

DIGITAL VENTURES PRIVATE LIMITED

ANNUAL REPORT
For the Financial Year ended
31st March 2015



B. S. Sharma & Co.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Members of
Digital Ventures Private Limited,

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Digital Ventures Private Limited ("The Company")**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which have been signed with reference to the report hereunder.

2. Management's Responsibility for the 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 of these 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 ("the Rules").

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements based on our audit.

We have taken into account the provisions of the Act, and Rules made thereunder including Accounting Standards and matter which are required to be included in the audit report.



**B S SHARMA & CO., Chartered Accountants, AUDITORS' REPORT
TO THE MEMBERS OF DIGITAL VENTURES PRIVATE LIMITED**

We conducted our audit in accordance with the Standards on Auditing specific under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Those Standards and pronouncements require 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 but not for the purposes of expressing an opinion, whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

4. Opinion

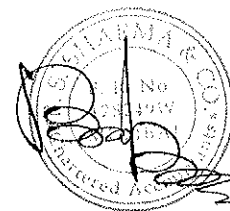
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2015;
- b. In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the Cash Flows for the Company for the year ended on that date.

5. Emphasis of Matters

Without qualifying our report, we draw reference to

- a. Note no.8(a) relating to non-provision of Deferred Tax;



**B S SHARMA & CO., Chartered Accountants, AUDITORS' REPORT
TO THE MEMBERS OF DIGITAL VENTURES PRIVATE LIMITED**

- b. Note no. 26 relating to Intangibles under Development includes development rights and operating rights for 30 years to build educational infrastructure. The civil works for construction of all these educational infrastructures is in progress and are at different stages of construction.

6. Report on Other Legal and Regulatory Requirements

A. As required by the 'Companies (Auditor's Report) Order, 2015 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 statement on the matters specified in paragraphs 3 and 4 of the Order.

B. 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 appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules;

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) 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, as per the evidences produced, details furnished and others by the Management, we express our opinion to the best of our information and according to the explanations given to us, that:

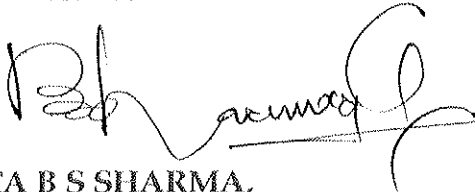
- i. The Company does not have any pending litigations which would impact its financial position.



**B S SHARMA & CO., Chartered Accountants, AUDITORS' REPORT
TO THE MEMBERS OF DIGITAL VENTURES PRIVATE LIMITED**

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no amount required to be transferred to the Investor Education and Protection Fund, since the same is not applicable to the Company.

**For B S SHARMA & CO.,
Chartered Accountants
FR No. 128249W**



**CA B S SHARMA,
PROPRIETOR,
Membership No.031578**



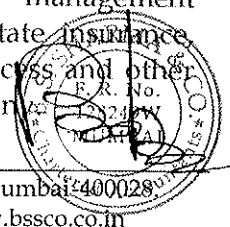
Place: Mumbai

Dated: 25.05.2015.



Annexure referred to in Paragraph 6 under the heading of "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" of our report of even date to the members of Digital Ventures Private Limited on the financial statements for the year ended 31 March 2015:

- (i) a) The company has maintained requisite records showing required particulars including quantitative details and situation of its fixed assets.
- b) According to the information and explanation given to us, majority of the fixed assets of the company have been physically verified, in phased manner, by the management during the year and the intervals of such verification had also been reasonable. As informed, no discrepancies were noticed on such verification as compared to books and records.
- (ii) Since the company is having no inventories, considering its nature of business, the clauses relating thereto in respect of physically verification, procedure thereof, reasonability of intervals of such verification with discrepancies between the book records and such verification is not applicable.
- (iii) a) Based on our verification of the books and records and as per information and explanations provided to us by the management, the company has not granted loan, secured and unsecured to companies, firms, or other parties covered in the Registers maintained under Section 189 of the Companies Act, 2013 (the Act).
- b) Since no such loans or advances in the nature of loans are given to parties covered under Section 189 of the Act and as detailed herein above, the rest of the provisions in sub-clause iii (a) and iii (b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of fixed assets and rendering of services or leasing of assets. During our course of audit, no major weakness was noticed by us in the existing internal control system.
- (v) a) In our opinion and according to the information and explanations given to us, the company has not accepted deposits as covered under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, hence this clause is not applicable.
- b) In view of our comments at Sr. no. v (a) above, no order has been passed by either Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, hence this clause is not applicable.
- (vi) We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Govt. under section (1) of section 148 of the Act.
- (vii) a) According to the books, records as produced and examined by us in accordance with Generally Accepted Auditing Practices in India and also based on management representations, statutory dues in respect of provident fund, employee state insurance, income tax, wealth tax, service tax, sales tax, value added tax, excise duty, cess and other material statutory dues have generally been regularly deposited by the company.



