



# TAKING INDIAN EDUCATION TO A NEW PEAK OF GLORY



MT Educare Limited  
Annual Report 2019-20

# Contents

		Page No.
Corporate Overview	Corporate Information	2
	Management Discussion and Analysis Report	3
Statutory Reports	Directors' Report	8
	Annexure 1	17
	Annexure 2	27
	Annexure A	30
	Annexure 3	32
	Annexure 4	34
	Report on Corporate Governance	36
Financial Statements	Independent Auditor's Report (Standalone)	58
	Balance Sheet as at 31 March, 2020	67
	Statement of Profit and Loss for the year ended 31 March, 2020	68
	Statement of Cash Flows for the year ended 31 March, 2020	69
	Statement of Changes in Equity for the year ended 31 March 2020	71
	Notes forming part of the financial statements for the year ended 31 March, 2020	72
	Independent Auditor's Report (Consolidated)	117
	Consolidated Balance Sheet as at 31 March, 2020	124
	Consolidated statement of profit and loss for the year ended 31 March, 2020	125
	Consolidated Statement of changes in equity for the year ended 31 March 2020	128
	Notes forming part of the consolidated financial statements for the year ended 31 March, 2020	129
	Notice	177

# Corporate Information

## BOARD OF DIRECTORS

### Mr. Mahesh R. Shetty

Whole-time Director  
(Resigned w.e.f April 13, 2020)

### Mr. Himashu Mody

Chairman, Non-Independent,  
Non-Executive Director  
(Resigned w.e.f January 07, 2020)

### Mr. Ajey Kumar

Executive Director  
(Resigned w.e.f. September 26, 2019)

### Dr. Manish Agarwal

Independent, Non-Executive Director  
(w.e.f. June 5, 2018)

### Dr. Sangeeta Pandit

Independent, Non-Executive Director  
(Resigned w.e.f. October 01, 2019)

### Mr. Debshankar Mukhopadhyay

Managing Director  
(Resigned w.e.f. April 23, 2020)

### Mr. Roshan Lal Kamboj

Independent, Non-Executive Director  
(w.e.f. September 26, 2019)

### Mr. Sanjeev Garg

Whole-Time Director  
(from September 26, 2019 upto January 10, 2020)

### Mr. Dattatraya Kelkar

Independent, Non-Executive Director  
(w.e.f. December 30, 2019)

### Mr. Nanette D'sa

Independent, Non-Executive Director  
(w.e.f. March 31, 2020)

### Mr. Arun Kumar Khetan

CEO & Executive Whole Time Director  
(w.e.f. April 15, 2020 & April 23, 2020 respectively)

### Mr. Surender Singh

Non-Independent, Non-Executive  
Director  
(w.e.f July 24, 2020)

## BOARD COMMITTEES

### Audit Committee

Mr. Roshan Lal Kamboj (Chairperson)  
Dr. Manish Agarwal  
Dr. Dattatraya Kelkar  
Ms. Nanette D'sa

### Nomination and Remuneration Committee

Dr. Manish Agarwal (Chairman)  
Mr. Roshan Lal Kamboj  
Dr. Dattatraya Kelkar  
Ms. Nanette D'sa

### Stakeholders Relationship Committee

Mr. Roshan Lal Kamboj (Chairman)  
Dr. Dattatraya Kelkar  
Ms. Nanette D'sa

### Corporate Social Responsibility Committee

Dr. Manish Agarwal (Chairman)  
Mr. Roshan Lal Kamboj  
Dr. Dattatraya Kelkar  
Ms. Nanette D'sa

## KEY MANAGEMENT

### Chief Financial Officer

Mr. Sandesh Naik  
(upto November 14th, 2019)  
Mr. Dinesh Bhutra  
(from November 14th, 2019 to March 06th, 2020)  
Mr. Sunil Jain  
(w.e.f August 28th, 2020)

### Company Secretary & Compliance Officer

Mr. Mandar Chavan  
(upto November 13th, 2019)  
Mr. Ravindra Mishra  
(w.e.f November 14th, 2019)

## Bankers

Axis Bank Limited  
Kotak Mahindra Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
IDFC First Bank Limited

## STATUTORY AUDITORS

M/s. MSKA & Associates  
Chartered Accountants  
Mumbai

## SECRETARIAL AUDITORS

M/s. R. Bhandari & Associates  
Company Secretaries  
Mumbai

## REGISTERED OFFICE

MT Educare Limited  
(CIN:L80903MH2006PLC163888)  
220, 2nd Floor, "FLYING COLORS",  
Pandit Din Dayal Upadhyay Marg, L.B.S.  
Cross Road, Mulund (West),  
Mumbai - 400080  
Phone No. 022 25937700/800  
Email ID: info@mteducare.com  
Website: www.mteducare.com

## REGISTRAR & TRANSFER AGENT

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

# Management Discussion and Analysis Report

Your Directors submit for your consideration the Management Discussion and Analysis Report on the working of the Company for the financial year ended 31st March, 2020.

