

Ref: MTEL/2022-23/012

November 07th, 2022

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 November 07th, 2022

This is to inform you that the Board of Directors of the Company at its meeting held today i.e., on November 07th, 2022 at 04.10 p.m. and concluded at 06.05 p.m. has approved:

1) Approved Un-audited financial Results (Standalone and Consolidated) of the Company for the Second quarter and half year of the financial year 2022-23 ended on September 30, 2022 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) Pursuant to Regulation 30 of the Securities Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulation, 2015, the Board has approved the following:

a) Acceptance of resignation by Mr. Siddhartha Haldar from the post of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company and pursuant to his resignation, Mr. Siddhartha Haldar, ceased to be CFO and KMP of the Company w.e.f Close of Business hours of Monday, November 7, 2022.

3) Pursuant to Regulation 30 of the Securities Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulation, 2015 based on recommendation of Nomination and Remuneration Committee, the Board has approved the following:

a) Mr. Nirav Parekh has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. Tuesday, November 08th, 2022 (Brief Profile of Mr. Nirav Parekh is attached below).

b) The Key Managerial Personnel under Section 203 of Companies Act, 2013 are as below:

Mr. Parag Ola, Whole Time Director.

Mr. Nirav Parekh, Chief Financial Officer (CFO), w.e.f. November 08th, 2022

Mr. Ravindra Mishra, Company Secretary (CS)



MT Educare Ltd.

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CIN : L80903MH2006PLC163888

Email : info@mteducare.com

Website : www.mteducare.com

Kindly take the same on your records.

Thanking you.

**Yours faithfully,
For MT Educare Limited**

**Parag Ola
Whole Time Director
DIN: 08133069**



Annexure I

A BRIEF PROFILE OF MR. NIRAV PAREKH IS AS BELOW:

Mr. Nirav Parekh is a qualified Chartered Accountant and member of ICAI, having 11 years of versatile professional experience in Corporate Industry. His recent role was Director Finance at The Good Glamm Group. Before that he has worked with Unilever, Abbott, Reliance Jio, Raymond Consumer Care and Sahajanand Medical Technology. He has also cleared Company Secretary exams.

He brings in expertise in Global FP&A, Finance Business Partnering, Commercial Finance, Corporate reporting, Accounts, Audit, Tax, Compliance, Consolidation, Mergers and Acquisitions, Risk Assessment Analysis, Setting up of robust Finance team, Implementation of SAP, DMS, Control, Processes & Policies.



Statement of Standalone Unaudited Financial Results for the quarter and period ended 30 September, 2022

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter ended 30 September 2022	Quarter ended 30 June 2022	Quarter ended 30 September 2021	Half Year ended 30 September 2022	Half Year ended 30 September 2021	Year ended 31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	820.11	1,107.73	871.67	1,927.84	2,240.80	3,039.92
	Other income	5.33	173.71	42.17	179.04	440.09	1,004.75
	Total income	825.44	1,281.44	913.84	2,106.88	2,680.89	4,044.67
2	Expenses						
	Direct expenses (Refer Note No. 4)	466.17	621.60	411.79	1,087.77	876.95	1,565.39
	Employee benefits expense	289.06	251.83	216.40	540.89	537.76	1,131.90
	Finance costs (Refer Note No. 7)	167.60	153.42	224.64	321.02	460.68	837.23
	Depreciation and amortisation expense	177.00	186.02	286.03	363.02	622.65	1,141.23
	Other expenses	303.12	202.66	194.14	505.78	614.70	1,431.96
	Total expenses	1,402.95	1,415.53	1,333.00	2,818.48	3,112.74	6,107.71
3	Profit/(loss) before tax for the period/year (1-2)	(577.51)	(134.09)	(419.16)	(711.60)	(431.85)	(2,063.04)
4	Tax expense/(credit)	(33.16)	(34.84)	(95.22)	(68.00)	1.83	453.43
5	Net Profit / (Loss) for the period/year after tax (3-4)	(544.35)	(99.25)	(323.94)	(643.60)	(433.68)	(2,516.48)
6	Other comprehensive income (including tax effect)						
	Items that will not be reclassified to profit or loss (Net of tax)	(1.06)	1.42	(19.40)	0.36	(12.50)	5.67
7	Total comprehensive income/(loss) for the period/year (5+6)	(545.41)	(97.83)	(343.34)	(643.24)	(446.18)	(2,510.80)
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						4,148.49
10	Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):						
	Basic	(0.75)	(0.14)	(0.45)	(0.89)	(0.60)	(3.48)
	Diluted	(0.75)	(0.14)	(0.45)	(0.89)	(0.60)	(3.48)

