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www.zeelearn.com

September 26, 2016

BSE Limited
National Stock Exchange of India Limited
Luxembourg Stock Exchange

Kind Attn.: Corporate Relationship / Listing Department

BSE Scrip Code: 533287

NSE SYMBOL: ZEELEARN

Dear Sir/ Madam,

Sub: Compliance under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Zee Learn Limited for the financial year 2015-16.

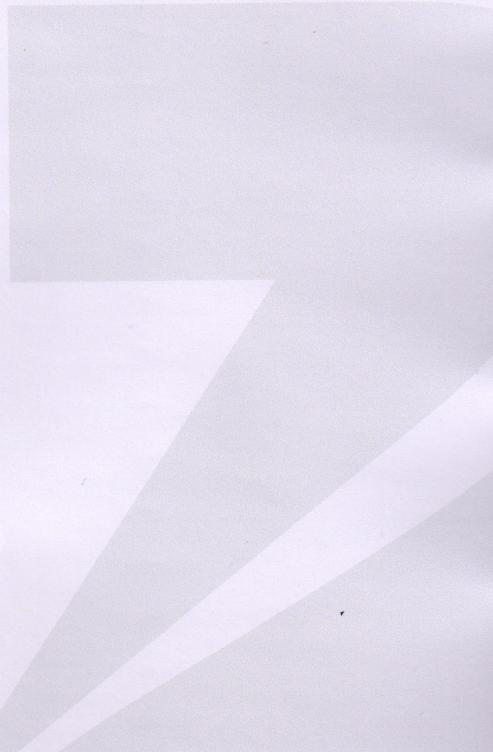
Kindly acknowledge the receipt.

Thanking you.

Yours faithfully,

For Zee Learn Limited

Hemangi Patil
Company Secretary
ACS19644



THINK EDUCATION. THINK ZEE LEARN.





THINK EDUCATION. THINK ZEE LEARN.

**SCRIPTING A GROWTH STORY.
BY WRITING NEW CHAPTERS
FOR INDIAN EDUCATION.**



ANNUAL REPORT 2015-16



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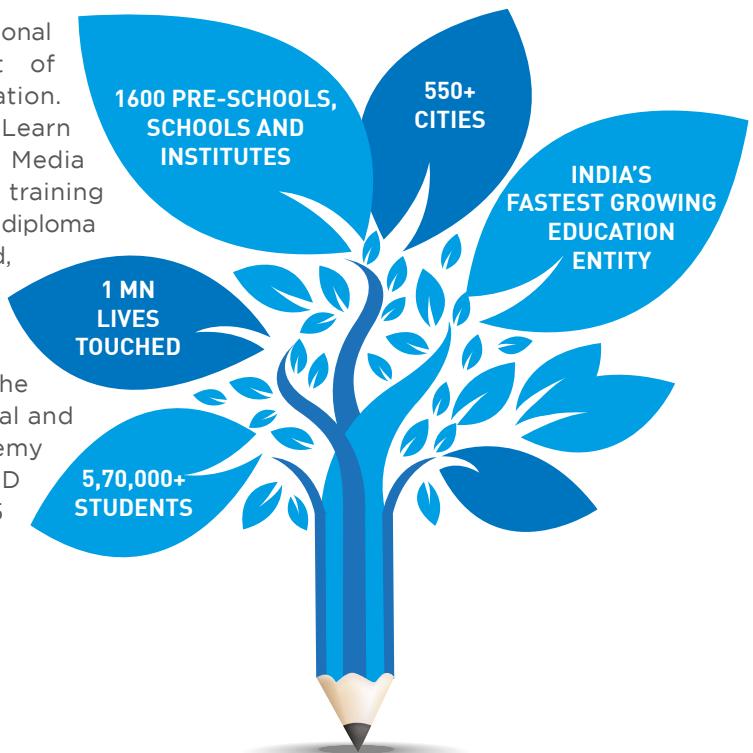
Zee Learn is India's leading company in education segment with the fastest growing chain of K-12 schools and Asia's No. 1 chain of pre-schools in its portfolio.

Zee Learn acts as a consultant to local entrepreneurs who wish to setup K-12 schools, under its brand name Mount Litera Zee Schools and provides end to end education management and advisory services. Mount Litera Zee School is now the second largest chain of schools in the private-unaided category with over 103 schools in 98 cities and is also the fastest growing chain in India.

Zee Learn also runs Asia's No. 1 chain of pre-schools, Kidzee with more than 1500+ pre-schools in 550 + cities. Kidzee is a pioneer in organized and standardized pre-schooling in the country. Kidzee has touched the lives of more than 400,000 children since its inception in 2003.

In the wake of the recent increase in disposable incomes in the country and rising awareness of global standards of education amongst parents, there is a demand for international standard pre-schools.

Today's youth is looking for vocational education outside the ambit of traditional higher education. Acknowledging this fact, Zee Learn has developed Zee Institute of Media Arts (ZIMA), a TV and Film training institute in Mumbai that offers diploma courses in Direction, Acting, Sound, Editing, Production and Cinematography. Another offering from the company, Zee Institute of Creative Art (ZICA) is the nation's first full-fledged Classical and Digital Animation Training Academy that trains youth in classical 2D and modern 3D animation in 15 cities across the country.



NOT JUST ACCOLADES,
BUT REASON OF OUR PRIDE.



BOARD OF DIRECTORS

AJAY KUMAR,
Executive Director

HIMANSHU MODY,
Non-Executive
Director

SURJIT BANGA,
Independent Director

DR. SANGEETA PANDIT,
Independent Director

DR. MANISH AGARWAL,
Independent Director

SENIOR MANAGEMENT

**DEBSHANKAR
MUKHOPADHYAY**
Chief Executive
Officer
(w.e.f. July 1, 2016)

UMESH PRADHAN
Manager & Chief
Financial Officer

HEMANGI PATIL
Company Secretary

ABHINAV UPADHYAY
Head - Marketing
and Innovation

DEEPA GEORGE
Head - Legal

VIKASH KAR
Head -
Human Resources

**SUKHVINDER
SINGH BINDRA**
Business Head -
Kidzee

NITISH MENON
Business Head -
MLZS Partner Schools

MAYANK JAIN
Business Head -
Managed Schools

BRIJESH JADIA
Head - Supply Chain
&
Commercials

SANTOSH GUPTA
Head - Information
Technology

KRISHNAN IYER
Head - Vocational
Business
(w.e.f. August 22,
2016)

HAYYUR SHAIKH
Head -
Infrastructure

CEO'S MESSAGE

21st century is the century of knowledge and the world has always looked at India whenever knowledge finds prominence. Emergence of knowledge society is no more a slogan but has become a reality. Knowledge will be the fountainhead of all the activities that happen in human development.

- Hon. Prime Minister, Shri Narendra Modi

I have joined this esteemed organization from 1st July, 2016. The above words of Shri Narendra Modi, honorable Prime Minister of India, sum up the reality of today's world. The world is truly becoming a knowledge led economy and India is uniquely positioned to be a key global knowledge powerhouse. I take immense pride in the fact that Zee Learn Ltd. through its varied forays including Early Childhood Care and Education (ECCE), K-12 School Education, Youth and Vocational education. Zee Learn Ltd. is playing a strong and well recognized role in transforming the education system in India and in helping the nation leverage its potential to be a knowledge powerhouse while also creating educational entrepreneurs across the length and breadth of this country.

We are a nation where education is seen in terms of not only degrees and certificates, but as the avenue for economic, cultural and social growth. Over the past few years, the Indian education system has undergone noticeable changes. The changes could be attributed to the government's relentless focus on reforms related to education, business and entrepreneurship. In the recent past, we have seen vigorous initiatives being taken in crucial sectors like skill building, technical education, digital learning and education as a whole. In such a positive atmosphere in the country and with the support from all our

stakeholders, Zee Learn has achieved a net profit for FY16, up by 57% over FY15. On March 31, 2016, the net profit stood at Rs. 150.69 mn, up against net profit of Rs. 96.23 mn for the corresponding year ending March 31, 2015. It is an honor to be a part of this growth journey.

2016 has been a very promising year for Zee Learn, with consolidated revenue from operations for the year ending March 31, 2016 at Rs. 1513.28 mn, up against Rs. 1277.83 mn for the corresponding year ending March 31, 2015. Consolidated operating EBITDA for the year ending March 31, 2016 stood at Rs. 432.66 mn, up against Rs. 306.08 mn for the corresponding year ending March 31, 2015, showing a 41% growth over last year. These numbers tell a story of a vigorous brand that is rapidly growing in the Indian education system.

Over the last year, we have grown significantly in numbers, reaching the milestone of over 1500 Kidzee (pre-school chain) centers and 103 Mount Litera Zee School (K-12 school chain) centers by the end of FY 2015. To ensure that the best Early Childhood Care and Education (ECCE) and K-12 education reaches to more children in India, Zee Learn is rapidly expanding in tier-2 and tier-3 cities. It is a matter of pride for Zee Learn to grow at this rate. On an average, we are adding 300-400 Kidzee and 10-15 Mount Litera Zee

School every year to our portfolio. This growth rate is unprecedented for any education company in the country.

Our population is dominated by youth; 65% of our population is under 35 years and this opens up a window of huge possibilities. Another significant feature of our social economy is the importance given to education, with spending on education accounting for the second highest share of wallet for middle-class households. These two factors support Zee Learn and are important vehicles for our growth. Our vision to improve human capital through quality education and development resonates with the government's effort in 'Skill India' and 'Make in India'. These synergies show that we are moving ahead in the right direction towards greater heights as an organisation.

India has 158.7 mn children in the age group of six years and below category as per the Census 2011, and addressing the early childhood care and education needs of these children is a question of child rights. Zee Learn is broadening offerings in this segment to serve as many age groups and requirements as possible. To that end, we launched an innovative offering, Kidzee Learning Tablet, in 2016. We have taken the amalgamation of learning and technology a notch higher and have created a learning tablet with content curated by academicians and child development experts. The learning platform and the apps on the tablet are suitable for age-appropriate easy learning and assessment.

Zee Learn has been empowering aspiring entrepreneurs by enabling them with the required tools through the franchising business model. We are delighted to inform that nationwide nearly all of the Kidzee centers are run by women entrepreneurs and 100% of teaching and non teaching staffs are women. Zee Learn as a brand believes in developing the community to grow itself. Flexible timings, mid-size investment, advanced academics, training, technological and logistical backing along with operational autonomy are key reasons for women to start a Kidzee center and be self-reliant by actively contributing towards nation building.

With Asia's largest pre-school chain, Kidzee, and the second largest network of K-12 schools in the private-unaided category, Mount Litera Zee School, the way forward for Zee Learn is stable and exciting. Zee Learn has been a pioneer in terms of pedagogy, use of technology, offering engagement platforms for parents and teachers, seminars and workshops to create awareness on child related issues etc. In the skill development sector, Zee Institute of Creative Arts (ZICA) and Zee Institute of Media Arts (ZIMA) are known to offer best media and arts related vocational courses in the industry. A good number of our alumni are working on prestigious projects with the best people in the media industry.

2015-2016 has been an exceptional year in terms of accolades as well. Zee Learn Ltd. is India's 'Most Trusted Organization in Diversified Education' according to Trust Research Advisory (TRA); this is the second time we are conferred with this recognition. TRA rated Kidzee as the 'Most Trusted pre-school Brand' and 'Most Attractive Brand' in the pre-school category. India Education Congress awarded Mount Litera Zee School chain as the 'K-12 School Chain of the Year'. In the franchising world, Kidzee was ranked among India's Top 100 Business Opportunities by Franchise India in 2015.

Going forward, we would be venturing into new growth areas to consolidate our core strengths and offer innovative educational services to stay ahead of the curve. Geographical expansion into smaller and bigger markets alike would be firmly on the agenda. We are investing in research to better our current offerings and identifying new products and services.

I believe that we have the potential to accomplish much more than what we have today. Together we can be the market leader and biggest education provider out there. We are growing by the day, and are incessantly working towards an inclusive growth by collaborating with the society. I look forward to your continued support to create an organisation that would be the benchmark in the Indian education sector for the years to come.

Best Regards,

Mr. Debshankar Mukopadhyay
CEO, Zee Learn Ltd.

OUR BRANDS & KEY INITIATIVES



The pre-school industry is still in its nascent stage in India with approximately 3% penetration. Considering the average enrollment in a pre-school is 75 kids per center, 113 mn kids would require over 15 lakh centers. However, as of today, India has a severe shortage of pre-school centers due to low awareness of Early Childhood and Care Education ECCE. As a market leader, Kidzee has made it a mission to create greater awareness about ECCE through seminars conducted across the length and breadth of India. To augment, over 400 seminars were conducted and there has been a significant digital drive for the same. Kidzee strongly believes in filling this void by expanding its footprint of new pre-schools across cities and towns in India. This year, company has thrown open 300 centers and signed up 413 new centers. The number of students enrolled has increased to over 16% in Kidzee centers across India. Moving the growth curve upwards, our aim will be to empower every child with quality pre-school education within its reach.

Having started 1500+ centers in 550 cities spread across the depths of India, Kidzee is contributing to the task by educating children in the remotest of places. Apart from this, Kidzee is doing something

extraordinary for the country. It is giving wings to the dreams of women entrepreneur in India by offering them an opportunity to start their own business. All Kidzee centers are run by women, strategically making the brand an important element in the women empowerment story of the country. Additionally, all facilitators and support staff are also women thereby providing them an opportunity to be recognized for their efforts and be even more productive for the nation's growth.

Kidzee is working towards realizing the entrepreneurial aspiration of the country. As per the sixth economic census, women constitute only 13.76% of the total entrepreneurs that is only 8.05 mn out of the 58.5 mn in India. The wide gap in the number opens a window of opportunity for women; and Kidzee is supporting them via its educational franchisee route. Flexible timings, mid-size investment, advanced academic training, technological and logistical backings along with autonomy are key reasons for women to start a Kidzee center and be self-reliant and to actively contribute towards nation building.



With the child centric approach of “what is right for the child” – Kidzee has strived to nurture the unique potential in every child. A testimony to our commitment is that 84 per cent parents associated with us, are happy with the growth and development they see in their child after being part of Kidzee family. Moreover, Kidzee has delivered value and socially benefitting enterprising prospects for their franchise partners. 76 per cent business partners are satisfied with their overall experience with Kidzee and more than 50 per cent of them are either expanding existing centers or opening up new ones. Kidzee, which has been at the forefront to develop pre-school industry in India, is now accredited with the creation of an industry which is estimated to be Rs. 13, 300 crore by 2015-16. We have reiterated our leadership by strongly focusing on various elements associated with pre-school business in India right from pedagogy, child safety, smart technology adoption and employment for all.

Last year, a new curriculum, Interactive iLLUME was introduced by Kidzee and was widely appreciated by parents and partners alike. This was reflected in the customer satisfaction scores reaching an all-time

high of 88%; with parents rating the teaching and curriculum and the learning and development observed in their children. The components that were included are a new phonics and English readiness program, new and improved worksheets, an innovative word builder, descriptive charts, story cards and picture flashcards among others. The learning experience had major technology components in the forms of creative audio-visuals for engagement and learning, CDs with original rhymes for concepts and phonics, talking pen and talking-pen-enabled books and cards, and proprietary native apps for tablet devices. Over 700 centers Kidzee centers have moved on to the new curriculum in the year 2015-16. With the Interactive iLLUME, we ensure that the Kidzee children have the best possible pre-school experience available yet in India.



WHERE KIDS LOVE TO LEARN

Our company has carved out a strong niche for itself in the Early Childhood Education space with Asia's largest pre-school chain – Kidzee. With over 1,500 pre-schools across the country, Kidzee is synonymous with quality education and care in the early childhood education space and we have made every effort to strengthen that leadership position for ourselves in the market place.

Some of the key initiatives that drove traction for the brand on ground are enumerated below:

**OVER
1,10,000
ENROLLMENTS**

**MOST
TRUSTED
PRE-
SCHOOL**

**OVER
700
KIDZEE CENTERS
MIGRATED TO
INTERACTIVE
iLLUME**

**CONSUMER-
FRIENDLY**

Kidzee crossed the milestone of over 1 lakh 10 thousand enrollments in a financial year for the first time ever which denotes the trust that parents place in the brand nationally.

Kidzee was awarded the most trusted pre-school thrice in a row by brand trust report.

The upgraded Interactive iLLUME curriculum which has been developed through extensive research and testing places us strongly with respect to our ability to stay ahead of competition from a delivery perspective. The curriculum was widely accepted by all the Kidzee centers. Over 700 Kidzee centers have migrated to Interactive iLLUME.

Along with the upgradation of our pedagogy and curriculum, Zee Learn also undertook an exercise to make the Kidzee brand more consumer-friendly and modern. This is a step which will help the brand stay ahead of competition in terms of attracting more consumers and building greater brand affinity.

AWARD AND RECOGNITION

Kidzee has always focussed on driving greater consumer trust and recognition and was recognized as one of the Most Trusted Brands in the Pre-school category by Brand Trust Advisory - 2015.

Recognized as Franchisor of the Year - 2015 by Franchise India.

In our Consumer Satisfaction Survey, over 85% of our parents and partners across India gave us a rating of Excellent.



Our company undertook an extensive exercise to revamp the brand website, brand visibility and brand marketing across the country to support the migration to the new Interactive iLLUME and to support the new brand image that we seek to create for Kidzee.

Our company invested behind leveraging the physical network by supporting some key centers via branding elements which will help create greater visibility for the brand.

Keeping in mind our company also looked at leveraging the digital medium extensively and has had a string of successes that positions us well by leveraging the younger parent base that Kidzee addresses.

Our company also started reaching out directly to our customers and consumers through a range of consumer connect initiatives that covered the length and breadth of the country.

1) 25 States
2) 150 cities and towns
3) Over 7,00,000 people reached

4) IMPACT:
Numerous Awards & Accolades for the brand, translating into sense of pride and greater affinity to parents.

Keeping in mind the low awareness of the importance of early childhood care and education in the 0 to 6 age group, Kidzee conducted over 400 Early Childhood Care & Education seminars reaching out to more than 10,000 parents across the length and breadth of the country.

GRASSROOTS MARKETING COMMUNITY OUTREACH

NUTRITION

Nutrition seminars were conducted to highlight the importance of good eating habits and balance food for the kids. Renowned nutritionists were involved to share insights on the importance of early start to eating right and forming good, life-long food habits. The workshop trained parents on food pyramid, serving right portions and increasing immunity by eating right food.

I Care



An initiative to prevent and handle child abuse. These modules were systematically carried out with over 400 Kidzee centers and touched over 15,000 parents nationally.

Through the year, Kidzee continued its commitment of standing for 'what's right for the child' through its child abuse prevention initiative I Care. Through modules designed to educate adults

about child abuse, it teaches to recognize incidence and prevent it further.

As a policy, all adults in the center including teachers and support staff are trained under I Care. This is further taken to parents and this year, Kidzee took this initiative to the community at large by conducting events at RWAs and Corporates.

Every Kidzee pre-school in the country aims to sensitize maximum adults in their catchments about the incidence of child abuse, thereby aiming to create an abuse-free and nurturing environment for every child.

WORLD ENVIRONMENT DAY

On World Environment Day in June, Kidzee pre-schools across the country celebrated the occasion by educating the community on the huge environmental issues looming ahead and distributed saplings amongst adults in their catchment. They spread the message of conserving the environment



so that they can have a safe and healthy planet to live in when they grow up.

YOGA DAY

This year, Kidzee celebrated International Day of Yoga for the first time. The activity introduced young children to the ancient forms of yoga and enabled them to lead a workshop for parents and adults. The children practiced the yoga postures for a week before conducting the session on June 21.

DONATION DRIVE IN ASSOCIATION WITH MADRAS ROUND TABLE

In association with Madras Round Table (MRT) 1, Kidzee participated in a city-wide donation drive in Chennai. As part of this activity, Kidzee pre-schools encouraged children to donate their toys, books and clothes to underprivileged and less fortunate children. Values of compassion and social service were taught to the children through this initiative.

WORLD HEART DAY

On September 29, Kidzee associated with TOI and MIOT Hospital, Chennai to spread awareness about taking better care of our hearts, health-wise. Apart from the informative module on heart care, Kidzee also conducted the ECCE workshop to generate awareness about Early Childhood category.

KIDZEE TECH FEST

In light of the new products and curriculum that introduced technology-enabled learning in Kidzee, a new concept of Tech Fest was introduced across all centers. The objective was to conduct a carnival which highlights the benefit of learning through technology intervention. This was widely appreciated and was a great platform to showcase the new products under the Kidzee banner.



K-12 segment constitutes 38% of the Indian education segment which is predicted to grow from 44 bn dollars in 2011 to 144 bn dollars in 2020, with an ever evolving aspiration of Indians for better education, the sector is growing at the rate of 14.1%. Currently, as estimated 3 lakhs private schools have 40% of the total student enrollment, projecting a scope of major development in this area, an enormous potential for private school sectors.

This striking observation puts immense emphasis on the growing significance of private sector education. Mount Litera Zee School is the second largest network of schools in the private-aided category among K-12 Schools. This school was founded with an aim to bring a paradigm shift in Indian education system. We believe in defying the age old traditional approach of one-size-fits-all. Providing world class learning environment, we are the fastest growing chain of schools in the country with 95 schools in 89 cities. We strive to fill the need gap in the education system and bring a holistic education system with state-of-the-art infrastructure, contemporary learning and teaching tools and technologies, well researched proprietary content and constructive learning environment.

Our very first step towards bringing the quantum leap in education system; turning the unripe minds of kids into creative geniuses was through Litera OCTAVE. This uniquely designed pedagogy of

Mount Litera Zee School is an integrated educational model which is a result of profound research and development led over the years. It brings together the various quintessential elements of learning such as content, infrastructure, classroom design and assessment; which is rudimentary in a child's development and learning. The interactive skill based program focus on overall development - mental, emotional, social as well as physical. It ensures perfect blend of technology and effective use of e-content, one of its kind blended learning design approach at par with very few schools globally.

Mount Litera Zee School's objective is to create global leaders; to inculcate not only intellectual knowledge, but also to enhance overall personality. While we are the best in academics, we believe that it's equally important to keep our students rooted to the rich cultural heritage of our country. Bearing this thought in mind, we have raised the bar for ourselves by engaging students in activities based around art, culture and music.



I WANT TO CREATE INDIA'S GOOGLE.
I AM A MOUNT LITERAN.

* Indian Educational Congress in 2015.

INDIA'S NO.1 SCHOOL CHAIN OF THE YEAR*



ADMISSIONS OPEN

THINK EDUCATION. THINK ZEE LEARN.

Mount Litera World PreSchool | **Mount Litera School** | **ZIMA**

TO KNOW MORE, CALL 093200 63100
VISIT: WWW.MOUNTLITERA.COM

ADDRESS: _____

PHONE NUMBER: _____

I WANT TO CREATE A GLOBAL MARKET FOR MIRZAPUR'S CARPETS.
I AM A MOUNT LITERAN.

* Indian Educational Congress in 2015.

INDIA'S NO.1 SCHOOL CHAIN OF THE YEAR*



ADMISSIONS OPEN

THINK EDUCATION. THINK ZEE LEARN.

Mount Litera World PreSchool | **Mount Litera School** | **ZIMA**

TO KNOW MORE, CALL 093200 63100
VISIT: WWW.MOUNTLITERA.COM

ADDRESS: _____

PHONE NUMBER: _____

Last year Mount Litera Zee Schools did an association with ZeeQ for Kahaani Express, India's premiere school storytelling event conducted pan India to promote and encourage excellence in the art of storytelling. This activity was conducted over 4 months from August to November 2015 and was conducted with 440 schools across 22 cities. This activity reached 2,64,000 students and all 22 winning entries to be published in a book distributed among 440 schools as part of the library collection. It was a matter of great pride to us to see our very own Urmi Dasgupta from Mount Litera Zee School, Kolkata who took home the first prize.

Through the year, Mount Litera Zee School was involved in a number of key outreach initiatives that involved students, parents and the societies in which our schools exist, having a larger impact on the very ecosystems that we operate in.

On World Yoga Day 2015, Yoga Shivir was held at 62 Mount Litera Zee Schools for students and families along with lectures via experts and the material created by Ministry of AYUSH. There were yoga demonstrations with children being part of the demonstration and over 25,000 students' families and staff members were reached through mailers and

WhatsApp encouraging them to make yoga part of their daily lifestyle.

The Digital Citizenship Program was a major initiative by MLZS to help educate both students and parents the important of responsible usage of digital technology and the perils of social media addiction, as well as how to ensure one's health and family life is not stunted by the usage of digital technology.

Special activity was carried out to mark International Women's Day in March 2016 in MLZS schools. Self defence workshops for young girls were organized in over 20 schools. Not just for MLZS students, this workshop was open to students and parents from outside as well. Additionally, activities on gender equality were also carried out in the schools with support of toolkits from Amnesty International.

Since inception, Mount Litera Zee School has been awarded with many prestigious accolades. This year, 5 schools form Mount Litera Network has been ranked amongst the top schools of their respective cities. Mount Litera Zee Schools ranked no. 1 in Alwar and Amritsar in online presence. Mount Litera Zee School Ghaziabad was one of the shining stars, having ranked no. 1 in Career Advancement and



Academic Ecosystem and Outcomes. In addition to these, Mount Litera Zee Schools in Patna and Dehradun were ranked in the top ten for both Online Presence and Social Impact. The goal of the survey undertaken by Digital Learning Magazine was to identify promising and emerging schools in major metros, Tier-II & III cities across the depth of India.

In addition to accolades for the respective schools, this has also been a year of awards and accolades for the Mount Litera Zee School brand. This year brought two prestigious awards for the brand. Mount Litera Zee School was recognized as "India's Most Trusted School Brand", as per Brand Trust Report, India Study 2015. In addition to this, Mount Litera Zee School was also awarded "K-12 National School Chain of the Year 2015" by Indian Education Awards 2015, Franchise India.

This year also saw a new campaign and re-branding of Mount Litera Zee School with the theme of this year's marketing campaign, "I am a Mount Literan" signalling a new direction for the brand. This new brand identity brought with it a new TVC that was devised after months of pan-India research and was positively received by both parents and stakeholders.



As a result, enrollment was up by 26% with a 59% reduction in marketing cost per enrollment. The "I am a Mount Literan" theme extended to a host of other activities including the look and feel of schools and on ground activities.

Spreading its wings far and wide, Mount Litera Zee School has opened 14 new schools in 2014-15 and signed 14 franchisees, making it one of the most prominent market leaders in K-12 education segment. Currently, the network of Mount Litera Zee School boasts a total student strength exceeding 40,000 and it is our belief that this number will go up much further in the coming years. Going further, MLZS would strongly continue to expand its footprint and ensure that every Indian child is imparted the best of K-12 education.



INTRODUCTION

ZIMA and ZICA has played the role of a catalyst towards empowering India's youth for careers in media and entertainment industry.

The genesis in education wing of Essel Group is the power and prowess behind Zee Learn commenced by our Founder & Chairman, Dr. Subhash Chandra in 1976 is now touching lives of over 20,000 employees and has created business conglomerate having a multi-bn rupees turnover. Our Chairman forayed into visionary categories like Broadcasting, Entertainment, Media, Education and much more.

Zee learn is India's most trusted diversified education brand as per the Brand Trust Report, India Study 2016. Nation building through education is Zee Learn's motto.

DEMOGRAPHICS

Indian demographics state that our population in 0-15 age bracket is larger than all of US population. 48% Indians are less than 24 years old. 57 crore individuals need education.

India has a large and growing young population. 33% of India's population is less than 15 years old compared to 17% of China's population in the same age bracket.

India's literacy rate has gone up to 74% nation-wide for people aged 7 and older from 64.8% ten years ago.

India's education sector is among the world's top 10 at 600 bn dollars equivalent to 37.2 lakhs crore yearly education spend by the government and private households in India is larger than that of the US at comparable prices.

Household spend on education is the chief source of revenue for private education providers. Average spend on education is about 9% of the total household income in 2012. The Indian education spends in public sector is 3.9 lakhs crore equivalent to 66.4 bn dollars, whereas in private sector, it is 33.3 lakh crores equivalent to 555 bn dollars.

Media and entertainment industry will reach 2,272 bn rupees by 2018. The projected compound annual growth rate will be for TV - 15%, for internet advertising - 28%, internet access - 21%, radio - 17%, films - 13% and music - 13%.

There is a huge opportunity in training and education of India's youth to take up careers in the booming media and entertainment Industry.





ZEE INSTITUTE OF MEDIA ARTS - ZIMA is setting new benchmarks in media and entertainment education across India. It is a creative training community for the media and film making industry. Having international standard curriculum for all courses and a cutting-edge technology and infrastructure, ZIMA is proud to be India's first AUTODESK & STEINBERG Certified Training Center. It has a highly experienced faculty from the film and TV industry.

ZIMA offers courses in possibly all domains of film making, be it creative courses like Writing, Direction, Acting, Music and Film Appreciation or technical courses of Cinematography, Sound Recording, Editing and even Production Designing, besides integrated courses.

ZIMA has not only revamped the complete Curriculum taking the leads from the latest international trends, but has also been successful in inviting students from all over the country and even abroad.

ZIMA has also initiated the process of commencing its company owned centers in Jaipur, Delhi and Dehradun.

Through a mix of diplomas and certificate courses, ZIMA and ZICA give opportunities to new entrants as well as industry professionals to upgrade and put value additions to their skills.

While ZICA operates through a mix of franchise spanning to 16 centers along with company-owned ones, ZIMA remains a company-owned one.

Both ZIMA and ZICA assist in career placement to the students.

This year too, the students of both ZIMA and ZICA have won several accolades at various festivals. ZIMA has initiated tie ups with a renowned international university.

This year, ZIMA has participated in various college festivals - Patkar College, Xavier Institute, HKIMSR College, Usha Mittal College, Somaiya College, National College, Thadomal Shahani College, IIT Kharagpur and so on.

ZIMA has had various guest visits including National Award Winner, Director Mr. Hardik Mehta, Mr. Viveck Vaswani and Mr. Ananth Mahadevan.

This year, ZIMA has been taking its students on regular field visits to places like FTII, Divine Sound Studio, MAD Studio, Q Lab, etc.

ZIMA along with other Zee Learn brands participated in Jaipur Literature Festival held in January this year, where it did successful promotion of ZIMA, ZICA, Kidzee, MLZS and Himigri Zee University.

ZIMA has also initiated a one year course in Television Journalism along with ZMCL which includes a vast training platform in Journalism, Anchoring, Reporting, Graphics, News Cinematography, Editing, Digital Media, etc. to be operational from July-August 2016.

ZIMA Jaipur is being constructed in the state of the art premises of Zee Studios at Jaipur having a plush area of 10,000 sq. ft. with 4 shooting floors and 8 editing rooms already in operations. Additional space of 40,000 sq. ft. will also be available for ZIMA to be put up in the upcoming admin building.

ZIMA along with Zee Studios, Jaipur has also commenced its operations at Jaipur City Zee News premises, from where, students will be taken to Zee Studio for visits and practical training.

Commenced on 27th August 2004, ZIMA has completed 12 successful years of its operations. Most of ZIMA students are independently making Feature Films, Serials and Documentaries.





In 2016, ZICA has entered into continuously progressing 21st year. ZICA has adopted a novel training style with vast emphasis on the principles of Art and Design.

ZICA is equipped with high-end animation tools, 2D animation facilities, 3D softwares, VFX labs and imaging technologies. Currently, ZICA is operating in 16 locations pan India. Mumbai in Maharashtra, Vadodara and Surat in Gujarat, Kochi in Kerala, Chennai in Tamil Nadu, Bathinda in Punjab, Lucknow and Noida in Uttar Pradesh, Bhubaneswar in Odisha, Indore in Madhya Pradesh, Bengaluru and Mangalore in Karnataka, Ranchi in Jharkhand, Dehradun in Uttarakhand, Jaipur in Rajasthan and Guwahati in Assam.

ZICA student, HIRAN RADHAKRISHNAN, who had taken Diploma in Animation course, is placed in England based company. He also received travelling arrangements from the company itself.

3D Animation Short Film "The Shiner" created by ZICA, Indore has got another appreciation at Chitra Bharti Film Festival, Indore. Eminent film makers of the country, Director Mr. Madhur Bhandarkar, Actor Mr. Mukesh Tiwari, Director Mr. Rahul Rawail, Mr. Sudipto Sen and Mr. Kailash Vijayvargiya, the National General Secretary of BJP presented the Award at University Auditorium on 28.02.2016. ZICA Indore received certificate, trophy and a cash prize of Rs. 11,000.



NEW INITIATIVES



WHERE KIDS LOVE TO LEARN

KIDZEE LEARNING TABLET



Kidzee introduced Kidzee Learning Tablet in technical collaboration with Eddy for pre-schoolers. The learning tablet offers innovative edutainment content on an intelligent platform that offers a structured learning path along with assessment and quizzes. With over 250 age-appropriate videos and games, the tablet is a safe and engaging way of introducing children to technology-based learning. Strong parental control keeps the device safe and the sturdy design of the device slows the usual wear and tear.

KIDZEE PRE-SCHOOL TEACHER TRAINING PROGRAMME

With the growing demand and recognition for early childhood education, there is a need to have quality educators in the field. To meet this need, Kidzee launched the Pre-school Teacher Training Programme (PTTP) in March 2016. This teacher-training programme will lead to the creation of a class of quality educators in the pre-school segment.

Program Highlights:

- Effective practices for children: every module of the programme is based on the most effective ways/practices for child development in a pre-school or at home
- Instructional theory lectures with hands-on learning experience: the program will ensure better understanding of theory with its execution and implementation in a pre-school
- Experienced and professional guest lecturers: experts of various domains will be arranged to address program participants and share their rich experience
- Child psychology and behavior management: this will empower parents and teachers to understand the concept of child development
- Job placement: we will assist the participants to get placed at Kidzee subject to vacancy

KIDZEE CAMPS

Kidzee organized summer and winter camps in 2015. The theme of the summer camp was Internationalism, which exposed the children to music, art, dance, stories and cuisine from countries around the world.

For winter camp, we had the theme of Sci-Fi. Children explored aliens, robots, planets and gizmos in the realm of fantasy and got to see Santa in a sci-fi avatar.



PARTICIPATION IN BRITISH COUNCIL PROGRAMMES

Many Mount Litera Zee Schools have participated in various educational initiatives from the British Council India.

Core Skills Professional Development Workshop

This is teacher professional development programme focuses on development of core skills and competencies by supporting teachers to develop their pedagogy in the areas of critical thinking and problem solving, collaboration and communication, creativity and imagination, citizenship, digital literacy, student leadership and personal development. Thirty-four teachers from 17 schools participated in this four days workshop. British Council acknowledged teachers from two of our schools (MLZS South Bangalore and MLZS Karnal) for creating outstanding learning designs.

International Schools Award

British Council India has conferred the International Schools Award (2016-2019) to seven Mount Litera Zee Schools in 2016. The seven schools awarded for ISA were MLZS Alwar, MLZS South Bangalore, MLZS

Roorkee, MLZS Amritsar, MLZS Ghaziabad, MLZS Howrah and MLZS Ichalkaranji.

The International School Awards (ISA) is a major cultural outreach by the UK in promoting internationalism and superior quality education in K-12 schools worldwide. As a global benchmarking project, ISA recognizes schools for their outstanding support for developing global dimension in curriculum and enriching teaching and learning through new practices. It also provides framework for planning, implementing, documenting and monitoring international work in schools. Schools participate in seven international projects through this year-long program. Mount Litera Zee School collaborated with 14 schools from different countries like U.K., Ghana, Singapore, Bangladesh, The Russian Federation, Denmark, U.S.A, Sri Lanka, Pakistan and Australia. Our students participated in the Skype sessions with schools abroad, exchanged gifts and project ideas and co-created blogs to document their achievements.



- 1) Collaborative project between Lyceum School, Russia and MLZS Roorkee
- 2) Skype session of Da Eyri School, Ghana (S. Africa) with MLZS Ghaziabad
- 3) Skype session between Penrhos College, Australia and MLZS Amritsar on Myself project.