- b) According to information and explanations given to us, there are disputed amounts payable in respect of income tax, which is outstanding as on 31st March, 2015:

Name of the Statute	Nature of the Dues	Amount (in Rupees)	Period to which the amount relate	Forum where dispute is pending
Income Tax Act 1961	Income Tax	7,78,18,040	F.Y.2010-11	Commissioner of Income Tax (A)-12
Income Tax Act 1961	Income Tax	1,09,78,230	F.Y.2011-12	Commissioner of Income Tax (A)-12

- c) As per the records of the company, there is no amount required to be transferred to investor Education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made there under.

- (viii) The Company has accumulated losses at the year end. However, considering the reserves and capital there is a positive net-worth at the end of the financial year. The Company has not incurred any cash losses during the current financial year and also in the immediately preceding financial year.
- (ix) As observed by us and as per the information and explanations given by the management, on the basis of the records verified, we state that the company has not defaulted in repayment of dues to banks. During the year the company has issued 0.01% 1,30,48,870 Unsecured Compulsorily Convertible Debentures (CCD) of Rs.100/- each fully paid up aggregating to Rs.130,48,87,000/-, are compulsorily convertible into Equity shares at the conversion ratio or rate as may be decided based on the fair value of equity shares at any time from the date of allotment but not later than 10 years from the date of such allotment. Hence there is no default in repayment. Such equity on allotment will rank pari-passu with the then existing equity shares of the company.
- (x) As per the information and explanations given to us, evidences produced before us, the company has not given any guarantee for loans taken by others from any bank or financial institutions. There are no others matters to report on terms and conditions of guarantee and others.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans from banks have generally been applied for the purposes for which they were obtained.
- (xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year under audit.


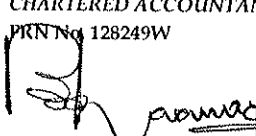
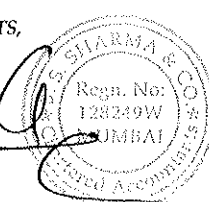
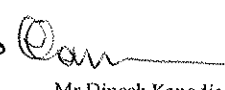
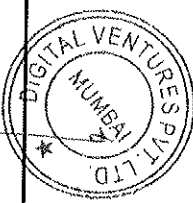
For B S SHARMA & CO.,
Chartered Accountants
FR No. 128249W

CA B S SHARMA,
PROPRIETOR,
Membership No.031578
Place: Mumbai, 25.05.2015.



DIGITAL VENTURES PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

	PARTICULARS	Note	2015 ₹	2014 ₹
I	<u>EQUITY AND LIABILITIES</u>			
	Shareholder's Funds			
	(a) Share Capital	2	51,100,000	51,100,000
	(b) Share application money pending allotment	2	-	-
	(c) Reserves and Surplus	3	1,960,506,960	1,957,795,985
	Non-Current Liabilities			
	(a) Long-Term Borrowings	4	3,796,637,000	1,963,673,616
	(b) Deferred Tax Liabilities (Net)	8	901,255	901,255
	(c) Other Long Term Liabilities	5	85,046	-
	(d) Long-Term Provision	6	479,734	251,923
	Current Liabilities			
	(a) Short Term Borrowings		44,426,997	-
	(b) Other Current Liabilities	7	211,467,766	1,227,854,981
	(c) Short-Term Provisions	6	50,847	29,680
	Total		6,065,655,605	5,201,607,440
II	<u>ASSETS</u>			
	Non-Current Assets			
	(a) Fixed Assets	9		
	(i) Tangible assets		747,938,169	249,291,486
	(ii) Intangible assets		101,997,620	-
	(iii) Capital work-in-progress		3,464,025,420	3,244,484,163
	(iv) Intangible assets under development		945,000,000	1,050,000,000
	(b) Long Term Loans and Advances	10	597,784,268	602,259,826
	(c) Other Non Current Assets	11	60,819,587	181,563
	Current Assets			
	(a) Trade Receivable	12	90,934,482	25,908,753
	(b) Cash and Bank Balances	13	56,765,059	28,453,742
	(c) Short-Term Loans and Advances	10	391,000	1,027,907
	Total		6,065,655,605	5,201,607,440
Notes forming part of the financial statements		1-30		
As per our attached report of even date			For and on behalf of the Board	
For B. S. SHARMA & Co. CHARTERED ACCOUNTANTS, PKN No. 128249W			 Mr. KVS Seshasai Director	
 CA B. S. Sharma PROPRIETOR			 Mr. Dinesh Kanodia Director	
Place: Mumbai				
Dated: 25th May, 2015				

