

Date: August 02, 2022

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 August 2, 2022.

Dear Sir/Ma'am,

Further to our Intimation dated July 27, 2022 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. Tuesday, August 2, 2022), has inter alia, transacted the following businesses:

1. Approved the Unaudited Financial Results (i.e. Standalone and Consolidated) of the Company for the quarter ended on June 30, 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 ended June 30, 2022 along with Limited Review Report thereon issued by Ford Rhodes & Park LLP, Statutory Auditors of the Company;

2. The 12th Annual General Meeting of the Company will be held on September 27, 2022.
3. Subject to approval of members and other authority as may be applicable, the Board at its meeting held today has approved the re-appointment of Mr. Dattatraya Kelkar as Director in the category of Non-Executive Independent Director for the second term of 3 years commencing after the expiry of his current term of appointment i.e. from December 30, 2022 until December 29, 2025.
4. Subject to approval of members and other authority as may be applicable, the Board at its meeting held today has approved the re-appointment of Ms. Nanette D'sa as Director in the category of Non-Executive Independent Director for the second term of 3 years commencing after the expiry of her current term of appointment i.e. from March 31, 2023 until March 30, 2026.



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Zee Learn Limited
Registered Office:
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Worli, Mumbai - 400 018.
CIN : L80301MH2010PLC198405

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www.zeelearn.com



The meeting of the Board of Directors of the Company commenced at 04:10 p.m. and concluded at 05:50 p.m.

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

Thanking you.
Yours faithfully,
For ZEE LEARN LIMITED

A handwritten signature in blue ink, appearing to read 'Anil'.

ANIL GUPTA
COMPANY SECRETARY &
COMPLIANCE OFFICER

Encl: a/a



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Mount Litera
World Preschool



FORD RHODES PARKS & CO LLP

CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

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Independent Auditor's Review Report

To
The Board of Directors,
Zee Learn 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 **Zee Learn 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.
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.



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 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 has received notice from Yes Bank regarding filing of a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Company, before the Hon'ble National Company Law Tribunal (NCLT), Mumbai, which is pending for admission in the NCLT. As further explained in the note, since the CIRP matter is pending for admission in the NCLT and considering expected 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 including orderly restructuring of loans and the Company is of the opinion that an amicable resolution will be achieved at the earliest.

However, the Company has not provided for liability against above invocation of the Corporate Guarantees as at 30 June 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 including restructuring of some of the credit facilities, 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 30 June 2022. While MTEL on a consolidated basis has a positive net worth as at 30 June 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). However as stated in the said note, considering the revival of education business post COVID-19, brand potential of MTEL and its subsidiaries in the education market and considering the valuation carried out by an independent agency, the management is of the opinion that no impairment is required to the said investments, and hence no adjustments have been considered by the Company to the carrying value of its investment in equity shares of MTEL as at 30 June 2022.



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The management has carried out valuation of its investment in equity shares based on the valuation performed by an independent agency using the discounted future cash flows method, which is significantly dependent on achievement of certain key assumptions considered in the aforementioned valuation. Also the market capitalization of MTEL, which is listed on NSE and BSE, is significantly eroded. Further, MTEL and its subsidiary defaulted in repayment of loan taken from Bank and Financial Institution and such loan is declared as Non-Performing Asset (NPA). Accordingly, owing to above events and uncertainties, we are unable to comment on the appropriateness of the carrying value of its investment in equity shares of MTEL and its consequential impact on the Statement.

