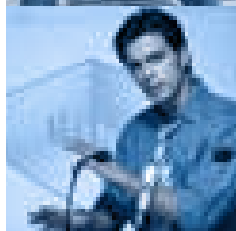
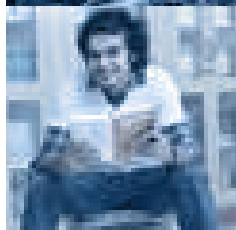
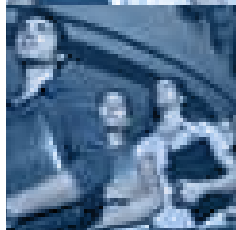
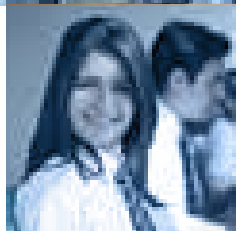


**Celebrating the Journey of 25 Years
Moving to Education Level Next**

ANNUAL REPORT 2012-13





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mahesh R. Shetty - Chairman and Managing Director

Mr. Naarayanan Iyer - Non-Independent, Non-Executive Director

Dr. Chhaya Shastri - Non-Independent, Non-Executive Director

Mr. Cyrus Driver - Independent, Non-Executive Director*

Ms. Drushti Desai - Independent, Non-Executive Director

Mr. Yatin Samant - Independent, Non-Executive Director

Mr. Uday Lajmi - Independent, Non-Executive Director

* Resigned w.e.f. 17 June, 2013



BOARD COMMITTEES

Audit Committee

Ms. Drushti Desai (Chairperson)

Mr. Uday Lajmi

Dr. Chhaya Shastri

Remuneration Committee

Mr. Cyrus Driver (Chairman)*

Mr. Uday Lajmi

Mr. Yatin Samant

Shareholders' and Investors' Grievances Committee

Mr. Yatin Samant (Chairman)

Ms. Drushti Desai

Dr. Chhaya Shastri

Company Secretary & Compliance Officer

Mr. Ashwin M. Patel

* Resigned w.e.f. 17 June, 2013

BANKERS

Citi Bank NA

Axis Bank Limited

The Shamrao Vitthal Co-operative Bank Limited

STATUTORY AUDITORS

Shaparia & Mehta

Chartered Accountants

1/74, Krishna Kunj, R. A. Kidwai Road, King's Circle, Matunga (C. Rly.), Mumbai - 400 019

INTERNAL AUDITORS

Mukund N. Chitale & Co.

Chartered Accountants

204-205 - A Agrawal Shyamkamal, Vile Parle (East), Mumbai - 400 057

REGISTERED OFFICE

220, 2nd Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai - 400 080

Tel No. (022) 2593 7700 / 800 / 900

Fax No. (022) 2593 7799

Email : info@mteducare.com

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited

C-13, Pannalal Silk Mill Compound

L.B.S. Marg, Bhandup (West)

Mumbai - 400 078

Tel: (91 22) 2596 0320

Fax: (91 22) 2596 0329

Investor Grievance Email:

mtel.ipo@linkintime.co.in



**WE
ARE**

**Focused • Futuristic • Innovative • Inquisitive • Collaborative
Committed • Supportive • Technology driven**

WE ARE MT EDUCARE...



We believe India's growth story can only be sustained and accelerated by a renewed focus on quality education. Quality education can help enhance a nation's competitiveness at the global stage. Across economic crests and troughs, education remains the backbone of a progressive society like India, where each citizen, irrespective of gender, class or creed, can play an important role in nation building.

We question time-honoured conventions, think beyond hidebound processes of teaching and believe technology can elevate education to the next level. Our mission is to impart holistic education that helps students integrate with a fast globalising society, and make a mark.

We provide quality education with a three-pronged growth strategy: national level examinations; asset-light model with lower infrastructure spends and more tie-ups with colleges; and geographic expansion to touch more students and help extend their intellectual horizons.



EDUCATING GENERATION NEXT

MT EDUCARE HAS EMERGED AS A LEADING EDUCATION SUPPORT AND COACHING SERVICES PROVIDER IN INDIA UNDER THE FLAGSHIP BRAND MAHESH TUTORIALS. OUR TEACHING METHODOLOGIES, STRUCTURED COURSE CONTENT, ADVANCED TECHNOLOGY, EXPERT FACULTY AND HOLISTIC APPROACH ENABLE US TO DELIVER EDUCATION THAT HELPS BUILD AN EMPOWERED INDIA.

VISION

GREAT

GLOBAL REACH IN EDUCATION AND TRAINING

CORE MISSION

To emerge as the premier holistic and accessible education provider that helps students from all walks of life empower their mental faculties through building a strong and resilient foundation.

25 Years of experience in the education industry

126 Location presence across India

207 Coaching centres across various locations

2,015 Faculty and staff team

70,828 Students serviced in FY 2012-13

MT EDUCARE IN ASIA'S 200 BEST COMPANIES

We are one among the only 19 Indian Companies (in small and mid-cap category) to make their way in 'Asia's 200 Best Companies with sales under US\$1 billion'.



