

Zee Learn Limited
Registered Office:

135, Continental Building, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.
CIN : L80301MH2010PLC198405

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F: +91 22 2674 3422
Customer Support: +91 93200 63100
www.zeelearn.com



Date: February 8, 2023

To,
BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

The National Stock Exchange of India Limited
Exchange Plaza,
Block G, C-1, Bandra-Kurla Complex,
Bandra (East),
Mumbai-400 051

BSE Scrip Code: 533287

NSE Symbol: ZEELEARN

Sub: Outcome of Board Meeting held on February 8, 2023.

Dear Sir/Ma'am,

In reference to our Intimation dated February 1, 2023 and pursuant to Regulation 30 & 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we wish to inform you that the Board of Directors of Zee Learn Limited at their Meeting held today (i.e. Wednesday, February 8, 2023), has inter alia, considered and approved Unaudited Financial Results (i.e. Standalone and Consolidated) of the Company for the quarter and nine months ended December 31, 2022 as recommended by the Audit Committee.

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Unaudited Financial Results (i.e. Standalone & Consolidated) for the quarter and nine months ended December 31, 2022 along with Limited Review Report thereon issued by Ford Rhodes Parks & Co. LLP, Statutory Auditors of the Company.

The meeting of the Board of Directors of the Company commenced at 03:50 p.m. and concluded at 6:45 p.m. The results will be published in the newspapers in terms of Regulation 47(1)(b) of SEBI (LODR) Regulations, 2015 in due course.

We request you to kindly take the aforesaid information on your record.

Thanking you.

Yours faithfully,

For ZEE LEARN LIMITED

ANIL GUPTA
COMPANY SECRETARY &
COMPLIANCE OFFICER

Encl: a/a



THINK EDUCATION. THINK ZEE LEARN.



FORD RHODES PARKS & CO LLP

CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR,
BKS DEVSHI MARG,
GOVANDI (EAST),
MUMBAI - 400 088.

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Independent Auditor's Review Report

To
The Board of Directors,
Zee Learn Limited

Re: Limited Review Report for the quarter and nine months ended 31 December 2022

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Zee Learn Limited** (the "Company") for the quarter and nine months ended 31 December 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.
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 the Companies Act, 2013 read with relevant 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.



A Partnership Firm with Registration. No: BA61078 converted into a Limited Liability Partnership (LLP) namely
FORD RHODES PARKS & CO LLP w.e.f August 4, 2015 - LLP Identification No. AAE4990
Also at: **BENGALURU - CHENNAI - KOLKATA - HYDERABAD**

4. Basis of qualified conclusion

- a) As stated in Note 5 to the Statement, Yes Bank Limited (Yes Bank) had invoked the Corporate Guarantee issued by the Company and its subsidiary i.e. Digital Ventures Private Limited (DVPL) upon non-repayment of credit facilities (during COVID-19 pandemic) availed by four Trusts / entity, and called upon the Company and DVPL to make payment of an amount of Rs. 44,962.56 lakhs (including interest and other charges upto 31 July 2021). As further stated in the note, the Company and DVPL have received notices from Yes Bank regarding filing of petitions under section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Company and DVPL, before the Hon'ble National Company Law Tribunal (NCLT), Mumbai, which are pending for admission before NCLT. Also as stated in the said note, Yes Bank vide its letters dated 30 December 2022 has informed the Company and DVPL that it has assigned and transferred the above credit facilities to J.C. Flowers Asset Reconstructions Private Limited and the amount outstanding therein as at 30 November 2022 is Rs. 52,254.63 lakhs (including interest and penal charges). However, the Company has not received any definitive document in support of such assignment of credit facilities. As further explained in the note, since the CIRP matter of the Company is pending for admission before the NCLT and considering revival of education industry post Covid-19 pandemic, the Company is of the opinion that no liability is required to be provided at this stage.

As further stated in note 7, DVPL had also defaulted in repayment of loans availed from two lenders. In this regard, one of the lenders vide its notice dated 14 February 2022 issued to the Company had invoked the Corporate Guarantee issued by the Company on behalf of DVPL, and called upon the Company to pay an amount of Rs. 9,162 lakhs outstanding as at 30 June 2021 with further interest w.e.f. 01 July 2021 as per the terms of the sanction letters. As further stated in note 7, DVPL is in discussions with the lenders and evaluating various options for amicable resolution and accordingly the Company believes that no liability is required to be provided as at 31 December 2022.

However, the Company has not provided for liability against above invocation of the Corporate Guarantees as at 31 December 2022 as required by the applicable Indian Accounting Standard (Ind AS). Further, in the absence of sufficient and appropriate evidence to substantiate management's conclusion on the resolution, we are unable to comment upon adjustments, if any, required on the Statement.

- b) As stated in Note 4 to the Statement, the Company has investment in equity shares of its subsidiary company viz MT Educare Limited (MTEL) which is carried at cost of Rs. 27,812.22 lakhs as at 31 December 2022. While MTEL on a consolidated basis has a positive net worth as at 31 December 2022, there has been significant decline in the market capitalization of MTEL which is listed on National Stock Exchange Limited (NSE) and BSE Limited (BSE). Further, during the quarter, the Hon'ble National Company Law Tribunal (NCLT) Mumbai, has admitted the application filed by Connect Residuary Private Limited (operational creditor of MTEL) and ordered the commencement of Corporate Insolvency Resolution Process (CIRP) of MTEL under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC). The NCLT has also appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional (IRP). However, subsequent to the quarter, an appeal was filed before the National Company Law Appellate Tribunal (NCLAT) and NCLAT vide its order dated 6 January 2023 stayed the constitution of Committee of Creditors (CoC) till next date of hearing. As further stated in the said note, considering the admission of MTEL into CIRP proceedings and appointment of IRP which resulted into adverse impact on the brand



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potential of MTEL and its subsidiaries in the education market, the Company out of abundant caution and prudent accounting practices, has provided Rs. 13,906.11 lakhs towards of impairment of its investment in MTEL and the same has been shown as an exceptional item during the quarter and nine months ended 31 December 2022.

