

Ref: MTEL/2020-21/009

September 25, 2020

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

Dear Sir/ Madam,

**Sub: Outcome of Board Meeting held on September 25<sup>th</sup>, 2020**

This is to inform you that the Board of Directors of the Company at its meeting held today i.e., on September 25, 2020 at 6.00 p.m. and concluded at 09.40 p.m. has:

- Approved the Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2020 [Standalone and Consolidated] as per Regulation 33 of SEBI Listing Regulations, 2015.
- Approved Audited Balance Sheet as at March 31, 2020 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.
- 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 and
- pursuant to Regulation 30 read with para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to inform you that M/s MSKA & Associates, Chartered Accountants have expressed their inability to continue as Statutory Auditor of the Company for the Financial Year 2020-21 and accordingly tendered their resignation with immediate effect and based on the recommendation of Audit Committee, the Board of Directors, in its meeting held on September 25<sup>th</sup>, 2020, has appointed M/s MGB & Co. LLP, Chartered Accountants (ICAI Firm Registration No.101169W/W-100035) as Statutory Auditor of the Company for the F. Y 2020-2021 to fill the casual vacancy caused in the office of Statutory Auditor of the Company subject to confirmation of appointment by members of the Company.
- Approval for re-appointment of M/s Joshi Apte & Associates as Cost Auditor for the F. Y 2020-2021.



f. Approval of Postal Ballot Notice for the Appointment of M/s MGB & Co. LLP, Chartered Accountants, to fill the Casual vacancy caused in the office of Statutory Auditor of the Company.

g. Appointment of Scrutinizer for Postal Ballot Process.

Brief Profile of M/s MGB & Co. LLP, Chartered Accountant, aforesaid is given in Annexure-II below hereunder.

The Reason stated in the Annexure III attached to the Letter.

Brief Profile of M/s Joshi Apte & Associates, as Cost Auditor of the Company is given in Annexure IV attached to the Letter

We hereby enclose:

- Audited Financial Results of the Company for the fourth quarter and financial year ended March 31, 2020 [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 as per Annexure I.
- Brief Profile of M/s MGB & Co. LLP, Chartered Accountant, as Statutory Auditor of the Company.
- The Reason of resignation as stated in the Annexure A attached to the Letter.
- Brief Profile of M/s Joshi Apte & Associates, as Cost Auditor of the Company.

This is for your information and record.

Thanking you.

Yours faithfully,

**For MT Educare Limited**



**Ravindra Mishra**  
**Company Secretary**

Encl.: As above





**MT EDUCARE LTD.**

Statement of Standalone Audited Financial Results for the quarter and year ended March 31, 2020

R. O. : 220, 2nd Flr., "FLYING COLORS", Pandit Din Dayal Upadhyay Marg,  
L. B. S. Cross Road, Mulund (W), Mumbai - 400 080.  
Ph. : 022-25937700 / 800 / 900 | Fax: 022-25937799  
CIN : L80903MH2006PLC163888  
Email : info@mteducare.com  
Website : www.mteducare.com

Sr. No.	Particulars	(Rs. in Lakhs, except EPS data)				
		Quarter Ended March 31, 2020	Quarter Ended December 31, 2019	Quarter Ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
1	<b>Income</b>					
	Revenue from operations (Refer note 8)	1,636.99	4,209.09	4,001.60	14,668.23	18,200.31
	Other income	423.50	421.55	846.69	2,133.69	1,965.00
	<b>Total income</b>	<b>2,060.49</b>	<b>4,630.64</b>	<b>4,848.29</b>	<b>16,801.92</b>	<b>20,165.31</b>
2	<b>Expenses</b>					
	Direct expenses (Refer note 4)	1,338.64	1,382.48	1,685.88	6,854.45	9,873.72
	Employee benefits expense	600.40	716.44	702.92	2,889.90	3,113.77
	Finance costs	335.94	579.53	372.30	1,981.50	1,632.05
	Depreciation and amortisation expense	1,119.86	857.79	329.40	3,722.49	1,433.61
	Other expenses	988.07	727.06	893.16	2,938.61	3,198.25
	<b>Total expenses</b>	<b>4,382.91</b>	<b>4,263.30</b>	<b>3,983.66</b>	<b>18,386.95</b>	<b>19,251.40</b>
3	<b>Profit/(loss) before tax and exceptional items (1-2)</b>	<b>(2,322.42)</b>	<b>367.34</b>	<b>864.63</b>	<b>(1,585.03)</b>	<b>913.91</b>
4	Exceptional items (Refer note 10)	3,114.65	-	-	3,114.65	-
5	<b>Profit/(loss) before tax (3-4)</b>	<b>(5,437.07)</b>	<b>367.34</b>	<b>864.63</b>	<b>(4,699.68)</b>	<b>913.91</b>
6	<b>Tax expense</b>					
	(a) Adjustments for earlier years	-	-	0.04	-	0.04
	(b) Current tax	-	-	-	-	-
	(c) Deferred tax credit	262.22	131.76	163.51	530.32	183.42
7	<b>Net Profit/(loss) for the period/year after tax (5-6)</b>	<b>(5,699.29)</b>	<b>235.58</b>	<b>701.08</b>	<b>(5,230.00)</b>	<b>730.45</b>
8	<b>Other comprehensive income/(loss) (including tax effect)</b> Items that will not be reclassified to statement of profit and loss	(40.31)	-	(8.81)	(46.74)	9.95
	Items that will be reclassified to statement of profit and loss	-	-	-	-	-
9	<b>Total comprehensive income/(loss) for the period/year (7+8)</b>	<b>(5,739.60)</b>	<b>235.58</b>	<b>692.27</b>	<b>(5,276.74)</b>	<b>740.40</b>
10	<b>Paid up equity share capital ( Face Value Rs. 10 per share )</b>	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81
11	<b>Other equity</b>	-	-	-	9,626.23	14,902.98
12	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>					
	Basic	(7.89)	0.33	0.97	(7.24)	1.02
	Diluted	(7.89)	0.32	0.97	(7.24)	1.01