For and on behalf of the Board of Directors

Mumbai, 7 November 2022

Parag Ola
Whole Time Director
DIN: 08133069

Statement of Consolidated Unaudited Financial Results for the quarter and period ended 30 September, 2022

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter ended 30 September 2022	Quarter ended 30 June 2022	Quarter ended 30 September 2021	Half Year ended 30 September 2022	Half Year ended 30 September 2021	Year ended 31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	1,705.16	1,840.12	1,635.96	3,545.28	3,570.95	5,304.99
	Other income	11.19	189.91	43.85	201.10	593.59	1,497.67
	Total income	1,716.35	2,030.03	1,679.81	3,746.38	4,164.54	6,802.66
2	Expenses						
	Direct expenses (Refer note 4)	924.12	1,160.75	816.44	2,084.87	1,644.58	3,105.10
	Employee benefits expense	426.31	366.69	318.21	793.00	659.19	1,426.62
	Finance costs (Refer Note 7)	210.57	186.47	311.19	397.04	623.60	1,062.01
	Depreciation and amortisation expense	241.43	233.02	398.63	474.45	834.85	1,471.76
	Other expenses	483.88	343.34	309.90	827.22	761.65	2,023.50
	Total expenses	2,286.31	2,290.27	2,154.36	4,576.58	4,523.87	9,088.99
3	Profit/(loss) before tax for the period/year (1-2)	(569.96)	(260.24)	(474.55)	(830.20)	(359.33)	(2,286.33)
4	Tax expense/(credit)	2.03	(52.77)	(203.38)	(50.74)	(17.39)	266.08
5	Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (3-4)	(571.99)	(207.47)	(271.17)	(779.46)	(341.94)	(2,552.41)
6	Other comprehensive income (including tax effect)						
	Items that will not be reclassified to profit or loss (Net of tax)	(2.35)	1.71	(24.95)	(0.64)	(16.81)	10.04
7	Total comprehensive income for the period/year(5+6)	(574.34)	(205.76)	(296.12)	(780.10)	(358.75)	(2,542.37)
8	Profit/(Loss) for the year attributable to:						
	Owners of the Company	(571.99)	(207.47)	(271.17)	(779.46)	(341.94)	(2,552.41)
	Non controlling interest	-	-	-	-	-	-
9	Other comprehensive income/(loss) for the year attributable to:						
	Owners of the Company	(2.35)	1.71	(24.95)	(0.64)	(16.81)	10.04
	Non controlling interest	-	-	-	-	-	-
10	Total comprehensive income/(loss) for the year attributable to:						
	Owners of the Company	(574.34)	(205.76)	(296.12)	(780.10)	(358.75)	(2,542.37)
	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						4,530.74
13	Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):						
	Basic	(0.79)	(0.29)	(0.38)	(1.08)	(0.48)	(3.53)
	Diluted	(0.79)	(0.29)	(0.38)	(1.08)	(0.48)	(3.53)

Notes to the Statement of standalone and consolidated financial results for the quarter ended and period ended 30 September, 2022 :

- 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 Standalone and Consolidated Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 7 November 2022 and have been subjected to review by the statutory auditor.
- 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 The Group / Company has loans, trade receivables and other receivables of Rs. 10,650.86 lakhs / 4,336.37 lakhs (net of provisions) outstanding as at 30 September 2022 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. Although, even after the withdrawal of lockdown, the Group / Company is facing difficulties in ramping up the business which has resulted in deferment of recovery process beyond what has been envisaged. We anticipate progress in business in the 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.
- 6 The Group / Company had undertaken various Central and State Government, projects in education/skill development sector. Most of these projects are complete and partial recoveries have been made during the period. However, as at 30 September 2022, Rs. 2,142.47 lakhs / 1,395.94 lakhs (net of provisions) is still receivable from the concerned department/ agency which is mainly on account of delays/ long process . In the opinion of the management, such balances are fully recoverable however, necessary provision has been made wherever required.
- 7 The Company and its Subsidiary had taken loan from Bank and Financial Institution ("lenders") and had applied for One Time Restructuring (OTR) but were rejected by the lenders and accordingly was declared as Non-Performing Assets (NPA). Subsequently one of the lender filed petition in National Company Law Tribunal (NCLT) against the company and its subsidiary which is pending for admission in the National Company Law Tribunal (NCLT). Since there are disputes w.r.t the claims and the matter is before National Company Law Tribunal (NCLT), the Group / Company has not recognised the interest expense amounting to Rs. 228.28 lakhs / 145.95 lakhs (cumulative Rs. 486.02 lakhs / 321.80 lakhs) (excluding penal interest if any) respectively for Half year ended 30 September 2022.
- 8 The pandemic Covid-19 has caused an adverse impact on the business operations of the Company and its financial health. Even after withdrawal of lockdown, it is facing difficulties in ramping the business to pre COVID level. Further, the Company has defaulted in its debt/ other obligations and matter is pending with National Company Law Tribunal (NCLT) for admission by one of the lender. 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.
- 9 The figures for the previous year/periods have been regrouped wherever necessary.