The market capitalization of MTEL, which is listed on NSE and BSE, is significantly eroded. Further, NCLT has also ordered commencement of CIRP of MTEL under IBC and IRP has also been appointed which resulted into adverse impact on the brand potential of MTEL and its subsidiaries in the education market. In view of the above events/uncertainties, the Company has provided only Rs. 13,906.11 lakhs as against full provision of its total investment towards impairment. Had the Company provided the balance amount of Rs. 13,906.11 lakhs towards impairment the loss for the quarter and nine months ended would have been higher by such amount.

Our conclusion on the unaudited standalone financial results for the quarter ended 30 September 2022, quarter and nine months ended 31 December 2021 and our opinion on the audited standalone financial results for the year ended 31 March 2022 were also qualified in respect of the above matters.

5. **Qualified conclusion**

Based on our review conducted as above, except for the effects/possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard (Ind AS) and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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**

As stated in Note 8 to the Statement, the Covid-19 pandemic had caused an adverse impact on the business operations of the Company and its financial health. Further as stated in para 4(a) above under Basis for qualified conclusion, the Corporate Guarantees issued by the Company and its subsidiary, had been invoked by the lenders and during the nine months ended 31 December 2022 the Company and its subsidiary have received notices from Yes Bank Limited regarding filing of petitions initiating CIRP of the Company and its subsidiary (as corporate guarantors) before the NCLT, which is pending for admission. These events indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, as further stated in note 8 to the statement, considering the management's re-evaluation and conclusion that the Company will have sufficient liquidity to continue its operations in an uninterrupted manner, demand for its product portfolio, improvement in projected cashflows through normal operations and timely monetization of assets, and further based on business potential and the mitigating steps taken by the Company, the Statement has been prepared on going concern basis.

Our conclusion is not modified in respect of the above matter



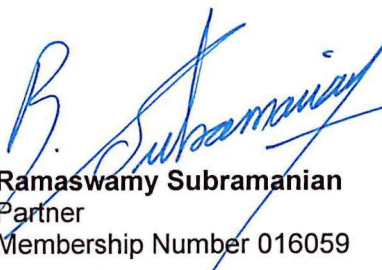
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7. Emphasis of matter

We draw attention to Note 3 to the Statement that the Company has investments in its wholly owned subsidiary viz Digital Ventures Private Limited (DVPL) in the form of Equity shares, Convertible Debentures and Preference Shares (including redemption premium) of Rs. 45,192.14 lakhs, loan and receivables of Rs. 11,444.99 lakhs aggregating to Rs. 56,637.13 lakhs as at 31 December 2022. Further as stated in the said note, during earlier years, the Company had given loan to DVPL to support its business operations and on account of delays in recovery of the same (including interest accrued thereon), the Company had provided for Rs. 11,000 lakhs towards impairment loss under the expected credit loss model against the said loan/receivables during the year ended 31 March 2022. As further stated in the said note, basis the valuation report issued by an independent agency in the previous year, the management considers that no further impairment is required to the balance outstanding investments / receivables in DVPL as at 31 December 2022.

Our conclusion is not modified in respect of the above matter.

For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number: 102860W/W100089


Ramaswamy Subramanian
Partner
Membership Number 016059



Mumbai, 08 February 2023

UDIN: 23016059BGYZHB2728

**Zee Learn Limited**

CIN : L80301MH2010PLC198405

Regd Office :- Continental Bldg., 135, Dr. Annie Besant Road, Worli, Mumbai 400 018
Website: www.zeelearn.com ; email: investor_relations@zeelearn.com ; Tel : 91-22-71541895**Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2022**

(₹ in lakhs except EPS data)

	Quarter ended			Nine months ended		Year ended
	31 December 2022 (Unaudited)	30 September 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 March 2022 (Audited)
1 Income						
Revenue from operations	2,310.69	3,678.21	2,100.86	10,840.98	6,483.10	10,400.38
Other income	121.99	124.89	802.62	1,080.10	2,502.27	3,415.07
Total income	2,432.68	3,803.10	2,903.48	11,921.08	8,985.37	13,815.45
2 Expenses						
Purchase of stock-in-trade	1,541.43	1,088.58	231.37	3,948.38	762.69	1,518.60
Change in inventories of stock-in-trade	(1,234.82)	(242.98)	89.27	(1,669.54)	194.34	573.07
Operational cost	20.94	25.05	33.39	117.28	124.73	321.85
Employee benefits expense	692.67	706.65	442.37	2,126.89	1,402.89	2,095.05
Finance costs	658.50	644.23	637.79	1,955.89	1,873.68	2,423.10
Depreciation and amortisation expense	152.12	95.67	156.35	373.25	537.62	541.41
Selling and marketing expenses	183.23	258.78	168.71	779.18	502.18	781.04
Other expenses	301.11	291.08	255.47	1,143.94	969.20	1,744.26
Total expenses	2,315.18	2,867.06	2,014.72	8,775.27	6,367.33	9,998.38
3 Profit before tax before exceptional items (1 - 2)	117.50	936.04	888.76	3,145.81	2,618.04	3,817.07
4 Less: Exceptional item (Refer Note 3 and 4 below)	13,906.11	-	-	13,906.11	-	11,000.00
5 Profit/(Loss) before tax after exceptional items (3-4)	(13,788.61)	936.04	888.76	(10,760.30)	2,618.04	(7,182.93)
6 Tax expense						
Current tax - Current year	71.09	277.91	218.57	916.49	696.93	879.56
- earlier year	52.32	-	-	52.32	-	39.72
Deferred tax	(40.97)	(58.08)	1.00	(112.39)	(47.67)	100.21
Total tax expense	82.44	219.83	219.57	856.42	649.26	1,019.49
7 Net Profit / (Loss) for the period / year after tax (5-6)	(13,871.05)	716.21	669.19	(11,616.72)	1,968.78	(8,202.42)
8 Other comprehensive income/(loss) (including tax effect)						
(i) Items that will not be reclassified to statements of profit and loss	(2.56)	0.23	(7.49)	6.20	22.49	38.04
(ii) Items that will be reclassified to statements of profit and loss	-	-	-	-	-	-
Other comprehensive income/(loss) (i+ii)	(2.56)	0.23	(7.49)	6.20	22.49	38.04
9 Total comprehensive income/(loss) for the period/year (7+8)	(13,873.61)	716.44	661.70	(11,610.52)	1,991.27	(8,164.38)
10 Paid up equity share capital (face value ₹ 1 per share)	3,260.93	3,260.93	3,260.93	3,260.93	3,260.93	3,260.93
11 Other equity						38,248.75
Earnings per share (Not annualised for the interim period):						
- Basic (₹)	(4.25)	0.22	0.21	(3.56)	0.60	(2.52)
- Diluted (₹)	(4.25)	0.22	0.21	(3.56)	0.60	(2.52)