For and on behalf of the Board of Directors

*(Signature)*

Arun Kumar Khetan  
CEO & Whole Time Director  
DIN: 02744522



*(Signature)*  
Sunil Jain  
Chief Financial Officer

Date - September 25, 2020  
Place - Mumbai



**MT EDUCARE LTD.**

Standalone Statement of Assets and Liabilities as at March 31, 2020

R. O. : 220, 2nd Flr., "FLYING COLORS", Pandit Din Dayal Upadhyay Marg,  
L. B. S. Cross Road, Mulund (W), Mumbai - 400 080.  
Ph. : 022-25937700 / 800 / 900 | Fax : 022-25937799  
CIN : L80903MH2006PLC163888  
Email : info@mteducare.com  
Website : www.mteducare.com

(Rs. in lakhs )

Particulars	As at 31 March,	As at 31 March,
	2020	2019
	<i>Audited</i>	<i>Audited</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,865.26	2,614.35
Capital work-in-progress	0.54	17.32
Intangible assets	213.70	629.23
Intangible assets under development	11.96	4.55
Right of use assets	7,270.23	-
<b>Financial Assets</b>		
- Investments	3,144.96	3,144.96
-Loans	2,470.79	2,501.32
-Other financial assets	-	863.04
Deferred tax assets (net)	7,791.25	8,303.56
Other non-current assets	1,122.03	1,502.92
<b>Total non-current assets</b>	<b>23,890.72</b>	<b>19,581.25</b>
<b>Current assets</b>		
<b>Financial Assets</b>		
-Trade receivables	2,535.36	1,976.09
-Investments	887.78	245.00
- Cash and cash equivalents	108.19	220.18
- Bank Balances other than Cash and Cash Equivalents	518.33	503.07
-Loans	1,967.38	10,651.25
-Other financial assets	5,817.04	3,339.57
Other current assets	188.74	317.59
<b>Total current assets</b>	<b>12,022.82</b>	<b>17,252.75</b>
<b>TOTAL ASSETS</b>	<b>35,913.54</b>	<b>36,834.00</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,222.81	7,222.81
Other equity	9,626.23	14,902.98
<b>Total equity</b>	<b>16,849.04</b>	<b>22,125.79</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial Liabilities</b>		
- Borrowings	1,668.15	4,964.11
- Other financial liabilities (including lease liabilities)	5,592.91	-
Provisions	408.36	293.51
Other non-current liabilities	211.32	177.63
<b>Total non-current liabilities</b>	<b>7,880.74</b>	<b>5,435.25</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
- Borrowings	-	110.67
- Trade payables	60.44	35.71
Outstanding dues of micro enterprises and small enterprises	2,436.66	1,838.67
Outstanding dues of creditors other than micro and small enterprises	3,783.94	2,936.28
- Other financial liabilities (including lease liabilities)	136.93	182.07
Provisions	4,765.79	4,169.56
Other current liabilities	11,183.76	9,272.96
<b>Total current liabilities</b>	<b>19,064.50</b>	<b>14,708.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,913.54</b>	<b>36,834.00</b>







MT EDUCARE LTD.

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Sum

**Standalone Statement of Cash Flows for the year ended 31 March, 2020**

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
	Audited	Audited	Audited	Audited
<b>A. Cash flow from operating activities</b>				
Profit/(Loss) before tax	3,722.49	(4,699.68)		913.91
<i>Adjustments for:</i>				
Depreciation and amortisation	(1,592.86)		1,433.61	
Interest income	1,981.50		(1,409.19)	
Finance Cost	-		1,540.23	
Dividend income	(9.47)		(213.45)	
Net gain on sale of investments	(8.31)		(4.93)	
Gain on revaluation of investments	27.24		-	
Net loss on sale of property, plant & equipment	3,285.57		44.64	
Allowance for doubtful debts and advances	390.39		(331.06)	
Bad debts written off	0.69		90.35	
Net loss on foreign exchange transactions and translations	-	7,797.24	-	
Employee stock option expense	-	3,097.56	188.40	1,338.60
Operating profit before working capital changes				2,252.51
<i>Changes in working capital:</i>				
Decrease/(increase) in trade receivables	(1,386.28)		(405.82)	
Decrease/(increase) in other assets	2,569.26		11,821.24	
(Decrease)/increase in trade payables	622.71		(97.27)	
(Decrease)/increase in other liabilities & provisions	897.72	2,703.41	(280.41)	11,037.74
Cash generated from operations		5,800.97		13,290.25
Net income tax paid		(104.74)		(627.01)
<b>Net cash generated from operating activities (A)</b>		<b>5,696.23</b>		<b>12,663.24</b>
<b>B. Cash flow from investing activities</b>				
Proceeds from sale of property, plant and equipment	1.39		21.76	
Capital expenditure on property, plant and equipment, including movement in intangible assets under development and capital advances	(171.82)		(425.32)	
Sale of current investments	1,025.00		17,629.93	
Purchase of current investments	(1,650.00)		(17,625.00)	
Investment in subsidiaries	-		(1,628.00)	
Loans and advances (given)/received back	2,760.66		(344.76)	
Interest received	537.77		139.64	
Dividend on non current investments received	-		213.45	
<b>Net cash flow (used in)/generated from investing activities (B)</b>		<b>2,503.00</b>		<b>(2,018.30)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-		44.31	
Repayment from non-current borrowings	(4,181.88)		(4,949.97)	
Repayment from current borrowings (net)	(110.67)		(4,348.12)	
Share issue expenses	-		251.47	
Repayment of principal towards lease liability	(2,031.01)		-	
Interest paid on lease liability	(1,000.98)		-	
Finance cost paid	(986.68)		(1,540.90)	
<b>Net cash flow used in from financing activities (C)</b>		<b>(8,311.22)</b>		<b>(10,543.21)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(111.99)</b>		<b>101.73</b>
Cash and cash equivalents at the beginning of the period		220.18		118.45
<b>Cash and cash equivalents at the end of the period</b>		<b>108.19</b>		<b>220.18</b>

**Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015****To the Board of Directors of MT Educare Limited****Report on the Audit of Standalone 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 and year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

**Basis for Qualified Opinion:**

1. The Company has recognized net deferred tax assets of Rs. 7,791.25 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 uncertainty over the estimated profits for the future years arising out of the outbreak of COVID-19 and the existence of unutilized tax losses available with the Company, it is highly uncertain that the Company would have 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 Management's assessment of recognition of deferred tax assets as of March 31, 2020. Had the deferred tax asset not been recognized, the net the loss for the year ended March 31, 2020 and accumulated losses would have been higher by Rs.7,791.25 Lakhs.
2. The Company has not complied with the provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 relating to the submission of the results for the quarter and year ended March 31, 2020 to Securities and Exchange Board of India (SEBI) within the stipulated time. Penalties on account of such non-compliances are presently not ascertainable and not provided for in the books of account. Consequently, we are unable to comment on the impact, if any, on the Statement.



We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### **Emphasis of Matter**

1. We draw attention to Note 9 to the accompanying Statement that state 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 March 31, 2020 and has concluded that there is no impact which is required to be recognised in the 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 results is dependent upon future developments.
2. We draw attention to Note 8 to the accompanying Statement which states that the contracts for revenue from management services has been renegotiated and the new arrangement is applicable from retrospective effect. Consequently, the revenue from management services recorded during the quarter ended 31 December 2019 amounting to Rs 910.00 lac has been remeasured based on renegotiation of contracts with customers which has resulted in the reversal of revenue amounting to Rs 745.33 lac by the management in the quarter ended March 31, 2020.

Our opinion is not modified in respect of these matters.

#### **Board of Directors' Responsibilities for the Standalone Financial Results**

This Statement have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Directors of the Company, as aforesaid.



In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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 of the Company are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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 Statement, 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 with reference to 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 made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 Company 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors 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 Matters**

The Statement include the results for the quarter ended March 31, 2020 being the balancing figure 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

Vaijyantim  
ala Shripad  
Belsare

Digitally signed  
by Vaijyantim  
ala Shripad  
Belsare  
Date: 2020.09.25  
20:51:56 +05'30'

Vaijyantim Belsare  
Partner

Membership No. 049902

UDIN: 20049902AAAAAN6952

Place: Mumbai

Date: September 25, 2020

**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 March 31<sup>st</sup>, 2020 (See regulation 33 of SEBI (LODR) Regulations, 2015)

Sl. No.	Particulars	Audited Figures (Rs. in lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in lakhs) (as reported after adjusting for qualifications)
1	Turnover/Total Income	16,801.92	16,801.92
2	Total Expenditure (incl. exceptional items)	21,501.60	21,501.60
3	Total comprehensive income/(loss) after tax	(5,276.74)	(13,067.99)
4	Earnings per share (Rs.)	(7.24)	(18.03)
5	Total Assets	35,913.54	28,172.29
6	Total Liabilities	19,064.50	19,064.50
7	Net worth	16,849.04	9,057.79

**ii Audit Qualifications:**

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

- The Company has recognized net deferred tax assets of Rs. 7,791.25 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 the uncertainty over the estimated profits for the future years arising out of the outbreak of COVID-19 and the existence of unutilized tax losses available with the Company, it is highly uncertain that the Company would have 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 Management's assessment of recognition of deferred tax assets as of March 31, 2020. Had the deferred tax asset not been recognized, the net loss for the year ended March 31, 2020 and accumulated losses, would have been higher by Rs. 7,791.25 Lakhs.

- The Company has not complied with the provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 relating to the submission of the results for the quarter and year ended March 31, 2020 to Securities and Exchange Board of India (SEBI) within the stipulated time. Penalties on account of such non-compliances are presently not ascertainable and not provided for in the books of account. Consequently, we are unable to comment on the impact, if any, on the standalone financial statements.

**(b) Type of Audit Qualification:**

**(c) Frequency of Qualification:**

**(d) For Audit Qualification(s) where the impact is quantified by the Auditor, Managements**

Views:

- The management has made internal assessment and have projected Profit & Loss for next 5 years and are of view to have sufficient taxable profits to utilise the DTA.
- The company has duly informed about delay in declaring of results and made the payment asked by the exchange.