DIGITAL CITIZENSHIP PROGRAMME (DCP)

Digital Citizenship Programme (DCP) is part of academic excellence in Mount Litera Zee Schools. This program addresses the 21st century skills and is aligned to the ESP as well through digital media literacy. It aims to teach responsible, safe and ethical use of technology.



In-class curriculum: 25 Mount Litera Zee Schools implemented three introductory levels (Prep 1, Prep 2 and Level 1) of in-class curriculum of Digital Citizenship Program in 2015-16. Students from grades 4 to 11 explored the nine themes of digital citizenship with the help of teachers.



OUT-OF-CLASS CURRICULUM (DIGITAL LITERACY DAY)

Digital Literacy Day was celebrated in December 2015 in many Mount Litera Zee Schools across India. This celebration was done to create digital awareness amongst the community. Students created posters and collages to put forward the message of safe and

effective digital usage. They conducted a survey on the awareness of digital literacy on the people in the local community. Many schools flagged off rallies on cyber bullying and conducted parent session on digital awareness.



HUMAN RIGHTS EDUCATION PROGRAM

Continuing with our collaboration with Amnesty International India, 98 schools have done human rights education activities and 30 schools have started Amnesty Clubs for promoting human rights awareness. The activities done by schools include Write for Rights, Human Rights Week celebration, Anti-Bullying Week celebration, Kindness Wall and various rallies for spreading awareness. Involvement of parents and the local communities in such programs helped Mount Litera Zee School students evolve as positive change makers in the society.

ZEE LEARN IN NEWS



TECHNOLOGY: THIS IS JUST THE BEGINNING!

BY ABHINAY JI RADHYAY

BY ABHINAV UPADHYAY

As a child, I was always inquisitive, always wanting to know how, what, when, why and where. I was always a creative thinker and liked analysing ideas and concepts. Later in life, having done my PG in Brand

marketing and sales should go hand in hand. Thus, creating a consistent customer experience across all channels while moving at a fast pace is the hallmark of the modern Chief Marketing Officer (CMO). We are going from a world of marketing campaigns to a world of sustained communication, where each piece of content must be consistent with the brand, while also being locally relevant and personal.



Born in Jursi village in 1977, Sheetal Devi, Principal, Moud Liwa Public School and Rabee, Jhajjar, Haryana, with 500 students, at Bawali townships, is one of the best franchisees of Kothari across India. Her branch has also bagged Bal Jyoti Award of 2010 owing to the maximum numbers of students in the mid-zone and boards to be the number one for the last four years in preschool education in Haryana. Read on to know more.



From automobile dealerships to electronics and other services business, Charanjit Singh Saini has again excelled as a franchisee of Kidzee & Mount Litera Zee School. In an interaction with *Journal of Retailing & Marketing*, he shares his success story and plans ahead.



FOLLOW THE RIGHT MODE

For a child to succeed, it is necessary for educators and parents to realise that it is not just age but cognitive and social maturity as well that play an important role, says DIPNARAYAN CHAKRABORTY

Read your way to paradise



ಮತ್ತಿಂದ ಸ್ವಜ್ಞಭಾರತ ಅಳಿಯಾನ

நான் 15 மீட்டர் பாலி நூல் கிடைத்தினால் நான் நூலை விடுவதை நான் சொல்ல விரும்புகிறேன். நான் நூலை விடுவதை நான் சொல்ல விரும்புகிறேன்.



high level of difficulty will mini-flame your brain.

guruKool

Practical consequences. As Weisbrod notes, multiplying by a proxy implementation report of licensing "therefore assumes that a license is interpreted to include a statutory indemnification

for a child, usually important is the issue of assessment in relation to parents' free time interests in participating in the activities.

One to enable better brain architecture development:

Remember that you are not alone. Therefore, it is important for you to keep informed of your

Zee Learn Annual Report 2015-16 | 35

DIGITAL OUTREACH



DIGITAL OUTREACH

In 2001, there were approximately 7 mn internet users in India. This number has grown by 67 times in the last 16 years at a compounded rate of over 30 per cent y-o-y. Today, ~462 mn Indians are active internet users. The total number of internet users is expected to reach 550 mn by the end of 2018. India is also the second largest market for social networking giants such as Facebook and LinkedIn; 58,000 new users get connected on to a social network every day. Mobile internet user base in India has steadily increased from 238 mn in June 2015 to 371 mn in June 2016. Indian users spend 3 hours 18 minutes on an average every day with their smartphones. The future of internet in India is huge.

Zee Learn believes that with such a fast-paced growth in internet usage, it is critical for us to reach out to our parents online and interact with them. Today, nearly 1,30,000 users follow Zee Learn brands through social media and we have been able to reach out to more than 35 mn users through our social media activities. It's, therefore, pertinent that Zee Learn continues to reach out to more and more parents, students, teachers and entrepreneurs through digital media.

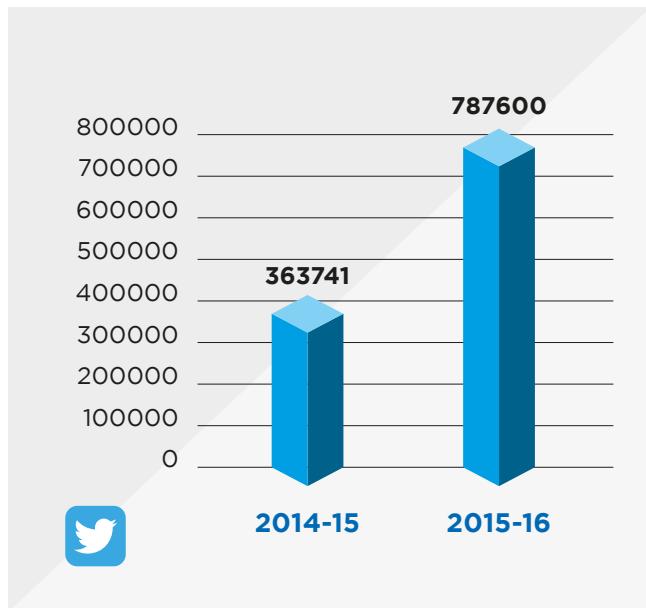
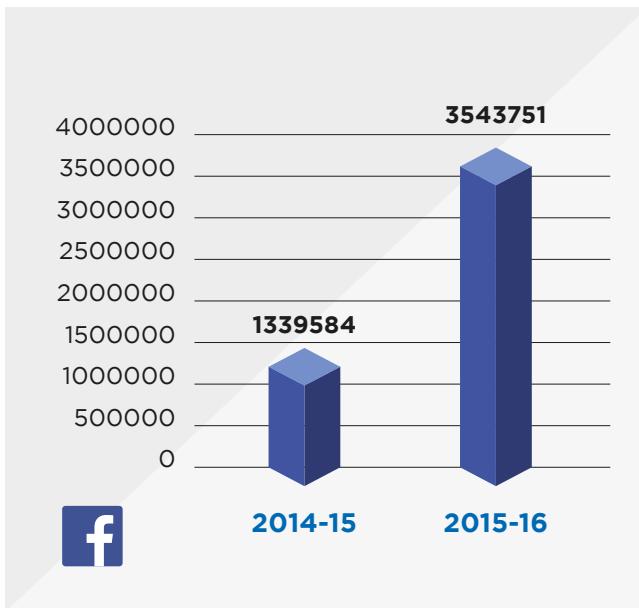




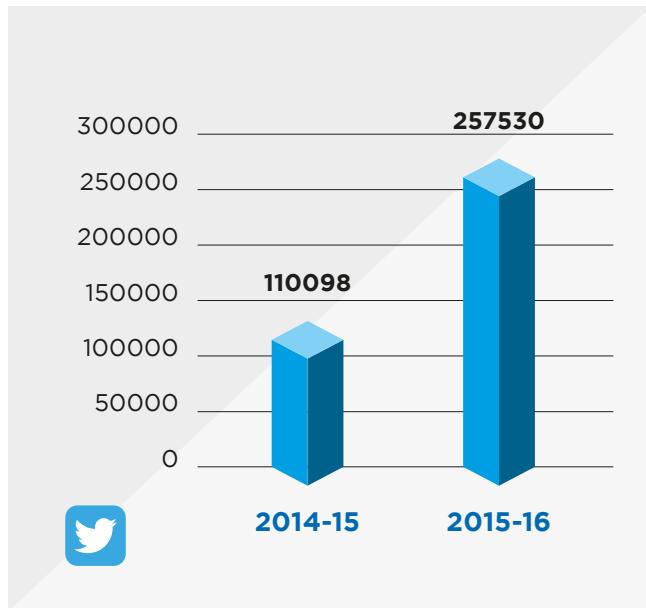
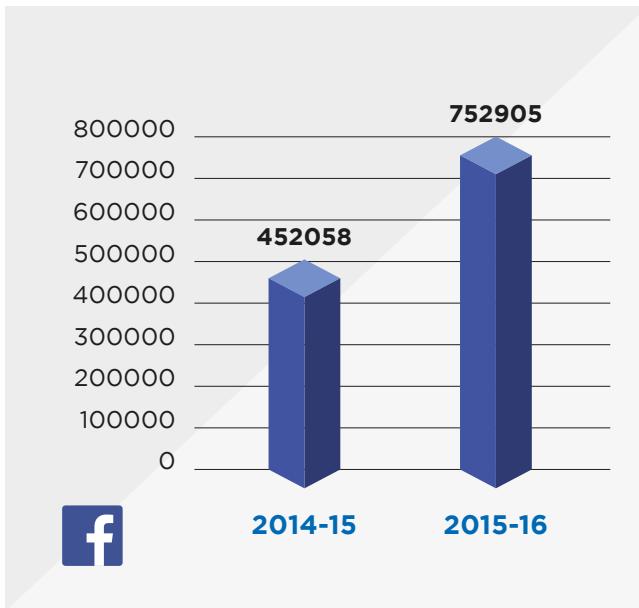
01 Kidzee - Summer Camp | 02 Kidzee - Teachers' Day | 03 Kidzee - Dussehra
 04 MLZS - International Yoga Day | 05 MLSI - Independence Day

DIGITAL CONNECT

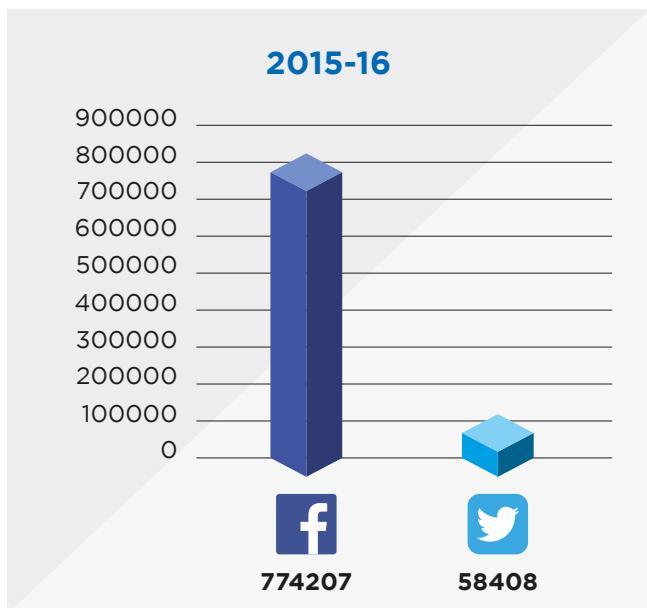
KIDZEE SOCIAL REACH



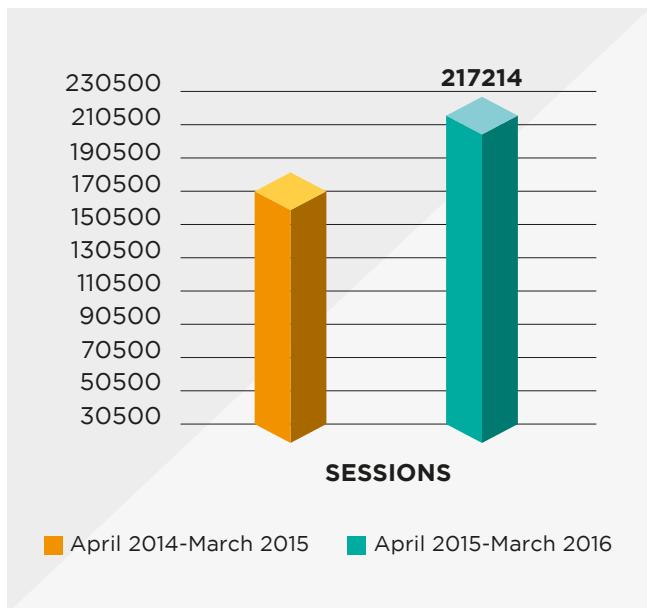
MOUNT LITERA ZEE SCHOOL - SOCIAL REACH



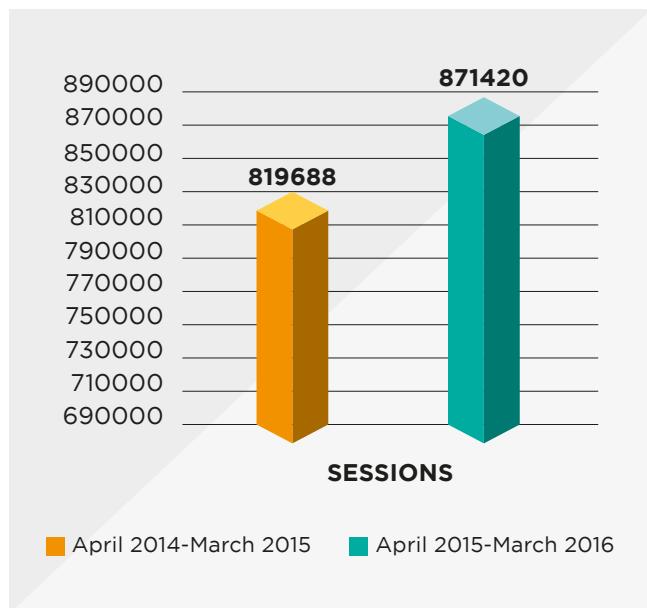
MOUNT LITERA SCHOOL INTERNATIONAL - SOCIAL REACH



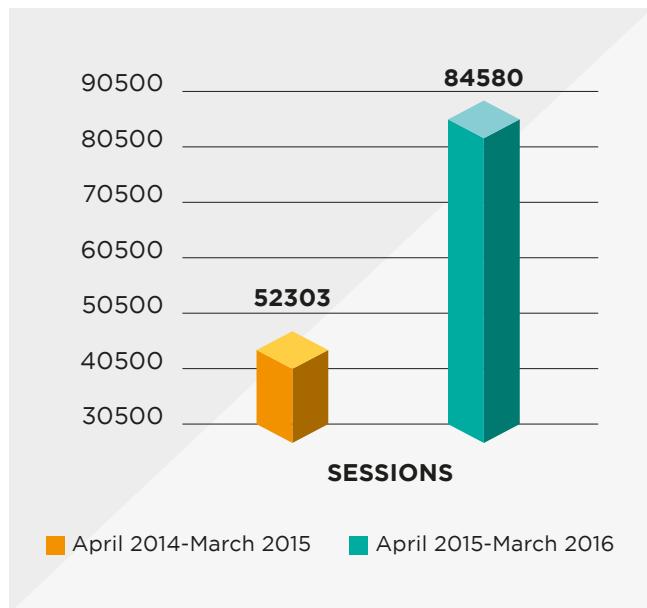
WEBSITE SESSION - MOUNT LITERA ZEE SCHOOL



WEBSITE SESSION - KIDZEE



WEBSITE SESSION - MOUNT LITERA SCHOOL INTERNATIONAL



SUMMARY

Digital is at the heart of businesses and a reflection of the fact that customer behavior is changing. The digital age has accelerated that change and therefore businesses need to be fast at changing themselves to meet that customer behavior.

Zee Learn has constantly evolved with the modern age technologies, becoming a trendsetter in the education industry. Its digital strategy, approach to social media and entire team devoted to digital transformation, has contributed to meet the aspirations of the community it is connected with.

As part of digital transformation catering to the dynamic consumer needs, we created different engagement models for the different platforms:

The first digital touch point for our consumer is a brand's website. Keeping this in consideration, we created a customer experience rich design and revamped Kidzee and Mount Litera Zee School websites.

- Switching to open source web development technologies for more reliability and flexibility
- Enriching cross channel consumer experience with responsive interface, making our sites mobile friendly, contributing positively to the organic traffic growth
- Flat and interactive design approach using transition animation and long scrolls, making the site user-friendly

Social Activations:

Today, 62% of adults worldwide use some form of social media via computers, smartphones, tablets, etc. As social media continues to change the way people communicate, it has become an increasingly important tool for all the brands.

To reach to the right set of target audience, Zee Learn created synergy bringing school level activities to digital platforms.

Kidzee Summer Camp:

2 months of learning in a year

10 months of education

2 months summer vacation = Parents + Kids

With this state of mind, we initiated summer camp which made parents' lives easy and helped kids to develop and nurture according to their age with our summer camp.

We knitted the entire concept around, 'My Summer Tales' bringing the offline activities online and showcasing each kid's experience in Imuzica, Story Telling, Olympiad and Food & Art.

With our online activation we achieved 2 mn impressions thus engaging with our existing consumers and the prospects.

Mount Litera Zee School:

Mount Litera Zee School keeps a child in the center of learning and development. Social campaigns like Digital Citizenship Program, Kahaani Express, Yoga Day aimed to not only generate engagement, but also drive social change for good.

As an outcome, we were able to gain around 1 mn impressions and create more value driven stories.

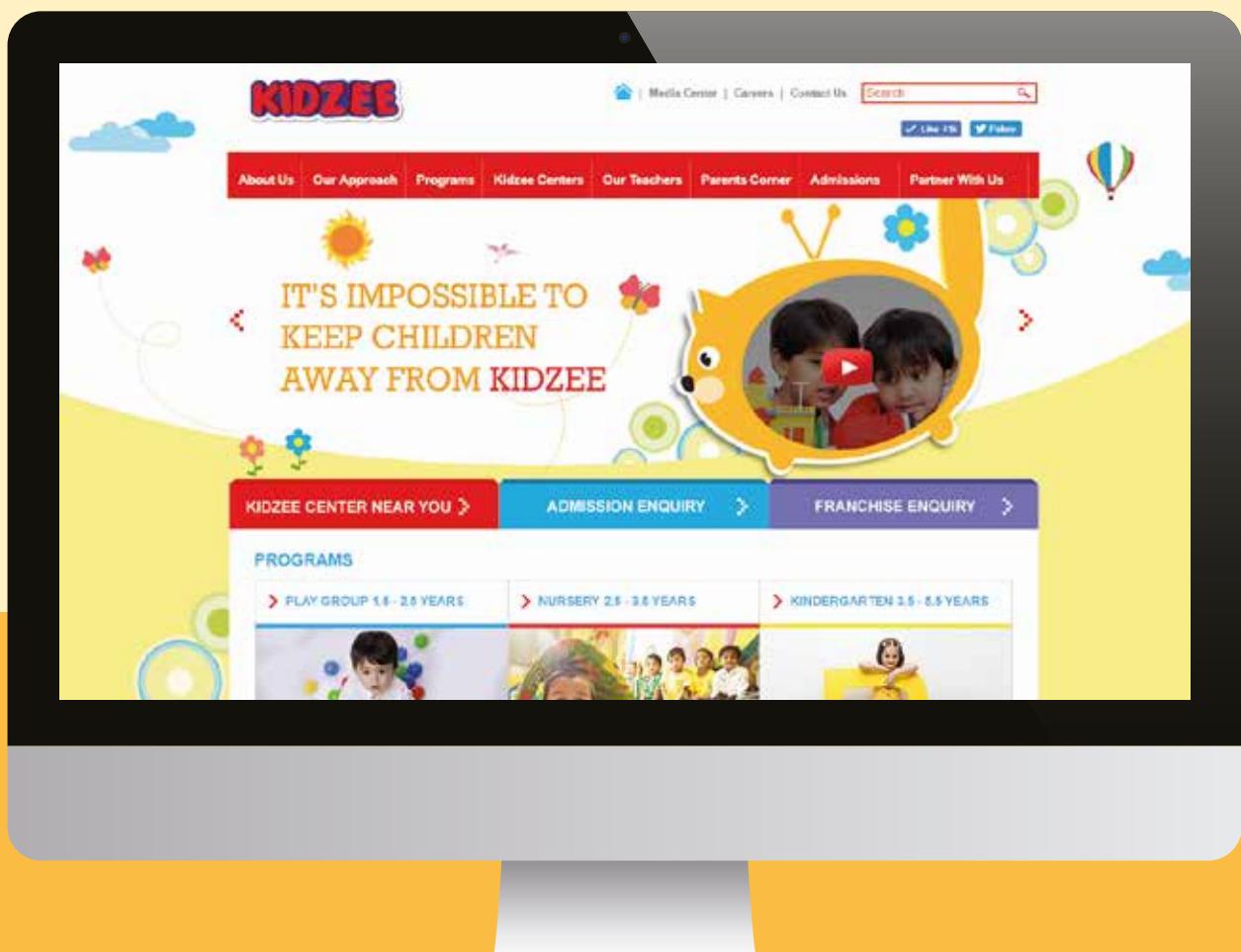


EVOLUTION OF WEBSITES



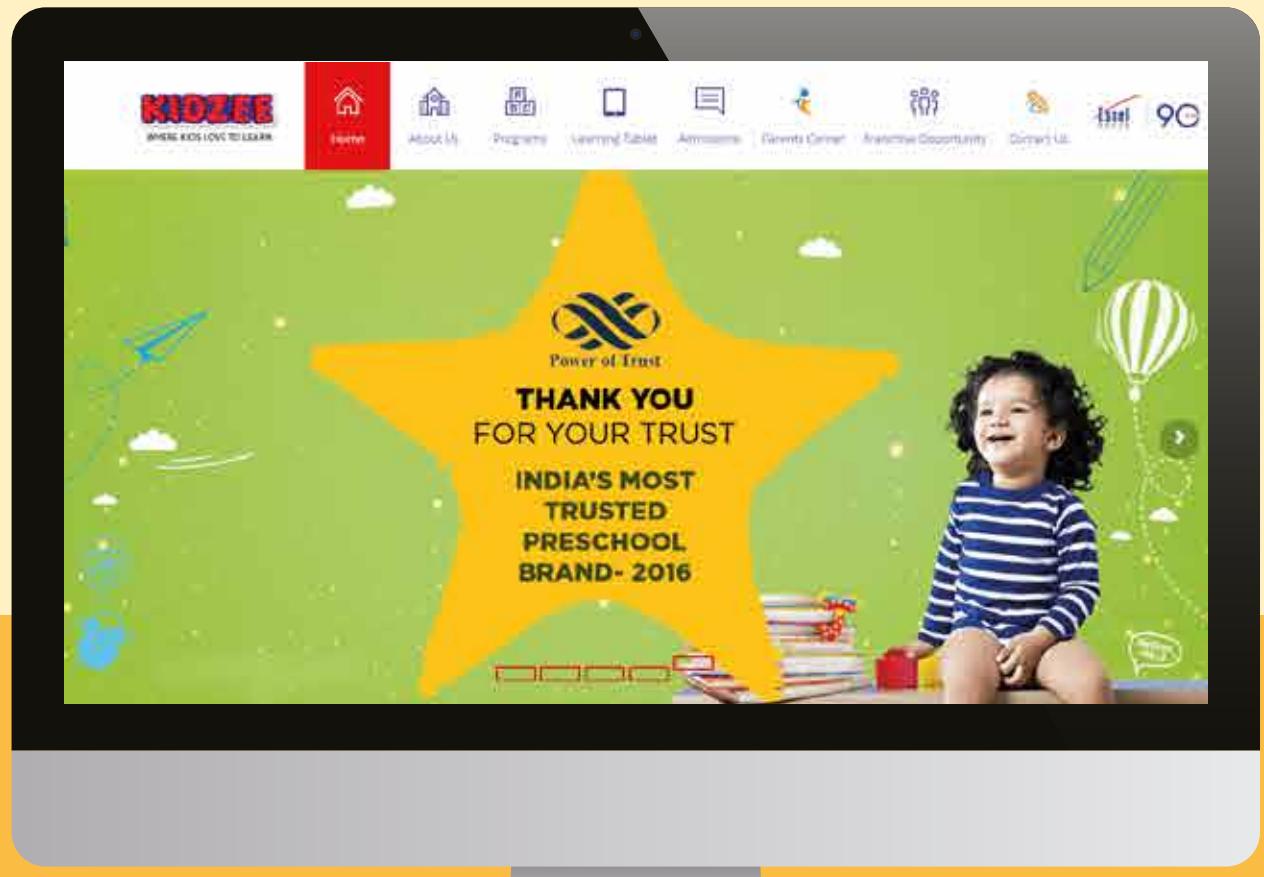
WHERE KIDS LOVE TO LEARN

EVOLUTION OF KIDZEE WEBSITE



Non-Responsive Website - 2014-15





Fully Mobile Responsive - 2015-16

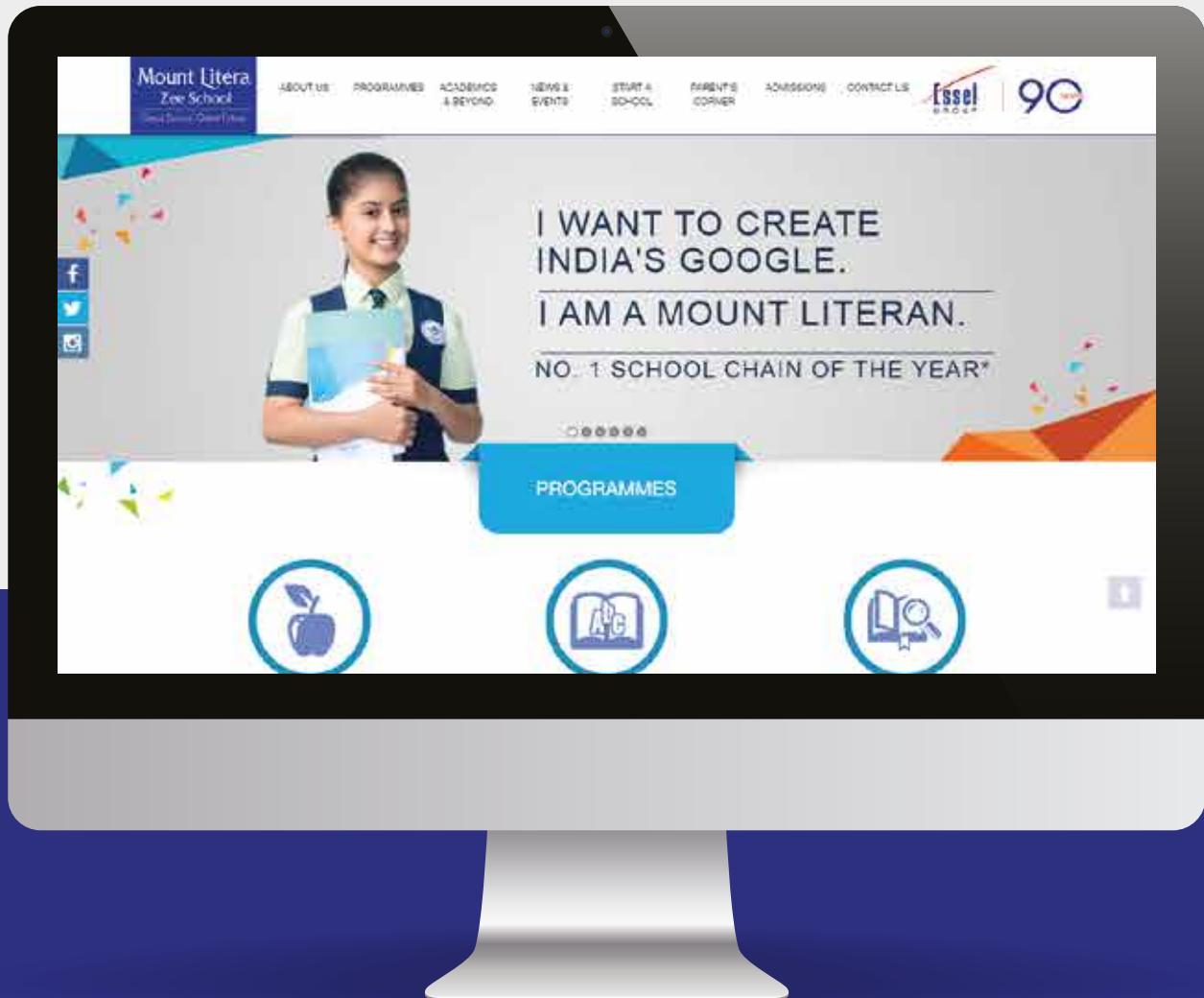


EVOLUTION OF MLZS WEBSITE



Non-Responsive Website - 2014-15





Fully Mobile Responsive - 2015-16



MANAGEMENT DISCUSSION & ANALYSIS

Education aims at empowering the individuals and thereby enabling the success of a nation. Education produces citizens who are intellectual and have moral integrity. These people are truly cultured, wise, tolerant and public-spirited. Education is the backbone for all countries. Developing countries should understand the importance of education and develop a sound educational system. Sustainable development of economy and society is closely related to education. The most important resource of a nation is its human-capital. Educated people have more understanding of themselves and of the society.

Zee Learn Ltd. (ZLL) (BSE Code: 533287 and NSE Code: ZEELEARN) with its PAN India presence in Pre-Schools and K-12 schools is advancing itself to the new era of modern education by knitting elementary education with the technology. The company is uniquely positioned to capitalize on the growth of education sector in India with its organic and inorganic strategy. As a constant endeavor to provide quality education in line with the government's vision of making India a knowledge superpower, the company endeavors in developing more refined ways of delivering education along with strengthening its existing curriculum base.

ECONOMY OVERVIEW

India's economy picked up in Q4 FY 2015, driving growth for the full fiscal year to accelerate to a six year high. On a bright note, both rural and urban consumption are set to receive a boost after recent developments. A pickup in monsoon rains should support rural households in the second half of the year, while the government approved a once-in-a-decade increase to public sector wages and pensions on 29 June, 2016. Approximately 10 mn people will benefit from the raise, which increases wages by 16.0% and pensions by 23.6% following the Seventh Pay Commission's recommendations.

India's gross domestic product (GDP) grew 7.6 per cent in 2015-16, powered by a rebound in farm output, and an improvement in electricity generation and mining production in the fourth quarter of the fiscal. Economic growth was estimated at 7.2 per cent in 2014-15.

The growth numbers for the last fiscal, which reinforces India's position as the world's fastest-growing large economy, came on the back of a strong 7.9 per cent growth in the last quarter of the fiscal.

India's economic growth is expected to be at 7.6 per cent in 2016-17, followed by a modest acceleration to 7.7 per cent in 2017-18," World Bank said in its India Development Update-Financing Double Digit Growth report, which is published twice a year.

With the rural and urban economy of the nation on the path to grow, this would result in increase in purchasing power of the end consumer and thereby entail them to spend more on quality preliminary and secondary education.

INDIAN EDUCATION INDUSTRY

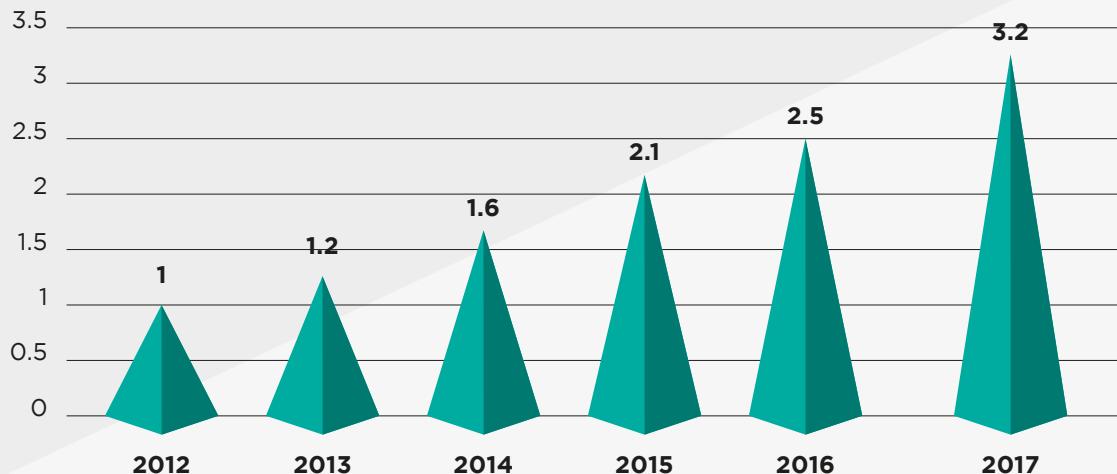
India, with its huge population, is the most exciting education market in the world. With approximately 29 per cent in 2014 of India's population between the age group of 0-14 years, educational segment in India provides a great opportunity.

Schooling segment in India in 2015 was USD 100 bn and is expected to cross USD 144 bn by 2020. India, having a literacy rate of only 73 per cent compared to the world average of 84 per cent, presents an opportunity for private players to explore the untapped market. Gross Enrollment Ratio (GER) in higher education reached 30.1 mn in 2015 and has a target Gross Enrollment Ratio of 30 per cent to be achieved by FY17.

The emergence of the un-organized private education sector in India has opened a door of opportunities for many companies. With increased corporate investments in the sector, the share of private schools in the total number of schools has increased over the past few years. In 2014, in rural areas, proportion of children enrolled in private schools is rising. In the age group of 6-14 years, the number of students enrolled in private schools increased to 30.8 per cent in 2014 from 18.7 per cent in 2006.

In the year FY16, the Pre-school segment was worth USD 2.5 bn of which the branded pre-school segment was expected to contribute 33.83% to the total pre-school industry in India. With growing awareness among tier-2 and tier-3 cities, penetration rate for the pre-school segment is expected to rise to 25 per cent in coming years. To ensure scalability, pre-school chains like Kidzee, Eurokids are upgrading to K-12 schools.

MARKET SIZE OF PRE-SCHOOL (USD bn)



Under Union Budget FY16, the Government of India has allocated USD 23.3 bn for the education sector compared to USD 23 bn in the previous budget. Of this, USD 13.5 bn has been earmarked for general education while USD 3.6 bn has been allocated for Sarva Siksha Abhiyan, USD 1 bn has been allocated for secondary education, USD 1.5 bn allocated to mid day meal scheme, higher education received USD 2.6 bn and technical education received USD 1.09 bn.

Huge potential

The education system in India has witnessed remarkable growth in the past few years. India is definitely ahead of other developed countries in the field of education and training. The number of institutes offering education is far more in India when compared to China and the US. Several foreign institutions are foraying into India. This is expected to boost the quality of education in the country.

New opportunities

Education and training sector is undergoing massive transformation in the recent past with the focus shifting from public to private sector and from books to technology. Private sector is actively involved in education and its role has become more important in days to come. The private sector's role in the education sector has been growing at a rapid pace over the last decade and will further expand at an accelerated rate.

The education sector in India is now flourishing on the back of its favorable demography and is ably supported by the intellectuals and academicians. Given the predominantly young population, the education market is bound to accelerate rapidly. According to the Investor Relation Society research, skill and vocational training is creating large scale of employment opportunities in India.

GROWTH HURDLES FOR THE INDUSTRY

Not-for-profit status:

Indian Higher Education Institutes (HEIs) must be operated as not-for-profit entities either as Public Trusts, Societies or as Section 25 companies. The not-for profit mandate is a key deterrent to active private interest and flow of capital of the corporate sector. In several other countries such as the US, not-for-profit models coexist with for-profit models.

Complex regulatory environment:

There are multiple regulatory agencies with overlap of functions and mandates. Education as a subject features in all 3 Constitutional lists i.e. the Union, the State and the Concurrent lists. This has resulted in both Central and State Government agencies regulating education, making the set up of new universities difficult.

Public School Infrastructure:

Poor infrastructure in Govt. schools and lack of good teachers have forced the Indian middle class to

withdraw their children from Govt. schools and enroll them in private schools. While private schools account for 20% (0.26 mn) of the total number of schools (1.3 mn), they provide education to more than 30% of students. The increasing demand for quality education is also backed by the willingness to pay for it. Metros like Delhi and Mumbai have very high land prices and almost no vacant education land parcels, thereby limiting capacity expansion. A state wise analysis on the need-gap indicates a shortage of schools in Chandigarh, Kerala and Delhi/NCR.