## Education Industry review

India has the world's largest population of about 500 million in the age bracket of 5–24 years, which provides a great opportunity for the education sector. The education sector in India was estimated at US\$ 91.7 billion in FY18 and is expected to reach US\$ 101.1 billion in FY19.

Number of colleges and universities in India reached 39,931 and 993, respectively, in FY19. India had 37.4 million students enrolled in higher education in FY19. Gross Enrolment Ratio in higher education reached 26.3 per cent in FY19.

The country has become the second largest market for E-learning after the US. The sector is expected to reach US\$ 1.96 billion by 2021 with around 9.5 million users.

The total amount of Foreign Direct Investment (FDI) inflow into the education sector in India stood at US\$ 3.24 billion from April 2000 to March 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

The education and training sector in India witnessed some major investments and developments in the recent past. Some of them are:

- On September 4, 2020, Avanse Financial Services, launched a' education loan offer for children who plan to pursue their higher education, take up teacher training courses and teachers who aim for up-skilling courses.
- In September, GoLearn, India's first AI-powered English Language Teaching and Learning (ELTL) platform is launched to meet the growing demand for English teachers.
- On September 2, 2020, Indian Institute of Technology (IIT) Delhi established an independent "School of Artificial Intelligence (ScAI)" on its campus to offer post graduate and PhD courses. The new school also aims to become the one-stop center for industry participants or the Government for AI innovation/ funding/ collaborations.
- In September 2020, LinkedIn and National Skill Development Corporation (NSDC) partnered to provide free access to LinkedIn Learning resources to upskill young professionals in the country and create a future-ready digital workforce.
- Between January 2020 and August 2020, venture capital investors invested ~US\$ 1.19 billion across 36 deals, against the ~US\$ 409 million across 43 deals between January 2019 and August 2019.
- From January 2020 to September 2020, BYJU's was at the top in the edutech sector, with a raised capital of US\$

1.12 billion in four branches from investors including Silver Lake, Tiger Global, General Atlantic, Owl Ventures and DST Global.

## Government Initiatives

Some of the other major initiatives taken by the Government are:

- In September 2020, to help the administration implement policies for human resource development, Jammu and Kashmir Lt Governor inaugurated the State Council of Education, Research and Training (SCERT) on the lines of NCERT.
- In September 2020, UGC issued new guidelines for distance learning courses. As per norms, no university whether central, state, private or deemed to be university, can offer its programmes by franchising agreements with private coaching institutions to admit learners and conduct courses through open and distance learning and online mode.
- To engage students at home amid the coronavirus pandemic through educational activities, an alternative academic calendar for students, parents and teachers for all Classes I–XII has been developed by the NCERT under the guidance of the Ministry of Education.
  - o Alternative Academic Calendar (AAC) for four weeks and the next eight weeks for primary and upper primary stages had been released.
- To ensure equal access to online/digital education, the Government of India has taken the following initiatives:
  - o Under the flagship Initiative, SWAYAM-Prabha, Ministry of Education is providing 34 educational TV channels, covering educational contents for schools and higher educational institutions.
  - o Extensive use of radio, community radio and CBSE Podcast – ShikshaVani.
  - o Special e-content for visually and hearing impaired was developed on Digitally Accessible Information System (DAISY) and in sign language on NIOS website/ YouTube.
- According to Union Budget 2020–21, Government allocated Rs 59,845 crore (US\$ 8.56 billion) for Department of School Education and Literacy.
- Revitalising Infrastructure and Systems in Education (RISE) by 2022 was announced in Union Budget 2020–21 with a proposed outlay of Rs 3,000 crore (US\$ 429.55 million).
- Under Union Budget 2020–21, Government proposed apprenticeship embedded degree/diploma courses by March 2021 in about 150 higher educational institutions.