Qualified Opinion




Appearing for the first time



Signature of the Auditor

Signature of the Auditor



		(e) For Audit Qualification(s) where the impact is not quantified by the Auditor: (i) Management's estimation on the impact of audit qualification: Nil
		(ii) If Management is unable to estimate the impact, reasons for the same: NA
		(iii) Auditor's Comment on (i) and (ii) above: Auditor's comments are self-explanatory in auditor's report
III	<p><b>Signatories:</b>  Sunil Jain  Chief Financial Officer  September 25, 2020</p> <p>Arun Kumar Khetan  CEO &amp; Whole Time Director  September 25, 2020</p> <p>Roshan Lal Kamboj  Chairman of Audit Committee  September 25, 2020</p> <p>Statutory Auditors  For MSKA &amp; Associates  Firm Registration No. 105047W</p> <p>Vaijayantimala Belsare  Partner  Membership No. 049902  September 25, 2020</p>	    <p><b>Vaijayantim  ala Shripad  Belsare</b></p> <p>Digitally signed  by Vaijayantimala  Shripad Belsare  Date: 2020.09.25  20:54:07 +05'30'</p>





MT EDUCARE LTD.

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Email : info@mteducare.com  
Website : www.mteducare.com

**Statement of Consolidated Audited Financial Results for the quarter and year ended March 31, 2020**

Sr. No.	Particulars	(Rs. in Lakhs, except EPS data)			
		Quarter Ended March 31, 2020	Quarter Ended December 31, 2019	Quarter Ended March 31, 2019	Year ended March 31, 2019
1	<b>Income</b>				
	Revenue from operations (Refer note 8)	2,329.63	5,478.97	5,028.83	22,856.12
	Other income	575.97	412.43	732.41	2,078.88
	<b>Total income</b>	<b>2,905.60</b>	<b>5,891.40</b>	<b>5,761.24</b>	<b>24,935.00</b>
2	<b>Expenses</b>				
	Direct expenses (Refer note 4)	2,162.01	2,141.55	2,312.32	12,440.43
	Employee benefits expense	583.32	811.02	945.31	3,634.72
	Finance costs	468.13	672.25	368.25	1,977.15
	Depreciation and amortisation expense	1,354.84	987.69	444.05	1,813.09
	Other expenses	955.60	735.79	1,189.75	3,932.04
	<b>Total expenses</b>	<b>5,523.90</b>	<b>5,348.30</b>	<b>5,259.68</b>	<b>23,797.43</b>
3	<b>Profit/(loss) before tax and exceptional items (1-2)</b>	<b>(2,618.30)</b>	<b>543.10</b>	<b>501.56</b>	<b>1,137.57</b>
4	Exceptional items (Refer note 10)	3,114.65	-	-	3,114.65
5	<b>Profit/(loss) before tax (3-4)</b>	<b>(5,732.95)</b>	<b>543.10</b>	<b>501.56</b>	<b>(3,882.60)</b>
6	<b>Tax expense</b>				
	(a) Adjustments for earlier years	-	-	(13.58)	(11.06)
	(b) Current tax	155.51	-	(132.45)	155.51
	(c) Deferred tax credit	14.29	165.69	172.26	555.27
					236.56
7	<b>Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (5-6)</b>	<b>(5,902.75)</b>	<b>377.41</b>	<b>475.33</b>	<b>(4,593.38)</b>
8	<b>Other comprehensive income/(loss) (including tax effect)</b>				
	Items that will not be reclassified to statement of profit and loss	(29.46)	-	(4.59)	(35.89)
	Items that will be reclassified to statement of profit and loss	-	-	-	-
9	<b>Total comprehensive income/(loss) for the period/year(7+8)</b>	<b>(5,932.21)</b>	<b>377.41</b>	<b>470.74</b>	<b>(4,629.27)</b>
10	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>				
11	<b>Other equity</b>	7,222.81	7,222.81	7,222.81	7,222.81
					14,692.66
12	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>				
	Basic	(8.17)	0.52	0.66	1.27
	Diluted	(8.17)	0.52	0.66	1.27







**MT EDUCARE LTD.**

Consolidated Statement of Assets and Liabilities as at March 31, 2020

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Particulars	As at 31 March,	As at 31 March,
	2020	2019
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,790.61	4,791.97
Capital work-in-progress	676.11	242.67
Investment Property	3,868.06	3,975.45
Goodwill	1,627.52	1,627.52
Intangible assets	244.59	774.93
Intangible assets under development	11.96	4.55
Right of use assets	4,555.71	-
Financial Assets		
- Investments	0.34	0.34
-Loans	6,421.87	6,985.97
-Other financial assets	-	1,327.46
Deferred tax assets (net)	8,154.54	8,674.17
Other non-current assets	1,504.62	1,779.03
<b>Total non-current assets</b>	<b>30,855.93</b>	<b>30,184.06</b>
<b>Current assets</b>		
Financial Assets		
-Trade receivables	3,593.36	2,548.76
- Investments	642.78	-
- Cash and cash equivalents	340.73	295.40
-Bank Balances other than Cash and Cash Equivalents	686.52	646.45
-Loans	2,389.65	8,693.70
-Other financial assets	3,528.33	2,668.39
Other current assets	545.04	255.79
Asset classified as held for sale	64.25	64.25
<b>Total current assets</b>	<b>11,790.66</b>	<b>15,172.74</b>
<b>TOTAL ASSETS</b>	<b>42,646.59</b>	<b>45,356.80</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,222.81	7,222.81
Other equity	10,063.39	14,692.66
<b>Total equity</b>	<b>17,286.20</b>	<b>21,915.47</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Borrowings	6,217.35	10,416.34
- Other financial liabilities (including lease liabilities)	2,855.35	-
Provisions	432.44	343.48
Other non-current liabilities	322.39	313.62
<b>Total non-current liabilities</b>	<b>9,827.53</b>	<b>11,073.44</b>
<b>Current liabilities</b>		
Financial Liabilities		
- Trade payables	75.37	61.94
Outstanding dues of micro and small enterprises	3,542.99	2,335.44
Outstanding dues of creditors other than micro and small enterprises	4,804.55	3,958.25
- Other financial liabilities (including lease liabilities)	195.44	195.47
Provisions	6,914.51	5,816.79
Other current liabilities	15,532.86	12,367.89
<b>Total current liabilities</b>	<b>25,360.39</b>	<b>23,441.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,646.59</b>	<b>45,356.80</b>