In places like Delhi, this situation is expected to remain unchanged due to high land costs and unavailability of new school land parcels. Probably running schools in shifts could address some of these issues.

Wide variation in teaching quality:

Despite of large number of HEIs in the country, there have been constant debates on the skill set quality and employability of these people. With increase in demand for skilled people, opportunity for institutions delivering high quality education shall further increase and become lucrative.

FUTURE OF INDIAN EDUCATION INDUSTRY

As India tries to move towards becoming a developed country each year, increasing the literacy rate becomes the topmost priority. As every sector saw a digital shift in its operation, so did the education industry. Here are the innovative education technologies that the Indian education industry witnessed in its ongoing effort to make education accessible to all.

E-learning: 2016 saw a tremendous increase in the number of individuals, corporations and institutions turning towards e-learning. According to a report by Docebo, India has witnessed a 55% growth in self-paced e-learning. Many educational and vocational institutes have introduced various e-learning computer hardware and networking courses to further increase the reach of e-learning amongst the socially and economically weak sections of the society. There has also been an increase in mobile learning and corporate training for e-learning professionals.

Hybrid Learning: Hybrid/Blended learning has surpassed the e-learning limitations of a fully online instruction in India. It has become a great learning aid

in the Indian slums with space constraints and where retaining certified teachers is a challenge. Blended learning has also been adopted by many universities which have received a great response especially by working professionals.

Education Apps: Besides the everyday apps, many students are now installing a lot of education apps which enable them to study and give tests online as well as get certified. There are currently over 75,000 educational apps on the Apple app store alone. These apps are a blessing for students with disabilities. Besides these education apps, parents and teachers are using simple apps to share updates as well as track the progress of the students.

Simulation Labs: Simulation labs are yet another innovative approach towards imparting education. Engineering colleges and nursing institutes are giving increasing importance of having simulation labs for practical learning sessions. Institutions are now providing simulations for students to perform practical experiment under controlled environment to test their skills.

GOVERNMENT INITIATIVES

Some of the other major initiatives taken by the Government of India are:

National Knowledge Commission (NKC)

An advisory body-National Knowledge Commission (NKC) was set up to guide policy and direct reforms, focusing on certain key areas such as education, science and technology, agriculture, industry and e-governance

NKC recommended to increase the number of universities to 1,500 by 2015E and to increase the gross enrollment ratio to at least 15 per cent by 2015

Government focus on education quality

In the 12th Five-Year Plan, the government plans to provide enhanced access to higher education by creating two mn additional seats for each age group

During the 12th Five-Year Plan, the government will continue its focus on expansion, equity and excellence with a greater emphasis on quality of higher education

Foreign Direct Investment

The Government of India allowed 100 per cent FDI in the education sector through the automatic route since 2002

Foreign Educational Institutions (Regulations of Entry and Operations) Bill, 2010 was adopted to liberalise education sector in India.

FDI investment in India from April 2000 to September 2015 reached USD 1142.69 mn

Skill India Initiative - Kaushal Bharat, Kushal Bharat

Under this initiative, the government has set itself a target of training 400 mn citizens by 2022 that would enable them to find jobs. The initiatives launched include various programmes like: Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Policy for Skill Development and Entrepreneurship 2015, Skill Loan scheme, and the National Skill Development Mission.

National Skill Development Corporation of India (NSDC)

Under a Public Private Partnership promoted by the Ministry of Finance, Government of India signed a Memorandum of Understanding with Center for Research & Industrial Staff Performance (CRISP), India to explore national and international opportunities for strengthening skills development in India.

OPPORTUNITIES

- Government's impetus on skill development
- Growing aspirations of middle class people
- Large untapped opportunity in the digital classroom space
- Existing shortage of K-12 schools in the country

RISK

- High interest cost
- Delay in project allocation process by government
- Shortage of skilled teachers

THREAT

- Rising competition in all segments
- Existing shortage of K12 schools in the country

CONCERNS

- Educational services brought under purview of service tax
- Prohibitive costs in tier - 1 & 2 cities in setting up new schools

BUSINESS OVERVIEW

A leader in the Early Childhood Development and Education (ECDE) domain for over a decade now, Kidzee has nurtured over 5,70,000 children till date, thus truly standing for India's favorite pre-school.

Kidzee's proprietary curriculum places the child at the center and designs everything around the developmental requirements of the child. The overriding principle 'What's Right For Child' (WRFC) governs everything that we do at Kidzee and serves as a filter to deliver only what is in the best interest of the child. Being committed to the cause of Child Abuse Prevention, Kidzee continues to empower the child and educate all stakeholders to prevent incidence of child abuse in any form under the 'I Care' initiative.

Stand-alone Net profit for the company, for year ended March 31, 2016 stood at Rs. 1,507 lakhs, up against Net profit of Rs. 962 lakhs for the corresponding year ending March 31, 2015, 57% growth over last year. Stand-alone Revenue from operations for the year ending March 31, 2016 stood at Rs. 13,901 lakhs, up against Rs. 12,158 lakhs for the corresponding year ending March 31, 2015. Operating EBITDA for the year ending March 31, 2016 stood at Rs. 3,176 lakhs, up against Rs. 2,494 lakhs for the corresponding year ending March 31, 2015, 27% growth over last year.

Consolidated Net profit for the company, for the year ended March 31, 2016 stood at Rs. 1,508 lakhs, up against Net profit of Rs. 989 lakhs for the corresponding year ending March 31, 2015, 52% growth over last year. Consolidated Revenue from operations for the year ending March 31, 2016 stood at Rs. 15,133 lakhs, up against Rs. 12,778 lakhs for the corresponding year ending March 31, 2015. Consolidated Operating EBITDA for the year ending March 31, 2016 stood at Rs. 4,327 lakhs, up against Rs. 3,061 lakhs for the corresponding year ending March 31, 2015, 41% growth over last year.

Zee Learn portfolio, across various genres in the Indian market, includes:

- **Pre-school:** Kidzee
- **K-12:** Mount Litera Zee Schools
- **Vocational courses:** ZICA and ZIMA

KIDZEE:

FY16 was a landmark year for Kidzee as it continued its growth story and crossed 1550 operational centers across 550+ cities. In FY16, Kidzee grew by 8% over

the last year with c. 1,16,600 children studying in its network across the country.

Its proprietary pedagogy, iLLUME is what sets Kidzee a class apart from other pre-school chains. iLLUME is an approach that helps parents and teachers spot the unique potential in each child and help them realize it. Zee Learn offers franchises to local education entrepreneurs, especially women, to run and manage Kidzee pre-schools.

MOUNT LITERA ZEE SCHOOL:

Mount Litera Zee Schools (MLZS) aim to provide Learner Centered education with an integrated approach - where the child is at the center of everything. Mount Litera Zee Schools were initiated to bring about a quantum leap in how school education is delivered to the modern day child. The purpose is to help children realize their unique potential through our state-of-the-art infrastructure and facilities, well trained teachers, and a proprietary pedagogy. MLZS provides holistic and quality education to all its students.

Zee Learn partners with local educational trusts under various operating models. The range of services and solutions provided by Zee Learn under these partnerships range from school set up assistance, teacher-training, assessment, teaching materials, student learning resources, branding, innovative schooling solutions and also enrollment assistance.

Our Pedagogy for MLZS: Litera OCTAVE

It is an integrated educational model that has been honed over years of research and development integrating various pillars such as content, infrastructure, classroom design, assessment and systems that impact the child during his/her learning and development in school.

During FY16, MLZS continued its growth story with 103 operational schools. In FY16, enrollments in MLZS grew by 31% over the last year with c.40,000 children studying in its network across the country.

ZEE INSTITUTE OF CREATIVE ART (ZICA):

ZICA is a Classical and Digital Animation training academy that trains students in classical 2D and modern 3D animation. The institute has adopted a novel training style and is focused entirely on creating a stimulating environment for its curriculum.

ZEE INSTITUTE OF MEDIA ARTS (ZIMA):

ZIMA is engaged in the world of direction, cinematography, editing, sound, film animation, visual effects and the training of other high-end softwares like Autodesk, Smoke and Flame. ZIMA offers the platform and infrastructure supporting the media education for the students fulfilling global standards.

BUSINESS STRATEGY

Zee Learn has always believed in doing what is right for the child. All programs designed at Zee Learn keep the child at its center. We firmly believe that if our programs deliver on the promised learning and development of the child, parents will reward us with positive word of mouth and become our best ambassadors. The key strategic pillars of Zee Learn Limited operations during FY16 have been:

1. Develop Learning materials consistent with our proprietary pedagogies

Zee Learn has invested considerable resources in developing learning designs, student learning materials and e-content for pre-schools and K-12 schools. This education content is consistent with our pedagogy of Litera OCTAVE and iLLUME. This puts Zee Learn in a unique position of having a full education suite for pre-schools and K-12 schools.

2. Expand footprint to maximize impact

We firmly believe that in order to take our path-breaking pedagogies and learning materials to the most number of students, we need to expand the footprint of our pre-schools and K-12 schools.

3. Manage costs and efficiency

With our increasing scale and rationalizing of vendors, Zee Learn has been able to manage its cost of goods while improving quality. The team is constantly focused on assessing our operations and re-engineering processes to become more efficient.

GROWTH PLANS

Zee Learn is focused on maintaining its position of a pre-eminent player in the Pre K-12 market. We believe that this segment offers unparalleled opportunity to improve the human capital of the country and huge upside for growth. Within this segment, growth for Zee Learn will come from:

1. Enrollment growth in its institutes

Zee Learn today has more than 1,550 pre-schools, 103 K-12 schools and 15 Vocational Institutes. Driving enrollments in these existing institutes to hit full

capacity gives a significant upside of more than doubling our enrollments.

2. Expansion of footprint

With education being a supply constrained market for good quality pre-schools, schools and vocational centers, Zee Learn is committed to expanding its footprint to reach out to more and more children and creating more avenues for driving enrollments. We'll be leveraging different options for this growth including franchising, partnerships and JVs.

3. Increasing capacity utilization

Within businesses, we constantly add innovations and products to fulfill a wide range of education needs and increase our share of the parents' wallet. This in turn increases our revenue potential and return on investment of the real estate assets.

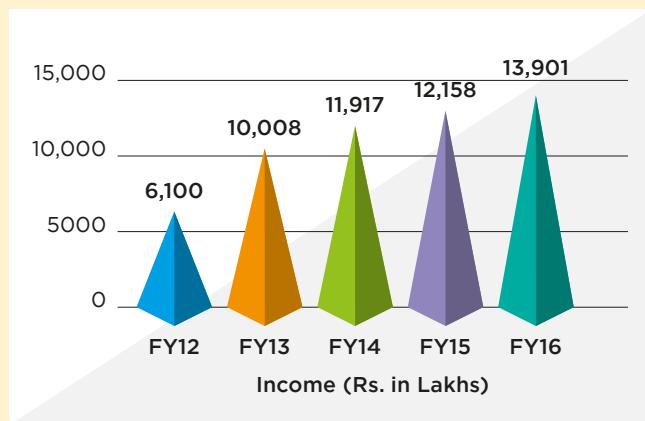
4. Increase share of wallet:

With constant innovations and better and well researched products which can cater to wide range of education needs, we endeavor to increase our share of the parents' wallet. This in turn increases our revenue potential and return on investment of the capital deployed to run our education venture.

STAND-ALONE FINANCIAL PERFORMANCE FINANCIAL YEAR 2016 COMPARED TO FINANCIAL YEAR 2015

Income

Our total income increased by 14 per cent to Rs. 13,901 lakhs in FY16 from Rs. 12,158 lakhs in FY15. Revenue from Kidzee and MLZS business grew by 22% in FY16 to Rs. 13,154 lakhs vis-à-vis Rs. 10,756 lakhs during FY15.

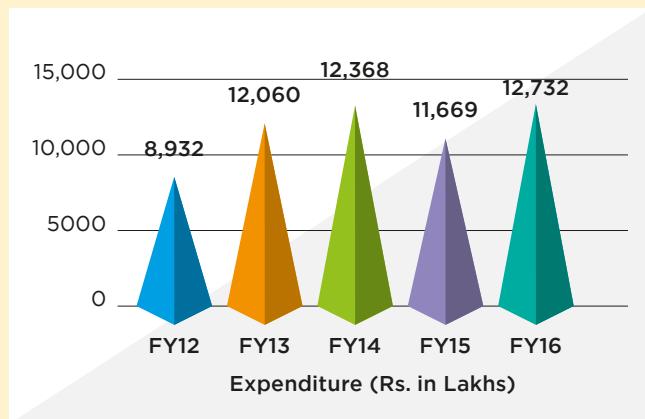


Other Income

The Company earned other income of Rs. 338 lakhs in FY16 up from Rs. 473 lakhs in FY15 largely on account of Liabilities/Excess provision written back during the year and Premium on Redemption of Preference shares.

Expenditure

Total expenditure increased by 9 per cent to Rs. 12,732 lakhs in FY16 from Rs. 11,669 lakhs in FY15 largely on account of increase in cost of goods sold in corresponding to the increase in sales, reduction of non-core business expenses and discontinuation of TV content business for ZeeQ channel resulting in lower cost of goods sold and employees expenses.



Cost of Goods Sold and Operational Expenses

Cost of goods sold and operational expenses increased by 12 per cent to Rs. 3,872 lakhs in FY16 from Rs. 3,444 lakhs in FY15 on account of corresponding increase in sales.

Employee Benefits Expenses

Employee benefits expenses meagerly increased by 0.5 per cent to Rs. 2,509 lakhs from Rs. 2,495 lakhs in FY15.

Other Expenses

Other expenses increased by 17 per cent to Rs. 4,344 lakhs in FY16 from Rs. 3,725 lakhs in FY15 largely on account of increase in travelling and conveyance expenses, legal and professional charges and freight and packing charges as it was required to drive the sales and the same commensurate with the increase in sales.

Finance Costs

The increase in finance costs by 9 per cent from Rs. 1,325 lakhs in FY15 to Rs. 1,439 lakhs in FY16 is on account of interest charged on loans for the full year during FY16 as against charged on pro-rata basis during FY15 and there was fresh loan raised during the current year.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased by 16 per cent to Rs. 568 lakhs in FY 16 from Rs. 680 lakhs in FY15.

PROFIT AFTER TAX

The company has made profit after tax of Rs. 1,507 lakhs in FY16 as compared to Rs 962 lakhs in FY15 due to better revenue from operational activities and effective control on expenses.

SOURCE OF FUNDS

Share Capital

The share capital increased by Rs. 5.53 lakhs from Rs. 3,200.01 lakhs as on March 31, 2015 to Rs. 3,205.54 lakhs as on March 31, 2016, on account of issuance of shares under the Employee Stock Option scheme.

Reserve and Surplus

The reserve and surplus as at March 31, 2016, saw an increase of Rs. 1,624 lakhs from Rs. 20,244 lakhs as at

March 31, 2015, largely on account of profits generated during the year of Rs 1,507 lakhs.

Long-term Borrowings

Long-term borrowings saw an increase of Rs. 5,460 lakhs from Rs. 4,680 lakhs at March 31, 2015 to Rs. 10,140 lakhs as on March 31, 2016, on account of issuance of 650 (Nil), 10.40% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures of Rs. 10 lakhs each fully paid up aggregating to Rs. 6,500.00 lakhs. Further term loan of Rs. 1,040 lakhs was classified under short-term loan due to its maturity in next the 12 months.

Long-term Provisions

Long-term provisions saw a decrease of Rs. 3 lakhs from Rs. 147 lakhs as at March 31, 2015 to Rs. 144 lakhs as at March 31, 2016.

Current Liabilities

Current liabilities saw a decrease of Rs. 4,169 lakhs from Rs. 12,724 lakhs as at March 31, 2015 to Rs. 8,555 lakhs as at March 31, 2016, mainly on account of repayment of Current maturities of debentures and term loan by Rs. 2,876 lakhs, repayment of ICD by Rs. 376 lakhs, reduction of unearned revenue by Rs. 330 lakhs and decrease in trade payables by Rs. 406 lakhs.

APPLICATION OF FUNDS

Fixed Assets

Fixed assets saw a net decrease of Rs. 330 lakhs from Rs. 1,301 lakhs as at March 31, 2015, to Rs. 970 lakhs as at March 31, 2016, on account of depreciation charged in normal course of business.

Non-current investments

Non-current investments decreased by Rs. 8,297 lakhs from Rs. 33,222 lakhs as at March 31, 2015, to Rs. 24,925 lakhs as at March 31, 2016 on account of reclassification of Non-Convertible Non-Cumulative Redeemable Preference Shares in wholly owned subsidiary company from long-term investment to current investment by Rs. 9,572 lakhs and increase in subscription to Compulsorily Convertible Debentures of wholly owned subsidiary company to the tune of Rs. 1,275 lakhs.

Long-term Loans and Advances

Long-term loans and advances saw a decrease of Rs. 63 lakhs from Rs. 909 lakhs as at March 31, 2015, to Rs. 847 lakhs as at March 31, 2015.

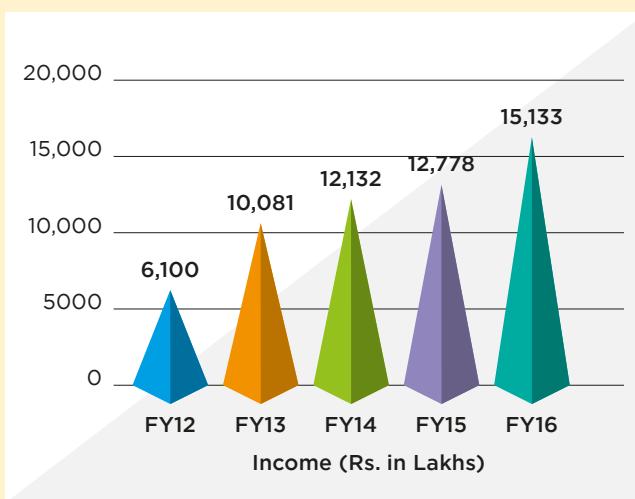
Current Assets

Current assets saw an increase of Rs. 12,623 lakhs from Rs. 5,255 lakhs as at March 31, 2015, to Rs. 17,878 lakhs as at March 31, 2016, on account of on account of reclassification of Non-Convertible Non-Cumulative Redeemable Preference Shares in wholly owned subsidiary company from long-term investment to current investment by Rs. 9,572 lakhs, issuance of Intercorporate deposit to wholly owned subsidiary by Rs. 2,161 lakhs, claim raised on insurance company on account of loss by fire of inventory to the tune of Rs. 1,416 lakhs and inventory saw a reduction of Rs. 1647 lakhs on account of loss by fire in warehouse.

CONSOLIDATED FINANCIAL PERFORMANCE
FINANCIAL YEAR 2016 COMPARED TO FINANCIAL YEAR 2015

Income

Our total income increased by 18 per cent to Rs. 15,133 lakhs in FY16 from Rs. 12,778 lakhs in FY15 largely due to growth in revenue from Kidzee and MLZS which grew by 22% in FY16 to Rs. 13,154 lakhs vis-a-vis Rs. 10,756 lakhs during F15. Also, lease rentals income from DVPL saw an increase of Rs. 612 lakhs during the year.

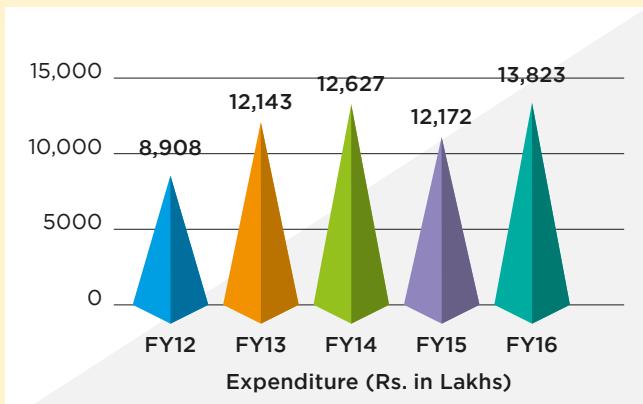


Other Income

The Company earned other income of Rs. 198 lakhs in FY16 down from Rs. 384 lakhs in FY15 largely on account of less Liabilities/Excess provision written back during the year as compare to previous year.

Expenditure

Total expenditure increased by 14 per cent to Rs. 13,823 lakhs in FY16 from Rs. 12,172 lakhs in FY15 largely on account of increase in cost of goods sold in corresponding to the increase in sales, increase in finance charge by Rs. 410 lakhs in DVPL on account of projects capitalized during the year which was earlier part of Capital Work in progress, reduction of non core business and transfer of operations of servicing educational content of Television channel ZeeQ resulting in lower cost of goods sold and employees' expenses.



Cost of Goods Sold and Operational Expenses

Cost of goods sold and operational expenses increased by 12 per cent to Rs. 3,872 lakhs in FY16 from Rs. 3,444 lakhs in FY15 on account of corresponding increase in sales.

Employee Benefits Expenses

Employee benefits expenses meagerly increased by 0.5 per cent to Rs. 2,509 lakhs from Rs. 2,498 lakhs in FY15.

Other Expenses

Other expenses increased by 17 per cent to Rs. 4,425 lakhs in FY16 from Rs. 3,776 lakhs in FY15 largely on account of increase in travelling and conveyance expenses, legal and professional charges and freight and packing charges as it was required to drive the sales and the same commensurate with the increase in sales.

Finance Costs

The increase in finance costs by 31 per cent from Rs. 1,520 lakhs in FY15 to Rs. 1,998 lakhs in FY16 is on account of finance charge by Rs. 410 lakhs in DVPL on account of projects capitalized during the year which was earlier part of Capital Work in progress.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by 9 per cent to Rs. 1,019 lakhs in FY16 from Rs. 935 lakhs in FY15 on account of projects capitalized during the year which was earlier part of Capital Work in progress.

PROFIT AFTER TAX

The company has made profit after tax of Rs. 1,508 lakhs in FY16 as against profit of Rs. 989 lakhs in FY15 due to better revenue from operational activities and control on expenses.

SOURCE OF FUNDS

Share Capital

The share capital increased by Rs. 5.53 lakhs from Rs. 3,200.01 lakhs as on March 31, 2015 to Rs. 3,205.54 lakhs as on March 31, 2016, on account of issuance of shares under the Employee Stock Option scheme.

Reserve and Surplus

The reserve and surplus as at March 31, 2016, saw an increase of Rs. 1,626 lakhs from Rs. 20,187 lakhs as at March 31, 2015, largely on account of profits generated during the year of Rs 1,508 lakhs.

Long-term Borrowings

Long-term borrowings saw an increase of Rs. 5,002 lakhs from Rs. 29,598 lakhs at March 31, 2015 to Rs. 34,600 lakhs as on March 31, 2016, on account of issuance of 650 (Nil), 10.40% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures of Rs. 10 lakhs each fully paid up aggregating to Rs. 6,500.00 lakhs. Further term loan of Rs. 1,498 lakhs was classified under short-term loan due to its maturity in next the 12 months.

Long-term Provisions

Long-term provisions saw a decrease of Rs. 3 lakhs from Rs. 152 lakhs as at March 31, 2015 to Rs. 149 lakhs as at March 31, 2016.

Current Liabilities

Current liabilities saw a decrease of Rs. 5,145 lakhs from Rs. 15,120 lakhs as at March 31, 2015 to Rs. 9,976 lakhs as at March 31, 2016, mainly on account of repayment of current maturities of debenture and term loans by Rs. 2,723 lakhs, repayment of ICD by Rs. 376 lakhs, reduction of unearned revenues by Rs. 330 lakhs and decrease in trade payable by Rs 406 lakhs.

APPLICATION OF FUNDS

Fixed Assets

Fixed assets saw a net increase of Rs. 5,275 lakhs from Rs. 53,890 lakhs as at March 31, 2015, to Rs. 59,165 lakhs as at March 31, 2016, on account of increase of Rs. 5,605 lakhs in tangible and intangible assets in DVPL.

Long-term Loans and Advances

Long-term loans and advances saw a decrease of Rs. 4,442 lakhs from Rs. 6887 lakhs as at March 31, 2015, to Rs. 2,445 lakhs as at March 31, 2016, on account of repayment of ICD from related party to the tune of Rs. 4,487 lakhs.

Current Assets

Current assets saw an increase by Rs. 1505 lakhs from Rs. 6,736 lakhs as at March 31, 2015, to Rs. 8,241 lakhs as at March 31, 2016.

INTERNAL CONTROLS

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of business to ensure timely decision-making. Internal audit is conducted by professionally qualified financial personnel, which conducts periodic audits/review to maintain a proper system of checks and control.

The Management Information System (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in the business outlook is reported to the Board. Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The HR strategy of Zee Learn Limited is aligned with the overall strategy of the company.

TALENT ACQUISITION:

Zees Learn hires the best fit talent to meet the current and future requirements of the business. We continue to improve our talent acquisition processes to effectively support our business strategy. We have placed priorities in creating a strategic workforce planning that will help us create a long term roadmap for acquiring and managing future capabilities in the most optimum manner.

TALENT MANAGEMENT:

Zee Learn has built a progressive people environment which fosters a culture of meritocracy with an emphasis on caring for employees. The high caliber talents are identified, developed and rewarded to make them committed and capable of achieving Zee Learn's business goals.

EMPLOYEE ENGAGEMENT:

At Zee Learn the employee engagement efforts are inclusive and empowering. We believe that an informed workforce is an empowered workforce. To enable employees contribute effectively to organization growth, we have in place various channels that create awareness, foster dialogue, and provide opportunities for employees to give

feedback. These include periodic mailers, group announcements for key organizational updates, regular open forums attended by CEO and senior leadership team, and structured interactive session with the human resources team. Our formal mechanism to capture employee feedback is in place through internal annual survey and additionally, we participated in the Great Place to Work survey to benchmark our people practices and scope action areas to further enhance our employee engagement efforts.

LEARNING AND DEVELOPMENT:

Enabling people to perform their function effectively is core to Zee Learn's philosophy. Zee Learn continues to embrace a three pronged strategy for people development i.e. a challenging work, fostering a strong cross-functional interaction and structured training programs. Key training interventions during the year were on various programs for sales team capability enhancement and Design Thinking Workshop for continuous improvement in content design and management. Our efforts are supporting us well in creating a learning culture that enables employees experience growth in their career through their work.

Corporate Information

Board of Directors

Himanshu Mody
Non-Executive Director

Ajay Kumar
Executive Director

Dr. Manish Agarwal
Independent Director

Surjit Banga
Independent Director

Dr. Sangeeta Pandit
Independent Director

Auditors

M/s MGB & Co. LLP - Chartered Accountants

Board Committees

Audit Committee

Surjit Banga - *Chairman*
Himanshu Mody - *Member*

Dr. Sangeeta Pandit - *Member*
Dr. Manish Agarwal - *Member*

Stakeholders Relationship Committee

Surjit Banga - *Chairman* **Himanshu Mody** - *Member*

Nomination and Remuneration Committee

Dr. Manish Agarwal - *Chairman* **Surjit Banga** - *Member* **Himanshu Mody** - *Member*

Corporate Social Responsibility Committee

Surjit Banga - *Chairman* **Dr. Sangeeta Pandit** - *Member* **Himanshu Mody** - *Member*

Senior Management

KVS Seshasai
Chief Executive Officer
(Resigned w.e.f. February 1, 2016)

Debshankar Mukhopadhyay
Chief Executive Officer
(Joined w.e.f. July 1, 2016)

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary & Compliance Officer

Abhinav Upadhyay
Marketing and Innovation

Sukhvinder Singh Bindra
Pre-school - Enrolments & Operations

Mayank Jain
School Management Services

Vikash Kar
Human Resources

Deepa George
Legal

Nitish Menon
K-12 Franchisee School - Enrolments & Operations

Hayyur Shaikh
Head-Infrastructure

Krishnan Iyer
Vocational Business
(Joined w.e.f. August 22, 2016)

Brijesh Jadia
Supply Chain & Commercials

Santosh Gupta
Information Technology

Bankers

Yes Bank Limited | Axis Bank Limited | ICICI Bank Limited | IDBI Bank Limited | State Bank of India | Deutsche Bank

Registered Office

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

Corporate Office

Fun Republic, Level 6,
Off. New Link Road,
Andheri (W), Mumbai - 400053.

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai-400 078

Investor Email ID: investor_relations@zeelearn.com | **Corporate Identity Number :** L80301MH2010PLC198405

website: www.zeelearn.com

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of **Zee Learn Limited** will be held on Monday, the 19th day of September, 2016 at 11.00 a.m., at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company - on a standalone and consolidated basis, for the financial year ended March 31, 2016 including the Balance Sheet as at March 31, 2016, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Himanshu Mody (DIN 00686830), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To re-appoint M/s MGB & Co. LLP, Chartered Accountants, Mumbai, having Firm Registration No. 101169W/W-100035, as the Statutory Auditors of the Company to carry out the Statutory Audit for the Financial Year 2016-17, at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Dr. Sangeeta Pandit (DIN 06748608), who holds the office of

Independent Director of the Company until November 30, 2016 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from December 1, 2016 until November 30, 2019."

6. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Dr. Manish Agarwal (DIN 02069969), who holds the office of Independent Director of the Company until March 31, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from April 1, 2017 until March 31, 2020."

7. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr. Surjit Banga (DIN 00001637), who holds the office of Independent Director of the Company until March 31, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from April 1, 2017 until March 31, 2020."

8. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof approval of the Members be and is hereby accorded to the re-appointment of Mr. Umesh Pradhan, Chief Financial Officer of the Company as Manager of the Company under the Companies Act, 2013, for a period of 3 (three) years with effect from April 1, 2016, without any remuneration as Manager of the Company, as recommended by the Nomination & Remuneration Committee. However, Mr. Pradhan will continue to draw remuneration as CFO of the Company."

9. To consider and if thought fit, approve with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Special Resolution passed by the Members on June 29, 2011 and pursuant to Section 94 of the Companies Act, 2013 (Act) read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including Register of Members / Debenture holders/ Other Security-holders, etc., and copies of Annual Returns prepared under Section 92 of the Act together with copies of certificates and documents be kept and maintained at the office of the Company's Registrar and Share Transfer Agents M/s Link Intime India Private Ltd., at C -13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400078, instead of the Registered Office of the Company."

By order of the Board

Place: Mumbai
Date: May 13, 2016

Hemangi Patil
Company Secretary

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

CIN: L80301MH2010PLC198405
E-mail : investor_relations@zeelearn.com

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board

Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.

4. Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment/re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

In connection with the proposed reappointment of Mr. Surjit Banga, Dr. Sangeeta Pandit and Dr. Manish Agarwal as Independent Directors not liable to retire by rotation, the Board of Directors have reviewed the declarations made by them confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that they fulfill the conditions specified in the Act and the rules made there under and are independent of the management of the Company.

5. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2016, may send their queries at least seven days before the Annual General Meeting to the Compliance Officer & Company Secretary at the registered office of the Company or at email id investor_relations@zeelearn.com.
6. Electronic Copy of the Annual Report for 2015-16 is being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication. For Members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent. The Annual Report may also be accessed on the Company's Corporate Website www.zeelearn.com.
7. The Company has appointed M/s Link Intime India Private Limited, Mumbai as the Registrar and Share Transfer Agents with effect from July 1, 2016. Members are requested to notify immediately about any change in their address/e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's new Registrar and Share Transfer Agent, M/s Link Intime India Private Ltd at C -13 Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in

8. E-voting

In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide equity shareholders facility to exercise their right to vote at the 6th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL) for all the business as detailed in this notice. The remote e-voting period for all items of business contained in this Notice shall commence from Thursday, September 15, 2016 at 9.00 a.m. and will end on Sunday, September 18, 2016 at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of September 12, 2016, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

9. The facility for voting by way of Ballot / Poll paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
10. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
11. The voting rights of Members either by way of remote e-voting prior to the meeting or by way of Ballot / Poll Paper at the meeting shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on the Cut-off date of September 12, 2016.
12. At the Annual General Meeting the Chairman of the meeting shall after discussion on all the resolutions on which voting is to be held, allow voting by use of Ballot/ Poll Paper by all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
13. The Company has appointed Mrs. Mita Sanghavi, Practicing Company Secretary as Scrutinizer to conduct remote e-voting process as well as Ballot/ Poll Paper voting process at the Annual General Meeting in a fair and transparent manner.
14. The Scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the Annual General Meeting,

a consolidated scrutinizer's report of the total votes cast to the Non- Executive Chairman, who shall countersign the same and declare the results of the voting forthwith.

15. The Results declared along with the Scrutiniser's report shall be placed on the website of the Company www.zeelearn.com and shall also be communicated to the Stock Exchanges. The Resolutions, if approved, shall be deemed to be passed, on the date of Annual General Meeting.
16. **The instructions and process for e-voting are as under:**
 - (i) The voting period begins on Thursday, September 15, 2016 at 9.00 a.m. and will end on Sunday, September 18, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 12, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Zee Learn Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. V. V. & Associates, Cost Auditor to conduct the audit of the cost records of the Company relating to its Education Services for the Financial Year ending March 31, 2017 on a remuneration of Rs.75,000/- (plus reimbursement of service tax and out of pocket expenses).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2017.

Your Board recommends the ordinary resolution as set out in Item No.4 for approval of Members.

None of the Directors and /or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in this ordinary resolution set out in Item no. 4.

Item No. 5, 6 & 7

At the 4th Annual General Meeting held on August 11, 2014, Members of the Company had approved appointment of Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal, as Independent Directors of the Company not liable to retire by rotation. The current term of the said appointment of Dr. Sangeeta Pandit as Independent Director of the Company shall expire on November 30, 2016 and the current term of the said appointment of Mr. Surjit Banga and Dr. Manish Agarwal as Independent Directors of the Company shall expire on March 31, 2017. As per Section 149(10) of the Act an Independent Director shall be eligible for re-appointment for a second term of up to 5 years on passing a Special Resolution by the Shareholders of the Company.

Since the current term of appointment of Independent Directors will expire before the next Annual General Meeting scheduled in 2017, your Board, based on the performance evaluation and after reviewing confirmation of independence received from these Directors, recommends the re-appointment of Dr. Sangeeta Pandit from December 1, 2016, Mr. Surjit Banga and Dr. Manish Agarwal from April 1, 2017 for a second term of 3 years commencing from the respective date(s) of expiry of their current term of appointment as Independent Directors of the Company. Appropriate notice has been received from member(s) proposing appointment of Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal as Independent Directors of the Company and requisite consent has been received from the said Directors pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal who are proposed to be appointed for the second term as Independent Directors of the Company for a period of 3 years up to November 30, 2019, March 31, 2020 and March 31, 2020 respectively, fulfil the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and are Independent of the management.

Brief Profile and other details of Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal forms part of the Corporate Governance Report. Your Board recommends the Special resolution(s) as set out in Item No 5, 6 & 7 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal (whose appointments are proposed in these resolutions) are in any way concerned or interested in the resolution.

Item No. 8

At the Meeting held on February 1, 2016, on the recommendation of the Nomination and Remuneration Committee,

your Board had subject to the approval of members re-appointed Mr. Umesh Pradhan, Chief Financial Officer of the Company as Manager of the Company under the Companies Act, 2013, for a period of 3 (three) years with effect from April 1, 2016, without any remuneration as Manager of the Company. However, Mr. Pradhan will continue to draw remuneration as Chief Financial Officer of the Company.

Your Board recommends the Special Resolution as set out in Item No. 8 for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Umesh Pradhan (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

Item No. 9

Your company has appointed M/s Link Intime India Private Limited as the Registrar & Share Transfer Agents ('R&T agent') effective from July 1, 2016 for providing services relating to transfer, transmission etc of Equity Shares of the Company replacing the earlier R&T Agent M/s Sharepro Services (India) Pvt Ltd. Since the R&T agent has been charged with the duty inter alia of maintaining and updating the Register & Index of Members / Preference Shareholders and Share Transfer Register and other particulars, including Annual Returns and annexure thereto, it will be convenient for them to maintain if these are located at their office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, instead of the Registered office of the Company.

