

Date: October 29, 2021

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 October 29, 2021.

Dear Sir/Ma'am,

Further to our intimation dated October 22, 2021 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. Friday, October 29, 2021), has inter alia, transacted the following businesses:

1. Approved Unaudited Financial Results (i.e. Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2021 as recommended by the Audit Committee.
2. 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 half year ended September 30, 2021 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 1:15 p.m. and concluded at 04:30 p.m.

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, 3RDFLOOR,
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 half year ended 30 September 2021

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Zee Learn Limited** (the "Company") for the quarter and half year ended 30 September 2021 ("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 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.
4. **Basis of qualified conclusion**
 - a) As stated in Note 7 to the Statement, Yes Bank has invoked the Corporate Guarantee issued by the Company and its subsidiary i.e. Digital Ventures Private Limited (DVPL) upon defaults in repayment of credit facilities availed by various Trusts 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 alongwith Trusts is taking necessary steps including restructuring of these credit facilities and the Company is of the opinion that an amicable resolution will be achieved at the earliest.

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**

FORD RHODES PARKS & CO LLP

The Company has not provided for any liability against above invocation of the Corporate Guarantee as at 30 September 2021 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, that may be required in the unaudited standalone financial results for the quarter and half year ended 30 September 2021.

- b) As stated in note 6 to the Statement, the Company has non-current investment in its subsidiary company viz MT Educare Limited (MTEL) with a carrying value at cost of Rs. 27,812.22 Lakhs. MTEL on a consolidated basis has a positive net worth as at 30 September 2021. Further as explained in the said note, the Company, due to the prevailing unprecedented Covid19 pandemic situation and the uncertainty connected to it, has not been able to carry out a detailed and comprehensive assessment of the asset in accordance with the principles of Indian Accounting standard – 36 "Impairment of Assets" and hence no adjustments have been considered by the Company to the carrying value of this non-current investment as at 30 September 2021. In the absence of sufficient and appropriate audit evidence by way of such detailed and comprehensive assessment due to the current COVID-19 pandemic situation, we are unable to comment upon adjustments, if any, that may be required to the carrying value of this non-current investment on the Statement.

Conclusion on the unaudited standalone financial results for the quarter ended 30 June 2021 was also qualified in respect of the above matters. Conclusion on the unaudited standalone financial results for the quarter ended 30 June 2020, quarter and half year ended 30 September 2020 and quarter and nine months ended 31 December 2020 and our opinion on the standalone annual financial results for the year ended 31 March 2021 were also qualified in respect of the matter stated in (b) above.

5. 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 10 to the Statement, the Covid-19 pandemic has caused an adverse impact on the business operations of the Company and its financial health. Also, the Company and its subsidiaries have defaulted in repayments of their debt and other obligations. Further as stated in para 4(a) under Basis of qualified conclusion, the Corporate Guarantee issued by the Company and its subsidiary on behalf of various trusts has been invoked by the lender (Yes Bank) for default in repayment of credit facilities of Rs. 44,962.56 lakhs by such trusts and called upon the Company / its subsidiary to pay the said amount. These events indicate the existence of uncertainty that may cast doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of the above matter



FORD RHODES PARKS & CO LLP

7. Emphasis of matters

We draw attention to

- a) Note 3 to the Statement regarding the Company's investments and loan amounting to Rs 53,225.65 lakhs in its wholly owned subsidiary viz Digital Ventures Private Limited outstanding as at 30 September 2021. The Company in the previous year has carried out valuation of assets in the said subsidiary by an independent agency and based on such valuation report the fair value of assets is more than the investments and loan made by the Company. Accordingly, the management considers that no impairment is required to the said investments and loan outstanding as at 30 September 2021.
- b) Note 4 to the Statement which state that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance, and position as at and for the quarter and half year ended 30 September 2021 and has concluded that there is no impact which is required to be recognized in the Statement. Accordingly, no adjustments have been made to the unaudited standalone financial results. However, the extent of the impact of the COVID-19 pandemic on the Company's result is dependent upon future developments.
- c) Note 9 regarding default made by one of the Company's wholly owned subsidiary i.e. Digital Ventures Private Limited (DVPL) in repayment of loan taken from Tamilnad Mercantile Bank Limited (TMB) in respect of which the Company has given Corporate Guarantee. DVPL is in discussion with TMB including restructuring of the said loan and the Company does not envisage devolvement of Corporate Guarantee.

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

8. Other matter

The comparative financial information of the Company for the quarter and half year ended 30 September 2020 included in the Statement have been reviewed by the predecessor auditor who expressed modified conclusion vide their report dated 18 December 2020 on the financial information.