VALUE DRIVERS

INTEGRITY

MT Educare wholly subscribes to the integrity of the education process by attracting the most exciting talent and providing them with the analytical and training tools and a clear vision of the big picture to ensure the drive to constantly set new benchmarks. We take full responsibility of our actions at all times and always ensure that we retain our position as employer of choice in this Industry.

MENTORING

MT Educare constantly mentors every team member so as to ensure they lead happy lives and excel professionally.

TRUST

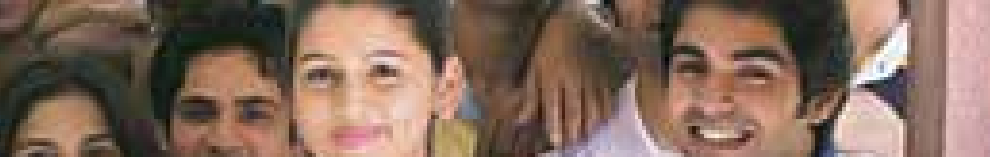
MT Educare recognises that it holds the trust of parents and wards and at all times ensures that this responsibility stays in clear focus.

TEAM WORK

MT Educare focusses extensively on the building of team spirit within the organisation through process implementation and human intervention. We know that the team is always much greater than the sum of the individual parts.

INNOVATION

MT Educare's business ethos is innovation. Our work involves constantly creating newer methods to meet our Core Mission.



BRAND EQUITY

MAHESH TUTORIALS

SCHOOL SECTION
THE ACADEMIC PARENTS OF YOUR CHILD

SCIENCE
Don't just learn... UNDERSTAND!

COMMERCE
Discover the new DIMENSION of Commerce



INTERACTIVE NETWORKED KNOWLEDGE



Anytime, Anywhere, e-Learning



GEOGRAPHIC GROWTH

2007

● Maharashtra (31)



More than quadrupled
the number of locations

2013

● Maharashtra (106)

● Karnataka (8)

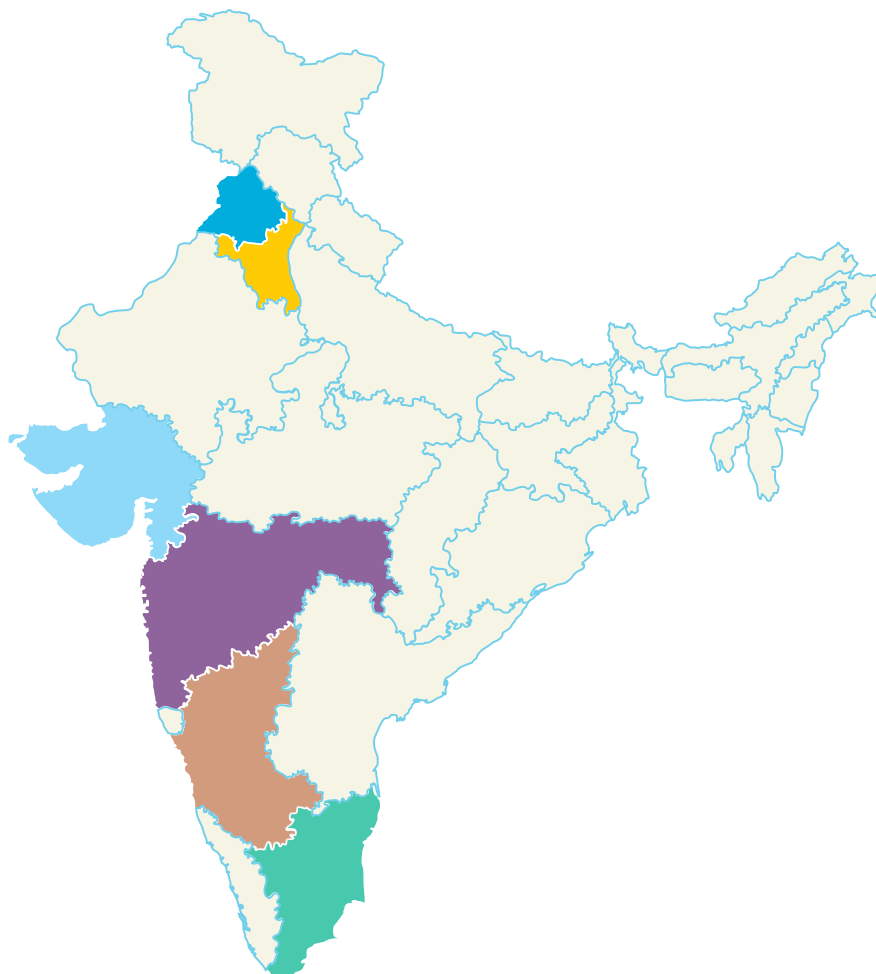
● Tamil Nadu (3)

● Gujarat (4)

● Punjab & Chandigarh (3)

● Haryana (1)

● Delhi (1)



The figure beside each location denotes the number of branches



CHAIRMAN'S STATEMENT

Dear Shareholders,

I am delighted to share my thoughts on the completion of 25 years of a fulfilling journey. The initial years were challenging as well as educative. As a fledgling enterprise, we withstood headwinds and continued to progress in our chosen path. The formative years provided us with a rich insight into the evolving landscape of India's education sector. We have performed commendably in all these years, thanks to our dedicated work-force of staff members and teachers, focussing on enhancing the competitiveness of India's future thought leaders. Now we have to elevate ourselves to the next level and develop a feasible technology-driven educational model for generation next.

