

Ref: MTEL/2019-20/025

August 14, 2019

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: MTEDUCARE</b>

Dear Sir/ Madam,

**Sub: Outcome of Board Meeting held on August 14, 2019**

This is to inform you that the Board of Directors of the Company at its meeting held today i.e., on August 14, 2019 at 05.30 p.m. and concluded at 08.20 p.m. has approved the Un-audited Financial Results (Standalone & Consolidated) of the Company for the first quarter of the financial year 2019-20 ended on June 30, 2019 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The copy of the Un-Audited Financial results along with the Limited Review Report by Statutory Auditors of the Company is enclosed herewith

This is for your information and records.

Thanking you.

Yours faithfully,

**For MT Educare Limited**



**Mandar Chavan**  
Company Secretary



Encl: As above

Statement of Standalone unaudited Financial Results for the quarter ended June 30, 2019

Sr. No.	Particulars	(Rs. in Lakhs, except EPS data)			
		Quarter Ended June 30, 2019	Quarter Ended March 31, 2019 (Refer note 8)	Quarter Ended June 30, 2018	Year ended March 31, 2019
		Unaudited	Audited	Unaudited	Audited
<b>1</b>	<b>Income</b>				
	Revenue from operations	4,385.89	4,001.60	4,956.76	18,200.31
	Other income	617.15	846.69	379.88	1,965.00
	<b>Total income</b>	<b>5,003.04</b>	<b>4,848.29</b>	<b>5,336.64</b>	<b>20,165.31</b>
<b>2</b>	<b>Expenses</b>				
	Direct expenses (Refer note 4)	2,143.27	1,685.88	3,252.39	9,873.72
	Employee benefits expense	924.25	702.92	899.15	3,113.77
	Finance costs	521.36	372.30	596.09	1,632.05
	Depreciation and amortisation expense	874.75	329.40	389.79	1,433.61
	Other expenses	578.87	893.16	965.32	3,198.25
	<b>Total expenses</b>	<b>5,042.50</b>	<b>3,983.66</b>	<b>6,102.74</b>	<b>19,251.40</b>
<b>3</b>	<b>Profit/(loss) before tax (1-2)</b>	<b>(39.46)</b>	<b>864.63</b>	<b>(766.10)</b>	<b>913.91</b>
<b>4</b>	<b>Tax expense/(credit)</b>	<b>(14.15)</b>	<b>163.55</b>	<b>(303.53)</b>	<b>183.46</b>
<b>5</b>	<b>Net Profit / (Loss) for the period/year after tax (3-4)</b>	<b>(25.31)</b>	<b>701.08</b>	<b>(462.57)</b>	<b>730.45</b>
<b>6</b>	<b>Other comprehensive income (including tax effect)</b>	<b>3.82</b>	<b>(8.81)</b>	<b>1.67</b>	<b>9.95</b>
<b>7</b>	<b>Total comprehensive income/(loss) for the period/year (5+6)</b>	<b>(21.49)</b>	<b>692.27</b>	<b>(460.90)</b>	<b>740.40</b>
<b>8</b>	<b>Paid up equity share capital ( Face Value Rs. 10 per share )</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,178.50</b>	<b>7,222.81</b>
<b>9</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>				
	Basic	(0.04)	0.97	(0.64)	1.02
	Diluted	(0.04)	0.97	(0.64)	1.01

For and on behalf of the Board of Directors



**Mahesh Shetty**  
Whole-time Director

DIN 01526975



Date - August 14, 2019

Place - Mumbai



**Independent Auditor's Review Report on Unaudited Quarterly Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors  
MT Educare Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of MT Educare Limited ('the Company') for the quarter ended June 30, 2018 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized 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 Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review 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 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. **Emphasis of matter:**  
We draw attention to note 7 of the unaudited financial results with regards to the recoverability of security deposit including interest accrued thereon amounting to Rs. 6,965.60 lacs. The Company has received cheques towards part refund of the outstanding deposit (which are yet to be realized) and has agreed a repayment schedule for the remaining amount with the vendor.