For and on behalf of the Board of Directors

Parag Ola
Whole Time Director
DIN: 08133069

Mumbai, 7 November 2022

Standalone Statement of Assets and Liabilities as at 30 September, 2022

(Rs. in lakhs)

	As at 30 September, 2022	As at 31 March, 2022
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	1,008.15	1,046.18
Right of use assets	3,397.23	3,434.79
Capital work-in-progress	48.58	18.82
Intangible assets	14.47	21.26
Financial Assets	-	-
- Investments	3,144.96	3,144.96
- Loans	2,316.41	2,316.41
- Others	365.64	551.98
Deferred tax assets (net)	6,687.14	6,619.26
Non-current tax assets	929.72	926.14
Other Non Current Assets	2.72	3.96
Total non-current assets	17,915.02	18,083.76
Current assets		
Financial Assets		
-Investments	0.01	0.01
-Trade receivables	2,191.36	2,748.08
- Cash and cash equivalents	59.26	235.65
- Bank Balances other than Cash and Cash Equivalents	382.24	373.39
-Loans	4.96	4.80
-Other financial assets	5,679.24	5,587.77
Other current assets	161.21	130.38
Total current assets	8,478.28	9,080.08
TOTAL ASSETS	26,393.30	27,163.84
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7,222.81	7,222.81
Other equity	3,505.25	4,148.49
Total equity	10,728.06	11,371.30
Liabilities		
Non-current liabilities		
Financial Liabilities		
- Borrowings	161.74	101.75
- Lease liabilities	4,721.47	4,385.53
Provisions	318.33	328.39
Other non-current liabilities	71.16	95.41
Total non-current liabilities	5,272.70	4,911.08
Current liabilities		
Financial Liabilities		
- Borrowings	2,816.85	3,050.59
- Lease liabilities	20.91	47.35
- Trade payables	-	-
Outstanding dues of micro enterprises and small enterprises	74.78	160.41
Outstanding dues of creditors other than micro and small enterprises	3,892.32	4,193.27
- Other financial liabilities	1,851.18	1,804.21
Provisions	96.72	98.09
Other current liabilities	1,639.78	1,527.54
Total current liabilities	10,392.54	10,881.46
Total liabilities	15,665.24	15,792.54
TOTAL EQUITY AND LIABILITIES	26,393.30	27,163.84

Consolidated Statement of Assets and Liabilities as at 30 September, 2022

(Rs. in lakhs)

	As at 30 September, 2022	As at 31 March, 2022
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	2,837.64	2,989.83
Right of use assets	1,206.29	985.17
Capital work-in-progress	147.53	56.79
Investment Property	3,656.96	3,641.84
Goodwill	1,627.52	1,627.52
Intangible assets	-	21.91
Financial Assets		
- Investments	0.36	0.36
-Loans	3,876.15	4,368.70
-Others	274.58	485.01
Deferred tax assets (net)	7,304.90	7,251.79
Non-current tax assets (net)	1,047.09	1,044.10
Other non-current assets	2.72	3.96
Total non-current assets	21,981.74	22,476.98
Current assets		
Financial Assets		
- Investments	0.01	0.01
-Trade receivables	2,190.02	2,420.53
- Cash and cash equivalents	167.95	325.45
- Bank Balances other than Cash and Cash Equivalents	540.40	527.75
-Loans	3,876.10	3,383.54
-Other financial assets	4,150.20	4,030.56
Other current assets	196.42	118.24
Total current assets	11,121.10	10,806.08
TOTAL ASSETS	33,102.84	33,283.06
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7,222.81	7,222.81
Other equity	3,750.65	4,530.74
Total equity	10,973.46	11,753.55
Liabilities		
Non-current liabilities		
Financial Liabilities		
- Borrowings	4,671.53	4,210.50
- Lease liabilities	1,093.59	723.85
Provisions	388.85	385.93
Deferred tax liability (net)	82.25	80.09
Other non-current liabilities	233.67	199.11
Total non-current liabilities	6,469.89	5,599.48
Current liabilities		
Financial Liabilities		
- Borrowings	4,184.72	4,599.66
- Lease liabilities	54.92	225.64
- Trade payables		
Outstanding dues of micro and small enterprises	94.31	176.71
Outstanding dues of creditors other than micro and small enterprises	5,465.87	5,810.04
- Other financial liabilities	3,105.53	3,093.81
Provisions	116.91	127.58
Other current liabilities	2,637.23	1,896.26
Current tax liabilities	-	0.33
Total current liabilities	15,659.49	15,930.03
Total liabilities	22,129.38	21,529.51
TOTAL EQUITY AND LIABILITIES	33,102.84	33,283.06