Section 94 of the Companies Act, 2013, permits the Company to maintain its Registers and Annual Returns at any place other than its Registered Office subject to Members approval by way of a Special Resolution. A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94 (1) of the Companies Act, 2013.

Your Board recommends the Special resolution as set out in Item no. 9 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

By order of the Board

Place: Mumbai
Date: May 13, 2016

Hemangi Patil
Company Secretary

Registered Office:

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

Director's Report

To,
 The Members of
 Zee Learn Limited

Your Directors take pleasure in presenting the Sixth Annual Report of the Company together with Audited Financial Statements for the year ended March 31, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Audited Financial Statements for the Financial Year 2015-2016, your Directors confirm that:

- a) The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- b) Accounting policies selected were applied consistently and the judgments and estimates related to these financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016, and, of the profits of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively; and
- e) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

FINANCIAL PERFORMANCE

The financial performance of your Company for the year ended March 31, 2016 is summarized below:

(₹ in lacs)

Particulars	Standalone – Year ended		Consolidated – Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenue from Operations	13,900.90	12,158.25	15,132.82	12,778.33
Other Income	337.71	473.38	198.27	383.50
Total Income	14,238.61	12,631.63	15,331.09	13,161.83
Total Expenses	10,725.03	9,664.31	10,806.22	9,717.48
Operating Profit/Loss	3,513.58	2,967.32	4,524.87	3,444.35
Less: Finance Cost	1,438.51	1,324.84	1,997.58	1,520.43
Less: Depreciation	568.21	680.21	1,018.96	934.54
Profit/Loss before Tax	1,506.86	962.26	1,508.33	989.37
Provision for Taxation (Net)	-	-	-	-
Profit/Loss after Tax	1,506.86	962.26	1,508.33	989.37
Balance Carried To Balance Sheet	1,506.86	962.26	1,508.33	989.37

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by

Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2015-16.

DIVIDEND

With a view to conserve the resources for future business requirements and expansion plans, your Directors are of view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the year under review.

BUSINESS OVERVIEW

"Think Education, Think Zee Learn." With the motto of building the nation through education, your Company is constantly contributing in the field of education across age groups, all the while maintaining its core values of integrity, ownership, leadership, trust and continuous learning. Zee Learn delivers Education solutions for various stages of an individual's growth – from toddler to youth. We believe that every child has a unique and infinite potential and we are committed to help children realize their capabilities. Under its Portfolio, Zee Learn is currently operating over 1550 + Pre - schools & 103 K-12 schools, through its leading brands, "Kidzee" & "Mount Litera Zee School" respectively. During the current financial year Kidzee has serviced over 1,16,600 children and MLZS has serviced more than 40,000 students, through its network of pre-school centres and K-12 school chain.

This year, your company forayed into teacher training in order to impetus the demand for the growing urge of quality education at the grass root level. The company signed up 22 franchisee partners in the FY16.

Your Company delivered on its promise of sustained profitability and improving on margins and has shown remarkable growth in profit after tax. The improved performance is a result of sustained growth in the business in spite of tough economic conditions and through various measures taken for driving efficiencies in running its pre-school and K-12 school operations, run under the brand name of 'Kidzee' and 'Mount Litera Zee School' respectively.

SHARE CAPITAL

During the year under review, your Company had allotted 5,53,158 Equity Shares of Re. 1/- each upon exercise of Stock Options by the Option grantees under the Employee Stock Option Scheme. This has resulted an increase in the paid-up equity share capital of the Company from Rs. 32,00,01,097 to Rs. 32,05,54,255 comprising of 32,05,54,255 equity shares of Re. 1/- each.

REGISTRAR & SHARE TRANSFER AGENT

During the first quarter of Calendar Year 2016, there were certain allegations of fraud and malpractices in the conduct and operations of Sharepro Services (India) Pvt Ltd ('Sharepro'), who has been the Registrar and Share Transfer (R&T) Agent of the Company and upon preliminary investigations, SEBI had

issued an order dated March 22, 2016 *inter alia* restraining Sharepro from involving in market related activities and directed all Companies who are clients of Sharepro to conduct a thorough Audit of records and systems of Sharepro with respect to dividends paid and transfer of securities for a period of atleast 10 years. In compliance with the said directions of SEBI, since your Company has not paid any dividend from the date of incorporation till date, the scope of the Assurance Audit was expanded to cover Share transfers in the Company for a period commencing from the date of listing of the Equity Shares of the Company i.e. from December 20, 2010 until end of March 2016. The Assurance Audit in relation to handling of R&T functions by Sharepro, done at the behest of your Company by M/s MKB and Associates, Company Secretaries confirms that all transfers of securities were found in order and there has not been any malpractice or system related issues found during the said audit.

Subsequently, in pursuance of the advisory issued by SEBI vide Order dated March 22, 2016 and considering that key employees were leaving Sharepro which could affect R&T services at Sharepro in future, your Company has appointed M/s Link Intime India Private Limited as the R&T Agent in place of Sharepro. The said changeover of R&T Agent shall take effect from July 1, 2016.

SCHEME OF AMALGAMATION

The Board of Directors of Zee Learn Limited at its meeting held on December 23, 2015 approved the Scheme of Amalgamation between Zee Learn Limited and Tree House Education & Accessories Limited. The scheme has been filed with the Stock Exchanges by both the Companies and "No Objection" letter has been received from them.

NON-CONVERTIBLE DEBENTURES

Your Company had allotted on April 8, 2015 650 (Six Hundred Fifty) Rated, Unlisted, Redeemable, Non-Convertible Debentures ("Debentures" Or "NCDs") of the Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) Each, for cash, aggregating upto Rs. 65,00,00,000/- (Rupees Sixty Five Crores Only) in terms of the Information Memorandum circulated on Private Placement Basis, on which Credit Analysis & Research Limited (CARE) has affirmed the rating of 'CARE AA (SO)', which signifies the NCDs are construed to offer high safety for timely servicing of debt obligation and carries very low credit risk.

GLOBAL DEPOSITORY RECEIPTS

During the Financial year 2013-14, Global Depository Receipts (GDRs) offer of the Company for 56,17,977 GDRs opened for subscription at an issue price of US\$ 3.56 per GDR representing 5,61,79,770 fully paid Equity Shares Re.1/- each of the Company(each GDR representing 10 Equity Shares). Upon subscription of the GDR, the Company Issued and allotted 5,61,79,770 fully paid Equity Shares of Rs. 19.50 per share

underlying Global Depository Receipts ("GDRs") on May 21, 2013. 5,61,79,770 Global Depository Receipts have been listed on the Luxembourg Stock Exchange since May 24, 2013. As at March 31, 2016, total 27,50,977 GDRs have remained outstanding, the underlying shares of which forms part of the existing paid up share capital of the Company.

EMPLOYEES STOCK OPTION SCHEME

Your Company has modified its existing ESOP scheme to ZLL ESOP 2010 - AMENDED 2015 Scheme in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and had also obtained the approval of the Shareholders of the Company by way of Postal Ballot on December 18, 2015, for increase in the pool of Stock Options from existing 61,36,930 Stock Options to 1,60,07,451 Stock Options (which is equivalent to 5% of the Issued, Subscribed and Paid-up Share capital of the Company as on October 28, 2015, which is 32,01,49,020 Equity Shares of Re.1/- each) for grant of stock options to its eligible employees and Directors of the Company and its Subsidiary Companies. The Nomination and Remuneration Committee of the Board of Directors of the Company, *inter alia*, administers and monitors the Employee Stock Option Scheme of the Company.

The applicable disclosures under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, relating to the Scheme are posted in Investor Relations section on the Company's website www.zeelearn.com.

During the year under review, the Nomination & Remuneration Committee at its meeting held on October 28, 2015, granted 6402980 Stock Options in the category of employees/ Directors of the Company. These options when vested as per the terms and conditions of the Scheme entitled the option holder to apply for and be allotted equal number of equity shares of face value of Re. 1/- each at an exercise price of Rs. 31.80 per share being the closing market price of the equity shares of the Company on the National Stock Exchange of India Limited as on October 27, 2015. Since the options have been granted at the market price, the intrinsic value at grant is Nil and hence there is no charge to the Profit and Loss account. These options will vest in a phased manner over a period of 3 years beginning 2016, and may be exercised within a maximum of four years from the date of vesting, subject to terms and conditions of the Scheme and the grant letter. Your Directors believe this Scheme will help create long term value for shareholders and operate as long term incentive to attract and retain senior managerial talent.

SUBSIDIARY COMPANY

As at March 31, 2016, your company had two wholly owned subsidiaries, namely, Digital Ventures Private Limited and Academia Edificio Private Limited.

During the year, Academia Edificio Private Limited has been incorporated on January 14, 2016 as wholly owned subsidiary of

the Company to venture into building / constructing / developing educational infrastructure. Apart from above, no other Subsidiary/ Joint-venture was formed or divested during the year under review. In compliance with Section 129 of the Companies Act, 2013, a statement containing requisite details including financial highlights of the operations of all subsidiaries is annexed to this report.

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in and forms part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company www.zeelearn.com. These documents will also be available for inspection during business hours at the Registered Office of the Company.

CORPORATE GOVERNANCE & POLICIES

Your Company is in compliance with the Corporate Governance requirements mentioned in Listing Regulations. In terms of Schedule V of Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached and forms an integral part of this Annual Report. Management Discussion and Analysis Report as per Listing Regulations are presented in separate sections forming part of the Annual Report.

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. Your Company has also adopted a Remuneration Policy, salient features whereof is annexed to this report.

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's corporate website www.zeelearn.com. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website www.zeelearn.com

CORPORATE SOCIAL RESPONSIBILITY

In compliance with requirements of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR Committee comprises Mr. Surjit Banga, Independent Director as Chairman and Mr. Himanshu Mody, Non-Executive Director and Dr. Sangeeta Pandit, Independent Director as Members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

The Company was not required to spend any amount on CSR activities during the FY 2015-16.

However, as responsible citizen, your Company believes that a Business cannot succeed in a society that fails and therefore, it is imperative for business houses, to invest in the future by taking part in CSR activities. As part of CSR activity the Company has conducted the CSR activities as mentioned below:

Community Connect Activities at Kidzee

I Care Seminars for creating awareness about prevention of child abuse:- Through the year, Kidzee continued its commitment of standing for 'What's Right For Child' through its Child Abuse Prevention initiative I Care. A module designed to educate adults about child abuse, it teaches to recognize incidence and prevent it further. As a policy, all adults in the centre including teachers and support staff are trained under I Care. This is further taken to parents and this year, Kidzee took this initiative to the community at large by conducting events at RWAs and Corporates. Every Kidzee preschool in the country aims to sensitize maximum adults in their catchments about the incidence of Child Abuse thereby aiming to create an abuse-free and nurturing environment for every child.

World Environment Day:- On World Environment Day in June, Kidzee preschools across the country celebrated the occasion by educating the community on the huge issue looming ahead and distributed saplings amongst adults in their catchment. They spread the message of conserving the environment so that they have a safe and healthy planet to live in when they grow up.

Early Childhood Care and Education Seminars (ECCE Seminars):- In its quest to stand for 'What's Right For Child',

Kidzee set up an initiative to create awareness about the importance of the early years of the child. This module was created in an easy to execute format such that maximum preschools across the country conduct the activity with not just enrolled parents but also parents in the catchment area to generate the importance associated with the formative years of the child. This module is successfully being conducted in RWAs, Corporates and Associations.

Donation Drive in association with Madras Round Table:- In association with Madras Round Table (MRT1), Kidzee participated in a city-wide donation drive in Chennai. As part of this activity, Kidzee preschools encouraged children and their parents to donate their toys, books and clothes to underprivileged and less fortunate children. This was in line with teaching children to be compassionate towards fellow human beings and doing their best to add value back to society.

Community Connect Activities at MLZS Schools

Woman's Day Activity:- Special activity was carried out to mark International Woman's Day in March 2016 in MLZS schools. Self defence workshops for young girls were organized in over 20 schools. Not just for MLZS students, this workshop was open to students and parents from outside as well. Additionally activities on gender equality were also carried out in the schools with support of toolkit from Amnesty International.

Illuminating Lives (Diwali Outreach):- On the occasion of Diwali, MLZS schools across the country reached out to the disadvantaged/impoverished sections of society in villages around the school and brought them joy and support with clothes, food and the greatest gift of all, love.

World Yoga Day:- Yoga Shivirs were organized at 62 Mount Litera Zee Schools for students and families along with lectures via Experts and the material created by Ministry of AYUSH. There were Yoga demonstrations with children being part of the demonstration and over 25,000 students' families and staff members were reached through mailers and Whatsapp encouraging them for including Yoga as part of their daily lifestyles. It created a mega impact as Zee Learn was able to extend the vision of a healthier country down to the cities where we have our schools.

Digital Citizenship Program (DCP):- Through several workshops, activities and communications, the Digital Citizenship Program was a major initiative by MLZS to help educate both students and parents to the important of responsible usage of digital technology and the perils of social media addiction, as well as how to ensure one's health and family life is not stunted by usage of digital technology.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Board currently comprises of 5 Directors including 3 (three) Independent Directors, 1 (one) Non-Executive Director and 1 (one) Executive Director. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2015-2016, your Board met 6 (six) times details of which are available in Corporate Governance Report annexed to this report.

Mr. Himanshu Mody, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible he has offered himself for re-appointment. Your Board recommends his re-appointment.

During the year under review, Mr. Subodh Kumar resigned from the directorship of the Company with effect from July 30, 2015 and Mr. Ajey Kumar was appointed as the Executive Director of the Company with effect from October 28, 2015, on the terms and conditions as approved by the shareholders by passing Special Resolution through postal ballot on December 18, 2015.

Pursuant to the Members' approval at the 4th Annual General Meeting held on August 11, 2014, Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal were appointed as Independent Directors of the Company for a period of three years till November 30, 2016, March 31, 2017 and March 31, 2017 respectively. Special Resolutions seeking members' approval for appointing them as Independent Director(s) for the second term of 3 years from expiry of their current terms form part of the Notice of the ensuing Annual General Meeting. Your Company has received notice(s) in writing along with requisite deposit pursuant to Section 160 of Companies Act, 2013, proposing their appointment for the second term and based on performance evaluation and contributions made by Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal, your Board recommends their appointment for the second term of 3 years upon expiry of their current term.

In compliance with Section 203 of the Companies Act, 2013, your Board had re-appointed Mr. Umesh Pradhan, Chief Financial Officer of the Company as a Manager for a period of three years with effect from April 1, 2016, without any remuneration as Manager of the Company. However, Mr. Pradhan will continue to draw remuneration as CFO of the Company. A proposal seeking Members approval for re-appointment of Mr. Umesh Pradhan as Manager of the Company forms part of the Notice of ensuing Annual General Meeting. Mr. KVS Seshasai resigned from the post of Chief Executive Officer with effect from February 1, 2016.

Mr. Samir Raval has resigned from the Company w.e.f. June 15, 2015 and Ms. Hemangi Patil was appointed in his place as Company Secretary and Compliance Officer of the Company w.e.f. June 16, 2015.

BOARD EVALUATION

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated. Based on such report of the meeting of Independent Directors and taking into account the views of directors the Board had evaluated its performance on various parameters such as Board composition and structure, effectiveness of board processes, effectiveness of flow of information, contributions from each Directors, etc., was found to be satisfactory.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Agreements/ Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.zeelearn.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

AUDITORS

STATUTORY AUDITOR

The Statutory Auditors M/s. MGB & Co. LLP., Chartered Accountants, Mumbai having firm registration No. 101169W/W-100035 holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit & Auditors) Rules, 2014. Your Board is of the opinion that continuation of M/s MGB & Co. LLP, as Statutory Auditors during FY 2016-17 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till next Annual General Meeting at remuneration be decided by the Board.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, amended rules, 2014, the cost audit records maintained by the Company in respect of its education services, other than such similar services falling under philanthropy or as part of social spend which do not form part of any business is required to be Audited.

Your Directors had, on the recommendation of the Audit Committee and on ratification of its Members appointed M/s VV & Associates, Cost Auditor having Firm Registration No. 000515 to audit the cost accounts of the Company for the financial year 2016-17.

SECRETARIAL AUDITOR

During the year, Secretarial Audit was carried out by Ms. Mita Sanghavi, Practising Company Secretary in compliance with Section 204 of the Companies Act, 2013.

The reports of Statutory Auditor, Cost Auditor and Secretarial Auditor do not contain any qualification, reservation or adverse remarks. The reports of Statutory Auditor, Secretarial Auditor forming part of this Annual report. During the year the Statutory Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

DISCLOSURES

i. Particulars of loans, guarantees and investments :

Particulars of loans, guarantees and investments made by the Company required under section 186 (4) of the Companies Act, 2013 are contained in Note No. 30 to the Standalone Financial Statements.

ii. Transactions with Related Parties :

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Information on material transactions with related parties pursuant to Section 134(3)(h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is annexed to this report.

iii. Risk Management

The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

iv. Internal Financial Controls

Internal Financial Controls includes policies and procedures adopted by the company for ensuring orderly and efficient conduct of its business, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has in place a proper and adequate Internal Financial Control System with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

v. Deposits:

Your Company has not accepted any public deposits under Chapter V of the Companies Act, 2013.

vi. Extract of Annual Return :

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report.

vii. Sexual Harassment:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review no complaints on sexual harassment was received.

viii. Regulatory Orders :

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is engaged in the business of delivering learning solutions and training to entire spectrum of the society from toddler to teens through its multiple products. Since this business do not involve any manufacturing activity, most of the information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable.

However, the information as applicable are given hereunder:

Conservation of Energy:

- (i) Steps taken or impact on conservation of energy
- (ii) Steps taken by the Company for utilizing alternate sources of energy
- (iii) Capital investment on energy conservation equipments

Your Company being a service provider requires minimal energy consumption and every endeavor has been made to ensure optimal use of energy and avoid wastages and conserve energy as far as possible.

Technology Absorption:

- (i) The efforts made towards technology absorption
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a. The details of technology imported
 - b. The year of import
 - c. Whether the technology been fully absorbed
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
- (iv) The expenditure incurred on Research and Development

In its endeavor to deliver the best to its users and business partners, your Company has been constantly active in harnessing and tapping the latest and best technology in the industry.

FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, there were no Foreign Exchange Earnings and the particulars of Foreign Exchange outgo is given in Note no. 35 of the Notes to Accounts forming part of the Annual Accounts.

PARTICULARS OF EMPLOYEES

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report.

ACKNOWLEDGMENTS

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels, Franchisees and Business Partners that have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation received from the Central and State Governments including Ministry of Human Resource Development and other stakeholders including Bankers, Financial Institutions, Investors, Service Providers as well as regulatory and government authorities.

For and on behalf of the Board

Place: Mumbai
 Date: May 13, 2016

Himanshu Mody **Surjit Banga**
 Chairman Director

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES / JOINT VENTURES AS PER THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Name of the Subsidiary	Digital Ventures Private Limited	Academia Edificio Private Limited
Share capital	511.00	0.10
Reserves & surplus	19,606.94	(0.40)
Total assets	62,847.77	0.10
Total Liabilities	42,729.82	0.40
Investments	-	-
Turnover	1,285.59	-
Profit before taxation	1.89	(0.40)
Provision for taxation	-	-
Profit after taxation	1.89	(0.40)
Proposed Dividend	-	-
% of shareholding	100%	100%

Notes:

1. Academia Edificio Private Limited, a newly formed wholly owned subsidiary, incorporated on January 14, 2016 is yet to commence its operations.
2. The Company does not have any Associate/Joint Venture.

For and on behalf of the Board

Place : Mumbai
Date : May 13, 2016

Himanshu Mody **Surjit Banga**
Chairman Director

EXTRACT OF REMUNERATION POLICY

The Board has approved a policy for Remuneration for Director(s) and Employees of the Company which *inter alia* includes:

i) Objective:

This Policy aims to attract, retain and motivate the Members of the Board of Directors, Senior Managers viz: CEO, and other employees who are at one level below the Key Managerial Personnel or Functional Heads of the Company, by remunerating them reasonably and sufficiently so as to run the operations of the Company successfully. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

ii) Guiding Principles:

The guiding principle of this Policy is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

While designing the remuneration package, efforts are to be made to ensure that the remuneration matches the level in comparable companies, whilst also taking into consideration requisite competencies, qualifications, industry experience, efforts required and the scope of the work.

The Nomination and Remuneration Committee while considering a remuneration package shall ensure balance

between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee believes that a successful remuneration policy must ensure that a significant part of the remuneration package should be linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

iii) Remuneration of Executive Members on the Board:

Any Executive Member(s) on the Board shall be paid remuneration which shall comprise of fixed monthly basic salary, perquisites such as House Rent Allowance or furnished / unfurnished housing accommodation in lieu thereof, car with or without chauffeur, telephone for office as well as personal use, reimbursement of medical expenses, leave travel allowance, club membership, stock options, statutory and non-statutory allowances such as education allowances, personal allowances, travel allowances, subscription allowances etc. as may be recommended by the Nomination and Remuneration Committee / Board of Directors and approved by the Members of the Company from time to time.

However, the overall remuneration of executive member(s) on the Board, where there are more than one, shall not exceed 10% of the net profit calculated in the manner provided under the Companies Act, 2013 and Rules framed thereunder, and shall not exceed 5% in case there is only one executive member on the Board. In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of an executive member of the Board, the payment of remuneration shall be governed by the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Executive Members of the Board including the Managing Director, if any, shall be employed under service contracts for a period not exceeding 3 (three) years at a time, on the terms & other conditions and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Members of the Company at the General Meeting(s). Executive members of the Board shall not be eligible to receive any sitting fees for attending any meeting of the Board of Directors or Committee thereof.

iv) Remuneration of Non-Executive Members of the Board:

The remuneration payable to the Non-Executive member(s) of the Board shall be limited to a fixed amount of Commission each year, as may be determined and approved by the Board based on the time devoted,

contribution made in the progress and guiding the Company for future growth. Aggregate of such sum shall not exceed 1% of net profit of the year on a stand-alone basis or such sum as may be prescribed by the Government from time to time, calculated in accordance with the provisions of the Companies Act, 2013 and relevant rules framed thereunder. Such remuneration shall in the form of commission payable to Non-Executive members of the Board and shall be in addition to the sitting fees payable to them for attending the meetings of the Board and / or Committees thereof, excluding Stakeholders Relationship Committee and Finance Sub-Committee and reimbursement of expenses for participation in the Board and other meetings. Independent Director(s) of the Company shall not be entitled to any stock option issued or proposed to be issued by the Company. The performance of the non-executive members of the Board shall be reviewed by the Board on an annual basis.

v) Remuneration of Executive Management comprising of Senior Management & Key Managerial Personnel:

The Company believes that a combination of fixed and performance-linked pay to the Executive Management shall ensure that the company can attract and retain key employees. The performance-linked incentive based on Company performance and performance of the employee concerned each year shall be considered and approved by the Nomination & Remuneration Committee, annually *inter-alia* for the Executive Management. Additionally subject to appropriate approval of shareholders, the Company may consider issuance of stock options to Senior Management.

The Nomination & Remuneration Committee will from time to time consider proposals concerning the appointment and remuneration of the Key Managerial Personnel and ensure that the proposed remuneration is in line with industry standards in comparable companies. Such proposals then shall be submitted to the Board for approval. The remuneration of the members of the Executive Management may consist of the following components:

- Basic salary and Allowances
- Performance linked incentive / bonus
- Stock options
- Perquisites as per rules of the Company including Company car, telephone etc.

Executive Management shall not be eligible to receive any remuneration, including sitting fees, for directorships held in any of the Essel Group of Companies, whether listed or otherwise.

PARTICULARS OF RELATED PARTY TRANSACTIONS

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contract or

arrangement or transaction with its related parties which is not at arm's length during financial year 2015-16.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The Company has not entered into any material contracts or arrangements or transactions with its related parties which is at arm's length basis during financial year 2015-16.

For and on behalf of the Board

Place : Mumbai
Date : May 13, 2016

Himanshu Mody
Chairman

PARTICULARS OF REMUNERATION OF EMPLOYEES

{Pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, ratio of remuneration of Directors to the median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Name of Director / Key Managerial Personnel	Remuneration Total (₹ in lacs)	% increase in Remuneration	Ratio of Director's remuneration to median remuneration	Comparison of remuneration of each KMP against Company's Performance	
				% of Turnover	% of Net Profit Before Tax
Non- Executive Directors					
Subodh Kumar	NIL	NIL	NIL	NIL	NA
Himanshu Mody	NIL	NIL	NIL	NIL	NA
Surjit Banga ^s	3.00	NIL	0.48:1	NA	NA
Manish Agarwal ^s	3.00	NIL	0.48:1	NA	NA
Sangeeta Pandit ^s	3.00	NIL	0.48:1	NA	NA
Executive Director					
Ajey Kumar	NIL	NIL	NIL	NIL	NIL
Key Managerial Personnel					
K V S Seshasai*	84.44	16.4%	NA	0.61%	5.60%
Umesh Pradhan	43.44	14.6%	NA	0.31%	2.88%
Samir Raval [#]	16.64	NA	NA	0.12%	1.10%
Hemangi Patil [#]	10.26	NA	NA	0.07%	0.68%

* Mr. KVS Seshasai resigned as Chief Executive Officer of the Company w.e.f. 1st February 2016.

Mr. Samir Raval resigned w.e.f. June 15, 2015 and Ms. Hemangi Patil appointed as Company Secretary of the Company w.e.f. June 16, 2015.

^s Independent Directors remuneration represents Commission and excludes Sitting Fees.

[#] NA denotes Not Applicable

Sr. No	Requirements	Disclosure														
1	The Percentage increase in median remuneration of employees in Financial Year	8.7%														
2	Number of permanent employees on the rolls of the Company	285 (As on March 31, 2016)														
3	The explanation on the relationship between average increase in remuneration and Company's performance	The average increase in remuneration of 10.6% during the year was in line with the market trend and company's financial performance.														
4	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company (Standalone).	The aggregate remuneration of Key Managerial Personnel was 1.11% of turnover and 10.3% of Net Profit (before tax) during financial Year.														
5	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current and previous financial year	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Market Capitalization (₹ in lacs)</th> <th>Price Earnings Ratio</th> </tr> </thead> <tbody> <tr> <td>31.03.2016</td><td>98,570</td><td>65.35</td></tr> <tr> <td>31.03.2015</td><td>1,17,120</td><td>118.37</td></tr> <tr> <td>Change %</td><td>(15.83%)</td><td>(44.79%)</td></tr> </tbody> </table> <p>Note – During FY 2015-16 the Company had allotted 5,53,158 Equity Shares under ESOP Scheme and therefore % change in Market Capitalization and Price Earning Ratio will not be comparable.</p>	Particulars	Market Capitalization (₹ in lacs)	Price Earnings Ratio	31.03.2016	98,570	65.35	31.03.2015	1,17,120	118.37	Change %	(15.83%)	(44.79%)		
Particulars	Market Capitalization (₹ in lacs)	Price Earnings Ratio														
31.03.2016	98,570	65.35														
31.03.2015	1,17,120	118.37														
Change %	(15.83%)	(44.79%)														
6	Percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last Public Offer	Not applicable as the Company has never come out with any public offer														
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees other than managerial personnel during the year was 10.6% while the average increase in managerial remuneration during the year was 14.6%														
8	Key parameters for any variable component of remuneration availed by the Directors	Variable Component of remuneration, i.e., Commission of Independent Directors (being limited to 1% of Profit) is interalia based on performance of the Company.														
9	The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not applicable.														
10	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms that the remuneration is as per the remuneration policy of the Company.														

B. Particulars of Employees whose remuneration exceeded Rs. 60 lacs per annum or Rs. 5 lacs per month during FY 2015-16

1. Employed throughout the year and in receipt of remuneration aggregating Rs. 60 lacs or more per annum.

There are no employees who are employed throughout the year and in receipt of remuneration aggregating to Rs. 60 lacs or more per annum.

2. Employed part of the year and in receipt of remuneration aggregating Rs. 5 lacs or more per month.

Name of Employee	Age	Designation	Remuneration Total (Rs.)	Qualification	Experience in years	Date of Joining	Last Employment
K V S Seshasai	45 yrs	Chief Executive Officer	84,44,141	BE (Electronics & Telecommunications) & PGDBM	17	06.01.2014	Reliance Brands Limited

Notes:

- 1) Mr. KVS Seshasai resigned as Chief Executive Officer of the Company w.e.f. 1st February 2016.
- 2) None of the employees are related to any of the Directors.
- 3) Remuneration includes Salary, Allowances, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance and Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act, 1961.

For and on behalf of the Board

Place: Mumbai

Date: May 13, 2016

Himanshu Mody

Chairman

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS		
i)	CIN	L80301MH2010PLC198405
ii)	Registration Date	04.01.2010
iii)	Name of the Company	Zee Learn Limited
iv)	Category / Sub-Category of the Company	Company Limited by Share / Indian Non – Government Company
v)	Address of the Registered office and contact details	Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018 Tel No: +91-22-40343900 / Fax No: +91-22-26743422
vi)	Whether Listed	Yes
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent (Refer Note below)	Sharepro Services (India) Private Limited 13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072 Tel No: +91-22-6772 0300/ 400 Fax No: +91-22-2859 1568/ 2850 8927

Note: With effect from July 1, 2016, M/s. Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, has been appointed as Registrar and Share Transfer Agent of the Company in place of M/s. Sharepro Services (India) Private Limited.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SI No	Name and Description of main products/ services	NIC Code of the main products/ services	% to total turnover of the company
1.	Education support services	99929200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name, Address & CIN of the Company	% of shares held	Applicable Section
A Holding Company			
	NIL		
B Subsidiary Companies			
1	Digital Ventures Private Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018 CIN U72900MH2006PTC165215	100%	2(87)(ii)
2	Academia Edificio Private Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018 CIN U45400MH2016PTC272078	100%	2(87)(ii)
C Associate Company			
	NIL		

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) Category wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change*
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
Individual/HUF		7,29,089	0	7,29,089	0.23	7,29,089	0	7,29,089	0.23	0.00
Bodies Corp.		19,07,66,475	0	19,07,66,475	59.61	19,07,66,475	0	19,07,66,475	59.51	0.10
Sub-total (A) (1):-		19,14,95,564	0	19,14,95,564	59.84	19,14,95,564	0	19,14,95,564	59.74	0.10
(2) Foreign										
Bodies Corp.		57,97,315	0	57,97,315	1.81	57,97,315	0	57,97,315	1.81	0.00
Sub-total (A) (2):-		57,97,315	0	57,97,315	1.81	57,97,315	0	57,97,315	1.81	0.00
Total shareholding of Promoter										
(A)=(A)(1)+(A)(2)		19,72,92,879	0	19,72,92,879	61.65	19,72,92,879	0	19,72,92,879	61.55	0.10
B. Public Shareholding										
(1). Institutions										
Mutual Funds		0	274	274	0.00	0	274	274	0.00	0.00
Banks / FI		89,808	0	89,808	0.03	42,860	0	42,860	0.01	0.02
Insurance Companies		19,218	0	19,218	0.01	19,218	0	19,218	0.01	0.00
FIIs		4,93,31,214	3,013	4,93,34,227	15.42	6,74,38,896	3,013	6,74,41,909	21.04	-5.62
Foreign Portfolio Investors		0	0	0	0.00	45,11,372	0	45,11,372	1.41	-1.41
Sub-total (B)(1):-		4,94,40,240	3,287	4,94,43,527	15.46	7,20,12,346	3,287	7,20,15,633	22.47	-7.01
(2). Non-Institutions										
a) Bodies Corp.										
Indian		2,02,48,449	1,823	2,02,50,272	6.33	1,05,40,800	1,823	1,05,42,623	3.29	3.04
b) Individuals										
Individual shareholders holding nominal share capital upto Rs. 1 Lac		1,01,03,069	1,09,617	1,02,12,686	3.19	1,24,73,939	1,01,337	1,25,75,276	3.92	-0.73
Individual Shareholders holding nominal share capital in excess of Rs. 1 lac		11,62,948	0	11,62,948	0.36	90,000	0	90,000	0.03	0.33
c) Others										
Overseas Corporate Bodies		123	0	123	0.00	123	0	123	0.00	0.00
Foreign Nationals		12,500	274	12,774	0.00	12,500	274	12,774	0.00	0.00
Trusts		88	0	88	0.00	88	0	88	0.00	0.00
Non Resident Indians		3,33,441	1,12,589	4,46,030	0.14	4,05,240	1,09,849	5,15,089	0.16	-0.02
Sub-total (B)(2):-		3,18,60,618	2,24,303	3,20,84,921	10.02	2,35,22,690	2,13,283	2,37,35,973	7.40	2.62
Total Public Shareholding										
(B)=(B)(1)+(B)(2)		8,13,00,858	2,27,590	8,15,28,448	25.48	9,55,35,036	2,16,570	9,57,51,606	29.87	-4.39
C. Shares held by Custodian for GDRs		4,11,79,770	0	4,11,79,770	12.87	2,75,09,770	0	2,75,09,770	8.58	4.29
Grand Total (A+B+C)		31,97,73,507	2,27,590	32,00,01,097	100.00	32,03,37,685	2,16,570	32,05,54,255	100.00	0.00

Note: The change in percentage of share capital is due to change in total paid up capital of the company, post ESOP allotment.

II) Shareholding of Promoters

SI No	Name of Promoter	Shareholding at the beginning of the year i.e., April 1, 2015			Shareholding at the end of the year i.e., March 31, 2016			% Change*
		No. of Shares	%	% of shares pledged/encumbered to Capital	No. of Shares	%	% of shares pledged/encumbered to Capital	
1	Asian Satellite Broadcast Private Limited	6,30,52,512	19.70	17.15	6,30,52,512	19.67	16.20	0.03
2	Jayneer Capital Private Limited	7,79,75,375	24.37	17.93	7,79,75,375	24.33	17.51	0.04
3	Essel Media Ventures Private Limited	1,28,61,036	4.02	0.00	1,28,61,036	4.01	0.00	0.01
4	Sprit Textiles Private Limited	1,11,03,864	3.47	1.87	1,11,03,864	3.46	1.87	0.01
5	Ganjam Trading Company Private Limited	49,49,506	1.55	0.00	49,49,506	1.54	0.00	0.01
6	Veena Investment Private Limited	34,49,013	1.08	0.00	34,49,013	1.08	0.00	0.00
7	Essel Infraprojects Limited	17,52,286	0.55	0.00	17,52,286	0.55	0.00	0.00
8	Ambience Business Services Private Limited	6,22,883	0.19	0.00	6,22,883	0.19	0.00	0.00
9	Essel Holdings Limited	57,97,315	1.81	0.00	57,97,315	1.81	0.00	0.00
10	Jayneer Enterprises LLP	1,50,00,000	4.69	0.00	1,50,00,000	4.68	4.15	0.01
11	Ashok Mathai Kurien	5,59,089	0.17	0.00	5,59,089	0.17	0.00	0.00
12	Sushila Goel	1,70,000	0.05	0.00	1,70,000	0.05	0.00	0.00
Total		19,72,92,879	61.65	36.95	19,72,92,879	61.55	39.73	0.11

III) Change In Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company *	No. of Shares	% of total shares of the Company *
At the beginning of the year	19,72,92,879	61.65%	-	-
Date wise Increase/ Decrease in promoters share holding during the year specifying the reasons for increase/ decrease			NIL	
At the end of the year			19,72,92,879	61.55%

* The change in percentage of share capital is due to change in total paid up capital of the company, post ESOP allotment.