For **Ford Rhodes Parks & Co. LLP**

Chartered Accountants

Firm Registration Number: 102860W/W100089

Nitin Jain

Partner

Membership Number 215336



Mumbai, 29 October 2021

UDIN: 21215336AAAAFU4334



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 : 91-22-40343900

Statement of Standalone Unaudited Financial Results for the quarter and half year ended 30 September 2021

(₹ in lakhs except EPS data)

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2021 (Unaudited)	30 June 2021 (Unaudited)	30 September 2020 (Unaudited)	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	31 March 2021 (Audited)
1 Income						
Revenue from operations	1,747.53	2,634.71	1,958.10	4,382.24	5,482.20	9,031.07
Other income	938.50	761.15	704.90	1,699.65	1,392.23	3,000.55
Total income	2,686.03	3,395.86	2,663.00	6,081.89	6,874.43	12,031.62
2 Expenses						
Purchase of stock-in-trade	258.54	272.78	167.64	531.32	341.81	784.59
Change in inventories of stock-in-trade	(40.47)	145.54	63.05	105.07	645.20	704.14
Operational cost	48.68	42.66	73.76	91.34	171.28	331.91
Employee benefits expense	432.13	528.39	620.13	960.52	1,289.34	2,483.94
Finance costs	626.21	609.68	639.48	1,235.89	1,241.54	2,585.70
Depreciation and amortisation expense	180.80	200.47	223.29	381.27	446.24	771.62
Selling and marketing expenses	169.72	163.75	153.36	333.47	314.49	581.86
Other expenses	257.70	456.03	192.99	713.73	741.25	1,504.29
Total expenses	1,933.31	2,419.30	2,133.70	4,352.61	5,191.15	9,748.05
3 Profit before tax (1 - 2)	752.72	976.56	529.30	1,729.28	1,683.28	2,283.57
4 Tax expense						
Current tax	170.32	308.04	134.33	478.36	507.29	771.57
Deferred tax	19.22	(67.89)	(6.25)	(48.67)	(90.43)	(146.50)
Total tax expense	189.54	240.15	128.08	429.69	416.86	625.07
5 Net Profit / (Loss) for the period / year after tax (3-4)	563.18	736.41	401.22	1,299.59	1,266.42	1,658.50
6 Other comprehensive income/(loss) (including tax effect)						
(i) Items that will not be reclassified to statements of profit and loss	19.45	10.53	4.97	29.98	1.61	21.06
(ii) Items that will be reclassified to statements of profit and loss	-	-	-	-	-	-
Other comprehensive income (i+ii)	19.45	10.53	4.97	29.98	1.61	21.06
7 Total comprehensive income for the period/year (5+6)	582.63	746.94	406.19	1,329.57	1,268.03	1,679.56
8 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
9 Other equity						46,358.84
Earnings per share (Not annualised for the interim period):						
- Basic (₹)	0.17	0.23	0.12	0.40	0.39	0.51
- Diluted (₹)	0.17	0.23	0.12	0.40	0.39	0.51





Zee Learn Limited

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Standalone Unaudited Statement of Assets and Liabilities as at 30 September 2021

(₹ in lakhs)

Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	315.29	426.06
Right-of-use assets	945.15	1,216.12
Investment property	5.85	5.85
Other intangible assets	86.63	114.01
Intangible assets under development	12.20	12.20
Financial assets		
Investments	50,604.37	50,603.80
Loans	19,878.73	18,467.12
Other financial assets	76.11	172.31
Deferred tax assets (net)	681.59	642.99
Income tax assets (net)	5.43	5.43
Other non-current assets	105.04	111.52
Total non-current assets	72,716.39	71,777.41
Current assets		
Inventories	960.71	1,065.78
Financial assets		
Investments	9,572.00	9,572.00
Trade receivables	1,309.93	1,578.89
Cash and cash equivalents	105.58	86.85
Bank balances other than cash and cash equivalents	72.70	59.43
Other financial assets	1,268.62	1,147.25
Other current assets	539.93	169.70
Total current assets	13,829.47	13,679.90
TOTAL ASSETS	86,545.86	85,457.31
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3,260.93	3,260.93
Other equity	47,722.48	46,358.84
Total equity	50,983.41	49,619.77
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	11,213.69	11,064.53
Lease liabilities	576.85	1,133.60
Other financial liabilities	703.60	697.04
Provisions	160.48	191.76
Other liabilities	5,710.82	5,936.01
Total non-current liabilities	18,365.44	19,022.94
Current Liabilities		
Financial liabilities		
Borrowings	8,349.49	8,431.03
Lease liabilities	485.24	223.69
Trade payables		
outstanding dues of micro and small enterprises	917.74	953.46
outstanding dues of creditors other than micro and small enterprises	1,136.83	990.45
Other financial liabilities	2,960.34	2,830.71
Other current liabilities	2,519.57	2,914.46
Provisions	27.09	33.85
Current tax liabilities (net)	800.71	436.95
Total current liabilities	17,197.01	16,814.60
Total liabilities	35,562.45	35,837.54
TOTAL EQUITY AND LIABILITIES	86,545.86	85,457.31



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Standalone Unaudited Statement of Cash Flows for the half year ended 30 September 2021

(₹ Lakhs)

