash and Cash Equivalents	702.74	686.52
-Loans	5,989.52	2,389.65
-Other financial assets	4,215.47	3,528.33
Other current assets	271.11	545.04
Non Current Asset classified as held for sale	-	64.25
<b>Total current assets</b>	<b>14,451.14</b>	<b>11,790.66</b>
<b>TOTAL ASSETS</b>	<b>37,782.02</b>	<b>42,783.95</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,222.81	7,222.81
Other equity	7,073.10	10,063.39
<b>Total equity</b>	<b>14,295.91</b>	<b>17,286.20</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Borrowings	5,028.73	6,217.35
- Other financial liabilities (including lease liabilities)	993.27	2,855.35
Provisions	444.86	432.44
Deferred tax liability (net)	137.36	137.36
Other non-current liabilities	39.60	322.39
<b>Total non-current liabilities</b>	<b>6,643.82</b>	<b>9,964.89</b>
<b>Current liabilities</b>		
Financial Liabilities		
- Borrowings	561.52	498.00
- Trade payables		
Outstanding dues of micro and small enterprises	92.84	75.37
Outstanding dues of creditors other than micro and small enterprises	6,449.19	3,542.99
- Other financial liabilities (including lease liabilities)	7,220.98	4,804.55
Other current liabilities	2,318.49	6,416.51
Provisions	199.27	195.44
<b>Total current liabilities</b>	<b>16,842.29</b>	<b>15,532.86</b>
<b>Total liabilities</b>	<b>23,486.11</b>	<b>25,497.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,782.02</b>	<b>42,783.95</b>

Statement of Consolidated Cash Flows for the year ended 31 March 21

	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
	₹ in lakhs	₹ in lakhs
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax	(1,789.64)	(3,882.60)
Adjustments for:		
Depreciation and amortisation expenses	2,633.74	4,287.99
Impairment of property, plant and equipment	103.76	
Interest income	(2,241.24)	(2,062.16)
Finance Cost	1,663.12	2,403.24
Gain on revaluation of investments	-	(8.31)
Net gain on Investments through FVTPL	(14.10)	(9.47)
Net Loss on sale of property, plant and equipment	9.95	27.24
Net Gain on De-recognition of Right of Use Asset	(104.08)	-
Allowance for doubtful debts and advances/ Bad Debts	1,617.80	3,539.69
Liabilities written back	(1,298.60)	
Net loss on foreign exchange transactions and translations	0.61	0.69
<b>Operating profit before working capital changes</b>	<b>581.32</b>	<b>4,296.31</b>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	1,730.07	1,193.84
(Decrease)/Increase in trade and other payables	(2,548.40)	2,612.23
Cash generated (used in)/ from operations	(237.01)	8,102.38
Net income tax paid	(44.00)	(172.74)
<b>Net cash generated (used in)/ from operating activities (A)</b>	<b>(281.01)</b>	<b>7,929.64</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	62.34	2.43
Capital expenditure on property, plant and equipment and intangibles	(71.30)	(623.35)
Sale of current investments	642.77	1,025.00
Purchase of current investments	-	(1,650.00)
Investment in fixed deposits with banks	-	1,327.46
Investment in margin money deposit with banks	(11.46)	(40.07)
Loans and advances (given)/received back	-	1,198.90
Interest received	237.45	718.30
<b>Net cash flow (used in)/generated from investing activities (B)</b>	<b>859.80</b>	<b>1,958.67</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from non-current borrowings	-	(5,225.53)
Proceeds/(Repayment) from current borrowings	63.52	-
Payment of lease liability	(529.47)	(2,904.42)
Finance cost paid	(226.13)	(1,713.03)
<b>Net cash flow (used in)/ from financing activities (C)</b>	<b>(692.08)</b>	<b>(9,842.98)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(113.29)</b>	<b>45.33</b>
Cash and cash equivalents at the beginning of the year	340.73	295.40
<b>Cash and cash equivalents at the end of the year</b>	<b>227.44</b>	<b>340.73</b>