IV) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Name of Shareholder	Shareholding at the beginning of the year (April 1, 2015)		Shareholding at the end of the year (March 31, 2016)	
	No. of Shares	% Equity Share Capital	No. of Shares	% Equity Share Capital
Orange Mauritius Investments Ltd	\$ 1,63,08,657	5.10	80,76,298	2.52
Polus Global Fund	@ NA	NA	1,36,70,000	4.26
Religare Finvest Limited	\$ 1,04,86,660	3.28	49,78,486	1.55
IOTA Mtech Power LLP	# 18,25,000	0.57	NA	NA
Prism Commodeal Private Limited	\$ 10,70,937	0.33	10,70,937	0.33
Swiss Finance Corporation (Mauritius) Limited	\$ 2,17,60,738	6.80	2,55,89,415	7.98
Copthall Mauritius Investment Limited	\$ 82,10,585	2.57	82,10,585	2.56
Driehaus Emerging Markets Small Cap Growth Fund, A Series of Driehaus Mutual Funds	\$ 28,43,113	0.89	21,52,599	0.67
Kiran Vyapar Limited	# 13,25,000	0.41	NA	NA
Adit Infopower Private Ltd	# 8,08,606	0.25	NA	NA
Hamlet Regency Private Limited	\$ 8,00,000	0.25	7,88,751	0.25
Morgan Stanely Asia (Singapore) – PTE	@ NA	NA	97,09,528	3.03
Vittoria Fund -Sr, L.P.- Asia Portfolio	@ NA	NA	44,21,500	1.38

Notes:

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
2. \$ denotes common top 10 shareholders as on April 1, 2015 and March 31, 2016
denotes top 10 shareholders only as on April 1, 2015
@ denotes top 10 shareholders only as on March 31, 2016
NA denotes that the shareholder was not amongst top ten shareholders during relevant date

V) Shareholding of Directors & KMP

Details of changes in the shareholding of Directors of the Company who held/ hold Equity Shares of the Company are as mentioned herein. None of the other Directors / Key Managerial Personnel of the Company held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2015 or at the end of the year i.e. March 31, 2016 or dealt in the Equity Shares of the Company during financial year ended March 31, 2016:

	Shareholding at the beginning of the year i.e. April 1, 2015		Changes			Cumulative shareholding during the year	
	No. of Shares	% of share Capital	Date	No. of Shares	Reason	No. of Shares	% of share Capital
Mr. Subodh Kumar*							
<i>Non-Executive Director</i>	30,000	0.01	-	-	-	30,000	0.01
Mr. Himanshu Mody							
<i>Non-Executive Director</i>	80,500	0.02	-	-	-	80,500	0.02
Mr. Surjit Banga							
<i>Independent Director</i>	69,000	0.02	03.11.2015 27.11.2015	10,500 7,500	ESOP Allotment Market Sale	79,500 72,000	0.02
Dr. Manish Agarwal							
<i>Independent Director</i>	34,500	0.01	24.09.2015	10,500	ESOP Allotment	45,000	0.01
Mr. KVS Seshasai®							
<i>Chief Executive Officer</i>	0	0.00	21.12.2015	62,500	ESOP Allotment	62,500	0.02
Mr. Samir Raval*							
<i>Company Secretary</i>	0	0.00	30.04.2015 11.06.2015	25,000 11,000	ESOP Allotment ESOP Allotment	25,000 36,000	0.01

* Mr. Subodh Kumar resigned as Non-Executive Director of the Company w.e.f. 30th July 2015

Mr. Samir Raval resigned as Company Secretary of the Company w.e.f. 15th June 2015.

® Mr. KVS Seshasai resigned as Chief Executive Officer of the Company w.e.f. 1st February 2016.

Note: The information about their respective shareholding is given till the date of their resignations.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY i.e., April 1, 2015				
i) Principal Amount;	8,596.00	2,863.00	-	11,459.00
ii) Interest due but not paid;	-	-	-	-
iii) Interest accrued but not due	88.15	73.91	-	162.06
Total (i+ii+iii)	8,684.15	2,936.91	-	11,621.06
Change in Indebtedness during the Financial Year				
• Addition	6,500.00	3,831.00	-	10,331.00
• Reduction	(3,916.00)	(4,335.91)	-	(8,251.91)
Net Change	2,584.00	(504.91)	-	2,079.09
Indebtedness at the end of FY i.e., March 31, 2016				
i) Principal Amount;	11,180.00	2,432.00	-	13,612.00
ii) Interest due but not paid;	-	-	-	-
iii) Interest accrued but not due	45.11	128.92	-	174.03
Total (i+ii+iii)	11,225.11	2,560.92	-	13,786.03

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and/ or Manager

(₹ in lacs)

Particulars of Remuneration	Mr. Umesh Pradhan Manager & CFO
Gross Salary (As per Income Tax Act)	
Salary	
Perquisites	
Profits in lieu of salary	
Total Stock Options Granted	Nil
Stock Options Exercised during FY	
Sweat Equity	
Commission as % of Profit	
Others (contribution to Provident Fund)	
Ceiling as per the Act	10% of Profits as per Section 198 of the Companies Act, 2013.

Note:

1. During the year under review, Mr. Umesh Pradhan received remuneration only in the capacity of CFO of the Company. For details of remuneration of CFO refer remuneration details of Mr. Pradhan mentioned in Table C below.
2. Continuing on the same terms of appointment as Manager, Mr. Umesh Pradhan re-appointed for a period of three years w.e.f. April 1, 2016, without any remuneration as Manager but he will continue to draw remuneration in the capacity of CFO of the Company.

B. Remuneration to other Directors

(₹ in lacs)

Name of Directors	Sitting Fees	Commission	Others	Total
Independent Directors				
Surjit Banga	3.00	3.00	-	6.00
Dr. Manish Agarwal	2.00	3.00	-	5.00
Dr. Sangeeta Pandit	2.20	3.00	-	5.20
Total	7.20	9.00	-	16.20
Overall Ceiling as per Act	Above commission is within the limit of 1% of Net Profit of the Company.			

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in lacs)

Particulars of Remuneration	Key Managerial Personnel				
	KVS Seshasai *	Umesh Pradhan CFO	Samir Raval # Company Secretary	Hemangi Patil \$ Company Secretary	Total
Gross Salary (As per Income Tax Act)					
Salary	76.19	41.54	10.60	9.82	138.15
Perquisites	4.30	-	5.99	-	10.29
Profits in lieu of salary	-	-	-	-	-
Total Stock Options Granted	1,25,000	90,000	72,500	0	2,87,500
Stock Options Exercised during FY	62,500	-	61,000	0	1,23,500
Sweat Equity	-	-	-	-	-
Commission	-	-	-	-	-
Others (Contribution to Provident Fund)	3.94	1.90	0.05	0.43	6.32
Total	84.44	43.44	16.64	10.25	154.77

* Mr. KVS Seshasai resigned as Chief Executive Officer (CEO) of the Company w.e.f. 1st February 2016.

Mr. Samir Raval resigned as Company Secretary of the Company w.e.f. 15th June 2015.

\$ Ms. Hemangi Patil appointed as Company Secretary of the Company w.e.f. 16th June 2015.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: None

For and on behalf of the Board

Place: Mumbai

Date: May 13, 2016

Himanshu Mody

Chairman

Surjit Banga

Director

SECRETARIAL AUDIT REPORT

For the financial Year ended March 31, 2016

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

CIN: L80301MH2010PLC198405

To,

The Members,
Zee Learn Limited,
135, Continental Building,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zee Learn Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (Amendment) Act, 2013 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Purchase Scheme) Guidelines, 1999; and SEBI (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
- VI. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- VII. Employees State Insurance Act, 1948
- VIII. Employers Liability Act, 1938
- IX. Equal Remuneration Act, 1976
- X. Maternity Benefits Act, 1961
- XI. Minimum Wages Act, 1948
- XII. Payment of Bonus Act, 1965

- XIII. Payment of Gratuity Act, 1972
- XIV. Payment of Wages Act, 1936 and other applicable labour laws
- XV. The Bombay Shops and Establishments Act, 1948
- XVI. I have also examined compliance with the applicable clauses of the following:
 - i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE), National Stock Exchange (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

The Company sought the consent of the Members of the Company through Postal Ballot Notice dated October 28, 2015 on the following resolutions:

Modification to the ZLL – ESOP 2010 of the Company; the grant of options to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant of option; the payment of commission to the Independent Directors of the Company; appointment of Mr. Ajey Kumar as Director of the Company; and Appointment of Mr. Ajey Kumar as an Executive Director of the Company.

The Company has modified its existing ESOP scheme to ZLL ESOP 2010-AMENDED 2015 Scheme in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and had also obtained the approval of the Shareholders of the Company by way of Postal Ballot on December 18, 2015, for increase in the pool of Stock Options from existing 61,36,930 Stock Options to 1,60,07,451 Stock Options (which is equivalent to 5% of the Issued, Subscribed and Paid-up Share capital of the Company as on October 28, 2015, which is 32,01,49,020 Equity Shares of Re.1/- each) for grant of stock options to its eligible employees and Directors of the Company and its Subsidiary Companies.

The Board of Directors of Zee Learn Limited at its meeting held on December 23, 2015 approved the Scheme of Amalgamation between Zee Learn Limited and Tree House Education & Accessories Limited. The scheme has been filed with the Stock Exchanges of the respective Companies and the “No Objection” letter has been received from them.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. The Independent Directors met on February 1, 2016 to review the performance of Board and its committees.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, regulations and guidelines.

I further report that as confirmed by the Legal Department and the Management of the Company, the Company is under no obligation to comply with the provisions of Right to Education Act, 2005 and the said provisions are required to be complied by franchisees as per the franchise agreement.

Place: Thane

Date: May 13, 2016

Mita Sanghavi
(Practising Company Secretary)
FCS 7205, C P 6364

This report is to be read with our letter which is annexed as Annexure A and forms an integral Part of the Report.

ANNEXURE A

CIN: L80301MH2010PLC198405

To,

The Members,
Zee Learn Limited,
135, Continental Building,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

My Secretarial Audit Report is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Thane
Date: May 13, 2016

Mita Sanghavi
(Practising Company Secretary)
FCS 7205, CP 6364

Report on Corporate Governance

Company's Governance Philosophy

Corporate Governance Philosophy of Zee Learn Limited stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including Shareholders. Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholder value, while preserving the interests of multiple stakeholders, including the society at large. Corporate Governance at Zee Learn is founded upon 4 pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability.

Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place appropriate system, process and technology. The Company's Code of Business Conduct, its Risk Management Plan and its well structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders. Your Company has enabled to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. In its endeavor to improve on the Corporate Governance practices, the Board has adopted a Corporate Governance Manual which serves as guide in various activities and decisions in normal course of business.

POLICIES

In compliance with the requirements of Listing Agreement with Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and Companies Act, 2013, the Board of Directors of the Company has approved various policies, as detailed herein:

Whistle Blower & Vigil Mechanism Policy

As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of conduct. This mechanism/Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The Copy of the Policy has been uploaded on the Company's Website viz. www.zeelearn.com

Code of Conduct

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management, and all the Directors and senior functionaries as defined in the Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company www.zeelearn.com

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management personnel is given below:

Declaration:

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board of Directors and Senior Management of the Company for the financial year ended March 31, 2016.

Umesh Pradhan
Manager
Mumbai, April 1, 2016

Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.zeelearn.com.

Policies & Code as per SEBI Insider Trading Regulations

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Ms. Hemangi Patil, Company Secretary of the Company is Compliance officer for the purposes of Insider Trading Code, while Mr. Umesh Pradhan, Chief Financial Officer of the Company has been appointed as Chief Investor Relations Officer for the purpose of Fair Disclosure policy.

Familiarization Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and also annually by providing detailed presentations on the businesses of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up, detailed presentation covering *inter alia* economy and industry

overview, key regulatory developments, strategy and performance of individual profit centres is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Policy for determining Material Subsidiary, Remuneration Policy, Material Events Determination and Disclosure Policy and Document Preservation Policy. These policies can be viewed on Company's website at www.zeelearn.com

BOARD OF DIRECTORS

Composition & Category of Directors

ZLL is in compliance with the Board composition requirements of the Listing Regulations. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Composition of the Board as on March 31, 2016

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	1	20.00
Non-Executive Independent Directors	3	60.00
Other Non-Executive Director	1	20.00
Total	5	100.00

During the financial year under review, 6 (six) meetings of the Board were held May 27, 2015, July 30, 2015, October 28, 2015, December 4, 2015, December 23, 2015 and February 1, 2016. The annual calendar of meetings in connection with approval of quarterly and annual financial statements of the Company is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2015-16 and also their other directorships/ memberships held in Indian Public Companies (excluding Foreign Companies and Section 8 Companies of Companies Act, 2013) and Membership/Chairmanship of Audit Committee and Stakeholder Relationship Committee of other Public Companies as at March 31, 2016 are as under:

Name of Director	Attendance at		No. of Directorship in other Public Companies		No. of Committee positions held in other public Companies	
	Board Meeting (Total 6 Meetings)	5th AGM held on August 28, 2015	Member	Chairman	Member	Chairman
Non- Executive Director						
Mr. Subodh Kumar*	-	N.A.	7	-	-	-
Mr. Himanshu Mody*	4	Yes	5	-	1	-
Executive Director						
Mr. Ajey Kumar\$	3	N.A.	-	-	-	-
Non- Executive Independent Director						
Mr. Surjit Banga	6	Yes	2	-	4	2
Dr. Manish Agarwal	6	Yes	-	-	-	-
Dr. Sangeeta Pandit	6	Yes	2	-	-	-

* Mr. Subodh Kumar resigned as Director of the Company and Mr. Himanshu Mody, Non-Executive Director of the Company appointed as Chairman of the Board (w.e.f. 30th July 2015.)

§ Mr. Ajey Kumar appointed as Executive Director w.e.f 28th October 2015.

Board Procedures

Schedule of the Board meetings for approval of quarterly and annual financial results each year are decided well in advance and communicated to the Directors. Board meetings are generally held at Mumbai. The agenda alongwith the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. Senior management personnel are normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

The Board periodically reviews certificates in respect of compliance of various laws and regulations applicable to the Company.

Brief profile of Director of the Company proposed to be re-appointed at the ensuing Annual General Meeting:

Mr. Himanshu Mody, 38, Non-Executive Chairman of the Company and heads Finance & Strategy for the Essel Group. With almost 12 years in the industry, Mr. Mody brings with him rich experience and skills in Corporate Strategy and Finance. After his MSC in Finance from University of Strathclyde, Glasgow, Mr. Mody started his career as a management trainee with Barclays Bank, London city office. After a 2-year intensive course, he returned to India to start the Fun Republic chain of multiplexes as a senior member in the Finance team.

Mr. Mody has worked directly with Mr. Subhash Chandra, Chairman, Essel Group, for over 8 years in various Corporate Strategy, Fund raising and M&A initiatives undertaken by the Essel Group. Prior to heading the Group's Finance and Strategy, he was Business Head for the Essel Group's Sports business, since its inception, which included launch of the Zee Sports channel, buyout of Ten Sports (a leading sports channel in South Asia). He also launched the Indian Cricket League (ICL) for the Essel Group during this tenure.

As at March 31, 2016, apart from the Company, Mr. Himanshu Mody holds directorship in other Indian Public Limited Companies viz. Diligent Media Corporation Limited, Essel Finance Business Loans Limited, Indian Cable Net Company Limited, Essel Finance Capstar Advisory Limited, Zee Digital Convergence Limited and Adhikaar Foundation (Section 8 Company), Mr. Himanshu Mody holds 80,500 Equity Shares in the Company as on March 31, 2016.

Dr. Sangeeta Pandit, 57, Non-Executive Independent Director of the Company is B.Com (hons) and fellow member of the Institute of Chartered Accountants of India. Dr. Pandit was partner in M/s P. D. Kunte and Co., Chartered Accountants. She is having 29 years of sound experience and expert knowledge in

the areas of audit and representative practice, statutory and internal audits and tax and finance related matters.

Dr. Pandit was a visiting faculty to various known educational institutes such as Jamnalal Bajaj Institute of Management Studies, Welingkar Institute of Management, Guru Nanak Institute of Management Studies, KC College of Management Studies, Xavier's Institute of Management Research etc. She was editor of Bombay Chartered Accountants' Society's Referencer, a reckoner used by many Chartered Accountants. She authored couple of books published by Bombay Chartered Accountants' Society. Her articles were published in the journal of the Chamber of Income Tax Consultants and in Money Outlook.

She is also actively involved in attending various social responsibilities such as conducting community development programs, organizing blood donation drives and doing patient counseling. She has attended and presented papers in patient counseling conferences / workshops at AIMS & Cancer Sahyog (Delhi), Tata Memorial Hospital and Red Cross Society (Mumbai), Queensland Cancer Center(Australia), ESMO (European Society of Medical Oncologists) Vienna, BMT NGO at Dallas, US etc.

Presently, she is associated with Sydenham Institute of Management Studies, Research and Entrepreneurship Education (SIMSREE) as HOD Finance, Co-opted as member of BSE Brokers Forum – Student Empowerment Committee & CSR Committee, Co-opted as member of Seminar Committee & of PR Committee of Bombay Chartered Accountants' Society.

As at March 31, 2016 apart from the Company, Dr. Sangeeta Pandit holds directorship in other Indian Public Limited Companies viz. The Indian Card Clothing Company Limited and Essel Finance Business Loans Limited. Dr. Sangeeta Pandit does not hold any Equity Shares in the Company as on March 31, 2016.

Dr. Manish Agarwal, 50, Non-Executive Independent Director is a M.B.B.S from University of Bombay, D. (Ortho) from College of Physicians & Surgeons, M.S. (Ortho) from University of Bombay, D.N.B. (Ortho), National Board of Examination, New Delhi and Diploma in Tissue Banking from National University of Health, Singapore. Dr. Agarwal is an Orthopaedic Oncologist involved in clinical, teaching and Research work. He has been member of various professional organisations and has been recipient of various prestigious awards/Medals like Shree Jairamdas Berry Gold Medal, Gold Medal for Orthopaedic Surgery etc. Dr. Agarwal has contributed articles in various publications and authored various books in area of his specialization.

As at March 31, 2016 apart from the Company, Dr. Agarwal does not hold directorship in any other Indian Public Limited Companies. Dr. Agarwal holds 45,000 Equity Shares in the Company as on March 31, 2016.

Mr. Surjit Banga, 75, Non-Executive Independent Director is a senior and experienced banker and is known for his leadership and commendable contribution to the Banking sector. He is a Graduate in Sociology, Fellow of All India Management Association and is a Certified Associate of Indian Institute of

Bankers. Mr. Banga held the position of Managing Director of SBI Factors and Commercial Services Limited and was associated with the State Bank of India in various capacities in his 40 years career in Banking.

As at March 31, 2016 apart from the Company, Mr. Surjit Banga holds directorship in other Indian Public Limited Companies viz. Zee Media Corporation Limited and Jetking Infotrain Limited. Mr. Surjit Banga holds 72,000 Equity Shares in the Company as on March 31, 2016.

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during the year along with details of Directors attendance at such Committee Meeting(s) are detailed herein:

	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee
No. of Meetings held			
Directors attendance			
Mr. Subodh Kumar*	Nil	Nil	Nil
Mr. Himanshu Mody	4	4	7
Mr. Surjit Banga	5	4	7
Dr. Manish Agarwal	N.A.	4	N.A.
Dr. Sangeeta Pandit	5	N.A.	N.A.

Note: N.A. denotes the director is not a Member of such Committee.

Nil denotes that the director has not attended any meeting of such Committee during the year

**Mr. Subodh Kumar resigned as Non-Executive Director of the Company w.e.f. 30th July 2015*

In compliance with requirements of Regulation 25 of the Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on February 1, 2016 to review the performance of Chairman and Non-Independent Directors, evaluate performance of the Board of Directors and its Committees and review flow of information between the management and the Board.

Details of Board Committees are as mentioned herein:

Audit Committee

Constitution

As at March 31, 2016, the Audit Committee of the Board comprises of three (3) Directors, including Mr. Surjit Banga, Independent Director as Chairman, Mr. Himanshu Mody, Non-Executive Director and Dr. Sangeeta Pandit, Independent Director as Members. Dr. Manish Agarwal, Independent Director was appointed as a Member of Audit Committee w.e.f. April 29, 2016.

During the year under review, five (5) meetings of the Audit Committee were held on May 27, 2015, July 30, 2015, October 28, 2015, December 23, 2015 and February 1, 2016.

Terms of reference

The role and the powers of the Audit Committee is as set out in Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The terms of reference of Audit Committee broadly includes:

- Review Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient, accurate, timely and credible.
- Review and recommend for approval of the Board quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review internal audit reports, related party transactions, company's financial and risk management policies and functioning of Whistle Blower & Vigil Mechanism Policy.
- Review with the management, external and internal auditors, the adequacy of internal control systems including computerized information system controls and security.
- Recommend to the Board the appointment, reappointment and removal of the statutory auditor, fixation of audit fee and approval of payment of fees for any other services.
- Review the adequacy of internal audit function including approving appointment and remuneration payable to Internal Auditor.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements of Regulation 24 of Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies viz., its financial statements, to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board, statement of investments and minutes of meetings of its Board and Committees.

Audit Committee Meetings are generally attended by the Chief Executive Officer, Chief Financial Officer, AVP (Finance & Accounts) and representative of the Statutory Auditors of the Company. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit reports are considered by the Committee. The Company Secretary acts as the secretary to the Audit Committee.

Nomination & Remuneration Committee

Constitution

As at March 31, 2016, the Nomination & Remuneration Committee comprises of Dr. Manish Agarwal, Independent Director as Chairman, Mr. Himanshu Mody, Non-Executive Director and Mr. Surjit Banga, Independent Director as members of the Committee. The Company Secretary of the Company acts as Secretary of Nomination & Remuneration Committee.

During the year under review, the Committee met 4 (Four) times on May 27, 2015, August 7, 2015, October 28, 2015 and on February 1, 2016.

Terms of reference

Terms of reference of the Nomination & Remuneration Committee include:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Formulate policy with regard to remuneration to directors, key managerial personnel and senior management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Approve the remuneration policy and other matters relating thereto as applicable to directors and senior management and other employees of the Company and administer Employee Stock Option Scheme of the Company.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company. An extract of the Remuneration Policy approved by the Nomination & Remuneration Committee of the Board has been included as a part of this Annual report.

Remuneration payable to Executive Director

Mr. Ajey Kumar appointed as Executive Director of the Company w.e.f. 28th October 2015 without any remuneration but he shall be eligible for grant of Stock Options, as Executive Director or otherwise, as may be decided from time to time by the Board or the Nomination and Remuneration Committee of the Company.

Remuneration payable to Non-Executive Director

Non-Executive Directors were entitled to sitting fees of Rs. 20,000/- per meeting of the Board and Committees thereof, other than Stakeholder's Relationship Committee and Finance Sub-Committee.

The Independent Directors are additionally entitled to remuneration up to an aggregate limit of 1% of net profits of the Company by way of Commission for each financial year, as approved by the Members by way of Postal Ballot on 18th December 2015. Commission payable to the Independent Directors is determined by the Board based on various criteria

including contribution made by each Director, performance of the Company, etc.

Particulars of Sitting Fees paid and Commission payable to Non-Executive Directors of the Company during financial year 2015-16 is as detailed herein:

(₹ in lacs)

Name of Director	Commission	Sitting Fees	Total
Mr. Surjit Banga <i>Independent Director</i>	3.00	3.00	6.00
Dr. Manish Agarwal <i>Independent Director</i>	3.00	2.00	5.00
Dr. Sangeeta Pandit <i>Independent Director</i>	3.00	2.20	5.20
Total	9.00	7.20	16.20

In addition to this, the Directors were granted Stock Options (each convertible into equivalent number of equity shares of Re. 1/- each of the Company) as per the following details at an exercise price equivalent to Market Price as on the date of respective grant of Option, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014.

Particulars of Stock Options granted under the ESOP scheme to the Directors and their outstanding as at March 31, 2016, are as under:

Name of Director	No. of Stock Options granted at					Options Vested	Options Exercised
	Rs. 26.05	Rs. 14.50	Rs. 20.85	Rs. 35.25	Rs. 31.80		
Mr. Himanshu Mody <i>Non-Executive Director</i>	28,000	32,500	40,000	40,000	NA	114,500	80,500
*Mr. Ajey Kumar <i>Executive Director</i>	NA	NA	NA	NA	64,02,980	-	-
Mr. Surjit Banga <i>Independent Director</i>	30,000	30,000	30,000	NA	NA	85,500	85,500
Dr. Manish Agarwal <i>Independent Director</i>	30,000	30,000	30,000	NA	NA	85,500	85,500
*Mr. Subodh Kumar <i>Non-Executive Director</i>	NA	NA	60,000	75,000	NA	88,500	30,000

*Mr. Subodh Kumar resigned as Non-Executive Director of the Company w.e.f. 30th July 2015 and Mr. Ajey Kumar appointed as Executive Director of the Company w.e.f. 28th October 2015.

During the year under review, no new Stock Options have been granted to the Independent Directors of the Company.

The Non-Executive Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its Directors, Senior Management, Subsidiary or Associate, other than in normal course of business.

Stakeholders' Relationship Committee

Constitution

As at March 31, 2016, the Stakeholders Relationship Committee of the Board comprises of Mr. Surjit Banga, Independent Director as Chairman and Mr. Himanshu Mody, Non-Executive Director as the member.

During the year under review, Stakeholder Relationship Committee met seven (7) times on June 16, 2015, June 30, 2015, September 15, 2015, November 3, 2015, November 23, 2015, December 14, 2015 and December 23, 2015.

Details of number of requests/complaints received and resolved during the year ended March 31, 2016, are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	-	-	-
Non-receipt of Annual Report	2	2	-
Letter from Stock Exchange/ROC/SEBI	-	-	-
Total	2	2	-

Other Board Committees

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

i) Corporate Social Responsibility Committee

In compliance with requirements of Section 135 read with Schedule VII of the Companies Act, 2013, the Board has constituted Corporate Social Responsibility Committee comprising of Mr. Surjit Banga, Independent Director as Chairman, Mr. Himanshu Mody, Non-Executive Director and Dr. Sangeeta Pandit, Independent Director as its Members.

ii) ESOP Allotment Sub-Committee

In order to process and facilitate allotment of Equity Shares, from time to time, upon exercise of Stock Options granted under Company's ESOP Scheme, the Nomination & Remuneration Committee has constituted ESOP Allotment Sub-Committee. As on March 31, 2016, the Committee comprises of Mr. Himanshu Mody, Non Executive Director, Mr. Vikash Kar, Head – Human Resources and Ms. Hemangi Patil, Company Secretary of the Company as its members.

iii) Finance Sub-Committee

The Finance Sub-Committee of the Company comprises of Mr. Surjit Banga and Mr. Himanshu Mody as members.

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities offered and /

Terms of Reference

Terms of reference of Stakeholder Relationship Committee is to supervise and ensure efficient transfer of shares, issue of duplicate share certificates reported lost, defaced or destroyed and proper and timely attendance to investors' grievances. The Committee has delegated various powers including approving requests for transfer, transmission, rematerialisation & dematerialisation etc. of Equity shares to the Executives of the Company and the Company Secretary, being the compliance officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Stakeholders Relationship Committee.

or sanctioned to the Company by various Banks and /or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee facilities etc., including the acceptance of terms and conditions of such facilities being offered and exercising other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee.

iv) Corporate Management Committee

The Board has also constituted a Corporate Management Committee comprising of Senior Executives of the Company to review, approve and/or grant authorities for managing day-to day affairs of the Company within the powers delegated by the Board.

The Finance Sub-Committee and Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

v) Issue & Allotment Sub-Committee

In order to facilitate the process of approving Company's Offering Document for issue of Global Depository Receipts (GDRs), appointment of various intermediaries, approving various agreements, deciding on the terms of issue along with timing thereof, obtaining approval of Stock Exchange(s) and/or other regulatory / statutory / administrative authorities etc., the Board has constituted an Issue and Allotment Committee comprising of Mr. Himanshu Mody, Non-Executive Director and Mr. Surjit Banga, Non- Executive Independent Director as its members.

vi) Merger Evaluation Committee

The Board has constituted a Merger Evaluation Committee comprising of Director and Senior Executives of the Company as its Members to explore opportunity for consolidation of business with Tree House Education & Accessories Limited.

GENERAL MEETINGS

The Sixth Annual General Meeting of the Company for the financial year 2015-16 will be held on Monday, September 19, 2016 at 11.00 a.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

The location, day, date and time of the Annual General Meetings held during last three years along with Special Resolution(s) passed at these meetings are as follows :

Year	Day and Time	Special Resolutions passed	Venue
2012-2013	Wednesday, August 7, 2013 At 11.00 a.m.	Appointment of Mr. Umesh Pradhan, Chief Financial Officer of the Company as Manager under Schedule XIII of the Companies Act,1956 for a period of 3 years w.e.f. April 1, 2013.	The Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
2013-2014	Monday, August 11, 2014 at 11.00 a.m.	Approval of Borrowings in excess of aggregate of paid-up share capital & free reserves of the Company.	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2014-2015	Friday, August 28, 2015 at 11.00 a.m.	None	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

All the above resolutions were passed with requisite majority.

None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot.

Postal Ballot

Particulars of Resolutions passed by way of Postal Ballot during financial year 2015-16 are as detailed herein:

Date of Notice: October 28, 2015	Date of Result: December 18, 2015	
Particulars of Resolution	Details of votes cast (number of Shares & % of total shares for which votes were cast)	
	For	Against
Special Resolution for approval for modification to the ZLL - Employee Stock Option Scheme – 2010 of the Company.	20,03,63,801 99.9984%	3,217 0.0016%
Special Resolution for approval of the grant of options to the identified Employees during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant of option.	20,03,64,270 99.9986%	2,764 0.0014%
Special Resolution for approval for the payment of commission to the Independent Directors of the Company.	20,02,80,303 99.9981%	3,771 0.0019%
Ordinary Resolution for appointment of Mr. Ajey Kumar as Director of the Company.	20,03,63,998 99.9985%	3,011 0.0015%
Special Resolution for appointment of Mr. Ajey Kumar as an Executive Director of the Company.	20,03,64,896 99.9989%	2,113 0.0011%

Mr. Vishal Manseta, Practising Company Secretary was appointed as a Scrutinizer for the above Postal Ballot Notice, to scrutinize and report on the Postal Ballot/ e-voting process in a fair and transparent manner. The above resolutions were passed with requisite majority.

DISCLOSURES

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel have been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or Key Managerial Personnel or their relatives, having any potential conflict with interests of the Company at large. Transactions with related parties including material related party transaction with one of the wholly owned subsidiary of the Company Digital Ventures Private Limited are disclosed elsewhere in the Annual Report.

There has not been any non-compliance by the Company and no penalties or strictures have been imposed by SEBI or Stock Exchanges, or any other statutory authority on any matter relating to capital markets during last three years.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of the Listing Regulations and the status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

Audit Qualification – The financial statements of the Company are unqualified.

Separate posts of Chairman and CEO – The office and posts of Chairman and CEO in the Company are separate.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc., to the Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed on the Company's website www.zeelearn.com. The quarterly, half yearly and annual financial results and other statutory information were communicated to the shareholders by way of advertisement in an English newspaper 'Daily News and Analysis (DNA)' and in a vernacular language newspaper 'Punya Nagari (Marathi)' as per the requirements of Listing Regulations. The financial and other information are filed by the Company on electronic platforms of NSE and BSE.

Official press releases and presentations made to institutional investors or to the analysts, if any, are displayed on Company's website www.zeelearn.com.

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

General Shareholders Information

The required information is provided in Shareholders Information Section.

Auditor's Certificate

To,

The Members,
Zee Learn Limited

We have examined the compliance of conditions of Corporate Governance by Zee Learn Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **MGB & Co., LLP**
Chartered Accountants
FRN – 101169W/W-100035

Sanjay Kothari
Partner
Membership No. 048215

Mumbai, May 13, 2016

Shareholders' Information

1. Date, Time and Venue of Shareholder's Meeting

Meeting : Sixth Annual General Meeting
 Day & Date : Monday, September 19, 2016
 Time : 11.00 a.m.
 Venue : 'The Hall of Culture', Nehru Centre,
 Dr. Annie Besant Road, Worli,
 Mumbai - 400 018.

2. Financial Year

April 1, 2015 till March 31, 2016

3. Date of Book Closure

From September 13, 2016 to September 19, 2016

4. Dividend Payment Date

Not Applicable as the Board has not recommended any equity dividend.

5. Address for correspondence

Registered Office:-
 Continental Building, 135, Dr. Annie Besant Road,
 Worli, Mumbai - 400 018.
 Tel: +91-22-2483 1234, Fax: +91-22-2495 5974
 Website : www.zeelearn.com

Corporate Office:-
 Level 6, Fun Republic, Off. New Link Road,
 Andheri (West), Mumbai - 400 053.
 Tel: +91-22-4034 3900, Fax: +91-22-2674 3422

L80301MH2010PLC198405

6. Corporate Identity No.

National Stock Exchange of India Limited (NSE)
 Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
 Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

7. Listing on Stock Exchanges

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

8. Stock Code

NSE : ZEELEARN
 BSE : 533287

9. ISIN No.

INE565L01011 (Equity shares of Re.1/- each, fully paid up)

10. Global Depository Receipts (GDRs) Details

As at March 31, 2016, total 2,750,977 Global Depository Receipts have remained outstanding, the underlying shares of which forms part of the existing paid up share capital of the Company.

a. Listed at

Societe DE LA Bourse De Luxembourg
 Societe Anonyme,
 35A, Boulevard Joseph II
 L- 1840, Luxembourg.

b. Overseas Depository

Deutsche Bank Trust Company Americas
 Trust & Securities Services
 Global Equity Services - Depository Receipts
 60 Wall Street,
 Newyork, NY-10005.

c. Domestic Custodian

Deutsche Bank AG,
 Securities & Custody Services
 Block B1, Nirlon Knowledge Park
 Western Express Highway
 Goregaon (East), Mumbai – 400 063

d. ISIN Code

US9892181028

e. Market Data Relating to GDRs Listed on Luxembourg Stock Exchange

Luxembourg Stock Exchange (figures in USD)			
Month	Monthly Closing (Maximum)	Monthly Closing (Minimum)	Average
Apr-15	\$6.0800	\$5.5920	\$5.7993
May-15	\$5.6210	\$5.4000	\$5.5262
Jun-15	\$5.7470	\$5.5380	\$5.6184
July-15	\$5.6970	\$5.3970	\$5.5288
Aug-15	\$5.3980	\$4.8200	\$5.1122
Sep-15	\$4.8690	\$4.6830	\$4.7876
Oct-15	\$5.1140	\$4.8380	\$4.9585
Nov-15	\$5.0790	\$4.7960	\$4.9751
Dec-15	\$6.5800	\$5.0320	\$6.0060
Jan-16	\$5.7500	\$4.8600	\$5.3555
Feb-16	\$5.4880	\$4.3530	\$4.8279
Mar-16	\$4.7420	\$4.5350	\$4.6480

11. Registrar & Share Transfer Agent

Link Intime India Private Limited (w.e.f. July 1, 2016)
 C-13, Pannalal Silk Mills Compound,
 L B S Marg, Bhandup (West),
 Mumbai - 400 078
 Tel.: +91 22 25946970 Fax: +91 22 25946969
 Email id: rnt.helpdesk@linkintime.co.in

12. Investor Relations Officer

Ms. Hemangi S. Patil
Company Secretary & Compliance Officer
Zee Learn Limited
 Continental Building, 135, Dr. Annie Besant Road,
 Worli, Mumbai - 400 018.
 Tel: +91-22-40343900 Fax: +91-22-26743422
 E-mail: investor_relations@zeel.com

13. Listing Fee:

Company has paid the Annual Listing fees for the Financial Year 2016-17 to the stock exchanges where the shares of the Company are listed (viz NSE & BSE). The Company had also paid the Annual Maintenance Fee for the Year 2016 to the Luxembourg Stock Exchange where the GDRs of the Company are listed.

14. PAN & Change of Address

Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in dematerialized form are requested to submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to the Company/ Registrar & Share Transfer Agent.

15. Share Transfer System

Equity Shares sent for physical transfer or for dematerialisation are generally registered and returned within a period of 7 days from the date of receipt of completed and validly executed documents.

16. Dematerialisation of Equity Shares & Liquidity

To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2016, 99.80% of the equity shares of the Company is held by 79,713 Equity Shareholders in dematerialized form and the balance 0.2% is held by 966 Equity Shareholders in physical form. Entire Equity shareholding of the promoters in Company is held in dematerialized form.