Particulars	30 September 2021 (Unaudited)	31 March 2021 (Audited)
A. Cash flow from operating activities		
Net profit before tax	1,729.28	2,283.57
Adjustments for :		
Depreciation and amortisation expense	381.27	771.62
Liabilities no longer required / excess provision written back	(119.74)	(199.38)
Share based payment expense	34.07	187.16
(Profit) / Loss on sale / discard of property, plant and equipment / intangible	59.65	17.03
Interest expense	1,235.89	2,583.30
Allowances for credit losses	256.91	621.69
Gain on derecognition of right-of-use of assets	(46.10)	(35.84)
Amortization of ancillary borrowing costs	-	6.26
Unwinding of discount on security deposits	(156.92)	(333.66)
Dividend income	-	(0.01)
Interest income	(1,164.76)	(2,009.66)
Operating profit before working capital changes	2,209.55	3,892.08
Changes in working capital :		
(Increase) / Decrease in inventories	105.07	704.15
(Increase) / Decrease in trade and other receivables	(383.19)	(483.20)
Increase / (Decrease) in trade and other payables	(281.34)	(2,093.67)
Cash generated from operations	1,650.09	2,019.36
Income tax paid (net)	(114.61)	(394.79)
Net cash flow from operating activities (A)	1,535.48	1,624.57
B. Cash flow from investing activities		
Purchase of property, plant and equipment / intangible assets / investment property / capital work-in-progress	(54.59)	(46.27)
Sale of property, plant and equipment / intangible assets	74.75	-
Proceed from/(Investments) in deposits with bank	(12.50)	(2.81)
Loans given to subsidiary companies	(273.53)	(2,090.49)
Loans repaid by subsidiary companies	3.50	1,202.84
Loans repaid by others	21.60	-
Dividend received from others	-	(0.02)
Interest received	0.32	150.78
Net cash flow from / (used in) investing activities (B)	(240.45)	(785.97)
C. Cash flow from financing activities		
Proceeds from non-current borrowings	-	1,470.47
Repayment of non-current borrowings	(602.71)	(861.17)
Payment of lease liabilities (including interest)	(290.10)	(591.02)
Interest paid	(383.49)	(877.35)
Net cash flow from / (used in) financing activities (C)	(1,276.30)	(859.07)
Net cash flow during the year (A+B+C)	18.73	(20.47)
Cash and cash equivalents at the beginning of the year	86.85	107.32
Net cash and cash equivalents at the end of the year	105.58	86.85
Add : Balances earmarked	72.70	59.43
Cash and bank balances at the end of the year	178.28	146.28

Notes:

1. Component of cash and bank balances as follows	30 September 2021	31 March 2021
Cash and cash equivalents	105.58	86.85
Bank Balances other than cash and cash equivalents	72.70	59.43
Total	178.28	146.28



Notes to the Statement of Standalone Unaudited financial results for the quarter and half year ended 30 September 2021 :

- 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 29 October 2021.
- 2 These standalone 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 subsidiary company viz Digital Ventures Private Limited (DVPL) in the form of Equity shares, Convertible Debentures, Preference Shares (including redemption premium) and loan amounting to Rs.53,225.65 lakhs as at 30 September 2021. In the previous year, the Company had carried out valuation of assets of DVPL by an independent agency and based on the valuation report, the fair value of the assets is more than the investments and loan made by the Company. Accordingly, the management considers that no impairment is required to the said investments and loan outstanding as at 30 September 2021.
- 4 The nation-wide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the education sector as most of the schools continued to remain shut for major part of the quarter ended 30 September 2021. However, during this period, the Company has taken lots of efforts to keep the disruption in the business to the minimum.
In preparation of these standalone financial results, the Company has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to the assessment of liquidity and going concern, recoverable value of its financial and non-financial assets, and the impact on revenues. Based on current indicators of future economic conditions, the Company expects to fully recover the carrying amount of its assets. Basis the Company's projected cash flows for the next one year, management has concluded that the Company will have sufficient liquidity to continue its operations, although it expects possible delays with respect to collections from its customers.
The extent of the impact on the Company's operations remain uncertain and may differ from that estimated as at the date of approval of these standalone financial results and will be dictated by the length of time that such disruptions continue which will in turn depend on the currently unknowable duration of COVID-19 and among other things, the impact of governmental actions imposed in response to the pandemic. The Company is monitoring the rapidly evolving situation and its potential impacts on the Company's financial position, results of operations, liquidity and cash flows.
- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30 March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.
- 6 The Company has non-current investments in its subsidiary company viz MT Educare Limited (MTEL) with a carrying value at cost of Rs. 27,812.22 lakhs. MTEL on a consolidated basis has a positive net worth as at 30 September 2021. Due to the prevailing unprecedented COVID-19 pandemic situation further prolonged by continuous lockdowns and restrictions in movements imposed at regular intervals by State and Central Governments, the Company has not been able to carry out a detailed and comprehensive assessment of the asset in accordance with the principles of IND-AS 36 "Impairment of Assets" and hence no adjustments have been considered by the Company to the carrying value of this non-current investment as at 30 September 2021. Moreover, the Company's investment in MTEL is strategic in nature and any impact due to COVID-19 is short term in nature and hence no impairment is required.
- 7 Yes Bank Limited (Yes Bank) has 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 has invoked the Corporate Guarantee upon defaults in repayment of credit facilities availed by various Trusts during the COVID-19 Pandemic, 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 have been received by the Company and DVPL on 10 August 2021.
The pandemic Covid-19 has caused disruption in the activities especially in the education sector and till date, there are restrictions on carrying out the operations of schools under the brick and mortar model. These trusts have been running all their operations under the brick and mortar model in pre-covid era and hence their operations have been adversely impacted. The Company has been providing its brand and other specialized facilities to these trusts.
While the Trusts have switched to digital mode of imparting education, the envisaged growth at the time of availing facilities is hampered due to Covid-19. The Company along with the Trusts is taking requisite steps including restructuring of these credit facilities. In this regard, the Company is of the opinion that an amicable resolution will be achieved at the earliest.
- 8 During the quarter, the Company has defaulted in repayment of Term Loan of Rs. 1,498.05 lakhs (including interest of Rs. 98.05 lakhs) taken from Development Credit Bank (DCB).
- 9 During the quarter ended 30 June 2021, one of the subsidiaries viz Digital Ventures Private Limited (DVPL) has defaulted in repayment of loan taken from Tamilnad Mercantile Bank Limited (TMB). In this regard, the Company has issued Corporate Guarantee against said loan. DVPL is in discussion with TMB and evaluating the options for orderly restructuring of the loan. Pending the conclusion of the aforementioned discussions, the Company does not envisage devolvement of the Corporate Guarantee.
- 10 The Covid-19 pandemic has caused an adverse impact on the business operations of the Company and its financial health. The Company and certain subsidiary companies have defaulted in their debt obligations and further the Company/subsidiary has received notices from Yes Bank for invocation of corporate guarantee(s). These indicate the existence of uncertainty that may cast doubt on the Company's ability to continue as a going concern. However, these standalone unaudited financial results have been prepared on a going concern basis based on the business potential and the mitigating steps being taken by the Company.
- 11 Previous period figures have been regrouped and rearranged wherever considered necessary.

