

February 9, 2024

The Manager (CRD) The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001	The Manager – Listing Department National Stock Exchange of India Ltd 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: Approval of Unaudited Financial Results of the Company for the Third Quarter and Nine Months ended 31<sup>st</sup> December, 2023.**

This is to inform you that the financial results were taken on record by the Resolution Professional Mr. Arihant Nenawati (duly Appointed and Confirmed by Hon'ble NCLT, Mumbai Bench vide order dated 22<sup>nd</sup> January, 2024) and Directors of the Company at a meeting held on February 9, 2024. Given that the Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, and with effect from December 16, 2022, its affairs, business and assets are being managed by Resolution Professional who took charge of the affairs after 22<sup>nd</sup> January, 2024, and the powers of the board of directors are vested in the resolution professional, Mr. Arihant Nenawati ("RP"), the aforesaid meeting of the Directors was chaired by the RP of the Company who, relying on the certifications, representations and statements of the Directors and management of the Company and the consequent recommendation of the Directors, took on record the Un-audited Standalone and Consolidated Financial Results for the quarter and nine months of the F Y 2023-24 ended on December 31, 2023.

The meeting commenced at 4.05 p.m. and concluded at 4.45 p.m.

The Following matters were taken on record:

1) Taken on record Un-audited financial Results (Standalone and Consolidated) of the Company for the third quarter and Nine months of the financial year 2023-24 ended on December 31, 2023 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is enclosed below.

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

2) This is to inform you that the Company had received Notice of Non-Compliance with SEBI (LODR) Regulations 2015, dated December 14<sup>th</sup>, 2023 from both the Stock Exchanges, imposing fine of Rs. 5000/- plus GST aggregating to Rs. 5900/- per Stock Exchanges for delay in submission of RPT for the Quarter ended 30<sup>th</sup> September, 2023 in XBRL mode by one Day.



Further as per the instruction in the Notice, the Company had placed the notice to the Board Members in the meeting held on 9th February, 2024 and they took note of the same and taken the same on record and further assured to comply on time.

Thanking you.

Yours faithfully,

For, MT Educare Limited (In CIRP)

(Arihant Nenawati)

Resolution Professional

AFA Valid Upto 08-Nov-2024

IP Reg. No: IBBI/IPA-001/IP-P00456/2017-2018/10799

Email ID: mteducare.cirp@gmail.com



**Note:** Pursuant to the Order dated 16th December, 2022 of the Hon'ble National Company Law Tribunal, Mumbai ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from 16th December, 2022 (Corporate Insolvency Resolution Process Commencement Date). Mr. Ashwin Bhavanji Shah has been appointed as Interim Resolution Professional ("IRP") in terms of the NCLT Order, IRP has constituted Committee of Creditors on 21-08-2023. At present, IRP is performing function as Resolution Professional under regulation 1793) of CIRP of IBBI, however on 22nd January, 2024, Mr. Arihant Nenawati were appointed as New Resolution Professional in the application filed by Prudent ARC by the Hon'ble NCLT, Mumbai Bench.

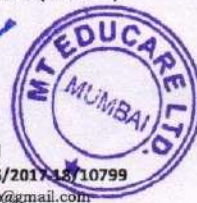
**Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2023**

(Rs. in lakhs, except EPS)

