

Ref: MTEL/2021-22/014

October 26th, 2021

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

Dear Sir/ Madam,

Sub: Outcome of Board Meeting held on October 26th, 2021

This is to inform you that the Board of Directors of the Company at its meeting held today i.e., on October 26th, 2021 at 04.15 p.m. and concluded at 05.55 p.m. has:

- 1) Approved Un-Audited Financial Results (Standalone and Consolidated) of the Company for the Second quarter and half year of the financial year 2021-22 ended on September 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is enclosed herewith.

This is for your information and records.

Thanking you,

Yours faithfully,
For **MT Educare Limited**



Ravindra Mishra
Company Secretary



Statement of Standalone Unaudited Financial Results for the Quarter and Half year ended September 30, 2021

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter Ended September 30, 2021	Quarter Ended June 30, 2021	Quarter Ended September 30, 2020	Half Year Ended September 30, 2021	Half Year Ended September 30, 2020	Year Ended March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	871.67	1,369.13	1,601.59	2,240.80	3,000.60	4,852.70
	Other income	42.17	397.92	779.68	440.09	1,200.60	2,708.70
	Total income	913.84	1,767.05	2,381.27	2,680.89	4,201.20	7,561.40
2	Expenses						
	Direct expenses (Refer note 4)	411.79	465.16	868.10	876.95	1,324.92	2,177.60
	Employee benefits expense	216.40	321.36	445.35	537.76	950.57	1,848.58
	Finance costs	224.64	236.04	351.68	460.68	665.06	1,204.76
	Depreciation and amortisation expense	286.03	336.62	597.81	622.65	1,292.11	2,162.30
	Other expenses (Refer note 5)	194.14	420.56	519.26	614.70	992.50	2,207.07
	Total expenses	1,333.00	1,779.74	2,782.20	3,112.74	5,225.16	9,600.31
3	Profit/(loss) before tax for the period/year (1-2)	(419.16)	(12.69)	(400.93)	(431.85)	(1,023.96)	(2,038.91)
4	Tax expense/(credit)	(95.22)	97.05	(16.63)	1.83	(197.77)	965.15
5	Net Profit / (Loss) for the period/year after tax (3-4)	(323.94)	(109.74)	(384.30)	(433.68)	(826.19)	(3,004.06)
6	Other comprehensive income (including tax effect)						
	Items that will not be reclassified to profit or loss (Net of tax)	(19.40)	6.90	36.18	(12.50)	24.50	27.60
7	Total comprehensive income/(loss) for the period/year (5+6)	(343.34)	(102.84)	(348.12)	(446.18)	(801.69)	(2,976.46)
8	Paid up equity share capital (Face Value Rs. 10 per share)	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81
9	Other equity						6,649.78
10	Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters and half years):						
	Basic	(0.45)	(0.15)	(0.53)	(0.60)	(1.14)	(4.16)
	Diluted	(0.45)	(0.15)	(0.53)	(0.60)	(1.14)	(4.16)

For and on behalf of the Board of Directors

Parag Dha
Whole Time Director
DIN: 08133069



Mumbai, 26 October 2021

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Unaudited Standalone Statement of Assets and Liabilities as at 30 September, 2021

(Rs. in lakhs)