Statement of Standalone Cash Flows for the Period ended 30 September, 2022

	For the period ended 30 September, 2022	For the year ended 31 March, 2022
	₹ in lakhs	₹ in lakhs
A. Cash flow from operating activities		
Profit/(Loss) before tax	(711.60)	(2,063.04)
Adjustments for:		
Depreciation and amortisation expenses	363.01	1,141.23
Impairment of property, plant and equipment	-	48.22
Interest income	(22.10)	(122.57)
Finance Cost	52.34	837.23
Net Gain on sale of property, plant and equipment	(0.31)	(2.77)
Allowance for doubtful debts and advances/ Bad debts	7.78	619.51
Liabilities written back	(153.51)	(663.90)
Net Gain on De-recognition of Right of Use Asset	-	(207.93)
Operating profit before working capital changes	(464.39)	(414.02)
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	634.92	835.25
(Decrease)/Increase in trade and other payables	290.48	(115.77)
Cash generated from/(used in) operations	461.01	305.46
Net income tax paid	(3.57)	(16.36)
Net cash generated (used in)/ from operating activities (A)	457.44	289.10
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles (including Capital work-in-progress)	(91.71)	(54.43)
Proceeds from sale of property, plant and equipment	0.72	39.03
Decrease/(Increase) in other bank balances	(8.87)	150.67
Proceeds from Loans (net)	-	357.81
Interest received	-	89.96
Net cash flow (used in)/generated from investing activities (B)	(99.86)	583.04
C. Cash flow from financing activities		
Increase/(Decrease) from borrowings (net)	(173.73)	(200.91)
Payment of lease liability	(307.90)	(502.61)
Finance cost paid	(52.34)	(33.68)
Net cash flow (used in)/ from financing activities (C)	(533.97)	(737.20)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(176.39)	134.94
Cash and cash equivalents at the beginning of the year	235.65	100.71
Cash and cash equivalents at the end of the year	59.26	235.65

Statement of Consolidated Cash Flows for the Period ended 30 September, 2022

	For the period ended	For the year ended
	30 September, 2022	31 March, 2022
	₹ in lakhs	₹ in lakhs
A. Cash flow from operating activities		
Profit/(Loss) before tax	(830.20)	(2,286.33)
Adjustments for:		
Depreciation and amortisation expenses	474.45	1,471.76
Impairment of property, plant and equipment	-	48.22
Interest income	(28.70)	(70.96)
Finance Cost	397.04	1,062.01
Net Loss on sale of property, plant and equipment	(0.07)	219.52
Net Gain on De-recognition of Right of Use Asset	-	(299.85)
Allowance for doubtful debts and advances/ Bad Debts	7.78	608.68
Liabilities written back	(172.09)	(1,057.01)
Operating profit before working capital changes	(151.79)	(303.96)
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	264.03	1,493.58
(Decrease)/Increase in trade and other payables	506.71	(668.79)
Cash generated (used in)/ from operations	618.94	520.82
Net income tax paid	(2.99)	21.52
Net cash generated (used in)/ from operating activities (A)	615.95	542.32
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles (including Capital work-in-progress)	(174.82)	55.86
Proceeds from sale of property, plant and equipment	1.10	38.70
Decrease/(Increase) in other bank balances	(12.65)	173.02
Proceeds from Loans (net)	-	167.82
Net cash flow (used in)/generated from investing activities (B)	(186.37)	435.40
C. Cash flow from financing activities		
Increase/(Decrease) from borrowings (net)	46.09	(200.91)
Payment of lease liability	(565.00)	(606.35)
Finance cost paid	(68.17)	(72.48)
Net cash flow (used in)/ from financing activities (C)	(587.08)	(879.73)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(157.50)	97.99
Cash and cash equivalents at the beginning of the year	325.45	227.44
Cash and cash equivalents at the end of the year	167.95	325.45

Independent Auditor's Review Report on the 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

Re: Limited Review Report for the half year ended 30 September 2022

1. We have reviewed the accompanying Statement of unaudited standalone financial results of MT Educare Limited (the "Company") for the half year ended 30 September, 2022 ("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 for Qualified Opinion

- a) The Company have recognized net deferred tax assets of Rs. 6,687.14 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 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 2022. Had the deferred tax assets not been recognized, the net loss for the period ended 30 September 2022 would have been higher by Rs. 6,687.14 lakhs. The Opinion on the statement for the year ended 31 March 2022 was also modified in respect of this matter.