Sr. No.	Particulars	Quarter ended 31 December 2023	Quarter ended 30 September 2023	Quarter ended 31 December 2022	Nine months ended 31 December 2023	Nine months ended 31 December 2022	Year ended 31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>						
	Revenue from operations	589.69	637.48	833.98	1,971.90	2,761.82	3,126.55
	Other income (Refer Note 8)	(798.98)	529.31	21.45	245.18	200.48	384.05
	<b>Total income</b>	<b>(209.29)</b>	<b>1,166.79</b>	<b>855.43</b>	<b>2,217.08</b>	<b>2,962.30</b>	<b>3,510.61</b>
<b>2</b>	<b>Expenses</b>						
	Direct expenses (Refer note 5 (a))	445.73	505.67	479.47	1,496.12	1,567.24	1,916.22
	Employee benefits expense	127.76	110.86	243.21	353.27	784.10	936.00
	Finance costs (Refer Note 7)	190.35	191.66	181.35	556.36	502.37	703.29
	Depreciation and amortisation expense	142.52	196.27	228.36	519.30	591.38	875.32
	Other expenses (Refer Note 5 (b) and Note 8(a))	(731.94)	641.06	128.26	444.89	634.05	2,367.18
	<b>Total expenses</b>	<b>174.42</b>	<b>1,645.52</b>	<b>1,260.65</b>	<b>3,369.94</b>	<b>4,079.13</b>	<b>6,798.00</b>
<b>3</b>	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(383.71)</b>	<b>(478.73)</b>	<b>(405.23)</b>	<b>(1,152.86)</b>	<b>(1,116.83)</b>	<b>(3,287.40)</b>
	Less: Exceptional items (Refer Note 10)	-	-	-	-	-	1,846.94
	<b>Profit/(Loss) before tax</b>	<b>(383.71)</b>	<b>(478.73)</b>	<b>(405.23)</b>	<b>(1,152.86)</b>	<b>(1,116.83)</b>	<b>(5,134.33)</b>
<b>4</b>	Tax expense/(credit)	(26.57)	(0.58)	(20.60)	(43.79)	(88.61)	(275.45)
<b>5</b>	<b>Net Profit/(loss) for the period/year after tax attributable to the shareholders of the Company (3-4)</b>	<b>(357.14)</b>	<b>(478.15)</b>	<b>(384.62)</b>	<b>(1,109.07)</b>	<b>(1,028.22)</b>	<b>(4,858.89)</b>
<b>6</b>	<b>Other comprehensive income (including tax effect)</b>						
	Items that will not be reclassified to profit or loss (Net of tax)	-	17.54	(0.00)	17.85	0.36	1.24
<b>7</b>	<b>Total comprehensive income/(loss) for the period/year(5+6)</b>	<b>(357.14)</b>	<b>(460.61)</b>	<b>(384.63)</b>	<b>(1,091.22)</b>	<b>(1,027.86)</b>	<b>(4,857.64)</b>
<b>8</b>	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81
<b>9</b>	<b>Other equity</b>						(709.15)
<b>10</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>						
	Basic	(0.49)	(0.66)	(0.53)	(1.54)	(1.42)	(6.73)
	Diluted	(0.49)	(0.66)	(0.53)	(1.54)	(1.42)	(6.73)

For MT Educare Limited (In CIRP)

  
 Arihant Nenawati  
 Resolution Professional  
 IBB/PA-001/IP-P00456/2017-18/10799  
 Email ID: mteducare.cirp@gmail.com



Place : Mumbai  
Date: 9 February 2024

**Independent Auditor's Review Report on the Unaudited Standalone Financial Results of MT Educare Limited for the quarter and nine months ended 31 December 2023, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended**

To  
The Board of Directors/Resolution Professional (RP) of  
**MT Educare Limited**

1. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by an operational creditor against MT Educare Limited (the "Company") and appointed Resolution Professional (RP), who has been vested with management of affairs and powers of the Board of Directors, with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
2. We have reviewed the accompanying Statement of standalone unaudited financial results of the Company for the quarter and nine months ended 31 December 2023 (the "Statement") attached herewith, 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 ("Listing Regulations").
3. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors and taken on record by the RP in their meeting held on 9 February 2024, 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 and in compliance with the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
4. 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.
5. **Basis of qualified conclusion**
  - (a) The Company has recognized net deferred tax assets of Rs. 6,932.08 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. Due to losses during the quarter and nine months ended 31 December 2023 and earlier years and pendency of Corporate Insolvency Resolution Process ("CIRP"), it is uncertain that the Company would achieve sufficient taxable income in the future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / RP's assessment of recognition of deferred tax assets as at 31 December 2023. Had the deferred tax assets not been recognized, the net loss for the quarter and nine months ended 31 December 2023 would have been higher by Rs.6,932.08 lakhs and networth of the Company as at 31 December 2023 would have been lower by Rs.6,932.08 lakhs.