Particulars	As at	As at
	30 September, 2021	31 March, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	1,218.61	1,372.79
Right of use assets	3,780.29	4,250.74
Intangible assets	37.18	87.18
Financial Assets		
- Investments	3,144.96	3,144.96
- Loans	2,316.41	-
- Others	453.64	453.64
Deferred tax assets (net)	6,810.78	6,816.81
Non-current tax assets	1,171.62	1,167.58
Total non-current assets	18,933.49	17,293.70
Current assets		
Financial Assets		
-Investments	0.01	0.01
-Trade receivables	3,333.07	3,647.87
- Cash and cash equivalents	194.01	100.71
- Bank Balances other than Cash and Cash Equivalents	799.83	524.05
-Loans	394.41	3,002.81
-Other financial assets	5,522.47	6,075.68
Other current assets	88.13	70.57
Total current assets	10,331.93	13,421.70
TOTAL ASSETS	29,265.42	30,715.40
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7,222.81	7,222.81
Other equity	6,203.60	6,649.78
Total equity	13,426.41	13,872.59
Liabilities		
Non-current liabilities		
Financial Liabilities		
- Borrowings	0.00	495.90
- Lease liabilities	3,488.22	3,781.42
Provisions	392.59	428.09
Other non-current liabilities	19.24	33.90
Total non-current liabilities	3,900.05	4,739.31
Current liabilities		
Financial Liabilities		
- Borrowings	3,755.07	2,905.36
- Lease liabilities	1,000.79	861.06
- Trade payables		
Outstanding dues of micro enterprises and small enterprises	79.48	74.72
Outstanding dues of creditors other than micro and small enterprises	4,436.50	4,578.78
- Other financial liabilities	1,714.17	1,906.53
Provisions	127.48	153.93
Other current liabilities	825.44	1,623.12
Total current liabilities	11,938.94	12,103.50
Total liabilities	15,838.99	16,842.81
TOTAL EQUITY AND LIABILITIES	29,265.42	30,715.40



Statement of Standalone Cash Flows for the half year ended 30 September 21

	Half Year Ended September 30, 2021	For the year ended 31 March, 2021
	₹ in lakhs	₹ in lakhs
A. Cash flow from operating activities		
Profit/(Loss) before tax	(431.86)	(2,038.91)
Adjustments for:		
Depreciation and amortisation expenses	622.65	2,162.30
Impairment of property, plant and equipment	-	91.14
Interest income	(54.69)	(1,624.55)
Finance Cost	460.68	1,204.76
Net gain on sale of investments	-	(14.10)
Net gain on Investments through FVTPL	-	0.00
Net Gain on sale of property, plant and equipment	(3.14)	(0.80)
Allowance for doubtful debts and advances/ Bad debts	325.54	1,273.66
Liabilities written back	(360.00)	(680.10)
Net Gain on De-recognition of Right of Use Asset	-	(278.96)
Net loss on foreign exchange transactions and translations	-	0.61
Operating profit before working capital changes	559.17	95.05
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	864.24	1,463.23
(Decrease)/Increase in trade and other payables	(991.56)	(1,866.89)
Cash generated from/(used in) operations	431.86	(308.61)
Net income tax paid	4.37	(46.50)
Net cash generated (used in)/ from operating activities (A)	436.23	(355.11)
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	30.23	8.24
Capital expenditure on property, plant and equipment and intangibles	(2.25)	(2.41)
Sale of current investments	(0.00)	656.87
Redemption of Non Convertible Debentures in subsidiary company	-	245.00
Decrease/(Increase) in other bank balances	(275.78)	2.38
Loans and advances (given)/received back	28.00	-
Interest received	-	-
Net cash flow (used in)/generated from investing activities (B)	(219.81)	910.08
C. Cash flow from financing activities		
Proceeds/(Repayment) from current borrowings	189.72	-
Payment of lease liability	(282.29)	(374.19)
Finance cost paid	(30.56)	(188.26)
Net cash flow (used in)/ from financing activities (C)	(123.12)	(562.45)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	93.29	(7.48)
Cash and cash equivalents at the beginning of the period	100.71	108.19
Cash and cash equivalents at the end of the period	194.01	100.71



Statement of Consolidated Unaudited Financial Results for the Quarter and Half year ended September 30, 2021