## Road Ahead

In 2030, it is estimated that India's higher education will:

- combine training methods that involve online learning and games, and is expected to grow 38 per cent in the next 2–4 years
- adopt transformative and innovative approaches in Higher education
- have an augmented Gross Enrolment Ratio (GER) of 50 per cent
- reduce state-wise, gender based and social disparity in GER to 5 per cent
- emerge as the single largest provider of global talent with one in four graduates in the world being a product of the Indian higher education system
- be among the top five countries in the world in terms of research output with an annual R&D spend of US\$ 140 billion
- have more than 20 universities among the global top 200 universities

Various Government initiatives are being adopted to boost the growth of distance education market besides focusing on new education techniques, such as E-learning and M-learning.

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

The Government of India has taken several steps including opening of IIT's and IIM's in new locations as well as allocating educational grant for research scholars in most Government institutions. Furthermore, with online mode of education being used by several educational organisations, the higher education sector in India is set for major change and development in the years to come.

(Source: [www.ibef.org](http://www.ibef.org))

## THREATS AND OPPORTUNITIES

The long term shutdown of educational sector and other business operations to contain the Covid-19 menace, the resultant liquidity crunch along with the time and resources needed to return to normalcy of business operations, are threats that your Company shares with other business entities globally. Times of such adversity pose challenges to outperform and your Directors and Senior Management of the Company with

co-operation and dedication of its personnel at all levels stand committed to counter the threats with innovative strategies and over extending the reach of technological boundaries.

The Company is pro-actively identifying and pursuing opportunities by developing new key accounts and focusing on other available opportunities.

Company continues to put in place a comprehensive and robust enterprise-wide risk management structure, to enable all the businesses to recognize risks in advance based on the key initiatives by the business, so that appropriate and adequate mitigation plans can be worked out to ensure the goals are achieved. The risk management mechanism is an integral part of the Company's core process and involves recording, monitoring, independent testing and controlling of the internal functions of the enterprise by way of establishing Risk Control Matrix (RCM) to ensure process control, Business Risk Management (BRM) framework for business objectives, and Entity Level Control (ELC) for a comprehensive risk reporting. The rapid changes in technology across the globe have necessitated a dynamic change in the Company's business and delivery models. As risk-taking is an intrinsic part of all the businesses, it has been MT's constant endeavor to balance risk appetite in each line of business to ensure that each of the businesses generates high risk-adjusted returns, with the underlying objective of maximizing value for the shareholders.

MT has taken proactive steps to identify and prioritize the risks upfront, document them in consultation with the business groups and define the risk management framework. The Company has laid out internal controls over Financial Reporting to be followed by the Company. Such internal financial controls are adequate and operate effectively. At entity level, MT's risk management framework addresses all the significant risks of the businesses as envisaged by the management from time to time, based on the experience, the environment surrounding each business activity and future initiatives, to achieve the business group's objectives along with the relevant mitigation strategy. The mitigation strategy is simultaneously addressed by the respective business group for each of the identified risks while finalizing strategic and operational parameters of the business. The compliances and assurance of the risk mitigation strategies are addressed by the Internal Audit and Assurance Group. The Company has identified the major and significant risks into two broad categories, External Risks and Internal Risks, with mitigation strategies of each. The Company is well-diversified in terms of both its service offerings and geographic spread.

## OUTLOOK

The world is still in throes of Covid-19. It will take considerable time for the economy to get on its feet and grow in strength. Under such a scenario, it would not be prudent to make any definitive forecast or commitment in respect of the Company's outlook for F.Y.2020-21.

## RISK & CONCERNS

Your Company's Board of Directors have put in place adequate risk assessment and risk mitigation measures. The Executive Management has an appropriate framework that generates confidence of foreseeing and mitigating the risks, which every manufacturing company faces in the form of fluctuations in the supply and pricing of fuel, energy and essential raw material. However, no measures are adequate when confronted by force majeure event like Covid-19.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

## FINANCIAL PERFORMANCE AND KEY FINANCIAL RATIOS

### Consolidated Results

#### Income

The consolidated revenue for the year FY20 stood at Rs. 23,143 lakhs as against Rs. 24,935 Lakhs in FY19, decrease by 7.19% mainly on account of decline in enrolment in its coaching business thus affecting the revenue to that extent

#### Expenditure

Total expenditure stood Rs. 23,911 lakhs during the year under review this is in consistent with Last year Expenditure.