17. Unclaimed Shares

As per Regulation 39 of Listing Regulations, details in respect of the physical shares, which were issued pursuant to the Scheme of Arrangement and lying in the Suspense account, is as under:

Description	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2015	220	39,701
Fresh undelivered cases during the Financial Year 2015-2016	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2016	NIL	NIL
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2016	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	220	39,701

The voting rights on the Equity shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

18. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ information requests. It is the endeavor of the Company to reply to all letters/ communications received from the shareholders within a period of 5 working days.

All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relations Officer at the address given above.

19. Outstanding Convertible Securities

There are no outstanding warrants or any other convertible instruments which are likely to impact the equity capital of the Company as on March 31, 2016.

20. Share Capital Build-up

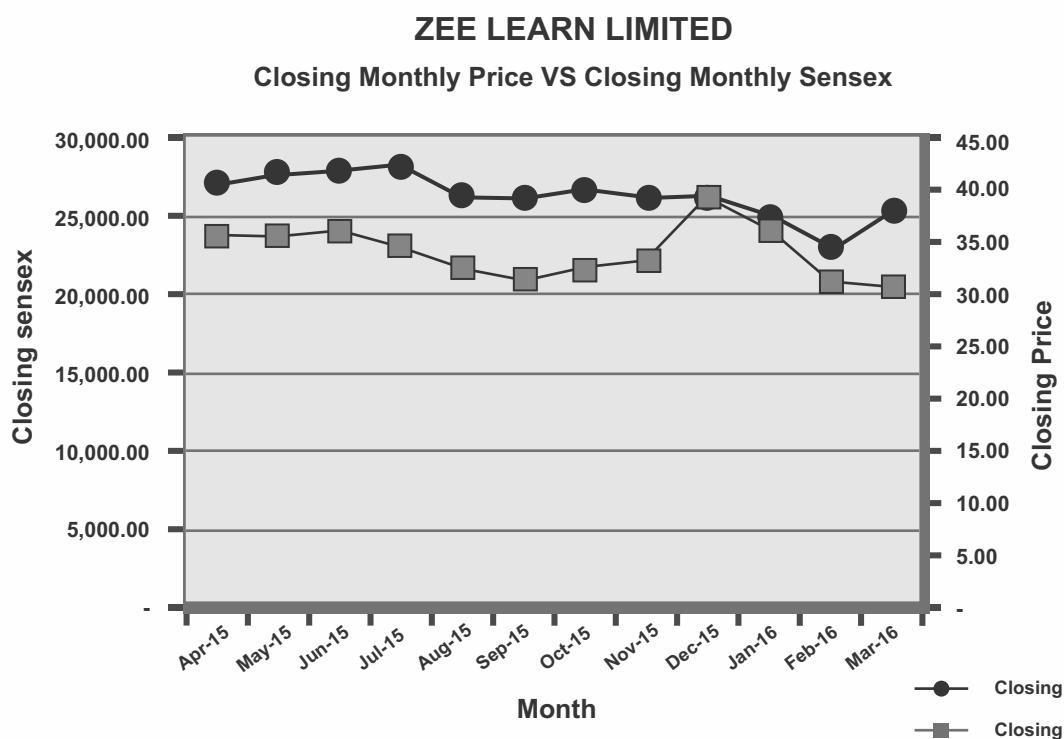
Particulars	No. of Shares issued	Date of Issue
Issued to Subscribers	50,000	20.01.2010
Sub-Division of Shares from Rs. 10/- each to Re. 1/- each	5,00,000	22.01.2010
Issued to ZEEL Shareholders pursuant to Scheme	12,22,38,599	14.10.2010
Issued to Essel Entertainment Media Limited Shareholders pursuant to Scheme	14,00,00,000	01.07.2011
Allotment under ESOP	2,12,000	30.11.2012
Allotment under ESOP	59,650	13.03.2013
Global Depository Receipt	5,61,79,770	21.05.2013
Allotment under ESOP	18,500	14.08.2013
Allotment under ESOP	52,500	25.10.2013
Allotment under ESOP	54,700	30.01.2014
Allotment under ESOP	15,925	24.03.2014
Allotment under ESOP	30,200	12.05.2014
Allotment under ESOP	28,250	11.06.2014
Allotment under ESOP	36,550	25.08.2014
Allotment under ESOP	2,39,189	24.09.2014
Allotment under ESOP	1,35,950	07.10.2014
Allotment under ESOP	74,663	29.10.2014
Allotment under ESOP	52,500	02.12.2014
Allotment under ESOP	15,488	02.01.2015
Allotment under ESOP	18,975	11.02.2015
Allotment under ESOP	37,688	23.03.2015
Allotment under ESOP	64,788	30.04.2015
Allotment under ESOP	20,600	11.06.2015
Allotment under ESOP	29,000	06.08.2015
Allotment under ESOP	33,535	24.09.2015
Allotment under ESOP	45,188	03.11.2015
Allotment under ESOP	85,799	09.12.2015
Allotment under ESOP	5,591	18.12.2015
Allotment under ESOP	16,035	19.12.2015
Allotment under ESOP	1,22,289	21.12.2015
Allotment under ESOP	52,004	19.01.2016
Allotment under ESOP	62,294	04.02.2016
Allotment under ESOP	16,035	10.02.2016
Issue & Paid-up Capital as on 31.03.2016	32,05,54,255	

21. Stock Market Data Relating to Shares Listed in India

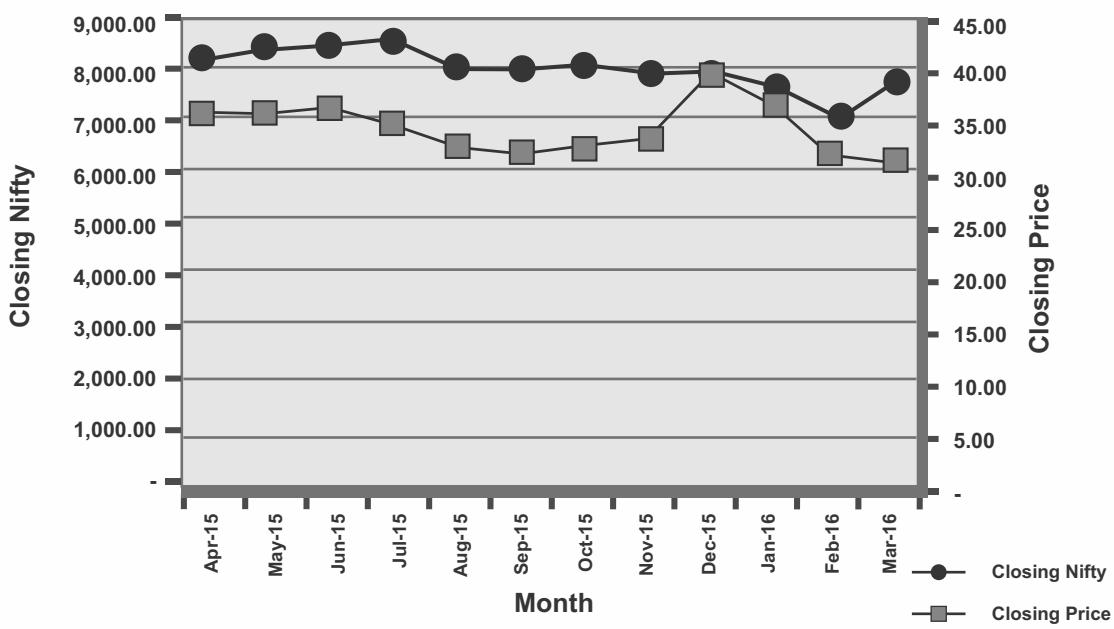
Monthly high and low quotations and volume of Equity Shares traded on BSE and NSE for the financial year 2015 - 2016:

Months	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April 2015	38.55	34.40	2,289,080	38.40	34.40	99,47,929
May 2015	38.90	34.40	456,828	39.00	34.25	39,08,215
June 2015	36.90	33.55	1,951,354	37.10	33.65	21,92,059
July 2015	37.40	33.90	913,163	37.00	34.15	33,86,252
August 2015	34.95	30.40	163,107	35.00	31.25	11,60,327
September 2015	32.25	30.65	90,243	33.95	30.50	3,71,488
October 2015	33.75	31.15	1,295,864	34.30	31.20	22,67,027
November 2015	34.00	30.85	1,524,578	36.00	30.70	22,34,635
December 2015	46.80	33.00	2,939,606	46.80	33.10	1,50,49,334
January 2016	40.60	31.80	661,921	40.60	31.70	26,51,980
February 2016	38.00	28.65	454,701	37.90	28.80	36,42,595
March 2016	32.50	30.00	206,044	32.65	29.90	13,18,241

22. Relative Performance of the Equity Shares Vs. BSE Sensex & Nifty Index



ZEE LEARN LIMITED
Closing Monthly Price Vs. Closing Monthly Nifty



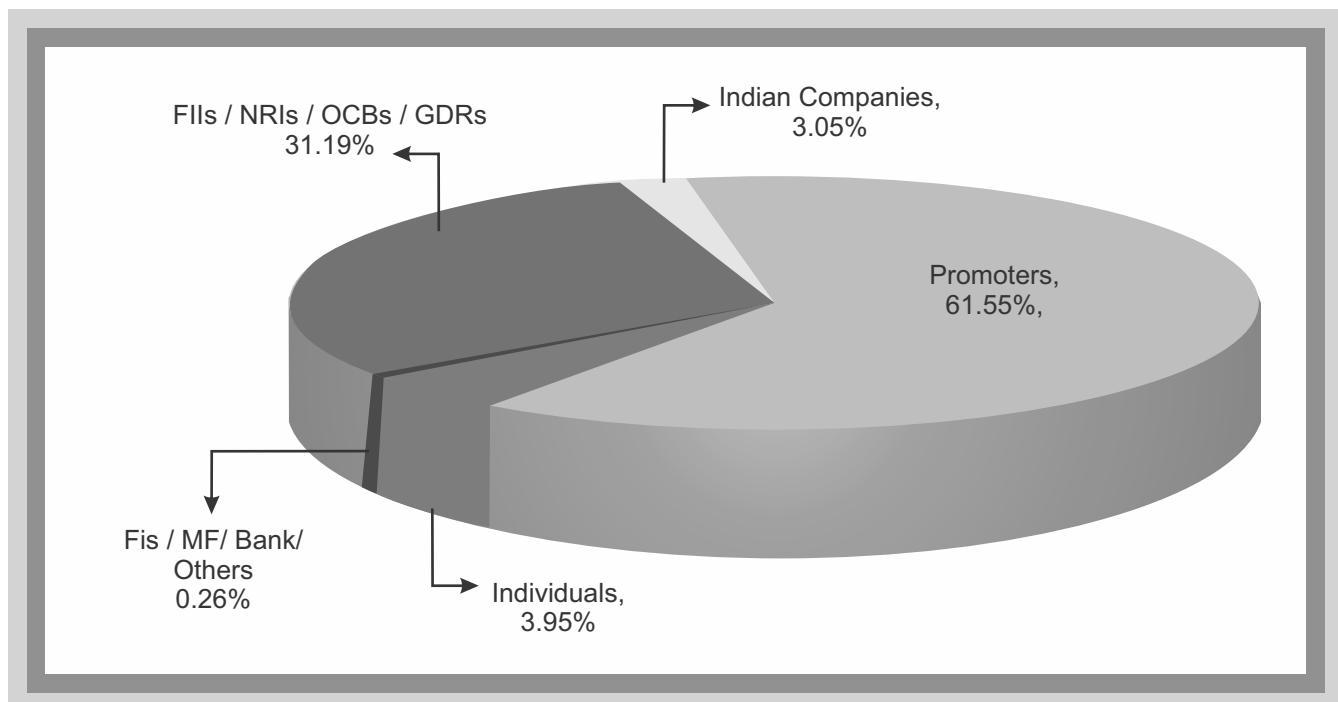
23. Distribution of Shareholding as on March 31, 2016

No. of Equity Shares	Share Holders		No. of Shares	
	Number %	of Holders	Number	% of Capital
Up to 5000	80,339	99.58	72,71,736	2.27
5001 - 10000	152	0.19	11,91,158	0.37
10001 - 20000	74	0.09	10,30,371	0.32
20001 - 30000	25	0.03	6,32,954	0.18
30001 - 40000	11	0.01	3,88,744	0.12
40001 - 50000	15	0.01	6,68,566	0.21
50001 -100000	20	0.02	15,92,337	0.49
100001 and Above	43	0.05	30,77,78,389	96.01
Total	80,679	100.00	32,05,54,255	100.00

24. Categories of Equity Shareholders as on March 31, 2016

Category	March 31, 2016	
	% of shareholding	No. of shares held
Promoters	61.55	19,72,92,879
Individuals	3.95	1,26,65,276
FIs/MF/Banks/Others	0.26	8,21,911
FIIIs/ NRIs/OCBs/GDRs	31.19	9,99,91,037
Indian Companies	3.05	97,83,152
Total	100.00	32,05,54,255

ZEE LEARN LIMITED
SHARE HOLDING PATTERN AS ON 31ST MARCH, 2016



25. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2016

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Jayneer Capital Private Limited	7,79,75,375	24.33
2	Asian Satellite Broadcast Private Limited	6,30,52,512	19.67
3	Essel Media Ventures Private Limited	1,28,61,036	4.01
4	Sprit Textiles Private Limited	1,11,03,864	3.46
5	Ganjam Trading Company Private Limited	49,49,506	1.54
6	Veena Investment Private Limited	34,49,013	1.08
7	Essel Infraprojects Limited	17,52,286	0.55
8	Ambience Business Services Private Limited	6,22,883	0.19
9	Essel Holdings Limited	57,97,315	1.81
10	Jayneer Enterprises LLP	1,50,00,000	4.68
11	Ashok Mathai Kurien	5,59,089	0.17
12	Sushila Goel	1,70,000	0.05
	Total	19,72,92,879	61.55

b) Top ten (10) Public Shareholding as on March 31, 2016

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Swiss Finance Corporation (Mauritius) Limited	2,55,89,415	7.98
2	Polus Global Fund	1,36,70,000	4.26
3	Morgan Stanely Asia (Singapore) - PTE	97,09,528	3.03
4	Copthall Mauritius Investment Limited	82,10,585	2.56
5	Orange Mauritius Investments Limited	80,76,298	2.52
6	Religare Finvest Limited	49,78,486	1.55
7	Vittoria Fund -Sr, L.P.-Asia Portfolio	44,21,500	1.38
8	Driehaus Emerging Markets Small Cap Growth Fund, A Series Of Driehaus Mutual Funds	21,52,599	0.67
9	Prism Commodeal Private Limited	10,70,937	0.33
10	Hamlet Regency Private Limited	7,88,751	0.25
	Total	7,86,68,099	24.53

Certification on Financial Statements of the Company

I, **Umesh Pradhan**, in the capacity of Manager and Chief Financial Officer of Zee Learn Limited ('the Company'), certify that:

- (a) I have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2016 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 are fraudulent, illegal or violative to the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and steps taken or proposed to be taken to rectify these deficiencies.
- (d) During the year:
 - (i) There has not been any significant changes in internal control over financial reporting;
 - (ii) There have not been any significant changes in accounting policies; and
 - (iii) There have been no instances of significant fraud of which I am aware that involve management or other employees, having significant role in the company's internal control system over financial reporting.

For Zee Learn Limited

Mumbai, May 13, 2016

Umesh Pradhan
Manager & Chief Financial Officer

Independent Auditor's Report

To,
The Members of
Zee Learn Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Zee Learn Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

5. Emphasis of Matter

We draw attention to Note 37 to the audited standalone financial results regarding insurance claim receivable. The loss, if any will be accounted on final settlement of claim by insurance company.

Our opinion is not modified in respect of the above matter

6. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 13 May, 2016

Annexure -A to the Independent Auditor's Report

Annexure referred to in Paragraph 6(l) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Zee Learn Limited on the standalone financial statements for the year ended 31 March, 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of account.
(c) According to the information and explanations given to us and on the basis of our examination of records, the title deeds of immovable properties are not available for verification for freehold land having Gross block / Net block of Rs. 5.85 lacs.
- ii. The physical verification of inventory including stocks lying with third parties have been conducted by the Management at reasonable intervals during the year. In respect of inventory lying with third parties, these have been confirmed by them. As explained to us, no material discrepancies were noticed on physical verification as compared to book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans/guarantees given, investments made and securities provided.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.
 - b) There are no amounts on account of duty of customs and duty of excise which are yet to be deposited on account of any dispute. The disputed dues of service tax, sales tax, value added tax and income tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (Rs./lacs)	Period to which the amount relate	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	75.64	F.Y. 2005-2006	Deputy Commissioner of Sales Tax (Appeals)
	Value Added Tax - Penalty	46.55		
Central Sales Tax Act, 1956	Sales Tax	3.44 6.16 52.95	F.Y. 2003-2004 F.Y. 2004-2005 F.Y. 2005-2006	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Sales Tax	74.55	F.Y. 2011-2012	Joint Commissioner of Sales Tax (Appeals)
Bombay Sales Tax Act, 1959	Sales Tax	3.07 3.67 6.66	F.Y. 2002-2003 F.Y. 2003-2004 F.Y. 2004-2005	Deputy Commissioner of Sales Tax (Appeals)
Central Excise Act, 1944	Service tax	57.87	F.Y.2009-2010 to F.Y. 2011-2012	Commissioner of Service tax
Central Excise Act, 1944	Service tax	21.66	F.Y. 2007-2008 to F.Y. 2010-2011	Commissioner of Central Excise (Appeals)
	Service Tax - Penalty	21.66		
Central Excise Act, 1944	Service tax	1.79 0.10	F.Y. 2011-2012	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Service tax	2.95	F.Y.2012-13	Commissioner of Service Tax (Appeals)
Central Excise Act, 1944	Service tax	9.04	F.Y.2012-13	Additional Commissioner of Service Tax
The Income Tax Act, 1961	Income Tax	16.51	F.Y. 2010-11	Income Tax Officer

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks and debenture holders. The Company does not have any loans from Government.

- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co. LLP
 Chartered Accountants
 Firm Registration Number 101169W/W-100035

Sanjay Kothari
 Partner
 Membership Number 048215

Mumbai, 13 May, 2016

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(II)(f) of the Independent Auditor's Report of even date to the members of the Zee Learn Limited on the standalone financial statements for the year ended 31 March, 2016.

We have audited the internal financial controls over financial reporting of **Zee Learn Limited** ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 13 May, 2016

Balance Sheet as at 31 March, 2016

(₹ lakhs)

	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	3,205.54	3,200.01
Reserves and surplus	4	21,868.54	20,244.07
		25,074.08	23,444.08
Non-current liabilities			
Long-term borrowings	5	10,140.00	4,680.00
Other long-term liabilities	6	756.66	29.60
Long-term provisions	7	144.35	147.22
		11,041.01	4,856.82
Current liabilities			
Short-term borrowings	8	2,560.92	2,936.91
Trade payables	9	920.59	1,326.24
Other current liabilities	9	4,996.39	8,418.17
Short-term provisions	6	77.42	42.64
		8,555.32	12,723.96
Total		44,670.41	41,024.86
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		160.15	218.85
Intangible assets		282.72	724.10
Intangible assets under development		527.58	357.86
		970.45	1,300.81
Non-current investments	11	24,925.20	33,221.92
Long-term loans and advances	12	846.54	909.08
Other non-current assets	13	50.16	337.60
		26,792.35	35,769.41
Non-current assets			
Current investments	14	10,525.22	377.13
Inventories	15	1,093.60	2,741.09
Trade receivables	16	779.03	701.27
Cash and bank balances	17	965.13	992.59
Short-term loans and advances	12	2,608.81	262.77
Other current assets	13	1,906.27	180.60
		17,878.06	5,255.45
Total		44,670.41	41,024.86

Notes forming part of the financial statements

1 - 40

As per our attached report of even date

For and on behalf of the Board

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Himanshu Mody
Chairman

Surjit Banga
Director

Sanjay Kothari

Partner

Membership Number 048215

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place: Mumbai

13 May, 2016

Statement of Profit and Loss for the year ended 31 March, 2016

(₹ lakhs)

	Note	2016	2015
Revenue			
Revenue from operations	18	13,900.90	12,158.25
Other income	19	337.71	473.38
	Total	14,238.61	12,631.63
Expenses			
Operational cost	20	3,872.32	3,444.19
Employee benefits expense	21	2,508.60	2,495.13
Finance costs	22	1,438.51	1,324.84
Depreciation and amortization expenses	23	568.21	680.21
Other expenses	24	4,344.11	3,725.00
	Total	12,731.75	11,669.37
Profit before tax		1,506.86	962.26
Less: Tax expense			
Current tax - current year		120.00	-
Deferred tax		-	-
MAT Credit entitlement		(120.00)	-
Profit after tax		1,506.86	962.26
Earnings per share (face value ₹ 1 each)	39		
Basic		0.47	0.30
Diluted		0.47	0.30

Notes forming part of the financial statements

1-40

As per our attached report of even date

For and on behalf of the Board

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Himanshu Mody
Chairman

Surjit Banga
Director

Sanjay Kothari

Partner

Membership Number 048215

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place: Mumbai

13 May, 2016

Notes forming part of the Financial Statements

1 Corporate Information

Zee Learn Limited ("the Company") was incorporated in State of Maharashtra on 4 January, 2010. The Company is one of the most diversified premium education companies which delivers learning solutions and training through its multiple products viz. Kidzee, Mount Litera Zee Schools, Braincafe, Mount Litera World Preschool, Zee Institute of Media Arts (ZIMA), Zee Institute of Creative Arts (ZICA) and E - Learning Online Education and Testing. The Company is also engaged in production/acquisition of television content.

2 Significant Accounting Policies

a Basis of preparation of financial statements

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (GAAP). GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

b Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses for the period. Difference between the actual results and estimates are recognised in the period in which results are known / materialized.

c Tangible fixed assets

- (i) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for intended use.
- (ii) Capital work in progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

d Intangible assets

- (i) Intangible assets are recognised in the year it is put to use at cost. Intangible assets are carried at cost less accumulated amortization and impairment loss, if any.
- (ii) Intangible assets under development comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost incurred on asset that are not ready for their intended use at the reporting date.

e Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying asset till the time such assets are ready for its intended use are capitalized as a part of the cost of assets. All other borrowing costs are expensed in the period they occur.

f Impairment of tangible and intangible assets

At each Balance Sheet date, the Company reviews the carrying amount of fixed assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

Notes forming part of the Financial Statements

g Depreciation/amortization on tangible/intangible assets

- (i) Depreciable amount for tangible fixed assets is cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on tangible fixed assets is provided on straight - line method as per the useful life prescribed in Schedule II to the Companies Act, 2013
- (ii) Leasehold Improvements are amortized over the period of Lease.
- (iii) Intangible assets are amortised over their respective individual estimated useful lives on straight line basis.

h Investments

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- (ii) Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long-term investments are stated at cost, less provision for diminution other than temporary, in the value of such investments.

i Transactions in foreign currencies

- (i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transaction.
- (ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

j Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Sales- Educational goods and equipments and television content is recognized when the significant risk and rewards of ownership are passed onto the customers, which is generally on dispatch or agreed terms.
- (ii) Services
 - a) Course fees and Royalty income is recognized over the duration of the course.
 - b) Franchise fees is recognized as per the agreed terms of the agreement.
 - c) Revenue from other services is recognised as and when such services are completed/Performed.
- (iii) Interest income is recognised on a time proportion basis taking into account principal outstanding and the applicable interest rate.
- (iv) Dividend income is recognised when the Company's right to receive dividend is established.

k Inventories

Educational goods and equipments and television content are valued at lower of cost or estimated net realizable value. Cost comprises cost of purchase, freight and other expense incurred in bringing the inventories to their present location and condition. Costs are taken on weighted average basis and specific identification method.

l Retirement and other employee benefits

- (i) Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders the service.
- (ii) Post employment and other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- (iii) Payment to defined contribution retirement benefit schemes are recognised as an expense in the Statement of Profit and Loss, when due.

Notes forming part of the Financial Statements

m Accounting for taxes on income

- (i) Current tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.
- (iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

n Operating lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expense on accrual basis in accordance with the terms of respective lease agreements.

o Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

p Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

3 Share Capital	(₹ lakhs)	
	2016	2015
Authorised		
1,000,000,000 (1,000,000,000) Equity Shares of ₹ 1/- each	10,000.00	10,000.00
	10,000.00	10,000.00
Issued , Subscribed and Paid up		
320,554,255 (320,001,097) Equity Shares of ₹ 1/- each fully paid up	3,205.54	3,200.01
Total	3,205.54	3,200.01

a) Reconciliation of number of Equity shares and Share capital

	2016		2015	
	Number of equity shares	₹ lakhs	Number of equity shares	₹ lakhs
At the beginning of the year				
Add : Allotted on exercise of Employee Stock Option (Refer (e) below)	320,001,097	3,200.01	319,331,644	3,193.32
	553,158	5.53	669,453	6.69
Outstanding at the end of the year	320,554,255	3,205.54	320,001,097	3,200.01

Notes forming part of the Financial Statements

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have voting rights in respect of the equity shares represented by the GDRs till the shares are held by custodian. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Company has not issued any bonus shares or bought back equity shares during the five years preceding 31 March, 2016. Details of aggregate number of shares issued for consideration other than cash during the five years preceding 31 March, 2016 is as under:

	2016	2015
Pursuant to the Composite Scheme of Arrangement/Amalgamation	262,238,599	262,238,599

d) Details of Shareholders holding more than 5 % of the aggregate shares in the Company

Name of the Shareholders	2016		2015	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Jayneer Capital Private Limited	77,975,375	24.33%	77,975,375	24.37%
Asian Satellite Broadcast Private Limited	63,052,512	19.67%	63,052,512	19.70%
Orange Mauritius Investments Limited	8,076,298	2.52%	16,308,657	5.10%
Deutsche Bank Trust Company Americas	27,509,770	8.58%	41,179,770	12.87%
Swiss Finance Corporation (Mauritius) Limited	25,589,415	7.98%	21,760,738	6.80%

e) Employees Stock Option Scheme (ESOP):

The Company has amended its Employee Stock Option scheme (ZLL ESOP 2010) to ZLL ESOP 2010- AMENDED 2015 to align the scheme with provisions of Companies Act 2013 and the SEBI (Share Based Employee Benefits) Regulations 2014 for issuance of upto 16,007,451 stock options (increased from 6,136,390) convertible into equivalent number of equity shares of ₹ 1 each not exceeding the aggregate of 5% of the issued and paid up capital of the Company to the employees of the Company at the market price determined as per the SEBI (Share Based Employee Benefits) Regulations 2014. The said Scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year the Company issued 6,402,980 (1,961,750) stock options. The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. The options granted vests in the ratio of 50:35:15 at the expiry of one, two and three years from the date of grant and once vested, these would be exercisable at any time within a period of four years and the equity shares arising on exercise of options shall not be subject to any lock in. Upon exercise of 553,158 (669,453) options, equivalent number of equity shares were issued and allotted during the year.

The options were granted to the employees at an exercise price, being the latest market price as per the SEBI (ESOS) Guidelines 1999. In view of this, there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account the accounting value of options as per the SEBI guidelines.

Notes forming part of the Financial Statements

Summary of stock options outstanding is as follows:

	2016	2015
Options outstanding at the		
- beginning of the year	3,317,773	2,564,250
- granted during the year	6,402,980	1,961,750
- lapsed during the year	916,859	538,774
- exercised during the year	553,158	669,453
Options outstanding at the end of the year	8,250,736	3,317,773

4 Reserves and surplus (₹ lakhs)

	2016	2015
Securities Premium		
As per last Balance sheet	10,181.45	10,059.15
Add: On issue of Employees Stock Option Plan	117.61	122.30
	10,299.06	10,181.45
General Reserve*		
As per last Balance sheet	13,971.80	13,971.80
Surplus/(Deficit) in the Statement of Profit and Loss		
As per last Balance sheet	(3,909.18)	(4,827.70)
Add : Profit for the year	1,506.86	962.26
Add: Adjustment of depreciation as per transitional provision (Refer Note 10 (b))	-	(43.74)
	(2,402.32)	(3,909.18)
Total	21,868.54	20,244.07

* Pursuant to the Scheme of Amalgamation, sanctioned by the Hon'ble High Court of Bombay ₹/ lakhs 8,881.25 (₹/ lakhs 8,881.25) shall not be used for the purpose of declaring dividend.

5 Long - term borrowings (₹ lakhs)

	Non-Current		Current	
	2016	2015	2016	2015
Secured				
Debentures	6,500.00	-	-	-
Term loan from banks	3,640.00	4,680.00	1,040.00	3,916.00
	10,140.00	4,680.00	1,040.00	3,916.00
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 9)	-	-	(1,040.00)	(3,916.00)
Total	10,140.00	4,680.00	-	-

Notes forming part of the Financial Statements

- a) 650 (Nil), 10.40% Rated, Unlisted, Secured, Redeemable Non- Convertible Debentures of ₹ /lakhs 10 each fully paid up aggregating to ₹ /lakhs 6,500.00, are issued for a period of 5 years and 3 months from the date of allotment. Debentures will be redeemed on July 8, 2020. The debentures are secured by first pari passu charge on all the fixed and current assets, all the rights, titles and interests to provide security cover of 1.1 times on outstanding amount and DSRA Undertaking by a related party.
- b) Term Loan from Yes Bank Limited ₹/lakhs 4,680.00 (₹/lakhs 5,096.00) is secured by first pari passu charge on all the movable assets (including current assets, loans and advances) of the Company and lien over debt service reserve account .The loan is further secured by way of securities and corporate guarantee provided by related parties. The loan carries interest over lenders base rate plus 1.1% and is repayable in 12 half yearly installments beginning from 30 June, 2014.
- c) Term Loan from Axis Bank Limited ₹/lakhs Nil (₹/lakhs 3,500.00) is secured by first pari passu charge on all the fixed and current assets (present and future) of the Company and also reserve account and DSRA Undertaking by a related party. The loan carries interest over lenders base rate plus 2.25% and is repayable in 8 half yearly installments beginning from 30 June, 2013. However, the loan has been fully repaid in April 2015.

6 Other long-term liabilities	(₹ lakhs)	
	2016	2015
Unearned Revenue	81.77	19.60
Deposits from customers	10.00	10.00
Interest accrued but not due on debentures	664.89	-
Total	756.66	29.60

	Long - Term		Short - Term	
	2016	2015	2016	2015
Provision for employee benefits				
- Gratuity	96.51	94.63	10.25	9.97
- Leave benefits	47.84	52.59	5.08	5.54
Others				
Provision for litigation	-	-	27.13	27.13
Provision for taxation (net of advances)	-	-	34.96	-
Total	144.35	147.22	77.42	42.64

8 Short-term borrowings	(₹ lakhs)	
	2016	2015
Intercorporate Deposits - Unsecured [Including interest ₹/ lakhs 128.92 (₹/ lakhs 73.91)]	2,560.92	2,936.91
Total	2,560.92	2,936.91

The loan carries Interest @12.5% p.a and is repayable on or before 31 March 2017

Notes forming part of the Financial Statements

9 Current liabilities	(₹ lakhs)	
	2016	2015
Trade payables	920.59	1,326.24
	920.59	1,326.24
Other current liabilities		
Current maturities of debentures and term loan (Refer Note 5)	1,040.00	3,916.00
Interest accrued and due	45.11	88.15
Unearned Revenue	1,369.55	1,699.26
Deposits from customers	2.00	2.00
Advance received from customers	1,182.60	1,273.37
Statutory dues payable	96.30	123.08
Other payables	1,260.83	1,316.31
	4,996.39	8,418.17
Total	5,916.98	9,744.41

Notes forming part of the Financial Statements

10. Fixed assets

(₹ lakhs)

Description	Gross Block			Depreciation / Amortization			Net Block				
	As at 1 April 2015	Additions	Deductions	As at 31 March 2016	Up to 31 March 2015	For the year	Reserve adjustment (Refer Note b below)	Deductions	Up to 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangibles											
Freehold Land (Refer Note a below)	5.85	-	-	5.85	-	-	-	-	-	5.85	5.85
Leasehold Improvements	277.18	-	-	277.18	214.16	43.70	-	-	257.86	19.32	63.02
Equipments	145.22	6.61	-	151.83	87.30	27.77	-	-	115.07	36.76	57.92
Computers	379.55	44.69	-	424.24	316.91	33.88	-	-	350.79	73.45	62.64
Furniture and Fixtures	59.88	-	-	59.88	30.46	4.65	-	-	35.11	24.77	29.42
Total	867.68	51.30	-	918.98	648.83	110.00	-	-	758.83	160.15	218.85
Previous year	987.86	27.47	147.65	867.68	416.79	239.17	43.74	50.87	648.83	218.85	
Intangibles											
Content Development	1,465.20	1.85	-	1,467.05	835.88	393.92	-	-	1,229.80	237.25	629.32
Software	468.00	14.98	-	482.98	373.22	64.29	-	-	437.51	45.47	94.78
Total	1,933.20	16.83	-	1,950.03	1,209.10	458.21	-	-	1,667.31	282.72	724.10
Previous year	1,651.21	301.47	19.48	1,933.20	776.86	441.04	-	8.80	1,209.10	724.10	
Intangible under development										527.58	357.86

a) Acquired pursuant to the Composite Scheme of Arrangement, yet to be transferred in the name of the Company.

b) During the Previous year, the Company has adopted the useful life as per the Schedule II of Companies Act, 2013. Consequently, ₹ /lakhs 43.74 representing the written down value of fixed assets whose lives have expired as at 1 April 2014 have been adjusted in Deficit in Statement of Profit and Loss (Note 4). The unamortised carrying value has been depreciated / amortised over the revised / remaining useful lives.

Notes forming part of the Financial Statements

11 Non-current investments (valued at cost, unless stated otherwise)	(₹ lakhs)	
	2016	2015
[A] Trade Investments - Unquoted		
(I) Equity shares in wholly owned Subsidiary Company 5,010,000 (5,010,000) Equity shares of ₹ 10/- each of Digital Ventures Private Limited (Refer Note a below)	10,601.00	10,601.00
1,000 (Nil) Equity shares of ₹ 10/- each of Academia Edificio Private Limited	0.10	-
(ii) Preference shares in wholly owned Subsidiary Company 100,000(100,000) 0.1%, Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Digital Ventures Private Limited (Refer Note b below)	9,572.00	9,572.00
Amount disclosed under the head "Current Investments" (Refer Note 14)	(9,572.00)	-
(iii) Convertible Debentures of wholly owned Subsidiary Company 14,324,045 (13,048,870) 0.01 %, Compulsorily Convertible Debentures of ₹ 100/- each of Digital Ventures Private Limited (Refer Note c below)	14,324.05	13,048.87
[B] Others- Unquoted		
In National Savings Certificate (Pledged with Sales Tax Authorities)	0.05	0.05
(All the above securities are fully paid up)	Total	24,925.20
		33,221.92

- a) Non disposal undertaking for 51% shares held by the Company for loan taken by subsidiary Company viz Digital Ventures Private Limited
- b) 0.1% Non-Convertible Non-Cumulative Redeemable Preference Shares will be redeemable on 31 March 2017 at a premium of ₹ 10,005 per share.
- c) 0.01 %, Compulsorily Convertible Debentures (CCD) of ₹ 100 each fully paid up are compulsorily convertible into equity shares at a conversion rate to be decided based on fair value of equity shares any time from the date of allotment but not later than 10 years from the date of allotment.