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Consolidated Statement of Cash Flows for the year ended 31 March, 2020

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹ in lakhs Audited	₹ in lakhs Audited	₹ in lakhs Audited	₹ in lakhs Audited
<b>A. Cash flow from operating activities</b>		(3,882.60)		1,137.57
Profit before tax	4,287.99		1,813.09	
<i>Adjustments for:</i>	(2,062.16)		(1,485.48)	
Depreciation and amortisation	2,403.24		1,867.27	
Interest income	-		(213.45)	
Finance Cost	(8.31)		(361.26)	
Dividend Income	-		-	
Gain on revaluation of investments	-		-	
Allowance for doubtful debts and advances written back	3,142.89		-	
Allowance for doubtful debts and advances	396.80		130.67	
Bad debts written off	(9.47)		(4.93)	
Net gain on sale of investments	27.24		44.64	
Net loss on sale of property, plant & equipment	0.69		-	
Net loss on foreign exchange transactions and translations	-		188.40	
Employee stock option expense	-		-	
Operating profit before working capital changes	-	8,178.91	-	1,978.95
		4,296.31		3,116.52
<i>Changes in working capital:</i>				
Decrease/(Increase) in trade receivables	(1,847.74)		(987.45)	
Decrease/(Increase) in other assets	3,041.58		(5,717.32)	
Increase/(Decrease) in trade payables	1,220.99		1.24	
Increase/(Decrease) in other liabilities & Provisions	1,391.24		41.24	
Cash generated from/(used in) operations		3,806.07		(6,662.29)
Net income tax paid		8,102.38		(3,545.77)
<b>Net cash generated from/ (used in) operating activities (A)</b>		<b>7,929.64</b>		<b>(871.34)</b>
				<b>(4,417.11)</b>
<b>B. Cash flow from investing activities</b>				
Proceeds from sale of property, plant and equipment	2.43		21.76	
Capital expenditure on property, plant and equipment, including movement in intangible assets under development and capital advances	(623.35)		(837.68)	
Purchase of controlling stake in subsidiary company	-		(1,628.00)	
Sale of current investments	1,025.00		17,629.93	
Purchase of current investments	(1,650.00)		(17,625.00)	
Interest received	718.30		243.29	
Loans and advances (given)/received back	1,198.90		(2,676.84)	
Proceeds from/(investment) in fixed deposits with banks	1,327.46		(991.76)	
Investment in margin money deposit with banks	(40.07)		(611.23)	
Proceeds of money in escrow bank account	-		20,000.00	
Dividend on non current investments received	-		213.45	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>1,958.67</b>		<b>13,737.92</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-		44.31	
Repayment from non-current borrowings	(5,225.53)		(5,547.37)	
Repayment from current borrowings (net)	-		(2,253.79)	
Repayment of principal towards lease liability	(2,207.27)		-	
Share issue expenses	-		251.46	
Interest paid on lease liability	(697.15)		-	
Finance cost paid	(1,713.03)		(1,785.89)	
<b>Net cash flow used in from financing activities (C)</b>		<b>(9,842.98)</b>		<b>(9,291.28)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>45.33</b>		<b>29.53</b>
Cash and cash equivalents at the beginning of the period		295.40		217.07
Cash and cash equivalents on acquisition of subsidiary		-		48.80
<b>Cash and cash equivalents at the end of the period</b>		<b>340.73</b>		<b>295.40</b>



Sumit





**MT EDUCARE**

**MT EDUCARE LTD.**

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**Notes to the Statement of Standalone and consolidated financial results for the quarter and year ended March 31, 2020:**