Notes to the Statement of Standalone Unaudited financial results for the quarter and nine months ended 31 December 2022 :

- 1 The above Standalone Unaudited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 February 2023.
- 2 The above Standalone Unaudited Financial Results have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.
- 3 The Company has investments in its wholly owned subsidiary viz Digital Ventures Private Limited (DVPL) in the form of Equity shares, Convertible Debentures and Preference Shares (including redemption premium) of Rs. 45,192.14 lakhs, loan and receivables of Rs. 11,444.99 lakhs aggregating to Rs. 56,637.13 lakhs as at 31 December 2022. During earlier years, the Company had given loan to DVPL to support its business operations. On account of delays in recovery of the same (including interest accrued thereon), the Company during the year ended 31 March 2022 had provided for Rs. 11,000 lakhs towards impairment loss under the expected credit loss model against the said loan/receivables and the said impairment loss was disclosed as an "Exceptional item" in the standalone financials results for the year ended 31 March 2022. Further, basis the valuation report issued by an independent agency in the previous year, the management considers that no further impairment is required to the balance outstanding investments/receivables in DVPL as at 31 December 2022.
- 4 The Company has investment in equity shares of its subsidiary company viz MT Educare Limited (MTEL or Corporate Debtor) which is carried at cost of Rs. 27,812.22 lakhs. While, MTEL on a consolidated basis has a positive net worth as at 31 December 2022, there has been significant decline in the market capitalization of MTEL which is listed on BSE and NSE. Further, during the quarter, the Hon'ble National Company Law Tribunal (NCLT) Mumbai, has admitted the application filed by Connect Residuary Private Limited (Operational Creditor of MTEL) and ordered the commencement of Corporate Insolvency Resolution Process (CIRP) of MTEL under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC). The NCLT has also appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional (IRP) for the Corporate Debtor. However, subsequent to the quarter end, an appeal was filed before Hon'ble National Company Law Appellate Tribunal ("NCLAT") and NCLAT by its order dated 6 January 2023 stayed the constitution of Committee of Creditors ("COC") till next date of hearing.
Considering the admission of MTEL into CIRP proceedings and appointment of IRP which resulted into an adverse impact on the brand potential of MTEL and its subsidiaries in education market, the Company, out of abundant caution and prudent accounting practices, has provided Rs. 13,906.11 lakhs towards impairment of its investments in MTEL and the same has been shown as an Exceptional Item during the quarter/nine months ended 31 December 2022.
- 5 Yes Bank Limited (Yes Bank) vide its notices dated 2 August 2021 and 9 August 2021 (received on 10 August 2021) addressed to the Company and its subsidiary, viz Digital Ventures Private Limited (DVPL) respectively, had invoked the Corporate Guarantee upon non-repayment of credit facilities (during COVID-19 pandemic) availed by four trusts/entity, and called upon the Company and DVPL to make payment of an amount of Rs. 44,962.56 lakhs (including interest and other charges upto 31 July 2021). Also, the Company and DVPL received notices dated 22 April 2022 and 01 December 2022 respectively, regarding filing of petitions by Yes Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Company and DVPL (as corporate guarantors) before Hon'ble National Company Law Tribunal (NCLT), Mumbai. However, the CIRP matters are pending admission before NCLT.
Further, Yes Bank vide its letters dated 30 December 2022 has informed the Company and DVPL that it has assigned and transferred above credit facilities to J.C. Flowers Asset Reconstructions Private Limited and the amount outstanding therein as at 30 November 2022 is Rs. 52,254.63 lakhs (including interest and penal charges). However, the Company has not received any definitive document in support of such assignment of credit facilities.
The said trusts/entity have been running all their operations under the brick and mortar model in pre-covid era and had switched to digital mode of imparting education during the lockdown. However, the trusts/entity have resumed the brick and mortar model for imparting education and are observing new enrolments of students in schools making business recovery envisaged. Since the CIRP matter of the Company is pending admission before NCLT and considering revival of education industry post Covid-19 pandemic, the Company is of the opinion that no liability is required to be provided at this stage.
- 6 During the previous year, the Company had defaulted in repayment of Term Loan and Interest on Term Loan/Overdraft taken from one of its lender Bank. The overdue amount of such loan including interest outstanding as at 31 December 2022 is Rs. 1,716.19 lakhs.
- 7 During the previous year, one of the subsidiaries viz Digital Ventures Private Limited (DVPL) had defaulted in repayment of loans availed from two Lenders. In this regard, one of the Lenders vide its notice dated 14 February 2022 issued to the Company, had invoked the Corporate Guarantee issued by the Company on behalf of DVPL and called upon the Company to make payment of an amount of Rs. 9,162 lakhs outstanding as at 30 June 2021 with further interest w.e.f. 01 July 2021 as per the terms of sanction letters.
The Covid-19 pandemic had caused disruption in the activities especially in the education sector and there were restrictions on carrying out the operations of schools under the brick and mortar model. However, the schools have opened up and students are being enrolled in the schools. Further, DVPL is in discussions with the Lenders and evaluating various options for amicable resolution. In view of above, the Company believes that no liability is required to be provided as at 31 December 2022.
- 8 The Covid-19 pandemic had caused an adverse impact on the business operations of the Company and its financial health. The Company and its subsidiary company had received notices from Yes Bank and other lenders for invocation of corporate guarantees (refer note 5 and 7 above). Further, Yes Bank has filed petitions in National Company Law Tribunal (NCLT) to initiate Corporate Insolvency Resolution Process (CIRP) against the Company and its subsidiary as corporate guarantors. These events indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the management has re-evaluated and concluded that the Company will have sufficient liquidity to continue its operations in an uninterrupted manner, demand for its product portfolio and improvement in projected cash flows through normal operations and timely monetization of assets. In view of above and further based on business potential and the mitigating steps being taken by the Company, these standalone unaudited financial results have been prepared on going concern basis.
- 9 Previous period figures have been regrouped and rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Anish Shah
Chief Financial Officer