### Operational Expenses

The Direct expenses mainly includes purchase of tablets/SD Cards which are issued to students as a part of course material and fees paid to visiting faculties. The direct expense for the year FY20 was Rs. 10,389 Lakhs as against Rs. 12,440 Lakhs in FY19, down on account of rent expenses recognition of operating lease as ROU assets and corresponding lease liability.

### Employee Benefit Expenses

The employee benefit expense for the year FY20 stood at Rs. 3,193 Lakhs as against Rs. 3,634 Lakhs in FY19, down by 12% on account of reduction in number of employees and controls on hiring as a cost saving measure.

### Other Expenditure

Other expenses for the year FY20 stood at Rs. 3,638 lakhs as against Rs. 3,932 lakhs in FY 19 mainly on account of saving of Advertisement Expenses. Also, expenses have reduced on account of cost saving measures adopted by the company.

### Finance Costs

Finance costs have increased due to IND-AS 116 for Interest expenses on Lease Liability by Rs. 697.15 lakhs i.e set off by reduction in borrowing cost by Rs. 271.06 Lakhs.

### Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increase due to IND-AS 116 amortisation of ROU Expenses for Rs 4,288 Lakhs F. Y 20 as compared to Rs. 1,813 lakhs in FY19.

### Profit After Tax

The profit/(loss) after tax is Rs. (4,593) lakhs for F. Y 2019 as compared to profit after tax for Rs. 912 Lakhs.

## SOURCE OF FUNDS

### Share Capital

The equity share capital remains same for Rs. 7222.81 Lakhs during the year under review.

### Other Equity

Other equity decreased by Rs. 4,629 Lakhs from Rs 14,693 Lakhs as on March 31, 2019 to Rs. 10,063 Lakhs as on March 31, 2020 largely on account of Net loss incurred during the year.

### Non-Current Liabilities

Non current liabilities decreased by Rs. 1,246 Lakhs from Rs 11,073 Lakhs as on March 31, 2019 to Rs. 9,828 Lakhs as on March 31, 2020 largely on account of repayment of loans during the year.

### Current Liabilities

Current liabilities increased by Rs. 3,165 Lakhs from Rs 12,368 Lakhs as on March 31, 2019 to Rs. 15,533 Lakhs as on March 31, 2020 largely on account of increase in lease liability as per IND-AS 116 and Business Creditors.

## APPLICATION OF FUNDS

### Non-Current Assets

Non-Current Assets increased by Rs 672 Lakhs from Rs 30,184 Lakhs as on March 31, 2019 to Rs 30,856 Lakhs as on March 31, 2020, mainly on account of increase in right to use assets as per IND-AS 116 and reduction in other financial Assets.

### Current Assets

Current assets decreased by Rs 3,382 Lakhs from Rs 15,173 Lakhs as on March 31, 2019 to Rs 11,791 Lakhs as on March 31, 2020, mainly due to delay in recovery of loan receivable, the Company has made an provision as an Exceptional Item.

## Standalone Results

### Income

The revenue for the year FY20 stood at Rs. 16,802 lakhs as against Rs. 20,165 Lakhs in FY19, mainly on account of decline in enrolment in its coaching business thus affecting the revenue to that extent.

### Total Expenditure

Total expenditure reduced by Rs. 864.45 lakhs in FY 20, during the year under review.

### Operational Expenses

The Direct expenses mainly includes purchase of tablets/SD Cards which are issued to students as a part of course material and fees paid to visiting faculties. The direct expense for the year FY20 was Rs. 6,854 Lakhs as against Rs. 9,874 Lakhs in FY19, down on account of rent expenses recognition of operating lease as ROU assets and corresponding lease liability.

### Employee Benefit Expenses

The employee benefit expense for the year FY20 stood at Rs

2,890 Lakhs as against Rs. 3,114 Lakhs in FY19, down by 7% on account of reduction in number of employees and controls on hiring as a cost saving measure.

### Other Expenditure

Other expenses for the year FY20 stood at Rs. 2,939 lakhs as against Rs. 3,198 lakhs in FY 19 mainly on account of saving of Advertisement Expenses. Also, expenses have reduced on account of cost saving measures adopted by the company.

### Finance Costs

Finance costs have increased due to IND-AS 116 for Interest expenses on Lease Liability by Rs. 349.45 lakhs i.e Interest on lease liability and further due set off by reduction in borrowing cost by Rs. 651 Lakhs.

### Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increase due to IND-AS 116 amortisation of ROU Expenses for Rs 3,722 Lakhs F. Y 20 as compared to Rs. 1,434 lakhs in FY19.

### Profit After Tax

The profit/(loss) after tax is Rs. (5,230) lakhs for F. Y 2019 as compared to profit after tax for Rs. 730 Lakhs.

## SOURCE OF FUNDS

### Share Capital

The equity share capital remains same for Rs. 7222.81 Lakhs during the year under review.

### Other Equity

Other equity decreased by Rs. 5,277 Lakhs from Rs 14,903 Lakhs as on March 31, 2019 to Rs. 9,626 Lakhs as on March 31, 2020 largely on account of Net loss incurred during the year.

### Non-Current Liabilities

Non current liabilities increased by Rs. 2,446 Lakhs from Rs 5,435 Lakhs as on March 31, 2019 to Rs. 7,881 Lakhs as on March 31, 2020 largely on account of other financial liability on account of IND-AS 116 and redemption in Borrowings.

### Current Liabilities

Current liabilities increased by Rs. 1,911 Lakhs from Rs 9,273 Lakhs as on March 31, 2019 to Rs. 11,184 Lakhs as on March 31, 2020 largely on account of increase in lease liability as per IND-AS 116 and Business Creditors.

## APPLICATION OF FUNDS

### Non-Current Assets

Non-Current Assets increased by Rs 4,309 Lakhs from Rs 19,581 Lakhs as on March 31, 2019 to Rs 23,891 Lakhs as on March 31, 2020, mainly on account of increase in right to use assets as per IND-AS 116 and reduction in other financial Assets.

### Current Assets

Current assets decreased by Rs 5,230 Lakhs from Rs 17,253 Lakhs as on March 31, 2019 to Rs 12,023 Lakhs as on March 31, 2020, mainly due to delay in recovery of loan receivable, the Company has made an provision as an Exceptional Item.

## HUMAN RESOURCES

Well educated, qualified and experienced personnel are the strength of the Company. The HRD policies place emphasis on

providing trainings and upgrading skills not only for keeping pace with the growth and development of the Company but also for providing opportunities of value addition to its personnel. Appropriate training programs, workshops and seminars are conducted and all efforts are made to provide an ambient and healthy work culture. As at 31st March 2020, the total number of employees on the roll of the Company stood at 610.

## CAUTIONARY STATEMENT

Some statements in this Report are forward looking statements and are based on the optimism that the massive efforts of the Central Government, State Government and determination of the people of the Country would soon overcome the battle against Covid-19, and that the Country's and global economy both move once again towards sustainable growth. The Company's performance is based on these caveats and it is therefore cautioned that the actual results may differ from those set out or implied herein.



# Directors' Report

To,  
The Members of  
MT Educare Limited

Your Directors take pleasure in presenting the Fourteenth Annual Report of the Company together with Audited Financial Statements for the year ended March 31, 2020. This report states compliance as per the requirements of the Companies' Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Audited Financial Statements for the Financial Year 2019-2020, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable
- Accounting policies selected were applied consistently and the judgments and estimates related to these financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and of the profit of the Company for the year ended on that date
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

accounting standards and that no material departures have been made from the same;

## FINANCIAL PERFORMANCE

The Financial performance of your Company for the year ended March 31, 2020 is summarized below:

Particulars	Standalone – Year ended		Consolidated – Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from Operations	14,668.23	18,200.31	20,516.47	22,856.12
Other Income	2,133.69	1,965.00	2,626.19	2,078.88
<b>Total Income</b>	<b>16,801.92</b>	<b>20,165.31</b>	<b>23,142.66</b>	<b>24,935.00</b>
Total Expenses	12,682.96	16,185.74	17,219.38	20,007.19
<b>Operating Profit/Loss</b>	<b>4,118.96</b>	<b>3,979.57</b>	<b>5,923.28</b>	<b>4,927.81</b>
Less: Finance Cost	1,981.50	1,632.05	2,403.24	1,977.15
Less: Depreciation	3,722.49	1,433.61	4,287.99	1,813.09
<b>Profit/ (Loss) before Tax</b>	<b>(4,699.68)</b>	<b>913.91</b>	<b>(3,882.60)</b>	<b>1137.57</b>
Tax expense	530.32	183.46	710.78	225.50
<b>Profit/Loss after Tax</b>	<b>(5,230.00)</b>	<b>730.45</b>	<b>(4,593.38)</b>	<b>912.07</b>
Less : Appropriations	0.00	0.00	0.00	0.00
Transferred to Debenture Redemption Reserve	0.00	0.00	0.00	0.00
Interim Equity Dividend	0.00	0.00	0.00	0.00
Tax on Interim Equity Dividend	0.00	0.00	0.00	0.00
<b>Balance carried To Balance Sheet</b>	<b>(5,230.00)</b>	<b>730.45</b>	<b>(4,593.38)</b>	<b>912.07</b>
<b>Other comprehensive income carried to balance sheet</b>	<b>(46.74)</b>	<b>9.95</b>	<b>(35.89)</b>	<b>32.11</b>