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	1,635.96	1,934.99	3,498.94	3,570.95	5,834.03	7,517.81
	Other income	43.85	549.74	926.22	593.59	1,511.68	3,789.96
	Total income	1,679.81	2,484.73	4,425.16	4,164.54	7,345.71	11,307.77
2	Expenses						
	Direct expenses (Refer note 4)	816.44	828.14	1,795.73	1,644.58	2,683.54	3,904.37
	Employee benefits expense	318.21	340.98	460.82	659.19	1,009.51	1,945.94
	Finance costs	311.19	312.41	430.66	623.60	845.72	1,663.12
	Depreciation and amortisation expense	398.63	436.22	697.75	834.85	1,477.36	2,633.74
	Other expenses (Refer note 5)	309.90	451.75	655.52	761.65	1,228.89	2,950.24
	Total expenses	2,154.36	2,369.50	4,040.48	4,523.87	7,245.02	13,097.41
3	Profit/(loss) before tax for the period/year (1-2)	(471.55)	115.23	384.68	(359.33)	100.69	(1,789.64)
4	Tax expense/(credit)	(203.38)	185.99	378.93	(17.39)	284.42	1,233.21
5	Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (3-4)	(271.17)	(70.76)	5.75	(341.94)	(183.73)	(3,022.86)
6	Other comprehensive income (including tax effect)						
	Items that will not be reclassified to profit or loss (Net of tax)	(24.95)	8.14	32.33	(16.81)	23.36	32.55
7	Total comprehensive income for the period/year(5+6)	(296.12)	(62.62)	38.08	(358.75)	(160.37)	(2,990.31)
8	Profit/(Loss) for the year attributable to:						
	Owners of the Company	(271.17)	(70.76)	5.75	(341.94)	(183.73)	(3,022.86)
	Non controlling interest						
9	Other comprehensive income/(loss) for the year attributable to:						
	Owners of the Company	(24.95)	8.14	32.33	(16.81)	23.36	32.55
	Non controlling interest						
10	Total comprehensive income/(loss) for the year attributable to:						
	Owners of the Company	(296.12)	(62.62)	38.08	(358.75)	(160.37)	(2,990.31)
	Non - controlling interest						
11	Paid up equity share capital (Face Value Rs. 10)	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81
12	Other equity						7,073.10
13	Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters and half years):						
	Basic	(0.38)	(0.10)	0.01	(0.48)	(0.25)	(4.19)
	Diluted	(0.38)	(0.10)	0.01	(0.48)	(0.25)	(4.19)



Unaudited Consolidated Statement of Assets and Liabilities as at 30 September, 2021

(Rs. in lakhs)

Particulars	As at	As at
	30 September, 2021	31 March, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	3,458.47	3,700.75
Right of use assets	1,670.47	2,123.29
Capital work-in-progress	-	-
Investment Property	3,698.40	3,754.95
Goodwill	1,627.52	1,627.52
Intangible assets	39.53	93.33
Financial Assets		
- Investments	0.34	0.34
-Loans	4,853.37	3,060.95
-Others	371.09	374.49
Deferred tax assets (net)	7,244.36	7,210.70
Non-current tax assets	1,288.38	1,331.72
Other non-current assets	0.73	0.73
Total non-current assets	24,252.66	23,278.77
Current assets		
Financial Assets		
- Investments	0.01	0.01
-Trade receivables	3,031.48	3,044.85
- Cash and cash equivalents	312.01	227.44
- Bank Balances other than Cash and Cash Equivalents	978.80	700.77
-Loans	2,926.09	5,132.91
-Other financial assets	5,166.60	5,074.05
Other current assets	227.28	271.11
Total current assets	12,642.27	14,451.14
TOTAL ASSETS	36,894.93	37,729.91
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7,222.81	7,222.81
Other equity	6,714.37	7,073.10
Total equity	13,937.18	14,295.91
Liabilities		
Non-current liabilities		
Financial Liabilities		
- Borrowings	4,085.62	4,973.63
- Lease liabilities	90.95	993.27
Provisions	456.68	444.84
Deferred tax liability (net)	106.58	84.65
Other non-current liabilities	22.28	39.60
Total non-current liabilities	4,762.11	6,535.99
Current liabilities		
Financial Liabilities		
- Borrowings	5,083.40	3,592.01
- Lease liabilities	1,593.05	1,242.84
- Trade payables		
Outstanding dues of micro and small enterprises	97.67	92.84
Outstanding dues of creditors other than micro and small enterprises	6,401.64	6,449.19
- Other financial liabilities	2,949.84	3,002.76
Provisions	162.94	199.88
Other current liabilities	1,907.10	2,318.49
Total current liabilities	18,195.64	16,898.01
Total liabilities	22,957.75	23,434.00
TOTAL EQUITY AND LIABILITIES	36,894.93	37,729.91