Our conclusion on the unaudited standalone financial results for the quarter ended 30 June 2021 and our opinion on the audited standalone financial results for the quarter/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. Also, the Company and its subsidiary had defaulted in repayments of their debt and other obligations. 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 amounting to Rs. 54,124.56 lakhs and during the quarter one of the lenders has also filed a petition initiating CIRP of the Company 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. 33,542.68 lakhs, loan and receivables of Rs. 23,023.89 lakhs aggregating to Rs. 56,566.57 lakhs as at 30 June 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 quarter/year ended 31 March 2022. Further, as stated in the said note, during the quarter, the Company has assessed the recoverability of the balance amount of Rs. 12,023.89 lakhs and considered the same as good and recoverable. 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 impairment is required to the other outstanding investments in DVPL of Rs. 33,542.68 lakhs as at 30 June 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, 02 August 2022

UDIN: 22016059AOCERK8174

**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 ended 30 June 2022**(₹ in lakhs except EPS data)**

	Quarter ended			Year ended
	30 June 2022 (Unaudited)	31 March 2022 (Audited) (Refer note 9)	30 June 2021 (Unaudited)	31 March 2022 (Audited)
1 Income				
Revenue from operations	4,852.08	3,917.28	2,634.71	10,400.38
Other income	833.22	912.80	761.15	3,415.07
Total income	5,685.30	4,830.08	3,395.86	13,815.45
2 Expenses				
Purchase of stock-in-trade	1,318.37	755.91	272.78	1,518.60
Change in inventories of stock-in-trade	(191.74)	378.73	145.54	573.07
Operational cost	71.29	197.12	42.66	321.85
Employee benefits expense	727.57	692.16	528.39	2,095.05
Finance costs	653.16	549.42	609.68	2,423.10
Depreciation and amortisation expense	125.46	3.79	200.47	541.41
Selling and marketing expenses	337.17	278.86	163.75	781.04
Other expenses	551.75	775.06	456.03	1,744.26
Total expenses	3,593.03	3,631.05	2,419.30	9,998.38
3 Profit before tax before exceptional items (1 - 2)	2,092.27	1,199.03	976.56	3,817.07
4 Less: Exceptional item (Refer Note 3 below)	-	11,000.00	-	11,000.00
Profit/(Loss) before tax after exceptional items (3-4)	2,092.27	(9,800.97)	976.56	(7,182.93)
5 Tax expense				
Current tax - Current year	567.49	182.63	308.04	879.56
- earlier year	-	39.72	-	39.72
Deferred tax	(13.34)	147.87	(67.89)	100.21
Total tax expense	554.15	370.22	240.15	1,019.49
6 Net Profit / (Loss) for the period / year after tax (4-5)	1,538.12	(10,171.19)	736.41	(8,202.42)
7 Other comprehensive Income/(loss) (including tax effect)				
(i) Items that will not be reclassified to statements of profit and loss	8.53	15.55	10.53	38.04
(ii) Items that will be reclassified to statements of profit and loss	-	-	-	-
Other comprehensive Income (i+ii)	8.53	15.55	10.53	38.04
8 Total comprehensive income for the period/year (6+7)	1,546.65	(10,155.64)	746.94	(8,164.38)
9 Paid up equity share capital (face value ₹ 1 per share)	3,260.93	3,260.93	3,260.93	3,260.93
10 Other equity				38,248.75
Earnings per share (Not annualised for the interim period):				
- Basic (₹)	0.47	(3.12)	0.23	(2.52)
- Diluted (₹)	0.47	(3.12)	0.23	(2.52)