Notes forming part of the Financial Statements

12 Loans and advances (unsecured)

(₹ lakhs)

	Long-Term		Short-Term	
	2016	2015	2016	2015
Capital advances				
- Others	-	0.79	-	-
Deposits				
- considered good	367.87	557.56	191.40	23.78
- considered doubtful	-	-	-	5.40
	367.87	557.56	191.40	29.18
Less: Provision for doubtful deposits	-	-	-	5.40
	367.87	557.56	191.40	23.78
Intercorporate deposit to wholly owned subsidiary	-	-	2,161.00	-
Other advances				
- considered good	-	-	131.24	200.82
- considered doubtful	33.71	33.71	-	-
	33.71	33.71	131.24	200.82
Less: Provision for doubtful advances	33.71	33.71	-	-
	-	-	131.24	200.82
Minimum alternate tax credit entitlement	120.00	-	-	-
Prepaid expenses	1.06	0.25	34.99	38.17
Balance with Government authorities				
- Advance direct taxes	338.61	346.48	-	-
- Advance indirect taxes	19.00	4.00	90.18	-
Total	846.54	909.08	2,608.81	262.77

13 Other assets

(₹ lakhs)

	Non-Current		Current	
	2016	2015	2016	2015
Balances with banks -in deposit account (Refer Note 17)	1.40	160.36	-	-
Interest accrued - on bank deposits	0.14	13.40	35.73	29.68
- on Debentures - Subsidiary	2.10	0.84	-	-
- on ICD - Subsidiary	46.52	-	-	-
Premium on redemption of Preference Shares	-	163.00	303.00	-
Dividend receivable- Subsidiary	-	-	0.02	0.01
Claims receivable (Refer Note 37)	-	-	1,416.61	-
Other receivables	-	-	150.91	150.91
Total	50.16	337.60	1,906.27	180.60

Notes forming part of the Financial Statements

14 Current investments

(₹ lakhs)

	2016	2015
(i) Trade Investments		
Preference shares in wholly owned subsidiary company - Unquoted 100,000(Nil) 0.1%, Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Digital Ventures Private Limited (Refer Note 11(b))	9,572.00	-
Others - Investments in Mutual Funds- Quoted *		
45,062 (Nil) units of Axis Liquid Fund - Direct Plan-Daily Dividend Reinvestment of face value of ₹ 1000 each	450.91	-
50,197 (Nil) units of Reliance Liquidity Fund - Direct Plan-Daily Dividend Plan of face value of ₹ 1000 each	502.31	-
Nil (71,181) units of ICICI Prudential Flexible Income Plan - Direct of face value of ₹ 10 each	-	75.26
Nil (30,163) units of Religare Invesco Liquid Fund-Direct Plan of face value of ₹ 1000 each	-	301.87
(All the above securities are fully paid up)	Total 10,525.22	377.13

* Net Asset Value of quoted investments as at 31 March 2016 is ₹ /lakhs 953.22 (₹/lakhs 377.13)

15 Inventories

(valued at lower of cost or estimated net realisable value)

(₹ lakhs)

	2016	2015
Educational goods and equipments	1,093.60	2,741.09
Total	1,093.60	2,741.09

16 Trade receivables (unsecured)

(₹ lakhs)

	2016	2015
Over six months		
- considered good	406.14	206.16
- considered doubtful	-	726.03
Others		
- considered good	372.89	495.11
- considered doubtful	-	-
Less: Provision for doubtful debts	779.03	1,427.30
Total	779.03	701.27

Notes forming part of the Financial Statements

17 Cash and bank balances

(₹ lakhs)

	Non-Current		Current	
	2016	2015	2016	2015
Cash and cash equivalents				
Balances with banks in current accounts	-	-	697.96	621.49
Cash in hand	-	-	0.07	0.17
	-	-	698.03	621.66
Other bank balances				
Balances with banks *				
- in deposits accounts	-	-	267.10	370.93
- in deposits accounts with banks maturity more than 12 months	1.40	160.36	-	-
Amount disclosed under the head "Other assets" (Refer Note 13)	(1.40)	(160.36)	-	-
	Total	-	965.13	992.59

* Pledged/Lien for Term Loan/debentures ₹ /lakhs 157.00 (₹/lakhs 325.12), Lien for Government authorities ₹/lakhs 0.50 (₹/lakhs 0.89), Lien for others ₹ /lakhs 111.00 (₹/lakhs 117.99).

18 Revenue from operations

(₹ lakhs)

		2016	2015
Sales	- Educational goods and equipments	7,776.17	5,762.67
	- Television content	58.29	480.72
Services	- Education and other services		
	- Course fees/Royalty	4,786.96	3,991.20
	- Franchisee fees	1,248.67	1,863.73
	- Others	15.76	21.68
Other operating revenue		15.05	38.25
	Total	13,900.90	12,158.25

19 Other Income

(₹ lakhs)

	2016	2015
Interest Income from		
- Bank deposits	29.32	36.98
- Debentures - Subsidiary	1.40	0.93
- Intercorporate deposit - Subsidiary	51.69	-
- Others	8.64	4.74
Dividend on		
- Mutual funds	24.87	54.14
- Preference shares - Subsidiary	0.01	0.01
Premium on redemption of Preference shares	140.00	139.71
Gain on exchange difference (net)	1.44	-
Liabilities/Excess provision written back (net)	80.34	235.43
Profit on sale of fixed assets (net)	-	1.44
	Total	337.71
		473.38

Notes forming part of the Financial Statements

20 Operational cost	(₹ lakhs)	
	2016	2015
a) Educational goods and equipments		
Opening	2,741.09	1,672.63
Add: Purchases	3,288.57	3,755.86
	6,029.66	5,428.49
Less: Closing	1,093.60	2,741.09
Less : Loss by fire (Refer Note 37)	1,416.61	-
	3,519.45	2,687.40
b) Television content		
Opening	-	251.53
Add: Commissioned/Acquisition	52.99	185.49
	52.99	437.02
Less: Closing	-	-
	52.99	437.02
c) Other educational operating expenses		
	299.88	319.77
Total	3,872.32	3,444.19

21 Employee benefits expense	(₹ lakhs)	
	2016	2015
Salaries and allowances	2,347.83	2,325.80
Contribution to provident and other funds	79.67	73.82
Training and recruitment cost	38.96	58.02
Staff welfare expenses	42.14	37.49
Total	2,508.60	2,495.13

22 Finance costs	(₹ lakhs)	
	2016	2015
Interest - Loan	1,406.34	1,307.05
- Others	18.26	3.17
Bank and other financial charges	13.91	14.62
Total	1,438.51	1,324.84

23 Depreciation and amortization expenses	(₹ lakhs)	
	2016	2015
Depreciation on tangible assets	110.00	239.17
Amortisation on intangible assets	458.21	441.04
Total	568.21	680.21

Notes forming part of the Financial Statements

24 Other expenses

	(₹ lakhs)	
	2016	2015
Rent	290.05	280.07
Repairs and maintenance - others	272.15	317.43
Insurance	17.90	8.63
Rates and taxes	58.01	23.85
Electricity and water charges	45.64	28.78
Communication expenses	145.82	140.24
Printing and stationery	41.80	48.89
Travelling and conveyance expenses	665.86	563.38
Legal and professional charges	535.26	276.74
Payment to auditors (Refer note 34)	18.09	14.40
Miscellaneous expenses	146.84	107.91
Freight and packing charges	865.83	463.83
Directors sitting fees	7.20	5.80
Bad debts / advances written off	730.89	-
Provision for doubtful debts	(726.03)	39.11
Marketing, advertisement and publicity expenses	1,228.74	1,405.25
Loss on exchange difference (net)	0.06	0.69
Total	4,344.11	3,725.00

25 Operating Leases:

The Company has taken office and residential facilities under cancellable/ non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 11 months to 60 months.

	(₹ lakhs)	
	2016	2015
Lease rental charges for the year	412.52	328.30
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	21.31	62.97
Later than one year but not later than five years	-	21.31

26 a) Current Tax

Provision for taxation has been made as per provisions of Section 115JB of Income Tax Act 1961.

b) Deferred tax

In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22) issued by ICAI, deferred tax assets and liabilities should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position and requirement of the accounting standard regarding certainty / virtual certainty, deferred tax asset (net) for the year is not accounted for. However, the same will be reassessed at a subsequent balance sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid accounting standard.

Notes forming part of the Financial Statements

27 Managerial Remuneration

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Manager, included in Employee benefits expense is as under : (₹ lakhs)

	2016	2015
Salary and Allowances	41.69	36.14
Provident fund contributions	1.90	1.79
Total	43.59	37.93

Note: Salary and Allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

28 Employee Benefits

As per the Accounting Standard 15 "Employee Benefits", the disclosures are as under:

A Defined Benefit Plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

	Gratuity (Non Funded) (₹ lakhs)	
	2016	2015
I. Expenses recognized during the year		
1. Current Service Cost	30.22	30.98
2. Interest Cost	7.28	8.89
3. Actuarial Losses / (Gains)	(10.56)	(31.26)
Total Expenses	26.94	8.61
II. Net Asset/(Liability) recognized in the Balance Sheet as at 31 March, 2016		
1. Present value of defined benefit obligation	106.76	104.60
2. Net Asset / (Liability)	(106.76)	(104.60)
III. Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet as at 31 March, 2016		
1. Net Asset/(Liability) at the beginning of year	(104.60)	(99.29)
2. Expense as per I above	(26.94)	(8.61)
3. Employer contribution	24.78	3.30
4. Net Asset/(Liability) at the end of the year	(106.76)	(104.60)
IV. Actuarial Assumptions:		
1. Discount rate	8.00%	7.90%
2. Expected rate of salary increase	6.00%	6.00%
3. Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

Notes forming part of the Financial Statements

(₹ lakhs)

V Amount recognised in current year and previous four years	Defined Benefit Obligation	Actuarial Losses / (Gains)
2016	106.76	(10.56)
2015	104.60	(31.26)
2014	99.29	(11.74)
2013	78.18	(18.77)
2012	61.08	3.14

Notes:

- (a) Amounts recognized as an expense and included in the Note 21: "Employee benefits expense" are Gratuity ₹ /lakhs 26.94 (Previous year ₹ /lakhs 8.61) and Leave benefits ₹ /lakhs 23.18 (₹ /lakhs 23.99)
- (b) The estimates of rate of escalation in salary considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

B Defined contribution plan:

"Contribution to provident and other funds" is recognized as an expense in Note 21 "Employee benefits expense" of the Statement of Profit and Loss.

29 Related Party Transactions

(i) List of Parties where control exists Subsidiary Company-Wholly owned

Digital Ventures Private Limited
Academia Edificio Private Limited (Incorporated on 14 January 2016)

(ii) Key managerial personnel Executive Director

Ajey Kumar w.e.f. 28-10-2015

Manager / Chief Financial Officer
Umesh Pradhan

(iii) Other Related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year.

Asian Satellite Broadcast Private Limited, Direct Media Distribution Ventures Private Limited, Diligent Media Corporation Limited, Digital Satellite Holdings Private Limited, Himgiri Zee University, Pan India Network Infravest Private Limited, Pri-Media Services Private Limited, TALEEM Research Foundation, Zee Entertainment Enterprises Limited, Essel Business Excellence Services Limited

A) Transactions with Related Parties	(₹ lakhs)	
	2016	2015
Short - term borrowings	3,831.00	3,865.00
Other Related Parties		
Asian Satellite Broadcast Private Limited	3,831.00	3,865.00
Repayment of Short - term borrowings	4,335.91	1,002.00
Other Related Parties		
Asian Satellite Broadcast Private Limited	4,335.91	1,002.00
Interest expense	151.29	83.74
Other Related Parties		
Asian Satellite Broadcast Private Limited	151.29	83.74
Loans, advances and deposits given	2,461.00	88.40
Subsidiary Company		
Digital Ventures Private Limited	2,461.00	-
Other Related Parties		
Essel Business Excellence Services Limited	-	88.40

Notes forming part of the Financial Statements

(₹ lakhs)

	2016	2015
Loans, advances and deposits given repaid	308.40	900.00
Subsidiary Company		
Digital Ventures Private Limited	300.00	-
Other Related Parties		
Himgiri Zee University	-	900.00
Essel Business Excellence Services Limited	8.40	-
Debentures application money given	-	4,663.80
Subsidiary Company		
Digital Ventures Private Limited	-	4,663.80
Debentures application money given repaid	-	1,763.69
Subsidiary Company		
Digital Ventures Private Limited	-	1,763.69
Investment in Compulsorily Convertible Debentures	1,275.18	13,048.87
Subsidiary Company		
Digital Ventures Private Limited	1,275.18	13,048.87
Investment in Equity Share Capital	0.10	-
Subsidiary Company		
Academia Edificio Private Limited	0.10	-
Sales and Services	69.64	576.31
Other Related Parties		
Zee Entertainment Enterprises Limited	63.04	553.16
Himgiri Zee University	6.60	23.15
Sale of Fixed Assets	-	113.70
Other Related Parties		
Zee Entertainment Enterprises Limited	-	113.70
Other Income	193.10	140.65
Dividend received		
Subsidiary Company		
Digital Ventures Private Limited	0.01	0.01
Premium on Redemption of Preference shares		
Subsidiary Company		
Digital Ventures Private Limited	140.00	139.71
Interest on Compulsorily Convertible Debentures		
Subsidiary Company		
Digital Ventures Private Limited	1.40	0.93
Interest on Intercorporate deposits		
Subsidiary Company		
Digital Ventures Private Limited	51.69	-
Purchase of Material	28.79	50.16
Other Related Parties		
Pri-Media Services Private Limited	28.79	50.16
Purchase of Services	183.97	64.78
Other Related Parties		
Pan India Network Infravest Private Limited	17.86	22.24
Zee Entertainment Enterprises Limited	49.38	19.17
Diligent Media Corporation Limited.	3.08	2.17
Taleem Research Foundation	-	1.75
Essel Business Excellence Services Limited	113.65	19.45
Reimbursement of expenses	16.24	10.62
Subsidiary Company		
Academia Edificio Private Limited	0.25	-
Other Related Parties		
Taleem Research Foundation	15.99	10.62

Notes forming part of the Financial Statements

B) Balances outstanding as at 31 March

(₹ lakhs)

	2016	2015
Short- term borrowings	2,560.92	2,936.91
Other Related Parties		
Asian Satellite Broadcast Private Limited	2,560.92	2,936.91
Investment	34,497.15	33,221.87
Subsidiary Company		
Equity shares of Digital Ventures Private Limited	10,601.00	10,601.00
Preference shares of Digital Ventures Private Limited	9,572.00	9,572.00
Compulsorily Convertible Debentures of Digital Ventures Private Limited	14,324.05	13,048.87
Equity shares of Academia Edificio Private Limited	0.10	-
Loans, Advances and Deposits given	2,241.00	88.40
Subsidiary Company		
Digital Ventures Private Limited	2,161.00	-
Other Related Parties		
Essel Business Excellence Services Limited	80.00	88.40
Other Assets	303.00	163.00
Subsidiary Company		
Premium on redemption of Preference Shares	303.00	163.00
Trade Receivables	19.35	21.40
Other Related Parties		
Zee Entertainment Enterprises Limited	1.91	9.97
Himgiri Zee University	17.44	11.43
Other Receivables	0.25	11.47
Subsidiary Company		
Digital Ventures Private Limited	-	0.85
Academia Edificio Private Limited	0.25	
Other Related Parties		
Taleem Research Foundation	-	10.62
Trade Payables	13.60	37.45
Other Related Parties		
Pri-Media Services Private Limited	13.60	37.45
Creditors for expenses	26.20	8.47
Other Related Parties		
Pan India Network Infravest Private Limited	6.29	1.91
Diligent Media Corporation Limited	-	0.40
Zee Entertainment Enterprises Limited	13.43	6.16
Essel Business Excellence Services Limited	6.48	-
Guarantees given	26,788.00	26,788.00
Subsidiary		
Digital Ventures Private Limited	26,788.00	26,788.00
Guarantees received		
Other Related Parties		
Zee Entertainment Enterprises Limited	5,300.00	5,409.10
Jointly Corporate Guarantee given by Direct Media Distribution Ventures Private Limited and Digital Satellite Holdings Private Limited	-	109.10
	5,300.00	5,300.00

Note: 1) Details of remuneration to Director are disclosed in Note 27.

2) During the year, 6,402,980 stock options granted to Executive Director of the Company.

Notes forming part of the Financial Statements

30 (a) Disclosures as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

(i) Loans given to Wholly owned Subsidiary Company

(₹ lakhs)

	Balance as at 31 March		Maximum amount outstanding	
	2016	2015	2016	2015
Digital Ventures Private Limited	2,161.00	-	2,461.00	10,148.76

(ii) Loanees have not made investments in the shares of the Company.

(b) Information required under Section 186 (4) of the Companies Act, 2013

(i) Loans given

(₹ lakhs)

Name of the Party	2015	Given	Repaid	2016
To wholly owned Subsidiary-Digital Ventures Private Limited	-	2,461.00	300.00	2,161.00
Total	-	2,461.00	300.00	2,161.00

The loan has been given for general business purpose of the entity and carries interest @12.5% p.a

(ii) Guarantees given

(₹ lakhs)

Name of the Party	2016	2015
To secure obligations of wholly owned Subsidiary (Digital Ventures Private Limited) - Guarantees to Banks	26,788.00	26,788.00
Total	26,788.00	26,788.00

(iii) Securities provided

The Company has provided securities of ₹ /lakhs 5,406.51(₹ /lakhs Nil) for loan taken by wholly owned Subsidiary - Digital Ventures Private Limited

(iv) Investments made

There are no investments made during the year except those mentioned in Note 11 and Note 14

31 (a) Contingent Liabilities not provided for

(₹ lakhs)

	2016	2015
(i) Claims against the Company not acknowledged as debts *	126.17	123.80
(ii) Disputed Direct Tax	16.51	16.51
(iii) Disputed Indirect Taxes	402.76	402.76
(iv) Corporate guarantee to wholly owned Subsidiary to the extent of loans availed/ outstanding ₹ /lakhs 24,918.00 (₹ /lakhs 25,223.00)	26,788.00	26,788.00

* does not include Interest amount, as interest rate has not been adjudicated by court.

b) Litigations

The Company had entered into and executed third party warehousing arrangement for materials/ study materials with a service provider. During the previous year, there was a dispute with the service provider for the service and Company has issued termination letter giving three months notice as per terms of the contract. However, the service provider stopped rendering the services during the notice period and has taken custody of the study materials. The Company has filed a case in Hon'ble High Court against the service provider in order to take the materials/ study materials through court process. Company was successful in getting a favorable order from Hon'ble High Court and obtained the custody of materials/study materials through court process, during March. Further, the Company has filed a claim for damage of ₹/lakhs 600.00 with further interest at the rate of 18% per annum. The Court has referred the matter for arbitration by consent of both the parties.

32 Capital and other commitments/undertakings

(a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹ /lakhs 10.43 (₹/lakhs 13.62)

Notes forming part of the Financial Statements

- (b) Non disposal undertaking for 51% shares held by the Company in Digital Ventures Private Limited for loan taken by subsidiary Company.

33 Expenditure in foreign currency

	2016	2015
a. Purchase of Television Content	46.06	29.46
b. Travelling expenses	2.98	4.88
c. Legal and Professional charges	24.22	1.74
d. Membership & Subscription	-	0.33

34 Payments to Auditors

	2016	2015
Audit fees (including Limited review)	13.00	12.00
Tax Audit Fees	2.00	2.00
Tax Representation	2.66	-
Certification and others	0.43	0.40
Total	18.09	14.40

35 Foreign Exchange

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March, 2016 are as under:

	2016	2015
Receivables	-	34.05
Payables	-	-

36 Micro, Small and Medium enterprises

The Company has no dues to Micro, Small and Medium enterprises during the year ended 31 March, 2016, on the basis of information provided by the parties and available on record.

37 On 28 June 2015, a fire occurred in one of the warehouses of the Company at Bhiwandi, Mumbai and the inventory of educational material lying at the said warehouse, amounting to ₹/lakhs 1,416.61 got completely destroyed. The Company has lodged the claim with the Insurance company for the loss incurred. Pending settlement of insurance claim, the loss is accounted as "Claim Receivable" under Other current assets amounting to ₹/lakhs 1,416.61. On settlement of the claim by the insurance company, the difference in loss claimed and the actual claim received, if any, will be charged to Statement of Profit and Loss.

38 The Company has presented segment information on the basis of the Consolidated Financial Statements as permitted by Accounting Standard - 17.

39 Earnings per share (EPS)

	2016	2015
a. Profit/ (Loss) after Tax (₹/lakhs)	1,506.86	962.26
b. Weighted Average number of equity shares for Basic EPS (in numbers)	320,222,098	319,648,477
c. Weighted Average number of equity shares for Diluted EPS (in numbers)	320,933,987	320,192,290
d. Nominal value of equity shares (₹)	1	1
e. Basic EPS (₹)	0.47	0.30
f. Diluted EPS (₹)	0.47	0.30

40 Prior year Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to confirm to this year's classification. Figures in brackets pertain to previous year.

Cash Flow Statement for the year ended 31 March 2016

(₹ lakhs)

	2016	2015
A. Cash Flow from Operating Activities		
Profit before tax	1,506.86	962.26
Adjustments for:		
Depreciation and Amortisation expenses	568.21	680.21
Interest Income	(91.05)	(42.65)
Dividend Income	(24.88)	(54.15)
Interest expense	1,424.60	1,310.22
Provision for doubtful debts (net)	(726.03)	39.11
Profit on sale of fixed assets (net)	-	(1.44)
Operating Profit before Working Capital Changes	2,657.71	2,893.56
Adjustments for:		
Decrease / (Increase) in Inventories	1,647.48	(816.93)
Decrease / (Increase) in trade and other receivables	(919.51)	893.11
Increase / (Decrease) in Trade and other payables	(163.76)	154.04
Cash Generated from Operations	3,221.92	3,123.78
Direct taxes paid	(112.13)	(123.75)
Net Cash from Operating Activities (A)	3,109.79	3,000.03
B. Cash Flow from Investing Activities		
Purchase of fixed assets including Capital Work in Progress	(237.05)	(384.49)
Sale of fixed assets	-	108.90
Interest received	50.49	8.53
Investments in bank deposits	103.83	(320.66)
Investments in bank deposits (having original maturity of more than 12 months)	158.96	209.25
Debenture Application money given - Subsidiary	-	(4,663.80)
Refund of Debenture Application money- Subsidiary	-	1,763.69
Investments in mutual funds	(576.08)	86.81
Dividend Income	24.88	54.14
Investments in Compulsorily Convertible Debentures - Subsidiary	(1,275.28)	-
Intercorporate deposit- Subsidiary	(2,161.00)	-
Net Cash used in Investing Activities (B)	(3,911.25)	(3,137.63)

Cash Flow Statement for the year ended 31 March 2016

(₹ lakhs)

	2016	2015
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital including securities premium	123.14	128.99
Proceeds from intercorporate deposits	3,838.24	3,865.00
Repayment of intercorporate deposits	(4,343.15)	(1,002.00)
Proceeds from long-term borrowings	6,500.00	-
Repayment of long-term borrowings	(3,916.00)	(2,354.00)
Interest paid	(1,324.40)	(1,240.06)
Net Cash from/(used in) Financing Activities (C)	877.83	(602.07)
Net Cash flow during the year (A+B+C)	76.37	(739.67)
Cash and cash equivalents at the beginning of the year	621.66	1,361.33
Net cash and cash equivalents	698.03	621.66
Add: Balances earmarked	267.10	370.93
Cash and Bank Balances at the end of the year	965.13	992.59

Notes

- 1) Previous year's figures have been regrouped, recast wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Himanshu Mody
Chairman

Surjit Banga
Director

Sanjay Kothari

Partner

Membership Number 048215

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place : Mumbai

Date : 13 May, 2016

Independent Auditor's Report

To,
The Members of
Zee Learn Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Zee Learn Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") comprising of the consolidated balance sheet as at 31 March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 6 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of matter

5. We draw attention to Note 34 to the consolidated financial statements regarding insurance claim receivable. The loss, if any will be accounted on final settlement of claim by insurance company.

Our opinion is not modified in respect of the above matter

Other Matter

6. We did not audit the financial statements of one subsidiary company of the Group, whose financial statements reflect total assets of Rs./ lacs 62,848 as at 31 March, 2016, total revenues of Rs./ lacs 1,286 and net cash outflows of Rs./ lacs 383 for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with regard to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

7. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A; and
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements- Refer Note 28 to the consolidated financial statements;
 - The Group did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 13 May 2016

Annexure -A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(f) of the Independent Auditor's Report of even date to the members of the Zee Learn Limited on the consolidated financial statements for the year ended 31 March, 2016.

We have audited the internal financial controls over financial reporting of **Zee Learn Limited** ("the Holding Company") and its subsidiary companies incorporated in India as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary company incorporated in India, is based on corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 13 May 2016

Consolidated Balance Sheet as at 31 March, 2016

(₹ lakhs)

	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,205.54	3,200.01
Reserves and surplus	4	21,813.08	20,187.13
		25,018.62	23,387.14
Non-current liabilities			
Long-term borrowings	5(a)	34,599.50	29,597.50
Deferred tax liabilities	6	9.01	9.01
Other long-term liabilities	7	756.66	29.60
Long-term provisions	8	148.55	152.02
		35,513.72	29,788.13
Current liabilities			
Short-term borrowings	5(b)	2,560.92	3,381.18
Trade payables	9	920.59	1,326.25
Other current liabilities	9	6,416.53	10,369.85
Short-term provisions	6	77.86	43.14
		9,975.90	15,120.42
		70,508.24	68,295.69
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		9,902.52	7,698.23
Intangible assets		1,480.55	1,744.09
Capital work-in-progress		38,014.47	34,640.25
Intangible assets under development		9,767.58	9,807.86
		59,165.12	53,890.43
Non-current investments	11	0.05	0.05
Long-term loans and advances	12	2,445.26	6,886.91
Other non-current assets	13	656.59	781.95
		62,267.02	61,559.34
Current assets			
Current investments	14	953.22	377.13
Inventories	15	1,093.60	2,741.09
Trade receivables	16	2,975.73	1,610.62
Cash and bank balances	17	1,150.33	1,560.24
Short-term loans and advances	12	465.08	266.68
Other current assets	13	1,603.26	180.59
		8,241.22	6,736.35
		70,508.24	68,295.69

Notes forming part of the financial statements

1-38

As per our attached report of even date

For and on behalf of the Board

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Himanshu Mody
Chairman

Surjit Banga
Director

Sanjay Kothari

Partner

Membership Number 048215

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place: Mumbai

Date: 13 May, 2016

Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

(₹ lakhs)

	Note	2016	2015
Revenue			
Revenue from operations	18	15,132.82	12,778.33
Other income	19	198.27	383.50
	Total	15,331.09	13,161.83
Expenses			
Operational cost	20	3,872.32	3,444.19
Employee benefits expense	21	2,509.05	2,497.72
Finance costs	22	1,997.58	1,520.43
Depreciation and amortization expenses	23	1,018.96	934.54
Other expenses	24	4,424.85	3,775.58
	Total	13,822.76	12,172.46
Profit before tax		1,508.33	989.37
Less: Tax expense			
Current tax- current year		120.36	4.45
Deferred tax		-	-
MAT credit entitlement		(120.36)	(4.45)
Profit after tax		1,508.33	989.37
Earnings per equity share (face value ₹ 1 each)	33		
Basic		0.47	0.31
Diluted		0.47	0.31

Notes forming part of the financial statements

1-38

As per our attached report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Himanshu Mody
 Chairman

Surjit Banga
 Director

Sanjay Kothari

Partner

Membership Number 048215

Umesh Pradhan
 Chief Financial Officer

Hemangi Patil
 Company Secretary

Place: Mumbai

Date: 13 May, 2016

Notes forming part of the Consolidated Financial Statements

1 Corporate Information

The Group is one of the most diversified premium education group which delivers learning solutions and training through its multiple products viz. Kidzee, Mount Litera Zee Schools, Braincafe, Mount Litera World Preschool, Zee Institute of Media Arts (ZIMA), Zee Institute of Creative Arts (ZICA) and E - Learning Online Education and Testing. The Group is engaged in production/acquisition of television content. The Group is also in the business of providing and servicing school infrastructure on long-term agreement.

2 A Basis of preparation of Consolidated financial statements

These consolidated financial statements have been prepared under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects with its accounting standards specified under the relevant provisions of the Companies Act, 2013.

B Principles of Consolidation

- i. The Consolidated Financial Statements (CFS) relate to Zee Learn Limited ("Holding Company" or "The Company") and its subsidiary companies viz. Digital Ventures Private Limited and Academia Edificio Private Limited.
- ii. The consolidation of financial statements of the parent company and its subsidiary companies are done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group transactions, unrealised inter-company profits and balances have been eliminated in the process of consolidation.
- iii. The CFS are prepared using uniform accounting policies for transactions and other events in similar transactions.
- iv. The CFS includes the Financial Statements of the parent company and the subsidiary companies (as listed in the table below). Subsidiary companies are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiary	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiary)	Country of Incorporation
Direct Subsidiary Digital Ventures Private Limited Academia Edificio Private Limited	100(100) 100(-)	India India

C Significant Accounting Policies

a Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses for the period. Difference between the actual results and estimates are recognised in the period in which results are known / materialized.

b Tangible fixed assets

- (i) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for intended use.
- (ii) Capital work-in-progress comprises cost of tangible fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

c Intangible assets

- (i) Intangible assets are recognised in the year it is put to use at cost. Intangible assets are carried at cost less accumulated amortization and impairment loss, if any.
- (ii) Intangible assets under development comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost incurred on asset that are not ready for their intended use at the reporting date.

Notes forming part of the Consolidated Financial Statements

d **Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

e **Impairment of tangible and intangible assets**

At each Balance Sheet date, the Group reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

f **Depreciation/amortization on tangible and intangible assets**

- (i) Depreciable amount for tangible fixed assets is cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on tangible fixed assets is provided on straight-line method on the useful lives specified in Schedule II to the Companies Act, 2013 except in case of subsidiary, building constructed on leasehold land is provided considering useful life based on the balance lease period of the land.

Building at	Balance lease period (years)
a Bhatinda	32
b Nagpur	39
c Patiala	34
d Karnal	35
e BKC	26

- (ii) Leasehold Improvements are amortized over the period of Lease.
 (iii) Intangible assets are amortised over their respective individual estimated useful lives on straight line basis.

g **Investments**

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
 (ii) Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long-term investments are stated at cost, less provision for diminution other than temporary, in the value of such investments

h **Transactions in foreign currencies**

- (i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transaction.
 (ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

I **Revenue recognition**

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Sales- Educational goods and equipments and television content is recognized when the significant risk and rewards of ownership are passed onto the customers, which is generally on dispatch or agreed terms.
 (ii) Services
 a) Course fees and Royalty income is recognized over the duration of the course.
 b) Franchise fees is recognized as per the agreed terms of the agreement.
 c) Revenue from other services is recognised as and when such services are completed/Performed.
 d) Lease income is recognised as per agreed terms of lease agreements.
 (iii) Interest income is recognised on a time proportion basis taking into account principal outstanding and the applicable interest rate.
 (iv) Dividend income is recognised when the Company's right to receive dividend is established.

Notes forming part of the Consolidated Financial Statements

j Inventories

Educational goods and equipments and television content are valued at lower of cost or estimated net realizable value. Cost comprises cost of purchase, freight and other expense incurred in bringing the inventories to their present location and condition. Costs are taken on weighted average basis in case of educational goods and equipments and specific identification method in case of television content.

k Retirement and other employee benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Post-employment and other long-term benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amounts payable determined using actuarial valuation techniques in the year in which the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- (iii) Payment to defined contribution retirement benefit schemes are recognised as an expense in the Statement of Profit and Loss, when due.

l Accounting for taxes on income

- (i) Current tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.
- (iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

m Operating lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expense on accrual basis in accordance with the terms of respective lease agreements.

n Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

o Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Consolidated Financial Statements

3 Share Capital	(₹ lakhs)	
	2016	2015
Authorised 1,00,00,00,000 (1,000,000,000) Equity Shares of ₹ 1/- each	10,000.00	10,000.00
	10,000.00	10,000.00
Issued , Subscribed and Paid up 320,554,255 (320,001,097) Equity Shares of ₹ 1/- each fully paid up	3,205.54	3,200.01
	Total	3,205.54
		3,200.01

a) Reconciliation of number of Equity shares and Share capital

	2016		2015	
	Number of equity shares	₹ lakhs	Number of equity shares	₹ lakhs
At the beginning of the year	320,001,097	3,200.01	319,331,644	3,193.32
Add : Allotted on exercise of Employee Stock Option (Refer (e) below)	553,158	5.53	669,453	6.69
Outstanding at the end of the year	320,554,255	3,205.54	320,001,097	3,200.01

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have voting rights in respect of the equity shares represented by the GDRs till the shares are held by custodian. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Company has not issued any bonus shares or bought back equity shares during the five years preceding 31 March, 2016. Details of aggregate number of shares issued for consideration other than cash during the five years preceding 31 March, 2016 is as under:

	2016	2015
Pursuant to the Composite Scheme of Arrangement/Amalgamation	262,238,599	262,238,599

Notes forming part of the Consolidated Financial Statements

d) Details of Shareholders holding more than 5 % of the aggregate shares in the Company

Name of the Shareholders	2016		2015	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Jayneer Capital Private Limited	77,975,375	24.33%	77,975,375	24.37%
Asian Satellite Broadcast Private Limited	63,052,512	19.67%	63,052,512	19.70%
Orange Mauritius Investments Limited	8,076,298	2.52%	16,308,657	5.10%
Deutsche Bank Trust Company Americas	27,509,770	8.58%	41,179,770	12.87%
Swiss Finance Corporation (Mauritius) Limited	25,589,415	7.98%	21,760,738	6.80%

e) Employees Stock Option Scheme (ESOP):

The Company has amended its Employee Stock Option scheme (ZLL ESOP 2010) to ZLL ESOP 2010- AMENDED 2015 to align the scheme with provisions of Companies Act 2013 and the SEBI (Share Based Employee Benefits) Regulations 2014 for issuance of upto 16,007,451 stock options (increased from 6,136,390) convertible into equivalent number of equity shares of ₹ 1 each not exceeding the aggregate of 5% of the issued and paid up capital of the Company to the employees of the Company at the market price determined as per the SEBI (Share Based Employee Benefits) Regulations 2014. The said Scheme is administered by the Nomination and Remuneration Committee of the Board

During the year ended 31 March, 2016, the Company issued 6,402,980 (1,961,750) stock options. The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. The options granted vests in the ratio of 50:35:15 at the expiry of one, two and three years from the date of grant and once vested, these would be exercisable at any time within a period of four years and the equity shares arising on exercise of options shall not be subject to any lock in. Upon exercise of 553,158 (669,453) options, equivalent number of equity shares were issued and allotted during the year.

The options were granted to the employees at an exercise price, being the latest market price as per the SEBI (ESOS) Guidelines 1999. In view of this, there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account the accounting value of options as per the SEBI guidelines.

Summary of stock options outstanding is as follows:

	2016	2015
Options outstanding at the		
- beginning of the year	3,317,773	2,564,250
- granted during the year	6,402,980	1,961,750
- lapsed during the year	916,859	538,774
- exercised during the year	553,158	669,453
Options outstanding at the end of the year	8,250,736	3,317,773

Notes forming part of the Consolidated Financial Statements

4 Reserves and surplus

(₹ lakhs)

	2016	2015
Securities premium		
As per last Balance sheet	10,181.44	10,059.14
Add: On issue of Employees Stock Option Plan	117.62	122.30
	10,299.06	10,181.44
General reserve*		
As per last balance sheet	13,971.80	13,971.80
Surplus/(Deficit) in the Statement of Profit and Loss		
As per last Balance sheet	(3,966.11)	(4,911.74)
Add : Profit for the year	1,508.33	989.37
Add: Adjustment of depreciation as per transitional provision (Refer Note 10 (b))	-	(43.74)
	(2,457.78)	(3,966.11)
Total	21,813.08	20,187.13

* Pursuant to the Scheme of Amalgamation, sanctioned by the Hon'ble High Court of Bombay ₹/lakhs 8,881.25 (₹/lakhs 8,881.25) shall not be used for the purpose of declaring dividend.