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Statement of Consolidated Cash Flows for the half year ended 30 September 21

	Half Year Ended September 30, 2021	For the year ended 31 March, 2021
	₹ in lakhs	₹ in lakhs
A. Cash flow from operating activities		
Profit/(Loss) before tax	(359.31)	(1,789.64)
Adjustments for:		
Depreciation and amortisation expenses	834.85	2,633.74
Impairment of property, plant and equipment	-	103.76
Interest income	(47.23)	(2,241.24)
Finance Cost	623.60	1,663.12
Net gain on Investments through FVTPL	-	(14.10)
Net Loss on sale of property, plant and equipment	(3.14)	9.95
Net Gain on De-recognition of Right of Use Asset	-	(104.08)
Allowance for doubtful debts and advances/ Bad Debts	325.54	1,579.86
Liabilities written back	(520.00)	(1,298.60)
Net loss on foreign exchange transactions and translations	-	0.61
Operating profit before working capital changes	854.30	543.38
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	188.48	1,768.01
(Decrease)/Increase in trade and other payables	(766.98)	(2,484.85)
Cash generated (used in)/ from operations	275.79	(173.46)
Net income tax paid	46.99	(44.00)
Net cash generated (used in)/ from operating activities (A)	322.79	(217.46)
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	30.23	62.34
Capital expenditure on property, plant and equipment and intangibles	(2.25)	(71.33)
Sale of current investments	(0.00)	642.77
Investment in fixed deposits with banks	(278.03)	(11.46)
Investment in margin money deposit with banks	140.61	-
Interest received	-	237.45
Net cash flow (used in)/generated from investing activities (B)	(109.44)	859.77
C. Cash flow from financing activities		
Proceeds/(Repayment) from non-current borrowings	217.22	-
Payment of lease liability	(313.12)	(529.47)
Finance cost paid	(32.88)	(226.13)
Net cash flow (used in)/ from financing activities (C)	(128.77)	(755.60)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	84.57	(113.29)
Cash and cash equivalents at the beginning of the period	227.44	340.73
Cash and cash equivalents at the end of the period	312.01	227.44



Notes to the Statement of standalone and consolidated Unaudited financial results for the Quarter and Half year ended September 30, 2021:

- 1 The above results have been prepared in accordance with the Indian Accounting Standards (INDAS), the provisions of the Companies Act, 2013 (The Act) as applicable and regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- 2 The unaudited Standalone and Consolidated Unaudited Financial Results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26 October, 2021 and subject to review by Statutory Auditor of the Company.
- 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 fees paid to visiting faculties, purchase and printing of study material which is issued to students as a part of course material, center related utilities etc.
- 5 Other expenses includes provision for bad and doubtful debts/receivable of Rs. 326 lakhs/ Rs. 326 lakhs for the half year ended 30 September, 2021, and Rs. 29 lakhs / Rs. 29 lakhs for the quarter ended 30 September, 2021 for the Company/ Group respectively.
- 6 The Company/ Group has loans, trade receivables and other receivables of Rs 4,911.44 lakhs/ 10,921.23 lakhs (net of provisions) outstanding as at 30 September 2021 from other parties having operations in the education sector, which are overdue/rescheduled. The management is of the opinion that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector. Thereafter we have witnessed a Second Covid wave during the peak-admission season which has resulted in deferment of recovery process beyond what has been envisaged prior to second COVID wave. We anticipate return of normalcy in coming quarters which will enable recovery of the receivables in an orderly manner. At this present juncture, the management considers the outstanding dues to be good and recoverable.
- 7 The Company/ Group has undertaken various Central and State Government/ Agencies, projects in education/skill development sector. Most of these projects are complete, however the dues outstanding (net of provisions) of Rs 1,822 lakhs/ Rs. 3,049.92 lakhs from the concerned department/ agency have not been realized mainly on account of delays and long process. In the opinion of the management, it has made necessary provision, wherever required and such balances are fully recoverable.
- 8 The pandemic Covid-19 has caused an adverse impact on the business operations of the Company/ Group and its financial health. Further, the Company/Group has defaulted in its debt and other obligations. These indicate the existence of uncertainty that may cast doubt on the Company/Group's ability to continue as a going concern. The appropriateness of assumption of going concern is dependent upon improvement in cash flows through normal operations in post COVID-19 and timely monetization of assets. The financial statements have been prepared on a going concern basis based on business potentials and the mitigating steps being taken by the Company/ Group.
- 9 The Company/ Group is in the process of finding amicable resolutions to the disruptions caused under Covid -19 scenario and thus clearing the old outstanding dues towards its Customers, creditors and other parties. As a result the company has not been able to finalise such balances resulting in delay in obtaining its balance confirmations. Hence, the reconciliation could not be carried out for the period ended 30 September 2021.
- 10 Note on COVID -19
The nationwide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the education sector as well, as all of the Company/ Group's coaching centres continued to remain shut for major part for the period ended 30 September 2021. However, during this period, the Company/ Group continued to provide coaching for the ongoing courses "on line" and thus transitioned the same from physical coaching model to an "on-line" model. The Company/ Group has also taken strategic initiatives to introduce "on line" courses alongside physical classroom courses going forward and thus has taken efforts to keep the disruption in the business to the minimum.

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

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

Mumbai, 26 October 2021

For and on behalf of the Board of Directors

Parag Gita
Whole Time Director
DIN: 03133069



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Independent Auditor's Review Report on the Quarterly / Half yearly Unaudited Consolidated Financial Results of MT Educare Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors of
MT Educare Limited

Re: Limited Review Report for the quarter and half year ended 30 September 2021.

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **MT Educare Limited** ("the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") as for the quarter and half year ended 30 September, 2021 ("the Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of Companies Act, 2013, as amended, read with rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the following entities:

Holding Company

- i. MT Educare Limited

Subsidiaries

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



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

5. Basis of Qualified Opinion

- a) The Group have recognized net deferred tax assets of Rs.7025.74 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax asset can be utilized. In our opinion, due to uncertainties arising out of the outbreak of COVID -19 and the existence of unutilized tax losses available, it is uncertain that the Company and certain subsidiaries would achieve sufficient taxable profits in future against which deferred tax asset can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 30 September 2021. Had the deferred tax asset not been recognized, the net loss for the quarter and half year ended 30 September 2021 would have been higher by Rs. 7025.74 lakhs and total equity would have been lower by Rs. 7025.74 lakhs.
- b) The Group did not obtain/ receive balance confirmation from most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 30 September, 2021 due to COVID-19 disruption and is in the process of finding amicable resolutions with the parties. We are unable to comment on adjustments or disclosures, if any, that may arise.
- c) The Group has loans, trade receivables and other receivables of Rs 10921.23 lakhs (net of provisions) from other parties having operations in the education sector outstanding as at 30 September,2021, which are overdue / resheduled. The management considers that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and the management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues/ reschedulement, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the accompanying consolidated financial results.

6. Qualified Conclusion

Based on our review conducted as stated above except for the effects/ possible effects of our observation stated in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with rules issued thereunder and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Material Uncertainty relating to Going Concern

The pandemic Covid-19 has caused an adverse impact on the business operations of the Group and its financial health. Further, the Group has defaulted in its debt and other obligations. These indicate the existence of uncertainty that may cast doubt on the Group's ability to continue as a going concern. The appropriateness of assumption of going concern is dependent upon improvement in cash flows from normal operations in post COVID-19 and timely monetization of assets.