Ritesh Handa
CEO & Whole-time Director
DIN: 02725365

Mumbai, 8 February 2023



FORD RHODES PARKS & CO LLP

CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR,
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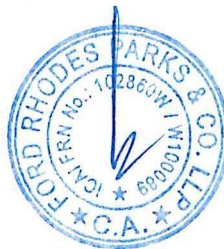
Independent Auditor's Review Report

To,
The Board of Directors,
Zee Learn Limited

Re: Limited Review Report for the quarter and nine months ended 31 December 2022

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **Zee Learn Limited** ("the 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 2022 ("the Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of Companies Act, 2013 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.

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



A Partnership Firm with Registration No: BA61078 converted into a Limited Liability Partnership (LLP) namely
FORD RHODES PARKS & CO LLP w.e.f August 4, 2015 - LLP Identification No. AAE4990
Also at: **BENGALURU - CHENNAI - KOLKATA - HYDERABAD**

FORD RHODES PARKS & CO LLP

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

Holding Company – Zee Learn Limited

Direct Subsidiaries

- i. Liberium Global Resources Private Limited
- ii. Digital Ventures Private Limited
- iii. Academia Edificio Private Limited
- iv. MT Educare Limited

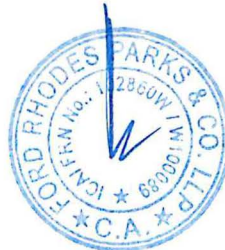
Indirect Subsidiaries (held through MT Educare Limited)

- i. MT Educational Services Private Limited
- ii. Lakshya Forrum for Competition 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 conclusion

- a) As stated in note 6 to the Statement, Yes Bank Limited (Yes Bank) had invoked the Corporate Guarantee issued by the Holding Company and its wholly owned subsidiary i.e. Digital Ventures Private Limited (DVPL) upon defaults in repayment of credit facilities (during COVID-19 pandemic) availed by four Trusts/entity, and called upon the Holding Company and DVPL to make payment of an amount of Rs. 44,962.56 lakhs (including interest and other charges upto 31 July 2021). As further stated in the note, the Holding Company and DVPL have received notices from Yes Bank regarding filing of petitions under section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Holding Company and DVPL, before the Hon'ble National Company Law Tribunal (NCLT), Mumbai, which are pending for admission before the NCLT. Also as stated in the note, Yes Bank vide its letters dated 30 December 2022 has informed the Holding Company and DVPL that it has assigned and transferred the above credit facilities to J.C. Flowers Asset Reconstructions Private Limited and the amount outstanding therein as at 30 November 2022 is Rs. 52,254.63 lakhs (including interest and penal charges). However, the Company has not received any definitive document in support of such assignment of credit facilities. As further explained in the note, since the CIRP matter is pending for admission before the NCLT and considering revival of education industry post Covid-19 pandemic, the Holding Company is of the opinion that no liability is required to be provided at this stage.

However, the Holding Company has not provided for liability against above invocation of the Corporate Guarantee as at 31 December 2022 as required by the applicable Indian Accounting Standard (Ind AS). Further, in the absence of sufficient and appropriate evidence to substantiate management's conclusion, we are unable to comment upon adjustments, if any, required on the Statement.

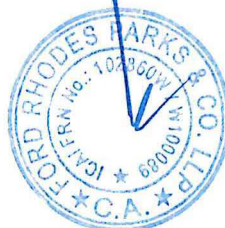


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- b) As stated in note 5 to the Statement, there is goodwill of Rs 31,323.64 lakhs as at 31 December 2022 (carried at cost) in respect of acquisition of its subsidiary company viz MT Educare Limited (MTEL). While MTEL on a consolidated basis has a positive net worth as at 31 December 2022, there has been significant decline in the market capitalization of MTEL which is listed on BSE and NSE. Further, during the quarter, the Hon'ble National Company Law Tribunal (NCLT) Mumbai, has admitted the application filed by Connect Residuary Private Limited (operational creditor of MTEL) and ordered the commencement of Corporate Insolvency Resolution Process (CIRP) of MTEL under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC). The NCLT has also appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional (IRP). However, subsequent to the quarter, an appeal was filed before National Company Law Appellate Tribunal (NCLAT) and NCLAT vide its order dated 6 January 2023 stayed the constitution of Committee of Creditors (CoC) till next date of hearing. As further stated in the said note, considering the admission of MTEL into CIRP proceedings and appointment of IRP which resulted into adverse impact on the brand potential of MTEL and its subsidiaries in the education market, the Holding Company, out of abundant caution and prudent accounting practices has provided Rs. 15,661.82 lakhs towards impairment of goodwill and the same has been shown as an exceptional item during the quarter and nine months ended 31 December 2022.