MS



Notes to the Statement of Standalone Unaudited financial results for the quarter ended 30 June 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 02 August 2022.
- 2 These standalone unaudited financial results have been prepared in accordance with the 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. 33,542.68 lakhs, loan and receivables of Rs. 23,023.89 lakhs aggregating to Rs. 56,566.57 lakhs as at 30 June 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 quarter/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 in the quarter/year ended 31 March 2022. The Company, during the quarter, assessed the recoverability of the balance amount of Rs. 12,023.89 lakhs and based on such assessment considers the balance amount of Rs. 12,023.89 lakhs is good and recoverable. Further, basis the valuation report issued by an independent agency in the previous year, the management considers that no impairment is required to the other outstanding investments in DVPL of Rs. 33,542.68 lakhs as at 30 June 2022.
- 4 The Company has investment in its equity shares of its subsidiary company viz MT Educare Limited (MTEL) which is carried at cost of Rs. 27,812.22 lakhs. While, MTEL on a consolidated basis has a positive net worth as at 30 June 2022, there has been significant decline in the market capitalization of MTEL which is listed on BSE and NSE. However, considering the revival of education business post COVID-19, brand potential of MTEL and its subsidiaries in the education market and considering the valuation carried out by an independent agency, the management is of the opinion that no impairment is required to the said investments, and hence no adjustments have been considered by the Company to the carrying value of its investment in equity shares of MTEL as at 30 June 2022.
- 5 Yes Bank Limited (Yes Bank) vide its notices dated 2 August 2021 and 9 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 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). The said notices were received by the Company and DVPL on 10 August 2021. Further, during the quarter, the Company has received notice of the petition filed by Yes Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Company (as corporate guarantor) before National Company Law Tribunal (NCLT) and the matter is pending for admission before NCLT. The Company has filed subsequent reply with NCLT.
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 now started offline education and students are enrolling in schools and business recovery is envisaged. Since the CIRP matter is pending for admission before NCLT and considering expected 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 30 June 2022 is Rs. 1,607.95 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 including orderly restructuring of loans, and the Company is of the opinion that an amicable resolution will be achieved at the earliest. In view of above, the Company believes that no liability is required to be provided as at 30 June 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 petition in National Company Law Tribunal (NCLT) against the Company as corporate guarantor. 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 Figures for the quarter ended 31 March 2022 are the balancing figures between audited figures for the full financial year 2021-22 and reviewed year to date figures upto third quarter of the said financial year.
- 10 Previous period figures have been regrouped and rearranged wherever considered necessary.



Anish Shah

Anish Shah
Chief Financial Officer

For and on behalf of the Board of Directors

Ritesh Handa

Ritesh Handa
CEO & Whole-time Director
DIN: 02725365

Mumbai, 02 August 2022

FORD RHODES PARKS & CO LLP

CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

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Independent Auditor's Review Report

To,
The Board of Directors,
Zee Learn 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 **Zee Learn Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended 30 June 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.



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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 Forum 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 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 has received notice from Yes Bank regarding filing of a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Holding Company, before the Hon'ble National Company Law Tribunal (NCLT), Mumbai, which is pending for admission in the NCLT. As further explained in the note, since the CIRP matter is pending for admission in the NCLT and considering expected 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 30 June 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 including restructuring of these credit facilities, 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 30 June 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 30 June 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). However as stated in the said note, considering the revival of education business post COVID-19, brand potential of MTEL and its subsidiaries in the education market and considering the valuation carried out by an independent agency, the management believes that no impairment is required to goodwill, and hence no adjustments have been considered by the Holding Company to the carrying value of goodwill as at 30 June 2022.

The management has carried out valuation of MTEL based on the valuation performed by an independent agency using the discounted cash future cash flows method, which is significantly dependent on the achievement of certain key assumptions considered in the aforementioned valuation. Also the market capitalization of MTEL, which is listed on National Stock Exchange Limited (NSE) and BSE Limited (BSE), is significantly eroded. Further, MTEL and its subsidiary had defaulted in repayment of loan taken from Bank and Financial Institution and such loan was declared as Non-Performing Asset (NPA). Accordingly, owing to above events and uncertainties, we are unable to comment on the appropriateness of the carrying value of goodwill and its consequential impact on the Statement.

- (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. 7,056.21 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax assets can be utilized. In 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 30 June 2022. Had the deferred tax assets not been recognized, the net profit for the quarter ended 30 June 2022 would have been lower by Rs. 7,056.21 lakhs, resulting into loss for the quarter.
- (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. 8,476.54 lakhs (net of provisions on consolidated basis) 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 pandemic has disrupted the operations of parties in education sector and such outstandings have 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 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.