Our opinion is not modified in respect of this matter.



8. Emphasis of Matter

We draw attention to

- a) Note 7 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs 3049.92 lakhs (net of provisions) outstanding as at 30 September 2021, which represent amounts recoverable for various Central and State Government/ Agencies projects in education/skill development sector. Based on internal assessment of the management which includes considering the progress of the discussions with the relevant government parties, past trends, contractual rights and evidence of service delivery, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 30 September, 2021 are good and recoverable.
- b) Note 10 to the Statement that states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance, and position as at and for the period ended 30 September 2021 and has concluded that there is no impact which is required to be recognized in the consolidated financial results. Accordingly, no adjustments have been made to the financial results. However, the extent of the impact of the COVID-19 pandemic on the Group's consolidated financial results is dependent upon future developments

Our opinion is not modified in respect of these matters.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035



Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 26 October 2021

UDIN: 21048215AAAAMC3659

Independent Auditor's Review Report on the Quarterly / Half Yearly Unaudited Standalone Financial Results of MT Educare Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors of
MT Educare Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **MT Educare Limited** (the "Company") for the quarter and half year ended 30 September, 2021 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of Companies Act, 2013, as amended, read with rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis of Qualified Opinion

- a) The Company have recognized net deferred tax assets of Rs. 6810.78 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, it is uncertain that the Company would achieve sufficient taxable profits in future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 30 September 2021. Had the deferred tax asset not been recognized the loss for the quarter and half year ended 30 September 2021 would have been higher by Rs 6810.78 lakhs and total equity would have been lower by Rs. 6810.78 lakhs.



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- b) The Company did not obtain/ receive balance confirmation from most of the customers /creditors and other parties including certain advances other than related parties for the balances as on 30 September, 2021 due to COVID-19 disruption and is in the process of finding amicable resolutions with the parties. We are unable to comment on adjustments or disclosures, if any, that may arise.
- c) The Company has loans, trade receivables and other receivables of Rs 4911.44 lakhs (net of provisions) from other parties having operations in the education sector outstanding as at 30 September 2021, which are overdue/ resheduled. The management considers that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and the management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues/ reschedulement , we are unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the accompanying standalone financial results.

5. Qualified Conclusion

Based on our review conducted as stated in paragraph 3 above, except for the effects/ possible effects of our observation stated in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with rules issued thereunder and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty relating to Going Concern

The pandemic Covid-19 has caused an adverse impact on the business operations of the Company and its financial health. The operations of the Company were affected for the period ended 30 September, 2021. Further, the Company has defaulted in its debt and other obligations. These indicate the existence of uncertainty that may cast doubt on the Company's ability to continue as a going concern. The appropriateness of assumption of going concern is dependent upon improvement in cash flows from normal operations in post COVID-19 and timely monetization of assets.

Our opinion is not modified in respect of this matter.

7. Emphasis of Matter

We draw attention to

- a) Note 7 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 1822.00 lakhs (net of provisions) outstanding as at 30 September 2021, which represent amounts recoverable for various Central and State Government/ Agencies projects in education/skill development sector. Based on internal assessment of the management which includes considering the progress of the discussions with the relevant government parties, past trends, contractual rights and evidence of service delivery, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 30 September 2021 are good and recoverable.



- b) Note 10 to the Statement that states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance, and position for the quarter and half year ended 30 September 2021 and has concluded that there is no impact which is required to be recognized in the standalone financial results. Accordingly, no adjustments have been made to the financial results. However, the extent of the impact of the COVID-19 pandemic on the Company's standalone financial results is dependent upon future developments.

Our opinion is not modified in respect of these matters.

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



Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 26 October 2021
UDIN: 21048215AAAAMB7196