## 7. Material Uncertainty relating to Going Concern

As mentioned in Note 1 to the Statement, the National Company Law Tribunal (NCLT) had admitted the petition under the Insolvency and Bankruptcy Code, 2016. The Company has also received various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. Further, the Company continues to incur losses and has defaulted in its debt/ other obligations. These events raise significant doubt on the ability of the Company to continue as a "Going Concern". Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as a going concern. Accordingly, the unaudited standalone financial results are prepared on going concern basis. The appropriateness of the preparation of unaudited standalone financial results on going concern basis is critically dependent upon CIRP as specified in the Code and the ultimate outcome of which is at present not ascertainable. Our opinion is not modified in respect of this matter.

## 8. Other Matters

- (a) Pursuant to applications filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT has admitted the applications and ordered the commencement of CIRP of MT Educare Limited, the Company/ Corporate Debtor, vide its Order dated 16 December 2022 and Mr. Ashwin B Shah was appointed as the Interim Resolution Professional by the NCLT. Interim Resolution Professional took charge of the affairs of the Corporate Debtor on 23 December 2022. Mr. Vipin Choudhary, Director of the Company, challenged the Order of Hon'ble NCLT before Hon'ble NCLAT, New Delhi. Hon'ble NCLAT Order was pronounced on 18 August 2023 whereby Appeal filed by Director Mr. Vipin Choudhary was dismissed. IRP constituted Committee of Creditors (COC) on 21 August 2023. The Committee of Creditors (COC) at its meeting of held on 29 December 2023, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professional with Mr. Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT in its Order dated 22 January 2024.
- (b) As per Regulation 33 of the Listing Regulations, the standalone unaudited financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone unaudited financial results. As mentioned in Note 1 of the Statement, in view of the ongoing CIRP, the powers of the Board of Directors stand suspended and are exercised by the Resolution Professional.

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



**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 9 February 2024

UDIN: 24107832BKE OAR7338



Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2023

(Rs. in lakhs, except EPS)