- b) The Company has loans, trade receivables and other receivables of Rs 4336.37 Lakhs (net of provisions) from other parties having operations in the education sector outstanding as at 30 September 2022, which are overdue/ rescheduled. The management considers that COVID-19 have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns. Even after withdrawal of lockdown, it is facing difficulties in ramping the business and the management considers that it has resulted in deferment of recovery process than envisaged but the same is considered 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. The Opinion on the statement for the year ended 31 March 2022 was also modified in respect of this matter.
- c) Note no. 7 in respect of non-provision of interest on loan from Bank and Financial Institution ("lenders") declared as Non-Performing Assets (NPA) and which are under dispute with the lenders and also matter is pending for admission in the National Company Law Tribunal (NCLT) by one of the lender. Had the interest expenses been recognized, the net loss for the half year ended 30 September 2022 would have been higher by Rs. 145.95 lakhs (excluding penal interest if any) (cumulative Rs. 321.80 lakhs) as per the terms of the agreement.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provision of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

5. Qualified Conclusion

Based on our review conducted as stated 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 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.

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. Even after withdrawal of lockdown, it is facing difficulties in ramping the business to pre COVID level. Further, the Company has defaulted in its debt/ other obligations and matter is pending with NCLT for admission by one of the lender. 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 note 6 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 1395.94 lakhs (net of provisions) outstanding as at 30 September 2022, 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 2022 are good and recoverable.

Our opinion is not modified in respect of these matters.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035


Sanjay Kothari
Partner

Membership Number 048215

Mumbai, 7 November 2022

UDIN: 22048215BCJIYY3117



Independent Auditor's Review Report on the 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 half year ended 30 September 2022

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of MT Educare Limited (the "Company") for the half year ended 30 September, 2022 ("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. The Statement includes the results of the following entities:

Holding Company
MT Educare Limited

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



5. Basis of Qualified Opinion

- a) The Group have recognized net deferred tax assets of Rs. 7304.90 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax assets can be utilized. In our opinion, due to uncertainties over the estimated profits for the future years and the existence of unutilized tax losses available, it is uncertain that the Group 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 2022. Had the deferred tax assets not been recognized, the net loss for the period ended 30 September 2022 would have been higher by Rs. 7304.90 lakhs. The Opinion on the statement for the year ended 31 March 2022 was also modified in respect of this matter.
- b) The Group has loans, trade receivables and other receivables of Rs. 10,650.86 lakhs (net of provisions) from other parties having operations in the education sector outstanding as at 30 September 2022, which are overdue / rescheduled. The management considers that COVID-19 have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns. Even after withdrawal of lockdown, it is facing difficulties in ramping the business and the management considers that it has resulted in deferment of recovery process than envisaged but the same is considered 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. The Opinion on the statement for the year ended 31 March 2022 was also modified in respect of this matter.
- c) Note no. 7 in respect of non-provision of interest on loan from Bank and Financial Institution ("lenders") declared as Non-Performing Assets (NPA) and which are under dispute with the lenders and also matter is pending for admission in the National Company Law Tribunal (NCLT) by one of the lender. Had the interest expenses been recognised the loss for the half year ended 30 September 2022 would have been higher by Rs. 228.28 lakhs (cumulative Rs. 486.02) (excluding penal interest if any).

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 Company and its financial health. Even after withdrawal of lockdown, it is facing difficulties in ramping the business to pre COVID level. Further, the Company has defaulted in its debt/ other obligations and matter is pending with NCLT for admission by one of the lender. 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.

8. Emphasis of Matter

We draw attention to Note 6 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 2,142.47 lakhs (net of provisions) outstanding as at 30 September 2022, which represent amounts recoverable from various Central and State Government/ Agencies projects in education/skill development sector. Based on the 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, realization of partial amounts during the half year ended 30 September 2022, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 30 September 2022 are good and recoverable.

Our opinion is not modified in respect of these matters.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169WW-100035



Sanjay Kothari
Partner

Membership Number 048215
Mumbai, 7 November 2022
UDIN: 22048215BCJJKY2181