For and on behalf of the Board of Directors


Ritesh Handa
CEO & Director
DIN: 02725365



Mumbai, 29 October 2021

FORD RHODES PARKS & CO LLP

CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

SAI COMMERCIAL BUILDING
312/313, 3RDFLOOR,
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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 half year ended 30 September 2021

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 half year ended 30 September 2021 ("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**

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 Forum for Competition Private Limited (formerly Lakshya Educare 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 7 to the Statement, Yes Bank has 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 various Trusts 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 along with Trusts is taking necessary steps including restructuring of these credit facilities and the Holding Company is of the opinion that an amicable resolution will be achieved at the earliest.

The Group has not provided for any liability against above invocation of the Corporate Guarantee as at 30 September 2021 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 any adjustments, if any, that may be required in the unaudited consolidated financial results for the quarter and half year ended 30 September 2021.

- b) The Statement as at 30 September 2021 includes goodwill having carrying value of Rs 31,323.64 lakhs on acquisition of its subsidiary company viz MT Educare Limited (MTEL). Due to the prevailing unprecedented Covid19 pandemic situation and the uncertainty connected to it, the Holding Company has not been able to carry out a detailed and comprehensive assessment of the asset in accordance with the principles of Indian Accounting standard – 36 "Impairment of Assets" and hence no adjustments have been considered by the Holding Company to the carrying value of goodwill as at 30 September 2021. In the absence of sufficient and appropriate audit evidence by way of such detailed and comprehensive assessment due to the current COVID-19 pandemic situation, we are unable to comment upon adjustments, if any, that may be required to the carrying value of goodwill.



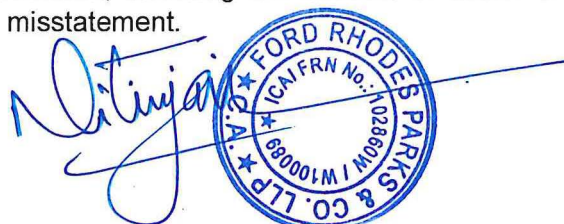

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- c) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the consolidated financial results of MTEL reported that MTEL has recognized net deferred tax assets of Rs. 7,025.74 lakhs based on the estimate that sufficient taxable profits would be available in future years against which deferred tax asset can be utilized. In the opinion of the other auditor, due to uncertainty over the estimated profits for the future years arising out of the outbreak of COVID-19 and the existence of unutilized tax losses available, it is uncertain that MTEL would achieve sufficient taxable profits in future against which deferred tax asset 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 September 2021. Had the deferred tax assets not been recognized, the net loss for the quarter and half year ended 30 September 2021 would have been higher by Rs. 7,025.74 lakhs and total equity would have been lower by Rs 7,025.74 lakhs.
- d) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the consolidated financial results of MTEL reported that MTEL did not obtain/receive balance confirmations from most of the customers/creditors and other parties including certain advances other than related parties for the balances as at 30 September 2021 due to Covid-19 disruption and is in the process of finding amicable resolutions with the parties. Hence, the other auditor is unable to comment on adjustments or disclosures, if any, that may arise.
- e) In one of the subsidiaries viz. MT Educare Limited (MTEL), the other auditor who reviewed the consolidated financial results of MTEL reported that MTEL has loans, trade and other receivables of Rs 4,710.58 lakhs (net of provisions on consolidated basis) outstanding as at 30 September 2021, from other parties having operations in the education sector, which are overdue / rescheduled. The management considers that COVID-19 pandemic and the subsequent lockdowns have disrupted the operations of parties in education sector and such outstandings have arisen primarily due to lockdowns and therefore management considers the same as good and recoverable. Accordingly, owing to the aforementioned overdues / reschedulement, the other auditor was unable to comment upon adjustments, if any, that may be required to the carrying value of the outstanding receivables and further provisions, if any, required and the consequential impact on the Statement.

