

Zee Learn Limited
Registered Office:

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Worli, Mumbai - 400 018.
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September 6, 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

Scrip Code: 533287

Symbol: ZEELEARN

Sub: Intimation in respect of letter from SEBI in relation to non-compliance with SEBI(LODR) Regulations, 2015.

Dear Sir/ Madam,

This is to inform you that the Board of Directors of the Company through Circular resolution have taken note of the letter received from the SEBI (Securities Exchange Board of India) dated 18th August, 2021 in respect of certain non-compliances in disclosure of CARE rating on Non-Convertible Debentures (NCD) issued by the Company and default in payment of NCD as per SEBI (LODR) Regulations, 2015.

We hereby intimate the Stock Exchange (i.e BSE & NSE) regarding the receipt of the letter as mentioned above.

You are requested to take the aforesaid information on record.

Thanking you.

Yours faithfully,

For ZEE LEARN LIMITED

Anil Gupta
Company Secretary & Compliance Officer
Encl.: As above



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भारतीय प्रतिभूति
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Securities and Exchange
Board of India

GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT
Compliance and Monitoring Division-2
Corporation Finance Department

SEBI/HO/CFD/CMD2/OW/P/2021/20153/1
August 18, 2021

Shri Anil Gupta
Compliance Officer
Zee Learn Limited
Kohinoor City, A Wing,
513/A, 5th Floor,
Kiroli Road,
Off. LBS Road, Kurla (W)
Mumbai – 400 070

Sub: Warning in relation to non-compliance with SEBI (LODR) Regulation, 2015

1. This has reference to the disclosure dated July 10, 2020 made by Zee Learn Limited ("ZLL / Company") to Stock Exchanges relating to the rating downgrade on July 07, 2020 by CARE of NCDs issued by the Company.
2. The regulatory provisions in respect of disclosure of revision in ratings and default of unlisted NCDs issued by listed entities as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), are as under:

a. Disclosures on revision in rating

- i. Regulation 30 (2) of LODR Regulations - *Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.*

As per Clause 3 of Para A of Part A of Schedule III, revision in rating is deemed to be a material event, requiring disclosure without any application of materiality.

- ii. Further, in terms of SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015, the following disclosures should be made on revision of ratings:

The listed entity shall notify the stock exchange(s), the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument

In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.

- iii. Regulation 30 (6) of LODR Regulations - *The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information:*

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 26449000 / 40459000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel.: 2644 9950 / 4045 9950 (IVRS), 26449000 / 40459000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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Provided that in case the disclosure is made after twenty-four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay.

b. Disclosure of defaults on payment of interest / principal amount on unlisted debt securities

As per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019:

- i. *Listed entities are required to disclose any default in unlisted NCDs, promptly but not later than 24 hours from the occurrence of the default.*
 - ii. *Default for the purpose of this circular shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable ('pre-agreed payment date').*
3. The chronology of events with regard to the NCDs issued by ZLL, is brought out below:
- a. On June 22, 2020, ZLL filed a writ petition in Bombay High Court, seeking extension in time to repay NCD (unlisted) dues to UTI Mutual Fund. While the due date for payment was July 08, 2020, the payment was not made on that date.
 - b. On July 07, 2020, CARE issued a press release, downgrading the NCDs issued by ZLL from AA to B-, *inter-alia* on account of DSRA not being funded on time.
 - c. Subsequently, the Company made a disclosure dated July 10, 2020, *inter-alia* informing about the writ petition filed in Bombay High Court and contesting the rating action taken by CARE.
 - d. On July 13, 2020, the Bombay High Court dismissed the writ petition filed by the Company and the next day, the Company disclosed to Stock Exchanges that the amount in relation to the NCDs had been paid to UTI Mutual Fund.
4. On seeking reasons for the delay in disclosure of rating downgrade, the Company in its reply to NSE claimed that it had received the press release regarding rating downgrade from CARE on July 08, 2020 and in its reply to SEBI claimed that the press release was received on July 10, 2020. However, from the correspondence obtained from CARE in this regard, it is seen that vide email dated July 06, 2020, CARE had sent the draft press release regarding rating downgrade from AA to B-Negative, to the Company. Further, the Company had filed a representation on the draft press release on July 07, 2020 to which CARE had responded on the same day itself, and the press release was then issued.
5. It is observed that as per the requirements of Regulation 30 of LODR Regulations, the Company failed to disclose the information on the rating downgrade to B-Negative (that occurred on July 07, 2020) to stock exchanges, within 24 hours of the event. Despite the



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delay in disclosure, no explanation for delay accompanied the disclosure dated July 10, 2020. Further, in terms of SEBI Circular dated September, 09, 2015, while making the disclosure dated July 10, 2020, the following details were not included:

- a. Details of revision in rating and
- b. Reasons provided by the rating agency for downward revision of ratings

While the press release on rating downgrade by CARE was already in the public domain, the Company failed to make timely and adequate disclosures as per the requirements of LODR Regulations. Therefore, the Company is in violation of Regulation 30 of LODR Regulations read with the provisions of SEBI Circular dated September, 09, 2015.

6. Since the NCDs were not redeemed on the maturity date, as per SEBI Circular dated November 21, 2019, disclosure should have been made of the non-payment of NCDs within 24 hours. It is however observed that no such disclosure of delay / default in payment in terms of the aforesaid circular was made. The Company is thus in violation of the aforesaid Circular dated November 21, 2019.
7. In addition to the above, the Company deliberately provided incorrect and different information to NSE and SEBI regarding the timing of receipt of press release from CARE.
8. The aforesaid non-compliances are viewed seriously. You are hereby warned and advised to exercise due diligence for ensuring timeliness, accuracy and adequacy of disclosures. Any such aberration in future would be viewed seriously and appropriate action would be initiated.
9. You are also advised to place this letter before your Board of Directors in its next meeting and disseminate the same to the stock exchange(s). The stock exchanges are advised to take note of the contents of the letter.

Yours faithfully,


Surabhi Gupta

Copy to BSE and NSE (via email)