The market capitalization of MTEL, which is listed on NSE and BSE, is significantly eroded. Further, NCLT has also ordered commencement of CIRP of MTEL under IBC and IRP has also been appointed which resulted into adverse impact on the brand potential of MTEL and its subsidiaries in the education market. In view of the above events/uncertainties, the Company has provided only Rs. 15,661.82 lakhs as against full provision of goodwill towards impairment. Had the Group provided the balance amount of Rs. 15,661.82 lakhs towards impairment the loss for the quarter and nine months ended would have been higher by such amount.

- c) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the unaudited consolidated financial results of MTEL reported that MTEL has recognized net deferred tax assets of Rs. 7,319.28 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax assets can be utilized. In the opinion of the other auditor, due to uncertainties over the estimated profits for the future years and the existence of unutilized tax losses available, it is uncertain that MTEL would achieve sufficient taxable profits in future against which deferred tax assets can be utilized. Accordingly, the other auditor is unable to obtain sufficient appropriate audit evidence to corroborate the Management's assessment of recognition of deferred tax assets as at 31 December 2022. Had the deferred tax assets not been recognized, the net loss for the period ended 31 December 2022 would have been higher by Rs.7,319.28 lakhs and networth as at that date would have been lower by Rs. 7,319.28 lakhs.
- d) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the unaudited consolidated financial results of MTEL reported that MTEL has loans, trade and other receivables of Rs. 8,562.34 lakhs (net of provisions on consolidated basis) from other parties having operations in the education sector outstanding as at 31 December 2022, which are overdue / rescheduled. The management considers that COVID-19 pandemic has disrupted the operations of parties in education sector and such outstanding has arisen primarily due to lockdowns. Even after withdrawal of lockdown, MTEL is facing difficulties in ramping up the business and the management considers that this 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, the other auditor is



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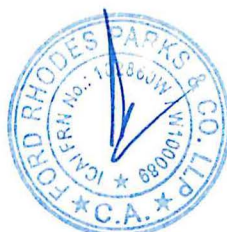
unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and its consequential impact on the Statement.

- e) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the unaudited consolidated financial results of MTEL reported that the MTEL Group has not provided interest on borrowings of Rs. 115.49 lakhs and Rs. 344.26 lakhs for the quarter and nine months ended 31 December 2022 respectively, calculated based on basic rate of interest as per terms of loan. Had such interest expenses been recognized, the reported net loss for the quarter and nine months ended 31 December 2022 would have been higher by Rs. 115.49 lakhs and Rs. 344.26 lakhs (cumulative Rs. 1,054.88 lakhs) respectively and net worth of the Group as on 31 December 2022 would have been lower by Rs. 1,054.88 lakhs as per the claims submitted. Non-provision of interest is not in compliance with Ind AS 23 "Borrowing Costs".
- f) We draw attention to Note 11 of the Statement, wherein the other auditor who reviewed the unaudited consolidated financial results of MTEL reported regarding admission of MTEL into Corporate Insolvency Resolution Process ("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. The other auditor is unable to comment upon the accounting impact there of pending reconciliation and determination of final obligation.
- g) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the unaudited consolidated financial results of MTEL reported that in the absence of comprehensive review of carrying amount of all assets (including investments, Loans and advances, Trade and other receivables) and liabilities and non-provision for impairment of carrying value of the assets and write back of liabilities, if any, the other auditor is unable to comment whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported loss for the quarter and nine months ended 31 December 2022. Non-determination of fair value of financial assets/liabilities, impairment of carrying amount of other assets and non-provision of liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets" respectively.

Our conclusion on the unaudited consolidated financial results for the quarter ended 30 September 2022, quarter and nine months ended 31 December 2021 and our opinion on the audited consolidated financial results for the year ended 31 March 2022 were also qualified in respect of the matters stated in (a) to (e) above.

6. Qualified conclusion

Based on our review conducted and procedures performed as stated in Paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in Paragraph 9 below, except for the effects / possible effects of the matters described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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

As stated in Note 10 to the Statement, the Covid-19 pandemic had caused an adverse impact on the business operations of the Group and its financial health. The Holding company and certain subsidiary companies had defaulted in their debt obligations. Further as stated in para 5(a) above under Basis for qualified opinion, the Corporate Guarantees issued by the Company and its subsidiary, had been invoked by Yes Bank Limited (Lender) and during the nine months ended 31 December 2022 the said lender has also filed petitions initiating CIRP of the Company and subsidiary company (as corporate guarantors) before the NCLT, which is pending for admission. Also in the case of another subsidiary company viz MT Educare Limited, NCLT has admitted the application and ordered the commencement of CIRP and has also appointed Interim Resolution Professional but subject to stay granted by NCLAT for constitution of CoC (Refer note 11 of the Statement). These events indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the management has re-evaluated and concluded that the Group will have sufficient liquidity to continue its operations in an uninterrupted manner, demand for its product portfolio and improvement in projected cash flows through normal operations and timely monetization of assets. In view of above and further based on business potential and the mitigating steps being taken by the Group, these consolidated unaudited financial results have been prepared on going concern basis.

Our conclusion is not modified in respect of this matter.