Sr. No.	Particulars	Quarter ended 31 December 2023	Quarter ended 30 September 2023	Quarter ended 31 December 2022	Nine months ended 31 December 2023	Nine months ended 31 December 2022	Year ended 31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>						
	Revenue from operations	1,087.79	1,414.77	1359.85	3,770.87	4,905.13	5,819.26
	Other income (Refer Note 8)	(791.26)	516.03	67.92	324.02	269.02	449.93
	<b>Total income</b>	<b>296.53</b>	<b>1,930.80</b>	<b>1,427.78</b>	<b>4,094.89</b>	<b>5,174.15</b>	<b>6,269.19</b>
<b>2</b>	<b>Expenses</b>						
	Direct expenses (Refer note 5 (a))	859.15	938.75	872.61	2,762.07	2,957.47	3,829.04
	Employee benefits expense	208.69	197.31	361.01	598.54	1,154.01	1,383.12
	Finance costs (Refer Note 7)	308.17	301.01	264.82	890.44	661.86	864.32
	Depreciation and amortisation expense	245.61	260.87	272.58	789.65	747.03	1,091.83
	Other expenses (Refer Note 5 (b) and Note 8(a))	(612.67)	720.63	203.91	690.30	1,031.13	3,770.46
	<b>Total expenses</b>	<b>1,008.95</b>	<b>2,418.57</b>	<b>1,974.93</b>	<b>5,731.00</b>	<b>6,551.50</b>	<b>10,938.77</b>
<b>3</b>	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(712.42)</b>	<b>(487.77)</b>	<b>(547.15)</b>	<b>(1,636.11)</b>	<b>(1,377.35)</b>	<b>(4,669.58)</b>
	Less: Exceptional items (Refer Note 10)	-	-	-	-	-	1,627.52
	<b>Profit/(Loss) before tax</b>	<b>(712.42)</b>	<b>(487.77)</b>	<b>(547.15)</b>	<b>(1,636.11)</b>	<b>(1,377.35)</b>	<b>(6,297.10)</b>
<b>4</b>	Tax expense/(credit)	29.54	25.70	6.19	88.69	(44.55)	(226.36)
<b>5</b>	<b>Net Profit/(loss) for the period/year after tax attributable to the shareholders of the Company (3-4)</b>	<b>(741.96)</b>	<b>(513.47)</b>	<b>(553.34)</b>	<b>(1,724.80)</b>	<b>(1,332.80)</b>	<b>(6,070.74)</b>
<b>6</b>	<b>Other comprehensive income (including tax effect)</b>						
	Items that will not be reclassified to profit or loss (Net of tax)	0.00	19.56	0.95	19.59	0.31	0.12
<b>7</b>	<b>Total comprehensive income/(loss) for the period/year(5+6)</b>	<b>(741.96)</b>	<b>(493.91)</b>	<b>(552.39)</b>	<b>(1,705.21)</b>	<b>(1,332.49)</b>	<b>(6,070.62)</b>
<b>8</b>	<b>Profit/(Loss) for the year attributable to:</b>						
	Owners of the Company	(741.96)	(513.47)	(553.34)	(1,724.80)	(1,332.80)	(6,070.74)
	Non controlling interest	-	-	-	-	-	-
<b>9</b>	<b>Other comprehensive income/(loss) for the year attributable to:</b>						
	Owners of the Company	0.00	19.56	0.95	19.59	0.31	0.12
	Non controlling interest	-	-	-	-	-	-
<b>10</b>	<b>Total comprehensive income/(loss) for the year attributable to:</b>						
	Owners of the Company	(741.96)	(493.91)	(552.39)	(1,705.21)	(1,332.49)	(6,070.62)
	Non - controlling interest	-	-	-	-	-	-
<b>11</b>	<b>Paid up equity share capital ( Face Value Rs. 10 )</b>	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81	7,222.81
<b>12</b>	<b>Other equity</b>	-	-	-	-	-	(1,539.89)
<b>13</b>	<b>Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):</b>						
	Basic	(1.03)	(0.71)	(0.77)	(2.39)	(1.85)	(8.40)
	Diluted	(1.03)	(0.71)	(0.77)	(2.39)	(1.85)	(8.40)

For MT Educare Limited (In CIRP)

Arihant Nenawati  
Resolution Professional  
IBBI/IPA-001/IP-P00456/2017-18/10793  
Email ID: mteducare.cirp@gmail.com



Place : Mumbai  
Date: 9 February 2024

**Notes to the Statement of Unaudited standalone and consolidated financial results for the quarter and nine months ended 31 December 2023 :**

- 1 Pursuant to an application filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the application and ordered the commencement of Corporate Insolvency Resolution Process ("CIRP") of MT Educare Limited ("Corporate Debtor", "the Company") vide its Order dated 16 December 2022. The NCLT had appointed Mr. Ashwin B. Shah as the Interim Resolution Professional ("IRP") for the Corporate Debtor vide its Order dated 16 December 2022. Interim Resolution Professional took charge of the affairs of the Corporate Debtor on 23 December 2022. Director Mr. Vipin Choudhry challenged the Order of Hon'ble NCLT dated 16 December 2022 before Hon'ble NCLAT, New Delhi. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") by an Order dated 6 January 2023 had ordered to hold the formation of Committee of Creditors (COC) till further hearing. Finally, Hon'ble NCLAT Order was pronounced on 18 August 2023 whereby Appeal filed by Director Mr. Vipin Choudhry was dismissed. The said Order dated 18 August 2023 was served upon IRP on 21 August 2023. IRP immediately constituted Committee of Creditors on 21 August 2023. COC at its meeting held on 29 December 2023, in terms of section 22(2) of the Code, resolved with the requisite voting share, to replace the IRP with Mr Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT in its Order dated 22 January 2024.  
  