5(a) Long-term borrowings

(₹ lakhs)

	Non-current		Current	
	2016	2015	2016	2015
Debentures	6,500.00	-	-	-
Term loan from banks - secured	28,099.50	29,597.50	1,498.50	4,221.50
	34,599.50	29,597.50	1,498.50	4,221.50
Less : Amount disclosed under the head "Other current liabilities" (Refer Note 9)	-	-	(1,498.50)	(4,221.50)
Total	34,599.50	29,597.50	-	-

- a) 650 (Nil), 10.40% Rated, Unlisted, Secured, Redeemable Non- Convertible Debentures of ₹ 1,000,000 each fully paid up aggregating to ₹/lakhs 6,500.00, are issued for a period of 5 years and 3 months from the date of allotment. Debentures will be redeemed on July 8, 2020. The debentures are secured by first pari passu charge on all the fixed and current assets, all the rights, titles and interests to provide security cover of 1.1 times on outstanding amount and undertaking from a related party for securing funding of debt service reserve account ("DSRA") to cover any shortfall in servicing outstanding obligation.
- b) Term loan from Yes Bank Limited ₹/lakhs 4,680.00 (Previous year ₹/lakhs 5,096.00) is secured by first pari passu charge on all the movable assets (including current assets, loans and advances) of the Company and lien over debt service reserve account .The loan is further secured by way of securities and corporate guarantee provided by related parties. The loan carries interest over lenders base rate plus 1.1% and is repayable in 12 half yearly installments beginning from 30 June, 2014.
- c) Term Loan from Axis Bank Limited ₹ Nil (₹/lakhs 3,500.00) is secured by first pari passu charge on all the fixed and current assets (present and future) of the Company and also reserve account and DSRA Undertaking by a related party. The loan carries interest over lenders base rate plus 2.25% and is repayable in 8 half yearly installments beginning from 30 June, 2013. However, the loan has been fully repaid in April 2015.

Notes forming part of the Consolidated Financial Statements

- d) Term loan is from Axis Bank Limited, of ₹/lakhs 3,518.00 (₹/lakhs 3,823.00) for two K-12 Schools and carries interest @3.5% p.a plus base rate viz., 12.50% p.a. The loan is repayable in 36 quarterly installments beginning from 4th year i.e FY 2015, secured by first charge on over all present and future immovable assets of the Projects by way of mortgage, over all present and future movable and intangible assets of the Projects by way of hypothecation, the entire current assets of the Projects, all the escrow accounts held by the subsidiary company for the Projects, by way of hypothecation in favor of lenders of all the present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the subsidiary company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the subsidiary company; pledge of shares of Holding company to the extent of 30% of ₹/lakhs 4,067.00. Corporate Guarantee from Holding company and non disposal undertaking for 51% shares held by Holding company in the subsidiary company.
- e) Term loan of ₹/lakhs 8,900.00 (₹/lakhs 8,900.00) for three K-12 schools and sports complex by Axis Bank Limited and carries interest @2.75% p.a plus base rate viz., 12.75% p.a. The loan is repayable in 36 quarterly installments beginning from 4th year i.e FY 2017 excluding 3 years construction period and secured by first charge on over all present and future immovable assets of the Project by way of mortgage, over all present and future movable and intangible assets of the Project by way of hypothecation, the entire current assets of the Project, all the escrow accounts held by the subsidiary company for the Project, by way of hypothecation in favor of lenders of all the present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the subsidiary company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the subsidiary company, Corporate Guarantee from Holding company , non disposal undertaking for 51% shares held by Holding company in the subsidiary Company.
- f) Term loan of ₹/lakhs 10,000.00 (₹/lakhs 10,000.00) for BKC schools by Axis Bank Limited and carries interest @2.65% p.a plus base rate viz., 12.90% p.a. The loan is repayable in 37 quarterly installments beginning from 4th year i.e FY 2018 excluding 3 years construction period, secured by first charge on over all present and future immovable assets of the Project, over all present and future movable and intangible assets of the Project, all the escrow accounts held by the TALEEM Research Foundation & the subsidiary company for the Project; as well as assignment of all insurance policies taken for the project with the bank as loss payee, by way of hypothecation in favor of lenders of all the present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the subsidiary company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the subsidiary company, registered mortgage of the lease hold land of the Project, Corporate Guarantee from Holding company, Pledge of 51% shares held by Holding company in the subsidiary company, subject to adherence to BR Act, to be held pari passu with Rupee Term Loan II (₹/lakhs 10,221.00) and Post dated cheque for principal installments.
- g) Term loan of ₹/lakhs 2,500.00 (₹/lakhs 2,500.00) for BKC schools by Tamilnad Mercantile Bank and carries interest @1.75% p.a plus base rate viz., 12.50% p.a. The loan is repayable in 37 quarterly installments beginning from 4th year i.e FY 2018 excluding 3 years construction period, secured by first charge on over all present and future immovable assets of the Project, over all present and future movable and intangible assets of the Project, all the escrow accounts held by the TALEEM Research Foundation & the subsidiary company for the Project; as well as assignment of all insurance policies taken for the project with the bank as loss payee, by way of hypothecation in favor of lenders of all the present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the subsidiary company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the subsidiary company, registered mortgage of the lease hold land of the Project, Corporate Guarantee from the holding company , Pledge of 51% shares held by Holding company in the subsidiary company, subject to adherence to BR Act, to be held pari passu with Rupee Term Loan II (₹/lakhs 10,221.00) and Post dated cheque for principal installments.

Notes forming part of the Consolidated Financial Statements

5 (b) Short-term borrowings

(₹ lakhs)

	2016	2015
Working capital loan from bank - Unsecured	-	444.27
Intercorporate deposits - Unsecured [Including interest ₹/lakhs 128.92 (₹/lakhs 73.91)]	2,560.92	2,936.91
Total	2,560.92	3,381.18

The loan carries Interest @12.5% p.a and is repayable on or before 31 March 2017

6 Deferred tax liabilities

In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22) issued by ICAI, deferred tax assets and liabilities should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position and requirement of the accounting standard regarding certainty / virtual certainty, deferred tax asset for the year is not accounted for. However, the same will be reassessed at a subsequent balance sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid accounting standard.

Components of deferred tax liability is as under :

(₹ lakhs)

	2016	2015
Deffered tax liability		
Depreciation	9.01	9.01
Total	9.01	9.01

7 Other long-term liabilities

(₹ lakhs)

	2016	2015
Unearned revenue	81.77	19.60
Deposits from customers	10.00	10.00
Interest accrued but not due on debentures	664.89	-
Total	756.66	29.60

8 Provisions

(₹ lakhs)

	Long - term		Short - term	
	2016	2015	2016	2015
Provision for employee benefits				
- Gratuity	99.35	97.96	10.55	10.31
- Leave benefits	49.20	54.06	5.22	5.70
Others				
Provision for litigation	-	-	27.13	27.13
Provision for taxation (net of advances)	-	-	34.96	-
Total	148.55	152.02	77.86	43.14

Notes forming part of the Consolidated Financial Statements

9 Current liabilities

(₹ lakhs)

	2016	2015
Trade payables	920.59	1,326.25
	920.59	1,326.25
Other current liabilities		
Current maturities of debentures and term loan (Refer Note 5 (a))	1,498.50	4,221.50
Interest accrued and due	45.11	88.15
Interest accrued but not due	161.07	277.14
Unearned revenue	1,369.55	1,699.26
Deposits from customers	2.00	2.00
Advance received from customers	1,182.60	2,480.91
Creditors for capital expenditure	580.26	75.25
Statutory dues payable	309.39	205.31
Other payables	1,268.05	1,320.33
	6,416.53	10,369.85
Total	7,337.12	11,696.10

Notes forming part of the Consolidated Financial Statements

10. Fixed assets

Description	Gross Block			Depreciation / Amortization			Net Block (₹ lakhs)				
	As at 1 April 2015	Additions	Deductions	As at 31 March 2016	Up to 31 March 2015	For the year	Reserve adjustment (Refer Note b below)	Deductions	Up to 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangibles											
Freehold Land (Refer Note a below)	648.16	-	-	648.16	-	-	-	-	-	648.16	648.16
Building	6,332.08	2,330.86	-	8,662.94	168.05	230.57	-	-	398.82	8,264.32	6,164.03
Leasehold Improvements	277.19	-	-	277.19	214.16	43.70	-	-	257.86	19.33	63.03
Equipments	459.64	114.61	-	574.25	147.34	104.45	-	-	251.79	322.46	312.30
Computers	540.32	96.87	-	637.19	372.97	88.18	-	-	461.15	176.04	167.35
Furniture and Fixtures	405.86	177.87	-	583.73	62.50	49.02	-	-	111.52	472.21	343.36
Total	8,663.25	2,720.21	-	11,383.46	965.02	515.92	-	-	1,480.94	9,902.52	7,698.23
Previous year	3,572.95	5,237.95	147.65	8,663.25	508.97	463.17	43.74	50.87	965.02	7,698.23	
Intangibles											
Content development	1,465.20	1.85	-	1,467.05	835.88	393.91	-	-	1,229.79	237.26	629.32
Softwares	468.00	14.98	-	482.98	373.21	64.29	-	-	437.50	45.48	94.79
Development rights	1,050.31	222.67	-	1,272.98	30.33	44.84	-	-	75.17	1,197.81	1,019.98
Total	2,983.51	239.50	-	3,223.01	1,239.42	503.04	-	-	1,742.46	1,480.55	1,744.09
Previous year	1,651.21	1,351.78	19.48	2,983.51	776.86	471.37		8.80	1,239.43	1,744.09	
Capital work-in-progress										38,014.47	34,640.25
Intangible under development										9,767.58	9,807.86

a) Acquired pursuant to the Composite Scheme of Arrangement, yet to be transferred in the name of the Holding Company.

b) During the Previous year, the Group has adopted the useful life as per the Schedule II of Companies Act, 2013. Consequently, ₹ 43.74 representing the written down value of fixed assets whose lives have expired as at 1 April 2014 have been adjusted in Statement of Profit and Loss (Note 4). The unamortised carrying value has been revised / remaining useful lives.

Notes forming part of the Consolidated Financial Statements

11 Non-current investments (valued at cost, unless stated otherwise)	(₹ lakhs)	
	2016	2015
Others- unquoted		
In National Savings Certificate (Pledged with sales tax authorities)	0.05	0.05
	Total	0.05
	0.05	0.05
12 Loans and advances (unsecured)	(₹ lakhs)	
	Long-term	Short-term
	2016	2015
Capital advances		
- Related parties	-	1,499.62
- Others	53.91	75.77
	1,487.71	4,668.19
Less: Provision for doubtful deposits	-	191.40
	1,487.71	29.17
	5.40	5.40
Deposits		
- Related parties	834.00	3,821.00
- Others	653.71	847.19
- considered doubtful	-	-
	1,487.71	191.40
Less: Provision for doubtful deposits	-	23.77
	1,487.71	23.77
Other advances		
- considered good	0.13	0.34
- considered doubtful	33.71	33.71
	33.84	34.05
Less: Provision for doubtful advances	33.71	131.09
	0.13	200.92
Minimum alternate tax credit entitlement	124.81	33.71
Prepaid expenses	1.07	0.25
	1.07	52.41
	124.81	41.99
Balance with government authorities		
- Advance direct taxes	758.63	638.29
- Advance indirect taxes	19.00	-
	758.63	90.18
	19.00	-
	Total	2,445.26
	6,886.91	465.08
	266.68	-

Notes forming part of the Consolidated Financial Statements

13 Other assets

(₹ lakhs)

	Non-current		Current	
	2016	2015	2016	2015
Balances with banks in deposit account (Refer Note 17)	656.45	767.64	-	-
Interest accrued on bank deposits	0.14	13.40	35.74	29.68
Preliminary expenses	-	0.91	-	-
Claims receivable (Refer Note 34)	-	-	1,416.61	-
Other receivables	-	-	150.91	150.91
Total	656.59	781.95	1,603.26	180.59

14 Current investments

(₹ lakhs)

	2016	2015
Others - Investments in mutual funds - quoted		
45,062 (Nil) units of Axis Liquid Fund -Direct Plan-Daily Dividend Reinvestment of face value of ₹ 1000 each	450.91	-
50,197 (Nil) units of Reliance Liquidity Fund- Direct Plan-Daily Dividend Plan of face value of ₹ 1000 each	502.31	-
Nil (71,181) units of ICICI Prudential Flexible Income Plan -Direct of face value of ₹ 10 each	-	75.26
Nil (30,163) units of Religare Invesco Liquid Fund-Direct Plan of face value of ₹ 1000 each	-	301.87
(All the above securities are fully paid up)	Total	953.22
		377.13

Net Asset Value of quoted investments as at 31 March 2016 is ₹ /lakhs 953.22 (₹ /lakhs 377.13)

15 Inventories

(valued at lower of cost or estimated net realisable value)

(₹ lakhs)

	2016	2015
Educational goods and equipments	1,093.60	2,741.09
Total	1,093.60	2,741.09

16 Trade receivables (unsecured)

(₹ lakhs)

	2016	2015
Over six months		
- considered good	1,315.49	480.80
- considered doubtful	-	726.03
Others		
- considered good	1,660.24	1,129.82
- considered doubtful	-	-
Less: Provision for doubtful debts	2,975.73	2,336.65
Total	2,975.73	1,610.62

Notes forming part of the Consolidated Financial Statements

17 Cash and bank balances

(₹ lakhs)

	Non-current		Current	
	2016	2015	2016	2015
Cash and cash equivalents				
Balances with banks in current accounts	-	-	883.15	920.70
Cash in hand	-	-	0.08	0.19
	-	-	883.23	920.89
Other bank balances				
Balances with banks *				
- in deposits accounts	-	-	267.10	370.93
- in deposits accounts with banks maturity more than 12 months	656.45	767.65	-	268.42
Amount disclosed under the head "Other assets" (Refer Note 13)	(656.45)	(767.65)	-	-
Total	-	-	1,150.33	1,560.24

* Pledged/lien for term loan/debentures ₹/lakhs 812.05 (₹/lakhs 325.12), lien for government authorities ₹/lakhs 0.50 (₹/lakhs 0.89), lien for others ₹/lakhs 111.00 (₹/lakhs 117.99).

18 Revenue from operations

(₹ lakhs)

		2016	2015
Sales	- Educational goods and equipments	7,776.17	5,762.67
	- Television content	58.29	480.72
Services	- Education and other services		
	- Course fees/Royalty	4,786.96	3,991.20
	- Franchisee fees	1,248.67	1,863.73
	- Lease rental	1,231.92	620.08
	- Others	15.76	21.68
Other operating revenue		15.05	38.25
Total	15,132.82	12,778.33	

19 Other income

(₹ lakhs)

		2016	2015
Interest income from			
- Bank deposits		82.99	87.19
- Others		8.64	4.74
Dividend on			
- Mutual funds		24.87	54.14
Gain on exchange difference (net)		1.43	-
Liabilities/excess provision written back (net)		80.34	235.43
Profit on sale of fixed assets (net)		-	1.44
Sale of scrap		-	0.56
Total	198.27	383.50	

Notes forming part of the Consolidated Financial Statements

20 Operational cost

(₹ lakhs)

	2016	2015
a) Educational goods and equipments		
Opening	2,741.09	1,672.63
Add: Purchases	3,288.57	3,755.86
	6,029.66	5,428.49
Less: Closing	1,093.60	2,741.09
Less : Loss by fire (Refer Note 34)	1,416.61	-
	3,519.45	2,687.40
b) Television content		
Opening	-	251.53
Add: Commissioned/acquisition	52.99	185.49
	52.99	437.02
Less: Closing	-	-
	52.99	437.02
c) Other educational operating expenses		
	299.88	319.77
Total	3,872.32	3,444.19

21 Employee benefits expense

(₹ lakhs)

	2016	2015
Salaries and allowances	2,347.83	2,328.20
Contribution to provident and other funds	79.67	73.82
Training and recruitment cost	38.96	58.02
Staff welfare expenses	42.59	37.68
Total	2,509.05	2,497.72

22 Finance costs

(₹ lakhs)

	2016	2015
Interest - loan	1,951.94	1,494.87
- others	31.71	10.83
Bank and other financial charges	13.93	14.73
Total	1,997.58	1,520.43

23 Depreciation and amortization expenses

(₹ lakhs)

	2016	2015
Depreciation on tangible assets	515.91	463.17
Amortisation on intangible assets	503.05	471.37
Total	1,018.96	934.54

Notes forming part of the Consolidated Financial Statements

24 Other expenses

(₹ lakhs)

	2016	2015
Rent	336.55	305.96
Repairs and maintenance - others	272.17	318.36
Insurance	26.35	12.70
Rates and taxes	72.88	26.12
Electricity and water charges	45.64	28.78
Communication expenses	145.83	140.27
Printing and stationery	41.80	53.48
Traveling and conveyance expenses	668.07	565.26
Legal and professional charge	537.32	279.93
Payment to auditors (Refer Note 31)	21.99	18.15
Miscellaneous expenses	146.99	108.01
Freight and packing charges	865.84	466.65
Directors sitting fees	8.60	5.80
Bad debts / advances written off	730.89	-
Provision for doubtful debts and advances	(726.03)	39.11
Marketing, advertisement and publicity expenses	1,228.74	1,405.25
Loss on exchange difference (net)	0.06	0.69
Miscellaneous expenditure written off	1.16	1.06
Total	4,424.85	3,775.58

25 Operating leases:

The Group has taken office and residential facilities under cancellable/ non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 11 months to 60 months.

(₹ lakhs)

	2016	2015
Lease rental charges for the year	412.52	328.30
Future lease rental obligation payable (under non-cancellable lease)		
Not later than one year	21.31	62.97
Later than one year but not later than five years	-	21.31

26 Managerial remuneration

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Manager, included in Note 21 "Employee benefits expense" is as under :

(₹ lakhs)

	2016	2015
Salary and allowances	41.69	36.14
Provident fund contributions	1.90	1.79
Total	43.59	37.93

Note: Salary and allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

Notes forming part of the Consolidated Financial Statements

27 Related party transactions

(i) Key managerial personnel

Executive Director

Ajey Kumar w.e.f. 28-10-2015

Manager / Chief Financial Officer

Umesh Pradhan

(ii) Other related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year.

Asian Satellite Broadcast Private Limited, Himgiri Zee University, Pan India Network Infravest Private Limited, TALEEM Research Foundation, Zee Entertainment Enterprises Limited, Diligent Media Corporation Limited, Pri-Media Services Private Limited, Pan India Infrastructures Private Limited, Essel Infraprojects Limited, Direct Media Distribution Ventures Private Limited, Digital Satellite Holdings Private Limited, Essel Business Excellence Services Limited

A) Transactions with related parties

(₹ lakhs)

	2016	2015
Short-term borrowings	3,831.00	3,865.00
Other related parties		
Asian Satellite Broadcast Private Limited	3,831.00	3,865.00
Repayment of Short-term borrowings	4,335.91	1,002.00
Other related parties		
Asian Satellite Broadcast Private Limited	4,335.91	1,002.00
Interest expense	151.29	83.74
Other related parties		
Asian Satellite Broadcast Private Limited	151.29	83.74
Loans, advances and deposits given	-	88.40
Other related parties		
Essel Business Excellence Services Limited	-	88.40
Loans, advances and deposits given repaid	8.40	900.00
Other related parties		
Himgiri Zee University	-	900.00
Essel Business Excellence Services Limited	8.40	-
Advances received	-	288.26
Essel Infraprojects Limited	-	288.26
Purchase of fixed assets including capital work-in-progress	2,666.26	3,409.01
Pan India Infrastructure Private Limited	2,666.26	3,309.01
Taleem Research Foundation	-	100.00
Capital advances given	1,090.98	6,209.13
Pan India Infrastructure Private Limited	1,090.98	6,209.13
Capital advances given repaid	3,439.50	3,101.95
Pan India Infrastructure Private Limited	3,439.50	3,101.95
Advances repaid	1,207.55	-
Essel Infraprojects Limited	1,207.55	-
Sales and services	979.36	1,026.35
Other related parties		
Zee Entertainment Enterprises Limited	63.04	553.16
Himgiri Zee University	6.60	23.15
Taleem Research Foundation	909.72	450.04
Sale of fixed assets	-	113.70
Other related parties		
Zee Entertainment Enterprises Limited	-	113.70

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

	2016	2015
Purchase of material	28.79	50.16
Other related parties		
Pri-Media Services Private Limited	28.79	50.16
Purchase of services	183.97	64.78
Other related parties		
Pan India Network Infravest Private Limited	17.86	22.24
Zee Entertainment Enterprises Limited	49.38	19.17
Diligent Media Corporation Limited.	3.08	2.17
Taleem Research Foundation	-	1.75
Essel Business Excellence Services Limited	113.65	19.45
Reimbursement of expenses	15.99	10.62
Other related parties		
Taleem Research Foundation	15.99	10.62

B) Balances outstanding as at 31 March

(₹ lakhs)

	2016	2015
Short-term borrowings	2,560.92	2,936.91
Other related parties		
Asian Satellite Broadcast Private Limited	2,560.92	2,936.91
Loans, advances and deposits given	385.84	5,409.02
Other related parties		
Pan India Infrastructure Private Limited	305.84	5,320.62
Essel Business Excellence Services Limited	80.00	88.40
Trade receivables	1,395.02	487.35
Other related parties		
Zee Entertainment Enterprises Limited	1.91	9.97
Himgiri Zee University	17.44	11.43
Taleem Research Foundation	1,375.67	465.95
Other receivables	-	10.62
Other related parties		
Taleem Research Foundation	-	10.62
Advances received	-	1,207.55
Other related parties		
Essel Infraprojects Limited	-	1,207.55
Trade payables	13.60	37.45
Other related parties		
Pri-Media Services Private Limited	13.60	37.45
Creditors for expenses	26.20	8.47
Other related parties		
Pan India Network Infravest Private Limited	6.29	1.91
Diligent Media Corporation Limited	-	0.40
Zee Entertainment Enterprises Limited	13.43	6.16
Essel Business Excellence Services Limited	6.48	-
Guarantees given	26,788.00	26,788.00
Subsidiary company		
Digital Ventures Private Limited	26,788.00	26,788.00
Guarantees received	5,300.00	5,409.10
Other related parties		
Zee Entertainment Enterprises Limited	-	109.10
Jointly Corporate Guarantee given by Direct Media Distribution Ventures Private Limited and Digital Satellite Holdings Private Limited	5,300.00	5,300.00

Note: 1) Details of remuneration to Director are disclosed in Note 26.

2) During the year, 6,402,980 stock options granted to Executive Director of the Company.

Notes forming part of the Consolidated Financial Statements

28 (i) Contingent liabilities not provided for (₹ lakhs)

	2016	2015
a) Claims against the group not acknowledged as debts*	126.17	123.80
b) Disputed direct tax	1,001.98	904.47
c) Disputed indirect taxes	402.76	402.76

* does not include interest amount, as interest rate has not been adjudicated by court.

(ii) The Holding company had entered into and executed third party warehousing arrangement for materials/ study materials with a service provider. During the previous year, there was a dispute with the service provider for the service and Holding company has issued termination letter giving 3 months notice as per terms of the contract. However, the service provider stopped rendering the services during the notice period and has taken custody of the study materials. The Holding company has filed a case in Honorable High Court against the service provider in order to take the materials/ study materials through court process. Holding company was successful in getting a favorable order from Honorable High Court and obtained the custody of materials/study materials through court process, during March 2015. Further, the Holding company has filed a claim for damage of ₹/lakhs 600.00 with further interest at the rate of 18% per annum. The Court has referred the matter for arbitration by consent of both the parties.

29 Capital and other commitments/undertakings

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹ /lakhs 5,608.49 (₹/lakhs 1,299.42)

30 Current tax

Provision for taxation has been made as per provisions of Section 115JB of Income Tax Act 1961.

31 Payments to auditors (₹ lakhs) For standalone

	2016	2015
Audit fees (including limited review)	13.00	12.00
Tax audit fees	2.00	2.00
Tax representation	2.66	-
Certification and others	0.43	0.40
Total	18.09	14.40

	2016	2015
For subsidiary companies	2016	2015
Audit fees	3.90	3.75

32 Foreign exchange

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March, 2016 are as under:

	2016	2015
Receivables	-	34.05
Payables	-	-

Notes forming part of the Consolidated Financial Statements

33 Earnings per share (EPS)

		2016	2015
a.	Profit / (loss) after tax (₹/lakhs)	1,508.33	989.37
b.	Weighted Average number of equity shares for Basic EPS (in numbers)	320,222,098	319,648,477
c.	Weighted Average number of equity shares for Diluted EPS (in numbers)	320,933,987	320,192,290
d.	Nominal value of equity shares (₹)	1	1
e.	Basic EPS (₹)	0.47	0.31
f.	Diluted EPS (₹)	0.47	0.31

34 On 28 June 2015, a fire occurred in one of the warehouses of the Holding company at Bhiwandi, Mumbai and the inventory of educational material lying at the said warehouse, amounting to ₹/lakhs 1,416.61 got completely destroyed. The Holding company has lodged the claim with the Insurance company for the loss incurred. Pending settlement of insurance claim, the loss is accounted as "Claim Receivable" under Other current assets amounting to ₹/lakhs 1,416.61. On settlement of the claim by the insurance company, the difference in loss claimed and the actual claim received, if any, will be charged to Statement of Profit and Loss.

35 Segment reporting

"The Group follows AS 17 ""Segment Reporting"" relating to the reporting of financial and descriptive information above their operating segments in financial statements:"

The Group's reportable operating segments have been determined in accordance with the business operations, which is organised based on the operating business segments as described below. The geographical segment is not relevant as exports are insignificant.

- 1 **"Educational"** which principally provides learning solutions and delivers training.
 - 2 **"Construction and Leasing"** which principally consists of constructing and leasing of properties for commercial use
- There being no business outside India, the entire business is considered as a single geographic segment.

Primary Segment Disclosure - Business segment

(₹ lakhs)

Particulars	2016	2015
Segment revenue		
- Educational	13,900.90	12,158.25
- Construction and leasing	1,231.92	620.08
Total segment revenue	15,132.82	12,778.33
Less: Inter segment revenue	-	-
Net segment revenue	15,132.82	12,778.33
Segment results (Profit before tax and interest from ordinary activities)		
- Educational	2,882.13	2,190.32
- Construction and leasing	507.28	173.42
Total segment results	3,389.41	2,363.74
Less : Finance costs	1,997.58	1,520.43
Add / (Less) : Other unallocable income net of unallocable expenditure	116.50	146.06
Total profit before tax from ordinary activities	1,508.33	989.37
Less: Tax expense		
Current tax - current year	120.36	4.45
Deferred tax	-	-
MAT Credit Entitlement	(120.36)	(4.45)
Profit after tax	1508.33	989.37

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

	2016	2015
Capital employed (Segment assets less Segment liabilities)		
- Educational	37,133.64	31,621.92
- Construction and leasing	44,620.13	47,630.91
- Unallocable (net)	(36,562.04)	(35,692.69)
Total capital employed in segments	45,191.72	43,560.14
Less: Inter segment eliminations	(20,173.10)	(20,173.00)
Total capital employed	25,018.62	23,387.14
Capital expenditure		
- Educational	237.05	384.49
- Construction and leasing	4,030.10	7,227.83
	4,267.15	7,612.32
Depreciation		
- Educational	568.21	680.21
- Construction and leasing	450.75	254.33
	1,018.96	934.54

36 Educational Infrastructure Projects under execution

The Group has taken lands at four locations on lease and has acquired land at one location for the purposes of setting up of educational infrastructures. The Group has also acquired development rights to develop a piece and parcel of land, from TALEEM Research Foundation at Mumbai, to build educational infrastructure. This development right is acquired for 30 years w.e.f 1 January, 2010 against a lump sum fee of ₹/lakhs 10,500. The civil work for construction of all these educational infrastructures is in progress and are at different stages of construction.

37 Additional Information as required by Schedule III of the Companies Act 2013

(₹ lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss	
	% of consolidated net assets	Amount	% of consolidated Profit	Amount
I Parent - Zee Learn Limited	100.22%	25,074.08	99.90%	1,506.86
II Subsidiary - Digital Ventures Private Limited Academia Edificio Private Limited	80.41% (0.00%)	20,117.95 (0.30)	0.12% (0.03%)	1.88 (0.41)

Note: Net assets / Share of profit of subsidiary are considered based on the respective audited standalone financial statements without considering eliminations / consolidation adjustments.

38 Prior year Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to confirm to this year's classification. Figures in brackets pertain to previous year.

Consolidated Cash Flow Statement for the year ended 31 March, 2016

(₹ lakhs)

	2016	2015
A. Cash flow from operating activities		
Profit before tax	1,508.33	989.37
Adjustments for:		
Depreciation and amortisation expenses	1,018.96	934.54
Interest Income	(91.63)	(91.94)
Interest expense	1,983.66	1,505.71
Provision for doubtful debts (net)	(726.03)	39.11
Profit on sale of fixed assets (net)	-	(1.44)
Operating profit before working capital changes	3,693.29	3,375.35
Adjustments for:		
Decrease / (Increase) in Inventories	1,647.49	(816.94)
Decrease / (Increase) in trade and other receivables	907.69	503.30
Increase / (Decrease) in trade and other payables	(1,237.91)	612.64
Cash generated from operations	5,010.56	3,674.35
Direct taxes paid	(240.70)	(386.35)
Net cash from operating activities (A)	4,769.86	3,288.00
B. Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(4,267.15)	(7,612.32)
Sale of fixed assets	-	108.90
Interest received	98.84	58.66
Investments in bank deposits	372.25	(320.66)
Investments in bank deposits (having original maturity of more than 12 months)	111.19	(666.45)
Investments in mutual funds	(576.09)	86.81
Net cash used in investing activities (B)	(4,260.96)	(8,345.06)
C. Cash flow from financing activities		
Proceeds from issue of share capital including securities premium	123.14	128.99
Proceeds from intercorporate deposits	3,831.00	2,936.91
Repayment of intercorporate deposits	(4,335.91)	-
Proceeds from long-term borrowings	6,500.00	14,400.00
Repayment of short-term borrowings	(444.27)	444.27
Repayment of long-term borrowings	(4,221.00)	(11,778.98)
Interest paid	(1,999.52)	(1,799.10)
Net cash from/(used) in financing activities (C)	(546.56)	4,332.09
Net cash flow during the year (A+B+C)	(37.66)	(724.98)
Cash and cash equivalents at the beginning of the year	920.89	1,645.87
Net cash and cash equivalents	883.23	920.89
Add: Balances earmarked	267.10	639.35
Cash and bank balances at the end of the year	1,150.33	1,560.24

Notes: 1) Previous year's figures have been regrouped, recast wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Himanshu Mody
Chairman

Surjit Banga
Director

Sanjay Kothari

Partner

Membership Number 048215

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place: Mumbai

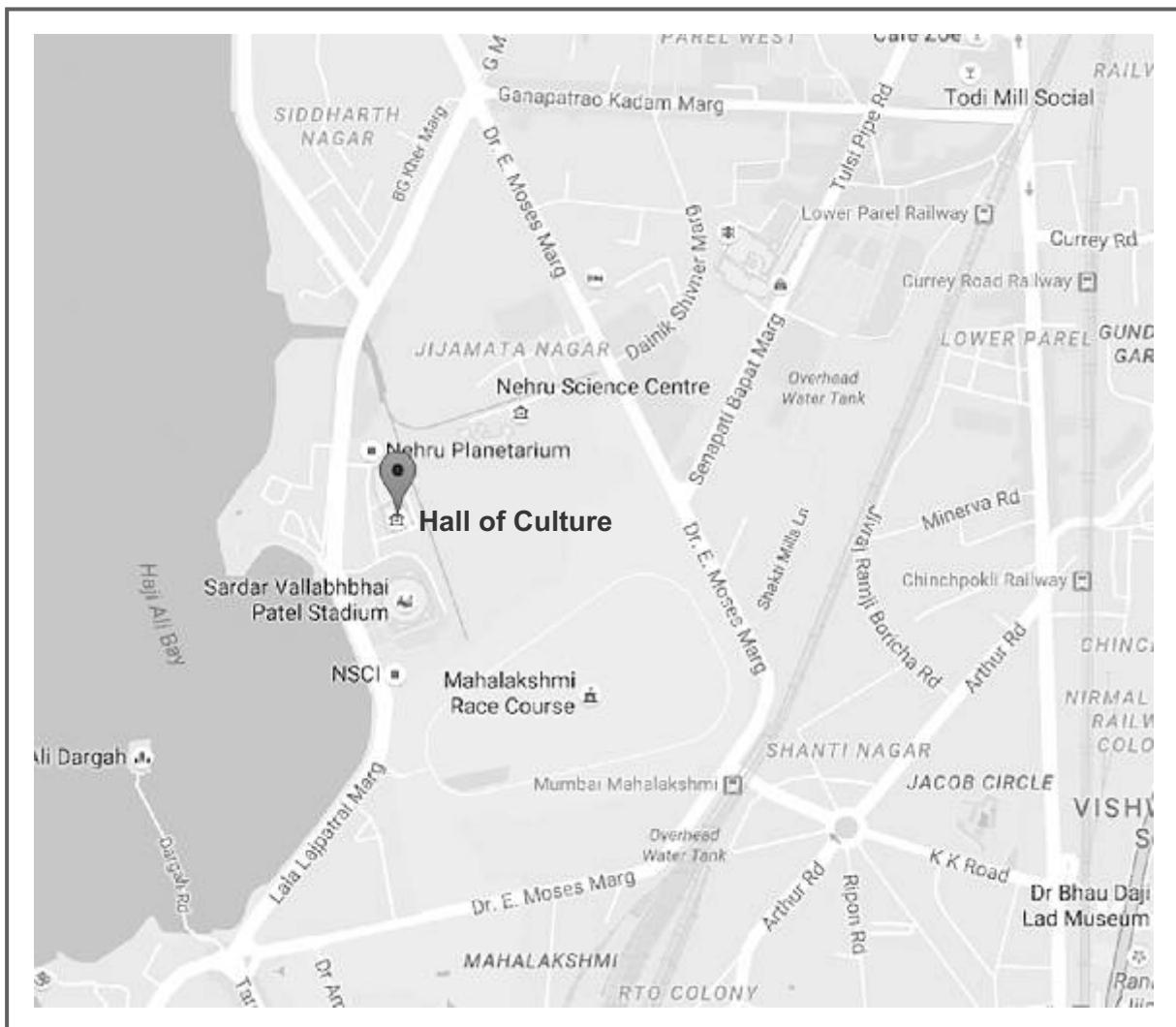
Date: 13 May, 2016

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MAP OF AGM VENUE





ZEE LEARN LIMITED

Regd. Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018
Tel: +91-22-2483 1234 • Fax: +91-22-2495 5974

CIN: L80301MH2010PLC198405 | Website: www.zeelearn.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): _____

Registered Address: _____

E-mail ID: _____ Folio No./ Client ID / DP ID: _____

I/We, being the Member(s) holding Equity Shares of Zee Learn Limited, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____ Signature: _____ or failing him.

2. Name: _____ E-mail ID: _____

Address: _____ Signature: _____ or failing him.

3. Name: _____ E-mail ID: _____

Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the Company, to be held on Monday, September 19, 2016 at 11:00 a.m. at the “**The Hall of Culture**”, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below.

I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Audited Financial Statements of the Company on a standalone and consolidated basis for the financial year ended March 31, 2016 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2. Re-appointment of Mr. Himanshu Mody as a Director of the Company		
3. Appointment of Auditors		
4. Ratification of remuneration of M/s V.V. & Associates, Cost Auditors of the Company for the financial year 2016-17		
5. Re-appointment of Dr. Sangeeta Pandit as Independent Director for second term.		
6. Re-appointment of Dr. Manish Agarwal as Independent Director for second term.		
7. Re-appointment of Mr. Surjit Banga as Independent Director for second term.		
8. Re-appointment of Mr. Umesh Pradhan as Manager of the Company for a period of 3 (three) years w.e.f. April 1, 2016		
9. Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company		

Signed this _____ day of _____ 2016.

Signature of Shareholder : _____ Signature of Proxy holder : _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





ZEE LEARN LIMITED

Regd. Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018
Tel: +91-22-2483 1234 • Fax: +91-22-2495 5974

CIN: L80301MH2010PLC198405 | Website: www.zeelearn.com

ATTENDANCE SLIP

6th Annual General Meeting | September 19, 2016 at 11:00 A.M

I/We hereby record my/our presence at the 6th Annual General Meeting of the Company at "**The Hall of Culture**", Nehru Centre, Dr Annie Besant Road, Worli, Mumbai - 400 018, Monday, September 19, 2016 at 11.00 a.m.

Name of Shareholder/Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy

Folio No : _____

Client ID # : _____

DP ID : _____

No of Shares : _____

(Applicable for shareholders holding shares in dematerialized form)





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Registered Office:
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