- 1 These results have been prepared in accordance with the Indian Accounting Standards (INDAS) notified under Companies Indian Accounting Standards Rules, 2015.
- 2 The Standalone and Consolidated Financial Results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on September 25, 2020.
- 3 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".
- 4 Direct expenses mainly includes study material and fees paid to visiting faculties etc.
- 5 Mr. Mahesh Shetty and Zee Learn Limited form the promoter group of MT Educare Limited ('MTEL'). As per the provisions of the Securities Contracts (Regulations) Rules, 1957 (as amended) (SCRR), MTEL is required to maintain a public shareholding of 25% of the aggregate paid up equity share capital (Minimum Public Shareholding (MPS) Threshold). As per the Share holders agreement entered into between Zee Learn Limited, MT Educare Limited and Mr. Mahesh Shetty, Mr. Mahesh Shetty is required to sell such number of shares to meet the MPS requirement. As at March 31, 2020, the public shareholding of MTEL falls short of the required Minimum Public Shareholding by 2.47%. In order to comply with MPS, MTEL has identified among other options, Sale of shares held by Promoter through the secondary market (Offer for Sale) as the more feasible options to comply with requirement of MPS. However, in view of the low volume of trading in shares of MTEL, Mr. Mahesh Shetty will seek more time to meet the MPS requirement.
- 6 With effect from April 1, 2019, the company has adopted INDAS 116, 'leases' using modified retrospective approach. On April 1, 2019, the company has recognised lease liability measured at the present value of the remaining lease payments and Right of use asset (ROU) at its carrying amount, discounted using the lessee's incremental borrowing rate as at April 1, 2019.  
**The major impact on adopting INDAS 116 on the Company's consolidated financial results for the quarter and year ended March 31, 2020 is as follows:**
  - a. Depreciation expense has been increased by Rs. 695.93 lakhs and Rs. 2,524.38 lakhs for the quarter and year ended respectively, due to amortisation of ROU asset;
  - b. Finance cost has been increased due to interest accrued on outstanding lease liability amounting to Rs. 188.50 lakhs and Rs. 697.15 lakhs for the quarter and year respectively;
  - c. Rent expense has been reduced by Rs. 767.56 lakhs and Rs 2,904.42 lakhs for the quarter and year ended respectively, due to recognition of operating lease as ROU asset and a corresponding lease liability;
  - d. Net impact on profit before tax amounts to an expense of Rs. 116.87 lakhs and Rs. 317.10 lakhs for the quarter and year ended March 31, 2020 respectively.**The major impact on adopting INDAS 116 on the Company's Standalone financial results for the quarter and year ended March 31, 2020 is as follows:**
  - a. Depreciation expense has been increased by Rs 668.29 lakhs and Rs. 2,447.93 lakhs for the quarter and year ended respectively, due to amortisation of ROU asset;
  - b. Finance cost has been increased due to interest accrued on outstanding lease liability amounting to Rs. 223.48 lakhs and Rs. 1,000.98 lakhs for the quarter and year ended respectively;
  - c. Rent expense has been reduced by Rs. 765.68 lakhs and Rs. 3,031.99 lakhs for the quarter and year ended respectively due to recognition of operating lease as ROU asset and a corresponding lease liability;
  - d. Net impact on profit before tax amounts to an expense of Rs. 126.09 lakhs and Rs. 416.92 lakhs for the quarter and year ended March 31, 2020 respectively.The ROU and lease liability recognised as on April 1, 2019 in Standalone financial results is Rs 8,153.76 lakhs and Rs.7,579.98 lakhs respectively and in consolidated financial results is Rs. 4,231.49 lakhs and Rs. 3,890.39 lakhs respectively. Consequent to the implementation of INDAS 116, net cash flows generated from/used in operating activities and financing activities are not comparable with previous period.
- 7 Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from April 01, 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. As of March 31, 2020, the Company and some of its subsidiary companies except 'MT Education Services Private Limited' and 'Lakshya Forrum For Competitions Private Limited (formerly known as Lakshya Educare Private Limited)' are in the process of evaluating as to when and whether they should apply impact of new tax rate in books of accounts. Accordingly, MT Education Services Private Limited' and 'Lakshya Forrum For Competitions Private Limited (formerly known as Lakshya Educare Private Limited)' 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 December 12, 2019.
- 8 During the quarter ended 30 September 2019, the company entered into contracts with a few education trusts to provide management services in respect of operation of their respective educational activities. Based on the scope of work and the corresponding consideration as laid out in the respective contracts, revenue of Rs 910.00 lakhs from management services was recorded by the Company in the third quarter ended 31 December 2019. However, subsequently, on the requests of these Trusts, the "scope of work" and the basis of measurement of corresponding "consideration" have been renegotiated and redefined which are detailed in the addendums executed to the existing contracts. The new arrangement is applicable from retrospective effect (inception of the contracts).

The change in the basis of measurement of revenue from management services has given rise to reversal of revenue recorded in the third quarter to the extent of Rs 745.33 lakhs. The reversal entry has been recorded in the fourth quarter ended 31 March 2020. The resultant management services revenue for the year, recorded in these financial statements aggregate Rs 164.67 lakhs.







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9 Note on COVID-19

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The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. The outbreak of COVID-19 globally and in India continues to cause significant disruption in the operations which has resulted in slowdown in the economic activity. Due to the nation-wide lockdown announced by the Government, the Company's offices and coaching centres had to be closed and physical coaching services were suspended since then. However, during this period, the Company 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 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 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 has sufficient liquidity and expects to fully recover the carrying amount of its assets. Basis the Company's projected cash flows for the next one year, management has concluded that the Company 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.

The extent of the impact on the Company's operations remains uncertain and may differ from that estimated as at the date of approval of these financial statements 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 is monitoring the rapidly evolving situation and its potential impacts on the Company's financial position, results of operations, liquidity, and cash flows.

- 10 The Holding Company had, during earlier years, given loan to a Trust to support its business operations. On account of delays in recovery of the same (including interest accrued thereon), the Company has made provision of Rs. 3,114.65 lakhs against the entire amount of loan receivable (including interest accrued thereon) during the year and disclosed the same as an 'Exceptional item'.
- 11 The figures for quarter ended March 31, 2020 and March 31, 2019, are arrived as difference between audited figures in respect of the full financial year and the unaudited published figures upto nine months of the relevant financial year.
- 12 The figures for the previous year/periods have been regrouped wherever necessary.