With respect to the standalone and consolidated financial results for the quarter and period ended 31 December 2023, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers  
a. The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;  
b. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;  
c. The RP, in review of the standalone and consolidated financial results and while signing this standalone and consolidated financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these standalone and consolidated financial results. The standalone and consolidated financial results of the Corporate Debtor for the quarter and period ended 31 December 2023 have been taken on record by the RP solely on the basis of and relying on the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the standalone and consolidated financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the standalone and consolidated financial results.  
d. In terms of the Code's provisions, the RP must undertake a review to determine avoidance transactions.  
e. Considering various factors including admission of the Corporate Debtor, there are various claims submitted by the operational creditors, the financial creditors including corporate guarantee, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP.
- 2 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 (as amended).
- 3 The Standalone and Consolidated Financial Results have been reviewed by the Audit Committee duly Chaired by RP and taken on record at their respective meetings held on 9 February 2024 and have been subjected to review by the statutory auditor who has expressed modified opinion on the same.
- 4 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".
- 5.a Direct expenses mainly includes fees paid to visiting faculties, consumption of content cost and materials which is issued to students as a part of course material, center related utilities etc.
- 5.b Other Expenses mainly includes Professional Fees, Provision for Doubtful Debts / Receivables and Impairment of Property, Plant and Equipment.
- 6 The Group / Company has loans, trade receivables and other receivables of Rs. 10,852.93 lakhs / Rs. 5,058.85 lakhs (net of provisions) outstanding as at 31 December 2023 from parties which are overdue/rescheduled. Management/RP anticipate progress in business in the coming period which will enable recovery of the receivables in an orderly manner. Additionally, the management/RP considers the outstanding dues to be good and recoverable.
- 7 The Company and its Subsidiary had taken loan from Bank and Financial Institution and others ("lenders"). The Group / Company has not recognised interest expense (excluding penal interest if any) of Rs 128.95 lakhs/ Rs 87.55 lakhs for quarter ended 31 December 2023 and Rs. 385.44 lakhs / Rs. 261.71 lakhs respectively for period ended 31 December 2023 respectively (cumulative Rs. 1,586.06 Lakhs/ Rs.1,113.15 Lakhs upto 31 December 2023). The claims are submitted by financial creditors, however the adjustments, if any, thereof including other claims shall be done in accordance of the outcome of the CIRP.
- 8 a) The Group/Company had recognised interest income of Rs 854.90 lakhs/ Rs 854.90 lakhs and also created a provision for doubtful receivable of Rs 854.90 lakhs/Rs 854.90 lakhs for half year ended 30 September 2023. During the quarter ended 31 December 2023, the Group/Company has reversed the interest income and the corresponding provision of Rs 854.90 lakhs/Rs 854.90 lakhs.  
b) The Group/ Company has not provided for interest income of Rs. 637.07 lakhs / Rs. 447.07 lakhs for the quarter ended 31 December 2023 and Rs 1,871.98 lakhs / Rs. 1301.96 lakhs for the period ended 31 December 2023 on loans given considering prudence for pending recovery of long outstanding principal amount.
- 9 The Group / Company has been continued as going concern. With regard to Corporate Debtor viz MT Educare Limited, in CIRP, the business operations are continued by RP in accordance with objective of IBC 2016 to ensure that going concern is continued for maximising the value of corporate debtor.
- 10 During the year ended 31 March 2023, in view of no operating activities / negative networth/ default in repayment of debts of secured creditors in certain subsidiaries of MT Educare Limited, the investment in subsidiaries companies have been impaired by Rs 1846.94 Lakhs in standalone financial statement and goodwill in consolidation impaired by Rs 1527.52 lakhs in consolidated financials statement.
- 11 SVC Cooperative Bank Ltd( SVC) has issued demand notice u/s 13(2) of SARFAESI Act on Labh Ventures India Private Limited (a subsidiary company) as principal borrower and Holding company as corporate guarantor for Rs 4973 Lakhs. SVC Cooperative Bank Ltd has filed claim before IRP for Rs 4973 Lakhs since corporate debtor was corporate guarantor. However, the claim submitted by SVC Cooperative Bank Ltd has not been admitted by IRP.
- 12 The figures for the previous year/periods have been regrouped wherever necessary.