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- (e) Attention is invited to Note 9 of the Statement, wherein the other auditor who reviewed the unaudited consolidated financial results of MTEL reported that MTEL and its subsidiary has not provided interest w.e.f. 01 October 2021 on loans from Bank and Financial Institution ("Lenders") that are declared as Non-Performing Asset (NPA) and are under dispute with the lenders and also the matter is pending for admission in the National Company Law Tribunal (NCLT) by one of the lender. Had the interest expenses been recognised the profit for the quarter ended 30 June 2022 would have been lower by Rs. 109.88 lakhs (Cumulatively Rs. 367.62 lakhs) (excluding penal interest if any), resulting into loss for the quarter.

Conclusion on the unaudited consolidated financial results for the quarter ended 30 June 2021 was also qualified in respect of the matters stated in (a) to (d) above. Our opinion on the audited consolidated financial results for the quarter/year ended 31 March 2022 was also qualified in respect of the above matters.

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. Also, the Holding Company and certain subsidiaries had defaulted in repayments of their debt and other obligations. Further as stated in para 5(a) above under Basis for qualified conclusion, the Corporate Guarantees issued by the Holding Company and its subsidiary, had been invoked by the lenders amounting to Rs. 44,962.56 lakhs and during the quarter one of the lenders has also filed a petition initiating CIRP of the Holding Company before the NCLT, which is pending for admission. 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, as further stated in note 10 to the statement, considering the management's reevaluation and conclusion that the Group 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 Group, the Statement has been prepared on going concern basis.

Our conclusion is not modified in respect of this matter.



FORD RHODES PARKS & CO LLP

8. Emphasis of matters

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 ended 30 June 2022, reported (Refer note 11) regarding recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 2,143.20 lakhs (net of provisions) outstanding as at 30 June 2022, which represent amounts recoverable for various Central and State Government, 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 receivables (net of provisions) outstanding as at 30 June 2022 are good and recoverable.

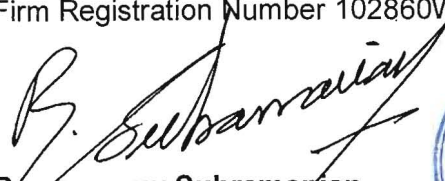
Our conclusion is not modified in respect of the above matter.

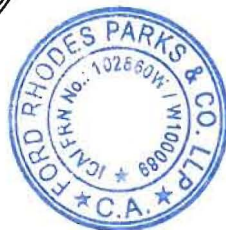
9. Other matters

We did not review the interim financial results of eleven subsidiaries, whose interim financial results (before consolidation adjustments) reflect total revenues of Rs. 4,215.79 lakhs, total net loss after tax of Rs. 1,469.24 lakhs and total comprehensive loss of Rs. 1,466.86 lakhs for the quarter ended 30 June 2022, 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 eleven subsidiaries is based solely on the reports of other auditors and the procedures performed by us as stated in Paragraph 3 above.

Our conclusion on the Statement 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, 02 August 2022

UDIN: 22016059AOCFJP7302



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 ended 30 June 2022

(₹ in lakhs except EPS data)