Our conclusion is not qualified in respect of this matter



# MSKA

## & Associates

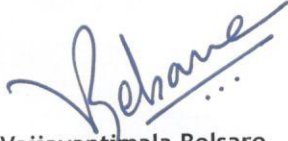
Chartered Accountants

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Vaijayantimala Belsare

Membership No.: 049902

UDIN: 19049902AAAAAC1600



Place: Mumbai

Date: August 14, 2019

**Statement of Consolidated unaudited Financial Results for the quarter ended June 30, 2019**

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019 (Refer note 8)	Quarter Ended June 30, 2018	Year ended March 31, 2019
		Unaudited	Audited	Unaudited	Audited
<b>1</b>	<b>Income</b>				
	Revenue from operations	6,267.09	5,028.83	7,040.15	22,856.12
	Other income	811.40	732.41	378.39	2,078.88
	<b>Total income</b>	<b>7,078.49</b>	<b>5,761.24</b>	<b>7,418.54</b>	<b>24,935.00</b>
<b>2</b>	<b>Expenses</b>				
	Direct expenses (Refer note 4)	3,101.37	2,312.32	4,115.88	12,440.43
	Employee benefits expense	1,030.88	945.31	1,013.93	3,634.72
	Finance costs	605.42	368.25	633.29	1,977.15
	Depreciation and amortisation expense	959.03	444.05	458.41	1,813.09
	Other expenses	848.05	1,189.75	1,171.34	3,932.04
	<b>Total expenses</b>	<b>6,544.75</b>	<b>5,259.68</b>	<b>7,392.85</b>	<b>23,797.43</b>
<b>3</b>	<b>Profit/(loss) before tax (1-2)</b>	<b>533.74</b>	<b>501.56</b>	<b>25.69</b>	<b>1,137.57</b>
<b>4</b>	Tax expense/(credit)	133.20	26.23	(61.15)	225.50
<b>5</b>	<b>Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (3-4)</b>	<b>400.54</b>	<b>475.33</b>	<b>86.84</b>	<b>912.07</b>
<b>6</b>	Other comprehensive income/(loss) (including tax effect)	5.44	(4.59)	1.74	32.11
<b>7</b>	<b>Total comprehensive income for the period/year(5+6)</b>	<b>405.98</b>	<b>470.74</b>	<b>88.58</b>	<b>944.18</b>
<b>8</b>	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>	<b>7,222.81</b>	<b>7,222.81</b>	<b>7,178.50</b>	<b>7,222.81</b>
<b>9</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>				
	Basic	0.55	0.66	0.12	1.27
	Diluted	0.55	0.66	0.12	1.27



*Handwritten signature*



**Notes to the Statement of standalone and consolidated financial results for the quarter ended June 30, 2019:**

- 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 August 14, 2019.
- 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 purchase of tablets / SD cards which are issued to students as a part of course material , 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 June 30, 2019, the public shareholding of MTEL falls short of the required Minimum Public Shareholding by 7.71%. 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 ended June 30, 2019 is as follows:**
  - a. Depreciation expense has been increased by Rs. 539.30 lakhs due to amortisation of ROU asset;
  - b. Finance cost has been increased due to interest accrued on outstanding lease liability amounting to Rs. 133.26 lakhs;
  - c. Rent expense has been reduced by Rs. 613.84 lakhs 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. 58.72 lakhs for the quarter ended June 30, 2019.**The major impact on adopting INDAS 116 on the company's Standalone financial results for the quarter ended June 30, 2019 is as follows:**
  - a. Depreciation expense has been increased by Rs. 560.98 lakhs due to amortisation of ROU asset;
  - b. Finance cost has been increased due to interest accrued on outstanding lease liability amounting to Rs. 245.14 lakhs;
  - c. Rent expense has been reduced by Rs. 709.08 lakhs due to recognition of operating lease as ROU asset and a corresponding lease liability;
  - d. Net impact on loss before tax amounts to an expense of Rs. 97.04 lakhs for the quarter ended June 30, 2019.
- 7 The Company had given a security deposit amounting to Rs 6,600.00 lakhs under an Agreement towards rendering of services against a project. Following a review of the project status, the management decided to terminate the agreement and recall the deposit as per the Agreement terms. Accordingly, the management has initiated the recall process and as per their current assessment, the amount outstanding is fully recoverable. Hence, no expected credit loss and / or impairment loss assessment, in respect thereof, in accordance with the requirements of Ind AS 109 – Financial Instruments and Ind AS 36 Impairment of Assets is required as at the quarter-end.
- 8 The figures for the quarter ended March 31, 2019 are the balancing figures between unaudited figures for the nine month period ended December 31, 2018 and audited figures for the year ended March 31, 2019 respectively.

Date - August 14, 2019

Place - Mumbai

For and on behalf of the Board of Directors



**Mahesh Shetty**  
Whole-time Director

DIN 01526975



**Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results of the Group pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors  
MT Educare Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of MT Educare Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended June 30, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
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 the Companies Act, 2013 read with relevant rules issued thereunder and other recognized 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 Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review 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 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship with the Holding Company
1	MT Education Services Private Limited	Wholly owned Subsidiary
2	Lakshya Forrum 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 Eductech Private Limited	Wholly owned Subsidiary
6	Letspaper Technologies Private Limited	Wholly owned Subsidiary
7	Labh Ventures India Private Limited	Wholly owned Subsidiary


5. **Emphasis of matter:**

We draw attention to note 7 of the unaudited financial results with regards to the recoverability of security deposit including interest accrued thereon amounting to Rs. 6,965.60 lacs. The Company has received cheques towards part refund of the outstanding deposit (which are yet to be realized) and has agreed a repayment schedule for the remaining amount with the vendor.

Our conclusion is not qualified in respect of this matter

6. Based on our review conducted and procedures performed as stated 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 Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Vaijayantimala Belsare  
Membership No.: 049902  
UDIN: 19049902AAAAAD1469



Place: Mumbai  
Date: August 14, 2019