Place : Mumbai  
Date: 9 February 2024

For, MT Educare Limited (In CIRP)

  
Arihant Nenawati  
Resolution Professional  
IBBI/IPA-001/IP-P00456/2017-18/10785  
Email ID: mteducare.crp@gmail.com





**Independent Auditor's Review Report on the Unaudited Consolidated Financial Results of MT Educare Limited for the quarter and nine months ended 31 December 2023, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended**

To  
The Board of Directors/ Resolution Professional (RP) of  
**MT Educare Limited**

1. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an Insolvency and Bankruptcy petition filed by an operational creditor against MT Educare Limited and appointed Resolution Professional (RP), who has been vested with management of affairs and powers of the Board of Directors, with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
2. We have reviewed the accompanying Statement of consolidated unaudited financial results of MT Educare Limited (the "Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the quarter and nine months ended 31 December 2023 (the "Statement") attached herewith, 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 ("Listing Regulations").
3. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors and taken on record by the RP in their meeting held on 9 February 2024, 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 and in compliance with the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
4. 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.
5. The Statement includes the results of the following entities:
  - A. **Holding Company**  
MT Educare Limited
  - B. **Subsidiaries**
    - i. MT Education Services Private Limited
    - ii. Lakshya Forum for Competitions 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



**6. Basis of qualified conclusion**

- a) The Group has recognized net deferred tax assets of Rs. 7,587.63 lakhs considering sufficient taxable income would be available in future years against which such deferred tax assets can be utilized. Due to losses during the quarter and nine months ended 31 December 2023 and earlier years and pendency of Corporate Insolvency Resolution Process ("CIRP"), it is uncertain that the Group would achieve sufficient taxable income in the future against which deferred tax assets can be utilized. Accordingly, we are unable to obtain sufficient appropriate audit evidence to corroborate the Management's / RP's assessment of recognition of deferred tax assets as at 31 December 2023. Had the deferred tax assets not been recognized, the net loss for the quarter and nine months ended 31 December 2023 would have been higher by Rs. 7,587.63 lakhs and networth of the Group as at 31 December 2023 would have been lower by Rs. 7,587.63 lakhs.
- b) i) The Group has outstanding loans, trade receivables and other receivables ('receivables') of Rs. 10,852.93 lakhs (net of provisions) as at 31 December 2023, which are overdue / rescheduled. The management / RP envisages the same to be good and recoverable. However, considering that the aforementioned receivables are overdue / rescheduled, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid outstanding receivables and the consequential impact on the accompanying unaudited consolidated financial results.
- ii) As referred in Note 8(b), the Group has not provided interest income of Rs. 637.07 lakhs and Rs. 1,871.98 lakhs for the quarter and nine months ended 31 December 2023 respectively, pending recoveries of long outstanding loans (included in b(i) above). Had the interest income been recognized, the net loss for the quarter and nine months ended 31 December 2023 would be lower by Rs.637.07 lakhs and Rs.1,871.98 lakhs respectively and the networth of the Group as at 31 December 2023 would have been higher by Rs.1,871.98 lakhs. Our Conclusion on the unaudited consolidated financial results for the quarter ended 30 September 2023 was also modified in respect of this matter.
- c) We draw attention to Note 1(e) of the Statement regarding admission of the Holding Company into CIRP and pending determination of obligations and liabilities with regard to various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans for which no accounting impact in the books of accounts has been made, we are unable to comment on adjustments, if any, pending reconciliation and determination of final obligations.
- d) The Group has not provided for interest expense of Rs.128.95 lakhs and Rs 385.4 lakhs for the quarter and nine months ended 31 December 2023 respectively and Rs.1,586.06 lakhs upto 31 December 2023 on outstanding borrowings calculated based on the basic rate of interest as per the terms of the loan and claims received. Had the interest expense excluding penal interest, if any, been recognized, the net loss for the quarter and nine months ended 31 December 2023 would have been higher by Rs. 128.95 lakhs and Rs. 385.44 lakhs respectively and the networth of the Group as at 31 December 2023 would have been lower by Rs. 1,586.06 lakhs. Non provision of interest is not in compliance with Ind AS 23 "Borrowing Costs".
- e) In the absence of comprehensive review of carrying amount of certain assets (loans and advances, balances with government authorities, deposits, trade and other receivables) and liabilities, we are unable to comment upon adjustments, if any, that may be required to the carrying amount of such assets and liabilities and consequential impact, if any, on the reported net loss for the quarter and nine months ended 31 December 2023. Non-determination of fair value of financial assets and liabilities and impairment of carrying amount of other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments" and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