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

To the Board of Directors of  
**MT Educare Limited**

**Report on the Audit of the Consolidated Annual Financial Results**

**Qualified Opinion**

We have audited the accompanying consolidated annual financial results of **MT Educare Limited** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended 31 March 2021 and for the year ended 31 March 2021 ("the Statement" or "consolidated annual 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").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements / financial information of the subsidiaries, the consolidated annual financial results:

a) includes the annual financial results of the following entities:

**Holding Company**  
MT Educare Limited

**Subsidiaries**

- i. MT Education Services Private Limited
- ii. Lakshya Forum for Competitions Private Limited (formerly Lakshya Educare Private Limited)
- iii. Chitale's Personalised Learning Private Limited
- iv. Sri Gayatri Educational Services Private Limited
- v. Robomate Edutech Private Limited
- vi. Letspaper Technologies Private Limited
- vii. Labh Ventures India Private Limited

b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and

c) except for the possible effect of the matter described in the basis of qualified opinion paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net loss and consolidated other comprehensive income and other financial information of the Group for the quarter ended 31 March 2021 and for the year ended 31 March 2021.



### **Basis for Qualified Opinion**

- a) The Company and certain subsidiaries have recognized net deferred tax assets of Rs. 6,981.87 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax asset can be utilized. In our opinion, due to uncertainties arising out of the outbreak of COVID -19 and the existence of unutilized tax losses available, it is uncertain that the Company and certain subsidiaries would achieve sufficient taxable profits in future against which deferred tax asset can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 31 March 2021. Had the deferred tax asset not been recognized, the net loss for the year ended 31 March 2021 would have been higher by Rs. 6,981.87 lakhs.
- b) The Group did not obtain/ receive balance confirmation from the most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 31 March, 2021 due to Covid-19 disruption. Hence, we could not obtain external confirmations as required in SA-505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.
- c) The Group has loans, trade receivables and other receivables of Rs 11,114.92 lakhs (net of provisions) outstanding as at 31 March 2021, from other parties having operations in the education sector, which are overdue. The management is of the opinion that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and therefore management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the accompanying consolidated annual 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provision 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 and other auditor in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

The pandemic Covid-19 has caused an adverse impact on the business operations of the Group and its financial health. The revenue of the Group has declined sequentially for the year ended March 31, 2021 and as a result the Group has been incurring losses. Further, the Group has defaulted in its debt and other obligations. These indicate the existence of uncertainty that may cast doubt on the Group's ability to continue as a going concern. The appropriateness of assumption of going concern is dependent upon improvement in cash flows through normal operations in post COVID-19, timely monetization of assets and approval of Group's one time restructuring of debts.

Our opinion is not modified in respect of this matter.



### **Emphasis of Matter**

We draw attention to

- a) Note 6 to the Statement that states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance, and position as at and for the year ended 31 March 2021 and has concluded that there is no impact which is required to be recognized in the consolidated annual financial results. Accordingly, no adjustments have been made to the financial results. However, the extent of the impact of the COVID-19 pandemic on the Group's consolidated annual financial results is dependent upon future developments.
- b) Note 9 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 3,074.97 lakhs (net of provision) outstanding as at 31 March 2021, which represent amounts recoverable for various Central and State Government/ Agencies projects in education/skill development sector. Based on internal assessment of the management which includes considering the progress of the discussions with the relevant government parties, past trends, contractual rights and evidence of service delivery, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 31 March 2021 are good and recoverable.
- c) Note 11 regarding invocation of pledge held by one of the promoter of the Company by the lender on account of repayment defaults.

Our opinion is not modified in respect of these matters.