Conclusion on the unaudited consolidated financial results for the quarter ended 30 June 2021 was also qualified in respect of the above matters. Conclusion on the unaudited consolidated financial results for the quarter ended 30 June 2020, quarter and half year ended 30 September 2020 and quarter and nine months ended 31 December 2020 were also qualified in respect of the matters stated in (b) and (c) above. Our opinion on the consolidated annual financial results for the year ended 31 March 2021 were also qualified in respect of the matters stated in (b) 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.



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7. Material uncertainty relating to Going Concern

The Covid-19 pandemic has caused an adverse impact on the business operations of the Group and its financial health. Also, the Group has defaulted in its debt and other obligations. Further as stated in para 5(a) under Basis of qualified conclusion, the Corporate Guarantee issued by the Holding Company and its subsidiary on behalf of various Trusts has been invoked by the lender (Yes Bank) for default in repayment of credit facilities of Rs. 44,962.56 lakhs by such Trusts and called upon the Holding Company / its subsidiary to pay the said amount. These events indicate the existence of uncertainty that may cast doubt on the Group's ability to continue as a going concern.

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

8. Emphasis of matters

We draw attention to

- a) Note 6 to the Statement, relating to recoverability of long outstanding vocational trade receivables and unbilled receivables aggregating to Rs. 3,049.92 lakhs (net of provisions) outstanding as at 30 September 2021, which represent amounts recoverable for various Central and State Government/ Agencies projects in education/skill development sector. Based on internal assessment of the management which includes considering the progress of the discussions with the relevant government parties, past trends, contractual rights and evidence of service delivery, the management is of the view that the aforesaid receivable balances (net of provision) outstanding as at 30 September 2021 are good and recoverable.
- b) Note 12 to the Statement that states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance, and position as at and for the quarter and half year ended 30 September 2021 and has concluded that there is no impact which is required to be recognized in the unaudited consolidated financial results. Accordingly, no adjustments have been made to the unaudited consolidated financial results. However, the extent of the impact of the COVID-19 pandemic on the Group's consolidated financial results is dependent upon future developments.

Our conclusion is not modified in respect of the above matters

9. Other matters

- a) We did not review the interim financial results of eleven subsidiaries, whose interim financial results reflect total assets of Rs 1,18,184.80 lakhs as at 30 September 2021, total revenues of Rs. 8,678.42 lakhs and Rs 3,978.54 lakhs, total net loss after tax of Rs. 1,065.73 lakhs and Rs 546.14 lakhs and total comprehensive loss of Rs. 1,082.41 lakhs and Rs 571.02 lakhs for the quarter and half year ended 30 September 2021 respectively and net cash inflows of Rs 24.08 lakhs for the half year ended 30 September 2021, 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.



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- b) The comparative financial information of the Holding Company for the quarter and half year ended 30 September 2020 included in the Statement have been reviewed by the predecessor auditor who expressed modified conclusion vide their report dated 18 December 2020 on the financial information.

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


Nitin Jain

Partner

Membership Number 215336



Mumbai, 29 October 2021

UDIN: 21215336AAAAFV5918



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 : 91-22-40343900

Statement of Consolidated Unaudited Financial Results for the quarter and half year ended 30 September 2021

(₹ in lakhs except EPS data)