The pervasive application of technology is widening the horizon of formal and supplemental education sector in India. Our paradigm for level-next education is to make technology an inseparable part of our teaching methodology. The objective is to make education simple, accessible and affordable.

India's supplemental education sphere represents over US\$15 billion market opportunity over the next decade and more organised players are jumping into the fray. The market for technology-enabled learning solutions in India's school education sector is also witnessing double-digit growth. The government has enhanced allocations for education under the Twelfth Five-Year Plan and our vision is to emerge as one of the most credible, consistent and competitive players in both formal and supplemental education in India.



India's supplemental education sphere represents over US\$15 billion market opportunity over the next decade and more organised players are jumping into the fray.



STERLING PERFORMANCE

I am pleased to report that we registered a revenue growth of 20.44% to ₹ 1,573 million in the financial year 2012-13 vis-a-vis ₹ 1,306 million in the previous year. Our topline growth was driven by escalation in enrollments and increase in average realisation per student. Our EBITDA grew by 26.84% from ₹ 231 million in FY 2011-12 to ₹ 293 million in FY 2012-13. The PAT stood at ₹ 180 million in FY 2012-13 as against ₹ 132 million in the FY 2011-12, a 36.36% growth. Higher average realisations and operational efficiencies led to improvement in the bottomline. We serviced 70,828 students during the year as against 68,017 in FY 2011-12.

GROWTH STRATEGIES

We are focussing on a three-pronged approach to drive growth sustainably.

First, our pan-India strategy focusses on a nationwide common entrance test and professional examinations, such as CA / CS, IIT-JEE Mains, IIT-JEE Advanced, Engineering & Medical Test Preps, CAT, CMAT among others. Second, we want to expand our footprint across India and various boards like CBSE and ICSE, and not remain concentrated in a few states. Third, we will drive our college tie-ups with test preps in college campuses.

We will continue to focus on an asset-light model with lower infrastructure spends, helping attract large volumes.

We forayed into formal education with the launch of Mahesh Pre-University College at Mangalore, Karnataka. We entered into tie-ups with several junior pre-university colleges across Karnataka and Mumbai, strengthening our asset-light business model. These tie-ups offer advantage of ready infrastructure and hence drive higher stakeholder returns.

We are also pleased to join hands with 'Lakshya', a leading IIT training institute, as their offerings are synergistic and complementary to our services in the Science section. Empowered by Lakshya's strong domain expertise in the new advanced IIT exam pattern, our Science section will now offer the entire end-to-end training to all its students aspiring for Boards, JEE Mains & Advanced as well as Medical and Engineering entrance examinations.

We are a front-runner in the use of innovative technologies to strengthen teaching methodologies.

TECHNOLOGY DRIVEN

We are a front-runner in the use of innovative technologies to strengthen teaching methodologies. Electronic commerce portal, browser-based content delivery, gesture-based technology and content distribution network technology are some of the projects under different stages of evaluation and implementation. We have implemented SAP for tracking real-time admission data, ensuring higher operational excellence.

THE NEXT FRONTIER

We plan to tieup with several Karnataka-based colleges in the coming four years and cater to the educational needs of thousands of students. We are now focussing on Tier-2 and Tier-3 cities of India for tie-ups with colleges or schools.

We strive to align our business operations with corporate social responsibility. We educated over 9,000 students of BMC schools in Mumbai and are driving a teaching initiative at Mokhada (outskirts of Mumbai) and running an Industrial Training Institute for training students from tribal areas under the PPP programme.

We believe level-next education in an age of globalisation can be made both elevating and enthralling by the use of advanced technologies. It is the new norm in our lives, which can take India's educational achievements to new heights.

I take this opportunity to thank you all for your continued trust and support. On behalf of the management of MT Educare, I would also like to thank all the employees and faculty members for their deep commitments.

Warm regards,
Mahesh R. Shetty
Chairman and Managing Director

BOARD OF DIRECTORS



MAHESH SHETTY

Chairman and Managing Director



DR. CHHAYA SHASTRI

Non-Independent, Non-Executive Director



Cyrus Driver

Independent, Non-Executive Director

**Resigned w.e.f. 17th June, 2013*



NAARAYANAN IYER

Non-Independent, Non-Executive Director



DRUSHTI DESAI

Independent, Non-Executive Director



YATIN SAMANT

Independent, Non-Executive Director



UDAY LAJMI

Independent, Non-Executive Director