### **Management's Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Directors of the Holding Company, as aforesaid.

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



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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 annual 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 financial 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 through a separate report on the complete set of consolidated financial statements on whether the Company has adequate internal financial controls with reference to consolidated financial statements 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 in the consolidated annual financial results made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of the financial results of such entities included in the consolidated annual financial results of which we are independent auditors. For other entities included in the consolidated annual financial results, which have been audited by

other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

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 controls 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

The comparative consolidated financial information of the Group for the corresponding quarter ended 31 March 2020 and year ended 31 March 2020 included in these consolidated annual financial results were audited by the predecessor auditor who expressed modified conclusion / opinion dated 25 September 2020 on the financial information and financial statements of the Group.

#### **Other Matters**

The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us, as required under the Listing Regulations.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Sanjay Kothari**

Partner




Membership Number 048215

Mumbai, 25 June 2021 UDIN:

21048215AAAAGO3452



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 31 March, 2021 (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	11,307.78	11,307.78		
	2	Total Expenditure	13,097.41	20,079.29		
	3	Net Profit/(loss) after tax	(3,022.84)	(10,004.71)		
	4	Earnings per share (Rs.)	(4.19)	(13.85)		
	5	Total Assets	37,782.02	30,800.15		
	6	Total Liabilities	23,486.10	23,486.10		
	7	Networth	14,295.91	7,314.04		
II	<b>Audit Qualifications:</b>					
	<b>(a) Details of Audit Qualification:</b>					
	<p>a. The Company and certain subsidiaries have recognized net deferred tax assets of Rs. 6,981.87 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax asset can be utilized. In our opinion, due to uncertainties arising out of the outbreak of COVID -19 and the existence of unutilized tax losses available, it is uncertain that the Company and certain subsidiaries would achieve sufficient taxable profits in future against which deferred tax asset can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 31 March 2021. Had the deferred tax asset not been recognized, the net loss for the year ended 31 March 2021 would have been higher by Rs. 6,981.87 lakhs.</p>					
	<b>Frequency of Qualification:</b> Appearing for the second time					
	<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. Management is confident about generating sufficient profitability over the next 5 years and management is of the view that the Group will generate sufficient taxable profits to utilize the DTA</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
	<p>a. The Group did not obtain/ receive balance confirmation from the most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 31 March, 2021 due to Covid-19 disruption. Hence, we could not obtain external confirmations as required in SA- 505, Standards on Auditing and are unable to comment on adjustments or disclosures, if any, that may arise.</p>					<p>(ii) If Management is unable to estimate the impact, reasons for the same:</p> <p>a. The Group had sent necessary request for balance confirmations to most vendors/Parties (Except Government Department/Ministries). The Group could not get the necessary balance confirmations due to disruption caused by Covid-19. The Group is confident about the confirmations &amp; reconciliations of the balances with the third Parties.</p>

	<p><b>Frequency of Qualification:</b> Appearing for the first time</p> <p>b. The Group has loans, trade receivables and other receivables of Rs 11,114.92 lakhs (net of provisions) outstanding as at 31 March 2021 from other parties having operations in the education sector, which are overdue. The management is of the opinion that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and therefore management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the accompanying consolidated annual financial results.</p> <p><b>Frequency of Qualification:</b> Appearing for the first time</p>	<p>c. Covid-19 Pandemic &amp; ensuing lockdowns imposed by central/state governments impacted the operations of third parties, however the management is confident that simultaneously with recovery from Covid 19, the balances shall be adequately recovered.</p>
		<p>(iii) Auditor's Comment on (i) and (ii) above: Auditor's comments are self-explanatory in auditor's report</p>
<p>III</p>	<p><b>Signatories:</b></p>	
	<p>Sujeet Chaudhary Chief Financial Officer 25 June, 2021</p>	<p>SUJEET KUMAR CHAUDHARY    <small>Digitally signed by SUJEET KUMAR CHAUDHARY Date: 2021.06.26 00:33:02 +05'30'</small></p>
	<p>Roshan Lal Kamboj Chairman of Audit Committee 25 June, 2021</p>	<p>S/d-</p>
	<p>Statutory Auditors For MGB &amp; Co. LLP Firm Registration No. 101169W/W-100035</p>   <p>Sanjay Kothari Partner Membership No. 048215</p>	
	<p>25 June, 2021</p>	