	Quarter ended			
	30 June 2022 (Unaudited)	31 March 2022 (Audited) (Refer note 12)	30 June 2021 (Unaudited)	Year ended 31 March 2022 (Audited)
1 Income				
Revenue from operations	8,591.97	7,757.66	6,468.46	24,788.27
Other income	515.54	1,405.63	952.04	3,437.59
Total income	9,107.51	9,163.29	7,420.50	28,225.86
2 Expenses				
Purchase of stock-in-trade	1,318.37	755.91	272.78	1,518.60
Change in inventories of stock-in-trade	(191.74)	378.73	145.54	573.07
Operational cost	1,232.04	1,052.48	870.81	3,426.95
Employee benefits expense	2,569.22	2,725.79	2,219.14	9,417.33
Finance costs	1,053.84	1,191.05	1,125.90	4,425.38
Depreciation and amortisation expense	777.16	646.81	1,042.10	3,669.45
Selling and marketing expenses	439.81	387.58	184.25	1,128.04
Other expenses	1,425.02	1,797.32	979.06	3,983.92
Total expenses	8,623.72	8,935.67	6,839.58	28,142.74
3 Profit/(Loss) before tax (1-2)	483.79	227.62	580.92	83.12
4 Tax expense				
Current tax - current year	578.87	202.37	368.54	944.56
- earlier year	-	319.53	-	335.85
Deferred tax	(50.43)	211.93	74.49	118.55
Total tax expense	528.44	733.83	443.03	1,398.96
5 Net Profit / (Loss) for the period/year after tax (3-4)	(44.65)	(506.21)	137.89	(1,315.84)
6 Other comprehensive Income / (loss) (including tax effect)				
(i) Items that will not be reclassified to statements of profit and loss	10.90	40.31	18.73	50.72
(ii) Items that will be reclassified to statements of profit and loss	-	-	-	-
Other comprehensive income (i+ii)	10.90	40.31	18.73	50.72
7 Total comprehensive income/(loss) for the period/year(5+6)	(33.75)	(465.90)	156.62	(1,265.12)
8 Profit/(Loss) for the year attributable to :				
Equity holders of the parent	40.15	5.17	166.79	(272.42)
Non-controlling interest	(84.80)	(511.38)	(28.90)	(1,043.42)
9 Total comprehensive income /(loss) attributable to :				
Equity holders of the parent	50.35	36.37	182.19	(225.80)
Non-controlling interest	(84.10)	(502.27)	(25.57)	(1,039.32)
10 Paid up equity share capital (face value ₹ 1 per share)	3,260.93	3,260.93	3,260.93	3,260.93
11 Other equity				42,994.08
Earnings per share (Not annualised for the interim period):				
- Basic (₹)	0.01	0.002	0.05	(0.08)
- Diluted (₹)	0.01	0.002	0.05	(0.08)



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Consolidated Unaudited Financial Statements for the quarter ended 30 June 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 ended 30 June 2022

Particulars	Quarter ended			Year ended
	30 June 2022 (Unaudited)	31 March 2022 (Audited) (Refer note 12)	30 June 2021 (Unaudited)	31 March 2022 (Audited)
Segment revenue				
- Educational services and related activities	6,692.18	4,751.16	4,569.70	15,705.36
- Construction and leasing (for education)	300.62	1,197.32	425.37	2,638.37
- Training, manpower and related activities	1,648.73	1,875.04	1,505.53	6,600.54
Total segment revenue	8,641.53	7,823.52	6,500.60	24,944.27
Less: Inter segment revenue	49.56	65.86	32.14	156.00
Net sales / income from operation	8,591.97	7,757.66	6,468.46	24,788.27
Segment results (Profit before tax and interest from ordinary activities)				
- Educational services and related activities	1,585.48	(795.12)	639.98	(201.89)
- Construction and leasing (for education)	(525.08)	792.05	92.14	1,232.64
- Training, manpower and related activities	(38.31)	16.11	22.66	40.16
Total Segment results	1,022.09	13.04	754.78	1,070.91
Add/(less):				
Finance costs	(1,053.84)	(1,191.05)	(1,125.90)	(4,425.38)
Interest income/(reversal)	238.33	267.40	806.58	1,136.80
Other income	277.21	1,138.23	145.46	2,300.79
Total Profit before tax from ordinary activities	483.79	227.62	580.92	83.12
Segment assets				
- Educational services and related activities	53,975.46	53,298.53	58,052.82	53,298.53
- Construction and leasing (for education)	77,709.43	78,417.91	75,758.92	78,417.91
- Training, manpower and related activities	1,997.17	2,241.64	1,931.52	2,241.64
- Unallocated	10,879.01	10,791.63	11,386.42	10,791.63
Total segment assets	144,561.07	144,749.71	147,129.68	144,749.71
Segment liabilities				
- Educational services and related activities	32,788.60	28,764.41	30,306.63	28,764.41
- Construction and leasing (for education)	12,591.93	12,661.77	13,017.87	12,661.77
- Training, manpower and related activities	834.33	1,024.45	1,013.90	1,024.45
- Unallocated	52,038.85	56,044.07	56,042.14	56,044.07
Total segment liabilities	98,253.71	98,494.70	100,380.54	98,494.70
Net Capital Employed	46,307.36	46,255.01	46,749.14	46,255.01