	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2021 (Unaudited)	30 June 2021 (Unaudited)	30 September 2020 (Unaudited)	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	31 March 2021 (Audited)
1	Income						
	Revenue from operations	5,368.05	6,468.46	7,626.91	11,836.51	15,894.02	25,712.25
	Other income	613.52	952.04	1,339.62	1,565.56	2,336.26	5,632.53
	Total income	5,981.57	7,420.50	8,966.53	13,402.07	18,230.28	31,344.78
2	Expenses						
	Purchase of stock-in-trade	258.54	272.78	167.64	531.32	341.81	784.59
	Change in inventories of stock-in-trade	(40.47)	145.54	63.05	105.07	645.20	704.14
	Operational cost	865.11	870.81	1,869.50	1,735.92	2,854.83	4,236.29
	Employee benefits expense	2,042.06	2,219.14	2,442.67	4,261.20	5,488.11	10,354.56
	Finance costs	1,107.40	1,125.90	1,268.96	2,233.30	2,511.44	5,149.12
	Depreciation and amortisation expense	981.69	1,042.10	1,320.36	2,023.79	2,699.45	4,994.95
	Selling and marketing expenses	231.72	184.25	194.01	415.97	361.02	895.29
	Other expenses	599.04	979.06	897.54	1,578.10	2,041.75	4,427.69
	Total expenses	6,045.09	6,839.58	8,223.73	12,884.67	16,943.61	31,546.63
3	Profit/(Loss) before tax (1-2)	(63.52)	580.92	742.80	517.40	1,286.67	(201.85)
4	Tax expense						
	Current tax - current year	146.91	368.54	557.55	515.45	1,039.21	827.62
	- earlier year	-	-	-	-	-	215.71
	Deferred tax	(146.62)	74.49	(39.22)	(72.13)	(312.53)	869.86
	Total tax expenses	0.29	443.03	518.33	443.32	726.68	1,913.19
5	Net Profit / (Loss) for the period/year after tax (3-4)	(63.81)	137.89	224.47	74.08	559.99	(2,115.04)
6	Other comprehensive income / (loss) (including tax effect)						
	(i) Items that will not be reclassified to statements of profit and loss	(5.44)	18.73	36.61	13.29	24.38	53.91
	(ii) Items that will be reclassified to statements of profit and loss	-	-	-	-	-	-
	Other comprehensive income (i+ii)	(5.44)	18.73	36.61	13.29	24.38	53.91
7	Total comprehensive income/(loss) for the period/year(5+6)	(69.25)	156.62	261.08	87.37	584.37	(2,061.13)
8	Profit/(Loss) for the year attributable to :						
	Equity holders of the parent	47.07	166.79	222.12	213.86	635.10	(879.30)
	Non-controlling interest	(110.88)	(28.90)	2.35	(139.78)	(75.11)	(1,235.74)
9	Total comprehensive income /(loss) attributable to :						
	Equity holders of the parent	51.83	182.19	245.52	234.02	649.93	(838.70)
	Non-controlling interest	(121.08)	(25.57)	15.56	(146.65)	(65.56)	(1,222.43)
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						43,165.62
	Earnings per share (Not annualised for the interim period):						
	- Basic (₹)	0.02	0.05	0.07	0.07	0.20	(0.27)
	- Diluted (₹)	0.02	0.05	0.07	0.07	0.20	(0.27)





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Consolidated Unaudited Statement of Assets and Liabilities as at 30 September 2021

(₹ in lakhs)

Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,773.03	4,124.03
Right-of-use assets	4,841.87	5,604.99
Investment property	24,137.00	24,677.55
Investment property under development	30,691.60	30,305.62
Goodwill	31,323.64	31,323.64
Other intangible assets	6,035.04	6,422.87
Intangible assets under development	5,257.65	5,257.65
Financial assets		
Investments	0.34	0.34
Loans	8,252.23	6,124.16
Other financial assets	482.25	582.94
Deferred tax assets (net)	7,865.83	7,809.48
Income tax assets (net)	3,112.54	3,053.12
Other non-current assets	1,578.50	1,582.17
Total non-current assets	127,351.52	126,868.56
Current assets		
Inventories	960.71	1,065.78
Financial assets		
Investments	0.01	0.01
Trade receivables	9,391.62	9,135.97
Cash and cash equivalents	609.08	566.27
Bank balances other than cash and cash equivalents	1,051.51	760.21
Loans	2,373.86	4,580.67
Other financial assets	3,781.73	3,626.40
Other current assets	914.54	496.31
Total current assets	19,083.06	20,231.62
TOTAL ASSETS	146,434.58	147,100.18
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3,260.93	3,260.93
Other equity	43,433.70	43,165.62
Equity attributable to equity holders of the parent	46,694.63	46,426.55
Non controlling interest	14,862.16	15,008.81
Total equity	61,556.79	61,435.36
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	24,282.60	25,067.31
Lease liabilities	2,685.91	4,192.15
Other financial liabilities	1,419.04	1,838.86
Provisions	624.73	645.66
Other liabilities	15,676.35	16,147.13
Total non-current liabilities	44,688.63	47,891.11
Current Liabilities		
Financial liabilities		
Borrowings	15,450.14	13,614.89
Lease liabilities	2,135.31	1,523.05
Trade Payables		
outstanding dues of micro and small enterprises	1,015.41	1,046.31
outstanding dues of creditors other than micro and small enterprises	7,538.48	8,170.04
Other financial liabilities	7,046.03	6,207.81
Other current liabilities	5,974.33	6,540.56
Provisions	191.66	234.68
Current tax liabilities (net)	837.80	436.37
Total current liabilities	40,189.16	37,773.71
Total liabilities	84,877.79	85,664.82
TOTAL EQUITY AND LIABILITIES	146,434.58	147,100.18





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Consolidated Unaudited Statement of Cash Flows for the half year ended 30 September 2021

(₹ Lakhs)