8. Emphasis of matter

In one of the subsidiaries viz MT Educare Limited (MTEL), the other auditor who reviewed the unaudited consolidated financial results of MTEL for the quarter and nine months ended 31 December 2022, reported that pursuant to application filed by Connect Residuary Private Limited (operational creditor of MTEL) before the hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, 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 said application and ordered the commencement of Corporate Insolvency Resolution Process ("CIRP") of MTEL ("Corporate Debtor") vide its order dated 16 December 2022. The NCLT has also appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional 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. However, the order of Hon'ble NCLT dated 16 December 2022 was challenged and an appeal was filed before Hon'ble National Company Law Tribunal (NCLAT), New Delhi. The NCLAT vide its order dated 6 January 2023 stayed the constitution of Committee of Creditors ("COC") till next date of hearing.

Our conclusion is not modified in respect of the above matter.

9. Other matters

- a) We did not review the interim financial results of ten subsidiaries, whose interim financial results (before consolidation adjustments) reflect total revenues of Rs. 3,537.31 lakhs and 11,673.76 lakhs, total net loss after tax of Rs. 747.93 lakhs and 2,966.15 lakhs and total comprehensive loss of Rs. 747.93 lakhs and Rs. 2,966.61 lakhs for the quarter and nine months ended 31 December 2022 respectively as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these ten subsidiaries is based



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solely on the reports of other auditors and the procedures performed by us as stated in Paragraph 3 above.

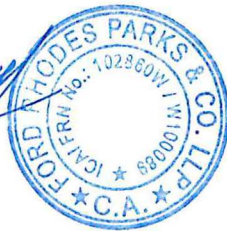
- b) The statement includes interim financial result of one subsidiary, whose interim financial result reflect net loss of Rs 0.52 lakhs and Rs 1.49 lakhs for the quarter and nine months ended 31 December 2022 which have not been reviewed by us. The interim financial result of such subsidiary has been furnished to us by the management and our conclusion on the Statement in so far as related to the aforesaid subsidiary, is based solely on management certified financial result.

Our conclusion on the Statement is not modified in respect of the above matters.

For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089



Ramaswamy Subramanian
Partner
Membership Number 016059



Mumbai, 08 February 2023

UDIN: 23016059BGYZHC1633

**Zee Learn Limited**

CIN : L80301MH2010PLC198405

Regd Office :- Continental Bldg., 135, Dr. Annie Besant Road, Worli, Mumbai 400 018
Website: www.zeelearn.com ; email: investor_relations@zeelearn.com ; Tel : 91-22-71541895**Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2022** (₹ in lakhs except EPS data)

	Quarter ended			Nine months ended		Year ended
	31 December 2022 (Unaudited)	30 September 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 March 2022 (Audited)
1 Income						
Revenue from operations	5,472.82	7,249.13	5,194.10	21,313.92	17,030.61	24,788.27
Other income	367.88	302.71	466.40	1,186.13	2,031.96	3,437.59
Total income	5,840.70	7,551.84	5,660.50	22,500.05	19,062.57	28,225.86
2 Expenses						
Purchase of stock-in-trade	1,541.43	1,088.58	231.37	3,948.38	762.69	1,518.60
Change in inventories of stock-in-trade	(1,234.82)	(242.98)	89.27	(1,669.54)	194.34	573.07
Operational cost	893.54	949.17	638.55	3,074.75	2,374.47	3,426.95
Employee benefits expense	2,499.59	2,590.95	2,430.34	7,659.76	6,691.54	9,417.33
Finance costs	1,133.39	1,068.25	1,001.03	3,255.48	3,234.33	4,425.38
Depreciation and amortisation expense	844.37	758.05	998.85	2,379.58	3,022.64	3,669.45
Selling and marketing expenses	183.06	470.84	324.49	1,093.71	740.46	1,128.04
Other expenses	571.42	649.18	608.50	2,645.62	2,186.60	3,983.92
Total expenses	6,431.98	7,332.04	6,322.40	22,387.74	19,207.07	28,142.74
3 Profit/(Loss) before tax (1-2)	(591.28)	219.80	(661.90)	112.31	(144.50)	83.12
4 Less: Exceptional item (Refer Note 5 below)	15,661.82	-	-	15,661.82	-	-
5 Profit/(Loss) before tax after exceptional items (3-4)	(16,253.10)	219.80	(661.90)	(15,549.51)	(144.50)	83.12
6 Tax expense						
Current tax - current year	62.38	292.87	226.74	934.12	742.19	944.56
- earlier year	52.32	-	16.32	52.32	16.32	335.85
Deferred tax	(33.61)	(55.29)	(21.25)	(139.33)	(93.38)	118.55
Total tax expense	81.09	237.58	221.81	847.11	665.13	1,398.96
7 Net Profit / (Loss) for the period/year after tax (5-6)	(16,334.19)	(17.78)	(883.71)	(16,396.62)	(809.63)	(1,315.84)
8 Other comprehensive income / (loss) (including tax effect)						
(i) Items that will not be reclassified to statements of profit and loss	(0.50)	(0.65)	(2.88)	9.75	10.41	50.72
(ii) Items that will be reclassified to statements of profit and loss	-	-	-	-	-	-
Other comprehensive income (i+ii)	(0.50)	(0.65)	(2.88)	9.75	10.41	50.72
9 Total comprehensive income/(loss) for the period/year(7+8)	(16,334.69)	(18.43)	(886.59)	(16,386.87)	(799.22)	(1,265.12)
10 Profit/(Loss) for the year attributable to :						
Equity holders of the parent	(16,107.98)	216.06	(491.45)	(15,851.77)	(277.59)	(272.42)
Non-controlling interest	(226.21)	(233.84)	(392.26)	(544.85)	(532.04)	(1,043.42)
11 Total comprehensive income /(loss) attributable to :						
Equity holders of the parent	(16,108.90)	216.38	(496.19)	(15,842.17)	(262.17)	(225.80)
Non-controlling interest	(225.79)	(234.81)	(390.40)	(544.70)	(537.05)	(1,039.32)
12 Paid up equity share capital (face value ₹ 1 per share)	3,260.93	3,260.93	3,260.93	3,260.93	3,260.93	3,260.93
13 Other equity						42,994.08
Earnings per share (Not annualised for the interim period):						
- Basic (₹)	(4.94)	0.07	(0.15)	(4.86)	(0.09)	(0.08)
- Diluted (₹)	(4.94)	0.07	(0.15)	(4.86)	(0.09)	(0.08)





