

Statement of Standalone Unaudited Financial Results for the quarter ended 30 June, 2022

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter ended 30 June 2022	Quarter ended 31 March 2022 (Refer Note 9)	Quarter ended 30 June 2021	Year ended 31 March 2022
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	1,107.73	395.37	1,369.13	3,039.92
	Other income	173.71	534.06	397.92	1,004.75
	Total income	1,281.44	929.43	1,767.05	4,044.67
2	Expenses				
	Direct expenses (Refer Note No. 4)	621.60	434.53	465.16	1,565.39
	Employee benefits expense	251.83	341.24	321.36	1,131.90
	Finance costs (Refer Note No. 7)	153.42	227.64	236.04	837.23
	Depreciation and amortisation expense	186.02	225.80	336.62	1,141.23
	Other expenses	202.66	609.06	420.56	1,431.96
	Total expenses	1,415.53	1,838.26	1,779.74	6,107.70
3	Profit/(loss) before tax for the period/year (1-2)	(134.09)	(908.83)	(12.69)	(2,063.03)
4	Tax expense/(credit)	(34.84)	485.52	97.05	453.43
5	Net Profit / (Loss) for the period/year after tax (3-4)	(99.25)	(1,394.35)	(109.73)	(2,516.48)
6	Other comprehensive income (including tax effect)				
	Items that will not be reclassified to profit or loss (Net of tax)	1.42	24.42	6.90	5.67
7	Total comprehensive income/(loss) for the period/year (5+6)	(97.83)	(1,369.93)	(102.83)	(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
9	Other equity				4,148.49
10	Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):				
	Basic	(0.14)	(1.93)	(0.15)	(3.48)
	Diluted	(0.14)	(1.93)	(0.15)	(3.48)

For and on behalf of the Board of Directors

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Parag Ola
Whole Time Director
DIN: 08133069

Mumbai, 26 July 2022

Statement of Consolidated Unaudited Financial Results for the quarter ended 30 June, 2022

(Rs. in Lakhs, except EPS data)

Sr. No.	Particulars	Quarter ended 30 June 2022	Quarter ended 31 March 2022 (Refer Note 9)	Quarter ended 30 June 2021	Year ended 31 March 2022
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	1,840.12	833.89	1,934.99	5,304.99
	Other income	189.91	867.69	549.74	1,497.67
	Total income	2,030.03	1,701.59	2,484.73	6,802.66
2	Expenses				
	Direct expenses (Refer note 4)	1,160.75	855.35	828.14	3,105.10
	Employee benefits expense	366.69	419.88	340.98	1,426.62
	Finance costs (Refer Note 7)	186.47	251.86	312.41	1,062.01
	Depreciation and amortisation expense	233.02	239.25	436.22	1,471.76
	Other expenses	343.34	880.64	451.75	2,023.50
	Total expenses	2,290.27	2,647.19	2,369.50	9,088.99
3	Profit/(loss) before tax for the period/year (1-2)	(260.24)	(945.60)	115.23	(2,286.33)
4	Tax expense/(credit)	(52.77)	305.35	185.99	266.08
5	Net Profit/(loss) for the period/year after tax attributable to the shareholders of the company (3-4)	(207.47)	(1,250.95)	(70.76)	(2,552.41)
6	Other comprehensive income (including tax effect)				
	Items that will not be reclassified to profit or loss (Net of tax)	1.71	22.31	8.14	10.04
7	Total comprehensive income for the period/year(5+6)	(205.76)	(1,228.64)	(62.62)	(2,542.37)
8	Profit/(Loss) for the year attributable to:				
	Owners of the Company	(207.47)	(1,250.95)	(70.76)	(2,552.41)
	Non controlling interest	-	-	-	-
9	Other comprehensive income/(loss) for the year attributable to:				
	Owners of the Company	1.71	22.31	8.14	10.04
	Non controlling interest	-	-	-	-
10	Total comprehensive income/(loss) for the year attributable to:				
	Owners of the Company	(205.76)	(1,228.64)	(62.62)	(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
12	Other equity				4,530.74
13	Earnings per share (Face Value of Rs. 10 each) (Not annualised for the quarters):				
	Basic	(0.29)	(1.73)	(0.10)	(3.53)
	Diluted	(0.29)	(1.73)	(0.10)	(3.53)

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

- 1 The above results have been prepared in accordance with the Indian Accounting Standards (INDAS), the provisions of the Companies Act, 2013
- 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 26 July 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. 10,652.57 lakhs / 4,451.75 lakhs (net of provisions) outstanding as at 30 June 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 June 2022, Rs. 2,143.20 lakhs / 1,406.44 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. 109.88 lakhs / 68.94 lakhs (cumulative Rs. 367.62 lakhs / 244.79 lakhs) (excluding penal interest if any) respectively.
- 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 Figures for the quarter ended 31 March 2022 are the balancing figures between audited figures for the financial year and reviewed year to date figure upto third quarter of the respective financial year.
- 10 The figures for the previous year/periods have been regrouped wherever necessary.

For and on behalf of the Board of Directors

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Whole Time Director
DIN: 08133069

Mumbai, 26 July 2022

Independent Auditor's Review Report on the Quarterly 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 ended 30 June 2022

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of MT Educare Limited (the "Company") for the quarter ended 30 June, 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. 7056.21 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 June 2022. Had the deferred tax assets not been recognized, the net loss for the period ended 30 June 2022 would have been higher by Rs. 7056.21 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 10,652.57 lakhs (net of provisions) from other parties having operations in the education sector outstanding as at 30 June 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 quarter ended 30 June 2022 would have been higher by Rs. 109.88 lakhs (cumulative Rs. 367.62) (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. 2,143.20 lakhs (net of provisions) outstanding as at 31 March 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 quarter, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 30 June 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, 26 July 2022

UDIN: 22048215ANPXVB2773



Independent Auditor's Review Report on the Quarterly 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 quarter ended 30 June 2022

1. We have reviewed the accompanying Statement of unaudited standalone financial results of MT Educare Limited (the "Company") for the quarter ended 30 June, 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. 6,653.63 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 June 2022. Had the deferred tax assets not been recognized, the net loss for the period ended 30 June 2022 would have been higher by Rs. 6,653.63 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 4451.75 Lakhs (net of provisions) from other parties having operations in the education sector outstanding as at 30 June 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 quarter ended 30 June 2022 would have been higher by Rs. 68.94 lakhs (excluding penal interest if any)(cumulative Rs.244.80 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. 1406.44 lakhs (net of provisions) outstanding as at 30 June 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 June 2022 are good and recoverable.

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 July 2022

UDIN: 22048215ANPXGP1790