Particulars	30 September 2021 (Unaudited)	31 March 2021 (Audited)
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	517.40	(201.85)
Adjustments for :		
Depreciation and amortisation expense	2,023.79	4,994.95
Liabilities no longer required / excess provision written back	(639.74)	(1,497.98)
Share based payment expenses	34.07	187.16
(Profit) / Loss on sale / discard of property, plant and equipment / intangible assets	56.50	27.78
Impairment loss on Property, plant and equipments	-	103.76
Gain on derecognition of right-of-use assets	(46.10)	(238.57)
Net gain on sale of investments	-	(24.44)
Net loss on foreign exchange transaction and translation	-	0.61
Interest expense	2,233.25	5,077.11
Allowances for credit losses	582.45	2,229.40
Amortization of ancillary borrowing costs	-	6.26
Unwinding of discount on security deposit	(405.93)	(315.12)
Interest income	(575.17)	(3,179.19)
Operating profit before working capital changes	3,780.52	7,169.88
Changes in working capital :		
(Increase) / Decrease in inventories	105.07	704.15
(Increase) / Decrease in trade and other receivables	(768.88)	(1,907.65)
Increase / (Decrease) in trade and other payables	(839.88)	(4,101.01)
Cash generated from operations	2,276.83	1,865.37
Income tax paid (net)	(170.33)	(622.37)
Net cash flow from operating activities (A)	2,106.50	1,243.00
B. Cash flow from investing activities		
Purchase of property, plant and equipment / intangible assets / investment property / capital work-in-progress	(59.28)	(133.82)
Sale of property, plant and equipment / intangible assets	104.98	62.34
Proceed from/(Investments) in deposits with bank	(12.50)	612.09
Investments in margin money deposit with bank	(278.03)	-
Sale of non current investments	-	1,051.93
Loans given to others	(340.96)	(565.30)
Receipt of Loans given to others	162.21	-
Dividend received	-	10.32
Interest received	0.32	388.25
Net cash flow from / (used in) investing activities (B)	(423.26)	1,425.81
C. Cash flow from financing activities		
Proceeds from non-current borrowings	217.22	1,569.00
Repayment of non-current borrowings	(602.28)	(1,475.82)
Payment of lease liabilities (including interest)	(614.42)	(1,225.45)
Interest paid	(640.95)	(1,779.67)
Net cash flow from / (used in) financing activities (C)	(1,640.43)	(2,911.94)
Net cash flow during the period/year (A+B+C)	42.81	(243.13)
Cash and cash equivalents at the beginning of the year	566.27	809.40
Net cash and cash equivalents at the end of the period/year	609.08	566.27
Add : Balances earmarked	1,051.51	760.21
Cash and bank balances at the end of the year	1,660.59	1,326.48

Notes:

1. Component of cash and bank balances as follows	30 September 2021	31 March 2021
Cash and cash equivalents	609.08	566.27
Bank Balances other than cash and cash equivalents	1,051.51	760.21
Total	1,660.59	1,326.48





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Consolidated Unaudited Financial Statements for the quarter and half year ended 30 September 2021

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 half year ended 30 September 2021

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
- Educational services and related activities	3,383.49	4,569.70	5,457.06	7,953.19	11,316.24	16,548.88
- Construction and leasing (for education)	582.56	425.37	755.90	1,007.93	1,379.58	3,252.03
- Training, manpower and related activities	1,431.98	1,505.53	1,519.96	2,937.51	3,498.76	6,474.51
Total segment revenue	5,398.03	6,500.60	7,732.92	11,898.63	16,194.58	26,275.42
Less: Inter segment revenue	29.98	32.14	106.01	62.12	300.56	563.17
Net sales / income from operation	5,368.05	6,468.46	7,626.91	11,836.51	15,894.02	25,712.25
Segment results (Profit before tax and interest from ordinary activities)						
- Educational services and related activities	165.81	639.98	259.77	805.79	771.09	(2,544.48)
- Construction and leasing (for education)	252.27	92.14	425.07	344.41	691.62	1,878.08
- Training, manpower and related activities	12.28	22.66	(12.70)	34.94	(0.86)	(18.86)
Total Segment results	430.36	754.78	672.14	1,185.14	1,461.85	(685.26)
Add/(less):						
Finance costs	(1,107.40)	(1,125.90)	(1,268.96)	(2,233.30)	(2,511.44)	(5,149.12)
Interest income/(reversal)	(231.41)	806.58	815.79	575.17	1,649.91	3,268.23
Other income	844.93	145.46	523.83	990.39	686.35	2,364.30
Total Profit before tax from ordinary activities	(63.52)	580.92	742.80	517.40	1,286.67	(201.85)
Segment assets						
- Educational services and related activities	56,485.14	58,052.82	65,387.78	56,485.14	65,387.78	58,059.24
- Construction and leasing (for education)	76,544.36	75,758.92	75,121.61	76,544.36	75,121.61	75,985.90
- Training, manpower and related activities	2,030.94	1,931.52	1,522.27	2,030.94	1,522.27	1,862.15
- Unallocated	11,374.14	11,386.42	11,890.37	11,374.14	11,890.37	11,192.89
Total segment assets	146,434.58	147,129.68	153,922.03	146,434.58	153,922.03	147,100.18
Segment liabilities						
- Educational services and related activities	33,931.85	30,306.63	32,870.19	33,931.85	32,870.19	30,584.80
- Construction and leasing (for education)	14,930.10	13,017.87	14,403.53	14,930.10	14,403.53	13,569.76
- Training, manpower and related activities	1,043.87	1,013.90	1,136.07	1,043.87	1,136.07	994.66
- Unallocated	49,834.13	56,042.14	57,695.58	49,834.13	57,695.58	55,524.41
Total segment liabilities	99,739.95	100,380.54	106,105.37	99,739.95	106,105.37	100,673.63
Net Capital Employed	46,694.63	46,749.14	47,816.66	46,694.63	47,816.66	46,426.55

Notes to the Statement of Consolidated Unaudited financial results for the quarter and half year ended 30 September 2021 :