Zee Learn Limited
CIN : L80301MH2010PLC198405
Regd Office :- Continental Bldg., 135, Dr. Annie Besant Road,
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Website: www.zeelearn.com ; email: investor_relations@zeelearn.com ; Tel : 91-22-71541895

Consolidated Unaudited Financial Statements for the quarter and nine months ended 31 December 2022

Annexure "Consolidated Segment Information"

Segment Information as per Ind AS 108 "Operating Segments" has been presented on the basis of consolidated financial results with the primary segments being Educational Services and related activities, Construction and Leasing (for education), Training, Manpower and related activities. There being no business outside India, the entire business is considered as a single geographic segment.

Primary Segment Disclosure - Business segment for the quarter and nine months ended 31 December 2022

Particulars	(₹ in lakhs)					
	Quarter ended			Nine months ended		Year ended
	31 December 2022 (Unaudited)	30 September 2022 Unaudited	31 December 2021 Unaudited	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 March 2022 (Audited)
Segment revenue						
- Educational services and related activities	3,670.54	5,383.37	3,001.01	15,746.09	10,954.20	15,705.36
- Construction and leasing (for education)	301.87	301.87	433.12	904.36	1,441.05	2,638.37
- Training, manpower and related activities	1,563.89	1,669.95	1,787.99	4,882.57	4,725.50	6,600.54
Total segment revenue	5,536.30	7,355.19	5,222.12	21,533.02	17,120.75	24,944.27
Less: Inter segment revenue	63.48	106.06	28.02	219.10	90.14	156.00
Net sales / income from operation	5,472.82	7,249.13	5,194.10	21,313.92	17,030.61	24,788.27
Segment results (Profit before tax and interest from ordinary activities)						
- Educational services and related activities	258.39	1,029.53	(212.56)	2,873.40	593.23	(201.89)
- Construction and leasing (for education)	(20.05)	(15.21)	96.18	(560.34)	440.59	1,232.64
- Training, manpower and related activities	(64.11)	(28.98)	(10.89)	(131.40)	24.05	40.16
Total Segment results	174.23	985.34	(127.27)	2,181.66	1,057.87	1,070.91
Add/(less):						
Finance costs	(1,133.39)	(1,068.25)	(1,001.03)	(3,255.48)	(3,234.33)	(4,425.38)
Interest income/(reversal)	252.81	226.80	294.23	717.94	869.40	1,136.80
Exceptional items (Refer note 5)	(15,661.82)	-	-	(15,661.82)	-	-
Other income	115.07	75.91	172.17	468.19	1,162.56	2,300.79
Total Profit before tax from ordinary activities	(16,253.10)	219.80	(661.90)	(15,549.51)	(144.50)	83.12
Segment assets						
- Educational services and related activities	24,721.99	52,950.98	55,366.69	24,721.99	55,366.69	53,298.53
- Construction and leasing (for education)	78,046.11	77,870.57	77,047.58	78,046.11	77,047.58	78,417.91
- Training, manpower and related activities	2,041.34	2,070.44	2,279.41	2,041.34	2,279.41	2,241.64
- Unallocated	11,210.31	11,053.55	11,350.76	11,210.31	11,350.76	10,791.63
Total segment assets	1,16,019.75	1,43,945.54	1,46,044.44	1,16,019.75	1,46,044.44	1,44,749.71
Segment liabilities						
- Educational services and related activities	30,121.11	29,385.89	33,288.93	30,121.11	33,288.93	28,764.41
- Construction and leasing (for education)	12,468.56	12,457.27	13,837.87	12,468.56	13,837.87	12,661.77
- Training, manpower and related activities	864.10	906.67	1,214.23	864.10	1,214.23	1,024.45
- Unallocated	56,091.89	54,668.76	51,490.06	56,091.89	51,490.06	56,044.07
Total segment liabilities	99,545.66	97,418.59	99,831.09	99,545.66	99,831.09	98,494.70
Net Capital Employed	16,474.09	46,526.95	46,213.35	16,474.09	46,213.35	46,255.01



Notes to the Statement of Consolidated Unaudited financial results for the quarter and nine months ended 31 December 2022 :