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2019-20.

#### DIVIDEND

In order to conserve the resources for future growth of the Company, your Directors do not recommend dividend for the year under review.

#### BUSINESS OVERVIEW

Overall economic slowdown also impacted our business of the Company this year and due to uncertainty with the current situation, Management is unable to comment for the impact on business in the coming days, however the Management is still working with the objective of GREAT – Global Reach in Education and Training, and your company is committed to take Education to every home across India. 'Teachers + technology = Toppers' has been our ethos. Digital content for learning, teaching and assessments along with innovative pedagogy has been the hallmark of our exceptional academic laurels year after year.

We further would like to highlight that your company is truly a national player with multi-city presence and a diverse product portfolio, standing a class apart due to technology enabled business processes, digital content delivery and 24 x 7 online support for the courses offered.

Company has registered Standalone Revenue of ₹14,668.23 Lakhs in FY20 compared to ₹18,200.31 Lakhs in FY19. Operating EBITDA stood at ₹4,118.96 Lakhs in FY20, compared to ₹3,979.57 Lakhs in FY19. PBT stood at ₹(4,699.68) Lakhs in FY20, compared to ₹913.91 Lakhs in FY19. PAT stood at ₹(5,230.00) Lakhs in FY20, compared to ₹730.45 Lakhs in FY19. Company has registered Consolidated Revenue of ₹20,516.47 Lakhs in FY20, compared to ₹22,856.12 Lakhs in FY19. Operating EBITDA stood at ₹5,923.28 Lakhs in FY20, compared to ₹4,927.81 Lakhs in FY19. PBT stood at ₹(3,882.60) Lakhs in FY20, compared to ₹1,137.57 Lakhs in FY19. PAT stood at ₹(4,593.38) Lakhs in FY20, compared to ₹912.07 Lakhs in FY19.

#### SHARE CAPITAL

During the year under review, there have been no increase in the Share Capital of the Company and current paid up share capital of the Company is ₹72,22,80,540 comprising of 7,22,28,054 equity shares of Re. 10/- each.

#### EMPLOYEES STOCK OPTION SCHEME

The Company implemented the Employee Stock Options

Scheme "ESOP 2016" and "MT EDUCARE LTD ESOP 2018" in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. In accordance with ESOP 2016, Out of 8,00,000 options 7,38,450 options were granted on December 18, 2017. During the current financial year no options were vested.

The applicable disclosures as stipulated under the said Regulations as at March 31, 2020 are provided in note no. 35 of (Standalone) financial statement.

#### SUBSIDIARY COMPANY

As at March 31, 2020, your company had seven subsidiaries, namely, MT Education Services Pvt. Ltd., Lakshya Forum For Competitions Pvt. Ltd. (formerly known as Lakshya Educare Pvt Ltd), Chitale's Personalised Learning Pvt. Ltd., Sri Gayatri Educational Services Pvt. Ltd., Robomate Edutech Pvt. Ltd., Letspaper Technologies Pvt. Ltd and Labh Ventures India Pvt Ltd. The Company does not have any associate or joint venture companies.

In compliance with Section 129 of the Companies Act, 2013, a statement containing requisite details including financial highlights of the operations of all subsidiaries is annexed to this report.

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

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company [www.mteducare.com](http://www.mteducare.com). These documents will also be available for inspection during business hours at the Registered Office of the Company.

#### CORPORATE GOVERNANCE & POLICIES

Your Company is in compliance with the Corporate Governance requirements mentioned in Listing Regulations. In terms of Schedule V of Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached and forms an integral part of this Annual Report. All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2019-20. A declaration to this effect signed by the Whole Time Director of the company is contained in this Annual Report. The Whole Time Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required