- 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 29 October 2021.
- 2 These consolidated unaudited 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 The Holding Company and its subsidiaries (together referred to as the Group) has loans and other receivables of Rs 4,710.58 lakhs (net of provisions on consolidated basis) outstanding as at 30 September 2021 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. Thereafter we have witnessed a Second Covid wave during the peak-admission season which has resulted in deferment of recovery process beyond what has been envisaged prior to second COVID wave. We anticipate return of normalcy in 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.
- 5 The consolidated financial statements as at 30 September 2021 include goodwill having carrying value of Rs 31,323.64 lakhs on acquisition of its subsidiary company viz MT Educare Ltd (MTEL). Due to the prevailing unprecedented COVID-19 pandemic situation further prolonged by continuous lockdowns and restrictions in movements imposed at regular intervals by State and Central Governments, the Group has not been able to carry out a detailed and comprehensive assessment of the asset in accordance with the principles of IND-AS 36 "Impairment of Assets" and hence no adjustments have been considered by the Group to the carrying value of Goodwill as at 30 September 2021. Moreover, the Group's investment in MTEL is strategic in nature and any impact due to COVID-19 is short term in nature and hence no impairment is required.
- 6 The Group has undertaken various Central and State Government/ Agencies, projects in education/skill development sector. Most of these projects are complete, however the dues outstanding (net of provisions) of Rs. 3,049.92 lakhs from the concerned department/ agency have not been realized mainly on account of delays and long process . In the opinion of the management, it has made necessary provision, wherever required and such balances are fully recoverable.
- 7 Yes Bank Limited (Yes Bank) has vide its notices dated 2 August 2021 and 9 August 2021 addressed to the Holding Company and its subsidiary, viz Digital Ventures Private Limited (DVPL) respectively has invoked the Corporate Guarantee upon defaults in repayment of credit facilities availed by various Trusts during the COVID-19 Pandemic, 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 have been received by the Holding Company and DVPL on 10 August 2021.
The pandemic Covid-19 has caused disruption in the activities especially in the education sector and till date, there are restrictions on carrying out the operations of schools under the brick and mortar model. These Trusts have been running all their operations under the brick and mortar model in pre-covid era and hence their operations have been adversely impacted. The Holding Company has been providing its brand and other specialized facilities to these Trusts.
While the Trusts have switched to digital mode of imparting education, the envisaged growth at the time of availing facilities is hampered due to Covid-19. The Holding Company along with the Trusts is taking requisite steps including restructuring of these credit facilities. In this regard, the Holding Company is of the opinion that an amicable resolution will be achieved at the earliest.
- 8 During the quarter, the Company has defaulted in repayment of Term Loan of Rs. 1,498.05 lakhs (including interest of Rs. 98.05 lakhs) taken from Development Credit Bank (DCB).
- 9 During the quarter ended 30 June 2021, one of the subsidiaries viz Digital Ventures Private Limited (DVPL) has defaulted in repayment of loan taken from Tamilnad Mercantile Bank Limited (TMB). DVPL is in discussion with TMB and evaluating the options for orderly restructuring of the loan.
- 10 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30 March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.
- 11 The subsidiary company viz MT Educare Limited (MT) and its subsidiaries (together referred to as MT Group) is in the process of finding amicable resolutions to the disruptions caused under Covid -19 scenario and thus clearing the old outstanding dues towards its Customers, creditors and other parties. As a result the MT Group has not been able to finalise such balances resulting in delay in obtaining its balance confirmations. Hence, the reconciliation could not be carried out for the half year ended 30 September 2021.
- 12 The nation-wide lockdown due to spread of COVID-19 and other significant restrictions imposed on the movement had an impact on the businesses of the Group. However, during this period, the Group has taken lots of efforts to keep the disruption in the business to the minimum.
In preparation of these consolidated financial results, the Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to the assessment of liquidity and going concern, recoverable value of its financial and non-financial assets, and the impact on revenues. Based on current indicators of future economic conditions, the Group expects to fully recover the carrying amount of its assets. Basis the Group's projected cash flows for the next one year, management has concluded that the Group will have sufficient liquidity to continue its operations, although it expects possible delays with respect to collections from its customers. The extent of the impact on the Group's operations remain uncertain and may differ from that estimated as at the date of approval of these consolidated financial results and will be dictated by the length of time that such disruptions continue which will in turn depend on the currently unknowable duration of COVID-19 and among other things, the impact of governmental actions imposed in response to the pandemic. The Group is monitoring the rapidly evolving situation and its potential impacts on the Group's financial position, results of operations, liquidity and cash flows.
- 13 The Covid-19 pandemic has caused an adverse impact on the business operations of the Group and their financial health. The Group and its certain subsidiary companies have defaulted in debt obligations and the Company/Subsidiary has received notices for invocation of corporate guarantee(s). These indicate the existence of uncertainty that may cast doubt on the Group's ability to continue as a going concern. However, the Consolidated unaudited financial results have been prepared on a going concern basis based on business potential and the mitigating steps being taken by the Group.
- 14 Previous period figures have been regrouped and rearranged wherever considered necessary.

Mumbai, 29 October 2021

For and on behalf of the Board of Directors

Ritesh Handa
CEO & Director
DIN: 02725365