The networth of the Group excludes the effect of qualification, including which are non-quantifiable, as referred above.

Our Conclusion on the unaudited consolidated financial results for the quarter and nine months ended 31 December 2022, quarter ended 30 September 2023 and our opinion on the audited consolidated financial results for the year ended 31 March 2023, was also modified in respect of matters stated above, except 6(b)(ii) above.

**7. Qualified Conclusion**

Based on our review conducted as stated in paragraph 4, except for the effects/ possible effects of our observations stated in paragraph 6 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 recognized 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.

**8. Material Uncertainty relating to Going Concern**

As mentioned in Note 1 to the Statement, the National Company Law Tribunal (NCLT) had admitted the petition under the Insolvency and Bankruptcy Code, 2016 on the Holding Company. The Holding Company has also received various claims submitted by the operational / financial / other creditors and employees including claims for guarantee obligation and interest payable on loans. Further, the Group continues to incur losses and has defaulted in its debt/ other obligations. These events raise significant doubt on the ability of the Group to continue as a "Going Concern". Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Holding Company be managed as a going concern. Accordingly, the unaudited consolidated financial results of the Group are prepared on going concern basis. The appropriateness of the preparation of unaudited consolidated financial results on going concern basis is critically dependent upon CIRP as specified in the Code and the ultimate outcome of which is at present not ascertainable. Our opinion is not modified in respect of this matter.

**9. Other Matters**

- (a) Pursuant to applications filed by Connect Residuary Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT has admitted the applications and ordered the commencement of CIRP of MT Educare Limited, the Company/ Corporate Debtor, vide its Order dated 16 December 2022 and Mr. Ashwin B Shah was appointed as the Interim Resolution Professional by the NCLT. Interim Resolution Professional took charge of the affairs of the Corporate Debtor on 23 December 2022. Mr. Vipin Choudhary, Director of the Company, challenged the Order of Hon'ble NCLT before Hon'ble NCLAT, New Delhi. Hon'ble NCLAT Order was pronounced on 18 August 2023 whereby Appeal filed by Director Mr. Vipin Choudhary was dismissed. IRP constituted Committee of Creditors (COC) on 21 August 2023. The Committee of Creditors (COC) at its meeting held on 29 December 2023, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professional with Mr. Arihant Nenawati as Resolution Professional (RP) which has been confirmed by the NCLT in its Order dated 22 January 2024.



- (b) As per Regulation 33 of the Listing Regulations, the consolidated unaudited financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the consolidated unaudited financial results. As mentioned in Note 1 of the Statement, in view of the ongoing CIRP, the powers of the Board of Directors stand suspended and are exercised by the Resolution Professional.

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035



**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 9 February 2024

UDIN: 24107832BKE0AS3290