Date - September 25, 2020  
Place - Mumbai

For and on behalf of the Board of Directors

  
Arun Kumar Khetan  
CEO & Whole Time Director  
DIN: 02744522



  
Sunil Jain  
Chief Financial Officer



**Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015****To the Board of Directors of MT Educare Limited****Report on the Audit of Consolidated Financial Results****Qualified Opinion**

We have audited the accompanying consolidated annual financial results of MT Educare Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2020, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('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 reports of other auditor on separate audited financial statements, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

(i) include the annual financial results of the following entities

Sr. No	Name of the Entity	Relationship with the Holding Company
1	MT Educational Services Private Limited	Wholly owned subsidiary
2	Lakshya Forum For Competitions Private Limited (Formerly known as Lakshya Educare Private Limited)	Wholly owned subsidiary
3	Chitale's Personalised Learning Private Limited	Wholly owned subsidiary
4	Sri Gayatri Educational Services Private Limited	Subsidiary
5	Robomate Edutech Private Limited	Wholly owned subsidiary
6	Letspaper Technologies Private Limited	Wholly owned subsidiary
7	Labh Ventures India Private Limited	Wholly owned subsidiary

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

(iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.



**Basis for Qualified Opinion**

1. The Group has recognized net deferred tax assets of Rs. 8,154.54 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 uncertainty over the estimated profits for the future years arising out of the outbreak of COVID-19 and the existence of unutilized tax losses available with the Group, it is highly uncertain that the Group would have 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 Management's assessment of recognition of deferred tax assets as of March 31, 2020. Had the deferred tax asset not been recognized, the net loss for the year ended March 31, 2020 and accumulated losses would have been higher by Rs.8,154.54 Lakhs.

2. The Group has not complied with the provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 relating to the submission of the results for the quarter and year ended March 31, 2020 to Securities and Exchange Board of India (SEBI) within the stipulated time. Penalties on account of such non-compliances are presently not ascertainable and not provided for in the books of account. Consequently, we are unable to comment on the impact, if any, on the Statement.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditor in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matter**

1. We draw attention to Note 9 to the accompanying Statement that state 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 March 31, 2020 and has concluded that there is no impact which is required to be recognised in the 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 results is dependent upon future developments.

2. We draw attention to Note 8 to the accompanying Statement which states that the contracts for revenue from management services has been renegotiated and the new arrangement is applicable from retrospective effect. Consequently, the revenue from management services recorded during the quarter ended 31 December 2019 amounting to Rs 910.00 lac has been remeasured based on renegotiation of contracts with customers which has resulted in the reversal of revenue amounting to Rs 745.33 lac by the management in the quarter ended 31 March 2020.



Our opinion is not modified in respect of these matters.

#### **Board of Directors' Responsibilities for the Consolidated Financial Results**

These Statement have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, 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 the respective Board of Directors 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 Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 this Statement.

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 Statement, 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 with reference to 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 made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditor. For the other entities included in the Statement, which have been audited by other auditor, such other auditor 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 of the Holding Company and such other entities included in the Statement of which we are the independent auditor 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 Matters

1. The Statement include the audited Financial Results of 6 subsidiaries, whose Financial Statements reflect Group's share of total assets of Rs. 7,485.56 lakhs as at March 31, 2020, Group's share of total revenue of Rs. 233.90 lakhs and Rs. 1,876.36 lakhs and Group's share of total net profit/(loss) after tax of Rs. (58.46) lakhs and Rs. 242.37 lakhs for the quarter ended March 31, 2020 and for the period from April 1, 2019 to March 31, 2020 respectively, as considered in the Statement, which have been audited by their respective independent auditor. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the Statement, in so far as



it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the Statement is not modified in respect of this matter.

2. The Statement include the results for the quarter ended March 31, 2020 being the balancing figure 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W

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Date: 2020.09.25  
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Vajjayantimala Belsare  
Partner

Membership No.: 049902  
UDIN: 20049902AAAAA05126

Place: Mumbai

Date: September 25, 2020

**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>, 2020 [See regulation 33 of SEBI (LODR) Regulations, 2015]**

Sl. No.	Particulars	Audited Figures (Rs. in lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in lakhs) (as reported after adjusting for qualifications)
1	Turnover/Total Income	23,142.66	23,142.66
2	Total Expenditure (Incl. exceptional items)	27,025.26	27,025.26
3	Total comprehensive income/(loss) after tax	(4,629.27)	(12,783.81)
4	Earnings per share (Rs.)	(6.36)	(17.65)
5	Total Assets	42,646.59	34,492.05
6	Total Liabilities	25,360.39	25,360.39
7	Net worth	17,286.20	9,131.66

**ii Audit Qualifications:**

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

- The Group has recognized net deferred tax assets of Rs. 8,154.54 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 uncertainty over the estimated profits for the future years arising out of the outbreak of COVID-19 and the existence of unutilized tax losses available with the Group, it is highly uncertain that the Group would have 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 Management's assessment of recognition of deferred tax assets as of March 31, 2020. Had the deferred tax asset not been created, the net loss for the year ended March 31, 2020 and accumulated losses would have been higher by Rs. 8,154.54 Lakhs.

- The Company has not complied with the provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 relating to the submission of the results for the quarter and year ended March 31, 2020 to Securities and Exchange Board of India (SEBI) within the stipulated time. Penalties on account of such non-compliances are presently not ascertainable and not provided for in the books of account. Consequently, we are unable to comment on the impact, if any, on the consolidated financial statements.

**(b) Type of Audit Qualification:**

Qualified Opinion

**(c) Frequency of Qualification:**

Appearing for the first time

- (d) For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:** The management has made internal assessment and have projected Profit & Loss for next 5 years and are of view to have sufficient taxable profits to utilise the DTA.
- The company has duly informed about delay in declaring of results and made the payment asked by the exchange.