- 1 The above Consolidated Unaudited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 February 2023.
- 2 The above Consolidated Unaudited Financial Results have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.
- 3 Consolidated Unaudited segment information is annexed in accordance with Ind AS 108 'Operating Segments'.
- 4 During the previous year, the Holding Company had defaulted in repayment of Term Loan and Interest on Term Loan/Overdraft taken from one of its lender Bank. The overdue amount of such loan including interest outstanding as at 31 December 2022 is Rs. 1,716.19 lakhs.
- 5 The unaudited consolidated financial statements as at 31 December 2022 include goodwill having carrying value of Rs 31,323.64 lakhs on acquisition of its subsidiary company viz MT Educare Ltd (MTEL). While, MTEL on a consolidated basis has a positive net worth as at 31 December 2022, there has been significant decline in the market capitalization of MTEL which is listed on BSE and NSE. Further, during the quarter, the Hon'ble National Company Law Tribunal (NCLT) Mumbai, has admitted the application filed by Connect Residuary Private Limited (Operational Creditor of MTEL) and ordered the commencement of Corporate Insolvency Resolution Process (CIRP) of MTEL under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC). However, subsequent to the quarter end, an appeal was filed before Hon'ble National Company Law Appellate Tribunal ("NCLAT") and NCLAT by its order dated 6 January 2023 stayed the constitution of Committee of Creditors ("COC") till next date of hearing. (Refer note 11 below).
Considering the admission of MTEL into CIRP proceedings and appointment of IRP which resulted into an adverse impact on the brand potential of MTEL and its subsidiaries in the education market, the Holding Company, out of abundant caution and prudent accounting practices, has provided Rs. 15,661.82 lakhs towards impairment of goodwill and the same has been shown as an Exceptional Item during the quarter/nine months ended 31 December 2022.
- 6 Yes Bank Limited (Yes Bank) vide its notices dated 2 August 2021 and 9 August 2021 (received on 10 August 2021) addressed to the Holding Company and its subsidiary, viz Digital Ventures Private Limited (DVPL) respectively, had invoked the Corporate Guarantee upon non-repayment of credit facilities (during COVID-19 pandemic) availed by four trusts/entity, and called upon the Holding Company and DVPL to make payment of an amount of Rs. 44,962.56 lakhs (including interest and other charges upto 31 July 2021). Also, the Holding Company and DVPL received notices dated 22 April 2022 and 01 December 2022 respectively, regarding filing of petitions by Yes Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Company and DVPL (as corporate guarantors) before Hon'ble National Company Law Tribunal (NCLT), Mumbai. However, the CIRP matters are pending admission before NCLT.
Further, Yes Bank vide its letters dated 30 December 2022 has informed the Holding Company and DVPL that it has assigned and transferred above credit facilities to J.C. Flowers Asset Reconstructions Private Limited and the amount outstanding therein as at 30 November 2022 is Rs. 52,254.63 lakhs (including interest and penal charges). However, the company has not received any definitive document in support of such assignment of credit facilities.
The said trusts/entity have been running all their operations under the brick and mortar model in pre-covid era and had switched to digital mode of imparting education during the lockdown. However, the trusts/entity have resumed the brick and mortar model for imparting education and are observing new enrolments of students in schools making business recovery envisaged. Since the CIRP matter is pending admission before NCLT and considering revival of education industry post Covid-19 pandemic, the Holding Company is of the opinion that no liability is required to be provided at this stage.
- 7 During the previous year, one of the subsidiaries viz Digital Ventures Private Limited (DVPL) had defaulted in repayment of loans taken from two Lenders. In this regard, one of the Lenders vide its notice dated 14 February 2022 issued to the Holding Company had invoked the Corporate Guarantee issued by the Holding Company on behalf of DVPL and called upon the Holding Company to make payment of an amount of Rs. 9,162 lakhs outstanding as at 30 June 2021 with further interest w.e.f. 01 July 2021 as per the terms of sanction letters.
The Covid-19 pandemic had caused disruption in the activities especially in the education sector and there were restrictions on carrying out the operations of schools under the brick and mortar model. However, the schools have opened up and students are being enrolled in the schools. Further, DVPL is in discussions with the Lenders and evaluating various options for amicable resolution.
- 8 The Holding Company and its subsidiaries (together referred to as the Group) have loans and other receivables of Rs 8,562.34 lakhs (net of provisions on consolidated basis) outstanding as at 31 December 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 is facing difficulties in ramping up the business which has resulted in deferment of recovery process beyond what has been envisaged. The Group anticipates 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.
- 9 The Group 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 31 December 2022, Rs. 2,142.47 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.
- 10 The Covid-19 pandemic had caused an adverse impact on the business operations of the Group and its financial health. The Holding company and certain subsidiary companies had defaulted in their debt obligations and also the Holding Company/one subsidiary company had received notices from Yes Bank and other lenders for invocation of corporate guarantees (Refer note 6 and 7 above). Further, Yes Bank has filed petitions in National Company Law Tribunal (NCLT) to initiate Corporate Insolvency Resolution Process (CIRP) against the Holding Company and its subsidiary company as corporate guarantors. Also in the case of one subsidiary company viz MT Educare Limited NCLT has admitted the application and ordered the commencement of CIRP (Refer note 11 below). These events indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the management has re-evaluated and concluded that the Group will have sufficient liquidity to continue its operations in an uninterrupted manner, demand for its product portfolio and improvement in projected cash flows through normal operations and timely monetization of assets. In view of above and further based on business potential and the mitigating steps being taken by the Group, these consolidated unaudited financial results have been prepared on going concern basis.
- 11 Pursuant to an application filed by Connect Residuary Private Limited (Operational Creditor of MTEL) 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 application and ordered the commencement of corporate insolvency resolution process ("CIRP") of one of its subsidiaries i.e. MT Educare Limited ("Corporate Debtor", "MTEL") vide its order dated 16 December 2022. The NCLT has also appointed Mr. Ashwin Bhavanji Shah as the Interim Resolution Professional (IRP) for the Corporate Debtor vide its order, dated 16 December 2022. Subsequently, an appeal was filed before Hon'ble National Company Law Appellate Tribunal ("NCLAT") on 3 January, 2023 and NCLAT vide its order dated 6 January 2023 stayed the constitution of Committee of Creditors ("COC") till next date of hearing.
Considering various factors including admission of the Corporate Debtor in CIRP, there are various claims submitted by the operational creditors, the financial creditors including corporate guarantees, 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.
- 12 Previous period figures have been regrouped and rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Anish Shah
Chief Financial Officer

Ritesh Handa
CEO & Whole-time Director
DIN: 02725365

Mumbai, 8 February 2023