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Notes to the Statement of Consolidated Unaudited financial results for the quarter ended 30 June 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 02 August 2022.
- 2 These Consolidated Unaudited Financial Results have been prepared in accordance with the 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 30 June 2022 is Rs. 1,607.95 lakhs.
- 5 The unaudited consolidated financial statements as at 30 June 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 30 June 2022, there has been significant decline in the market capitalization of MTEL which is listed on BSE and NSE. However, considering the revival of education business post COVID-19, brand potential of MTEL and its subsidiaries in the education market and considering the valuation carried out by an independent agency, the Group is of the opinion that no impairment is required to the said goodwill, and hence no adjustments have been considered by the Company to the carrying value of goodwill as at 30 June 2022.
- 6 Yes Bank Limited (Yes Bank) vide its notices dated 2 August 2021 and 9 August 2021 issued to the Holding Company and its subsidiary, viz Digital Ventures Private Limited (DVPL) respectively has invoked the Corporate Guarantee upon non-repayment of credit facilities 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). The said notices had been received by the Holding Company and DVPL on 10 August 2021. Further, during the quarter, the Holding Company has received notice of the petition filed by Yes Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) of the Company (as corporate guarantor) before National Company Law Tribunal (NCLT) and the matter is pending for admission before NCLT. The Company has filed subsequent reply with NCLT.
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 now started offline education and students are enrolling in schools and business recovery is envisaged. Since the CIRP matter is pending for admission before NCLT and considering expected 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 including orderly restructuring of loans and is of the opinion that an amicable resolution will be achieved at the earliest. In view of above, the Holding Company believes that no liability is required to be provided as at 30 June 2022.
- 8 The Holding Company and its subsidiaries (together referred to as the Group) have loans and other receivables of Rs 8,476.54 lakhs (net of provisions on consolidated basis) outstanding as at 30 June 2022 from other parties having operations in the education sector, which are overdue. 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 MT Educare Limited and its subsidiary (MT 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 NCLT against the MT and its subsidiary which is pending for admission in the NCLT. Since there are disputes w.r.t the claims and the matter is before NCLT, the MT and its subsidiary have not recognized the interest expense there upon amounting to Rs. 109.88 lakhs and cumulative Rs. 367.62 lakhs (excluding penal interest if any).
- 10 The Covid-19 pandemic had caused an adverse impact on the business operations of the Group and its financial health. The Group and certain subsidiary companies had defaulted in their debt obligations and further the Holding Company/subsidiary 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 a petition in National Company Law Tribunal (NCLT) against the Holding Company as corporate guarantor. 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 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 30 June 2022, Rs. 2,143.20 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.
- 12 Figures for the quarter ended 31 March 2022 are the balancing figures between audited figures for the full financial year 2021-22 and reviewed year to date figures upto third quarter of the said financial year.
- 13 Previous period figures have been regrouped and rearranged wherever considered necessary.



Anish Shah
Anish Shah
Chief Financial Officer

For and on behalf of the Board of Directors

Ritesh Handa
Ritesh Handa
CEO & Whole-time Director
DIN: 02725365

Mumbai, 02 August 2022