**(e) For Audit Qualification(s) where the impact is not quantified by the Auditor:**



Sumit [Signature] (R. 2020)



	(i) Management's estimation on the impact of audit qualification: Nil
	(ii) If Management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditor's Comment on (i) and (ii) above: Auditor's comments are self-explanatory in auditor's report
III	<p>Signatories:</p> <p>Sunil Jain Chief Financial Officer September 25, 2020</p> <p>Atun Kumar Khetan CEO &amp; Whole Time Director September 25, 2020</p> <p>Roshan Lal Kamboj Chairman of Audit Committee September 25, 2020</p> <p>Statutory Auditors For MSKA &amp; Associates Firm Registration No. 105047W</p> <p>Vaijayantimala Belsare Partner Membership No. 049902 September 25, 2020</p>
	<p>Digitally signed Vaijayantim ala Shripad Belsare Date: 2020.09.25 20:53:30 +05'30'</p>



**Annexure A**

1. **Name of the listed entity /Material subsidiary:** MT Educare Limited (Listed entity).
2. **Details of Statutory Auditor :**
  - a. Name : MSKA & Associates
  - b. Address : MSKA & Associates, Chartered Accountants, Floor 3, Enterprise Centre, Nehru Road, Near Domestic Airport, Vile Parle - (E), Mumbai – 400 099, INDIA.
  - c. Phone Number: +91 22 3358 9800
  - d. Email: [VaijayantimalaBelsare@bdo.in](mailto:VaijayantimalaBelsare@bdo.in)
3. **Details of association with the listed entity :**
  - a. Date on which the statutory auditor was appointed: September 28, 2016
  - b. Date on which the term of statutory auditor was scheduled to expire: Term was scheduled to expire at the conclusion of the Company's AGM to be held for FY 2020-2021 i.e. March 31,2021.
  - c. Prior to resignation, the latest audit report /limited review report submitted by the auditor and date of its submission : Latest audit report for year-ended 31 March 2020, submitted on 25 September 2020.
4. **Detailed reason for resignation:**

Refer to our resignation letter dated 25 September 2020
5. **In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee / Board of Directors along with the date of communication made to the Audit Committee / Board of Directors) :** Not applicable
6. In case the information requested by the auditor was not provided, then following shall be disclosed:
  - a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management imposed limitation or circumstances beyond the control of the management.- **Not applicable**
  - b. Whether the lack of information would have significant impact on the financial statements/ results. - **Not applicable**
  - c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purpose of audit/ limited review as laid down in SA 705 (Revised).- **Not applicable**
  - d. Whether the lack of information was prevalent in the previous reported financial statements/ results . If yes, on what basis the previous audit/ limited review report were issued.- **Not applicable**
7. Any other fact relevant to resignation: **None other than those mentioned in our resignation letter dated 25 September 2020.**



# MSKA

**& Associates**

Chartered Accountants

## Declaration

1. I/We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. I/We hereby confirms that there is no other material reason other than those provided above for my resignation/resignation of my firm.

## **MSKA & Associates**

*Chartered Accountants*

ICAI Firm Registration Number: 105047W

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Belsare

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by Vaijayantimala  
Shripad Belsare  
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Vaijayantimala Belsare

Membership No: 049902

Date: September 25, 2020.

Place: Mumbai

Encl: Resignation letter dated May 25 September 2020

## Annexure – II

### **Brief Profile of M/s MGB & Co. LLP, Chartered Accounts:**

MGB & Co. LLP ("MGB") is a firm with 40 years of experience having 7 Partners and branch offices in Mumbai, Delhi, Jaipur and Bangalore.

MGB has diverse mix of Professionals i.e. Chartered Accountants, MBA's, CPAs, Company Secretaries and Lawyers.

MGB has Young team with experienced Senior Management.

MGB's current service offerings include Assurance Services, Tax Advisory and Compliance Services, Operations and Risk consulting Services, Transaction Advisory Services etc.

MGB is amongst the Leading Tax Firms in India as per International Tax Review's World Tax 2015 ratings.

MGB is one of the very few firms in India, to be eligible and accepted to be empanelled with the Government bodies such as Comptroller & Auditor General of India, Income Tax Department, Telecom Regulatory Authority of India, National Highway Authority of India (NHAI), Reserve Bank of India (RBI), Life Insurance Corporation of India and Securities and Exchange Board of India (SEBI).





### ANNEXURE III

#### Disclosure of events and information pursuant to regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Name of Auditor: M/s MSKA & Associates

Reason for resignation of Auditor: The reason for the resignation by MSKA Associates is stated as under (**Annexure A-is also attached**):

The level of audit fees at present are not commensurate with the level of effort undertaken to perform the statutory audit of the Company including limited reviews thereof for three quarters.

Date of ~~Appointment~~/Resignation : w.e.f the date of Signing of Annual Accounts for the F. Y (as applicable) & ~~terms of~~ March 31<sup>st</sup>, 2020  
~~Appointment~~

Brief Profile (in case of Appointment): Not Applicable



## Annexure IV

### A BRIEF PROFILE OF THE COST AUDITORS IS AS BELOW:

Joshi Apte and Associates is one of the leading Cost Auditing firm in India. It consists of 7 partners with varied exposure in Costing, Accounting, ERP implementation, Taxation, GST and other fields related to finance. Partners consist of different educational qualifications like Doctorate, Company Secretary and MBA. It has cliental of large Public Sector Companies, Private Companies and other forms of organizations too. Cliental includes from various industries like Pharma, Construction, Healthcare, Education, Petroleum, Engineering and many other fields. Partners in the firm have worked on Institute of Cost Accountants of India in various capacities like President, Chairman, Central Council Member and Regional Council Member also. Mix blend of experience and educational qualification makes the firm ahead in many aspects from other Cost Auditing Firms in India.