DIGITAL VENTURES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Particulars		Note	2015 ₹	2014 ₹
I	Revenue			
	Income From Operations	14	62,007,585	21,437,503
	Other Income	15	5,077,707	675,469
	Total		67,085,292	22,112,972
II	Expenses			
	Finance Cost	16	18,876,169	15,152,054
	Depreciation and Amortisation	9	25,433,382	7,150,843
	Other Expenses	17	20,064,766	5,927,474
	Total		64,374,317	28,230,371
III	Earnings Before Tax and Exceptional Items		2,710,975	(6,117,399)
	Exception Items		-	-
	Profit/(Loss) before tax		2,710,975	(6,117,399)
V	Tax expense:			
	Current tax		445,000	-
	Minimum Alternate Tax		(445,000)	-
	Deferred tax Liability / (Asset)		-	-
VI	Profit/(Loss) for the year		2,710,975	(6,117,399)
VII	Earning per equity share:			
	Basic & Diluted	24	0.54	(1.22)

Notes forming part of the financial statements

1-30

As per our attached report of even date

For B. S. SHARMA & Co.
CHARTERED ACCOUNTANTS,
FRN No. 128249W

CA B. S. Sharma
PROPRIETOR



For and on behalf of the Board

Mr KVS Seshasai
Director

Mr. Dinesh Kanodia
Director



Place: Mumbai
Dated: 25th May, 2015

DIGITAL VENTURES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Particulars	2015 ₹	2014 ₹
A.	Cash Flow from Operating Activities		
	Net Profit before tax	2,710,975	(6,117,399)
	Adjustments for:		
	Provision for Deferred Tax	-	-
	Interest Income	-	-
	Interest Expense	18,876,169	15,152,054
	Operating Profit before Working Capital Changes	21,587,144	9,034,654
	Adjustments for:		
	Decrease / (Increase) in short-term loans and advances	636,907	(314,037)
	Decrease / (Increase) in other non-current assets	(60,638,024)	90,782
	Decrease / (Increase) in Trade Receivable	(65,025,729)	(19,293,753)
	Increase / (Decrease) in other current liabilities	73,489,491	114,130,550
	Increase / (Decrease) in Provisions	248,978	136,133
	Cash Generated from Operations	(29,701,233)	103,784,329
	Direct Taxes paid	-	-
	Net Cash from/(used in) Operating Activities (A)	(29,701,233)	103,784,329
B.	Cash Flow from Investing Activities		
	Purchase of fixed assets (including Capital Work in Progress)	(715,185,560)	(1,686,261,859)
	Interest received	-	-
	Net Cash from/(used in) Investing Activities (B)	(715,185,560)	(1,686,261,859)
C.	Cash Flow from Financing Activities		
	Proceeds from long-term borrowings	1,832,963,384	141,489,153
	Proceeds from Short-term borrowings	-	-
	Decrease / (Increase) in Long Term Loans and Advances	4,475,558	865,368,452
	Increase / (Decrease) in other long-term liabilities	85,045	(825,000,000)
	Increase / (Decrease) in other current liabilities	(1,045,449,709)	471,265,713
	Interest paid	(18,876,169)	(15,152,054)
	Proceeds from issue of Preference Shares	-	957,200,000
	Net Cash from/(used in) Financing Activities (C)	773,198,109	1,595,171,264
	Net Changes in Cash and Cash Equivalent (A+B+C)	28,311,316	12,693,733
	Cash and Cash Equivalents at the beginning of the year	28,453,742	15,760,008
	Cash and Cash Equivalents at the end of the period	56,765,059	28,453,742
	Components of cash and cash equivalents		
	Cash in hand	2,655	23,910
	Balance with Scheduled Banks in		
	- Current Accounts	56,762,404	28,429,832
	Total cash and cash equivalents	56,765,059	28,453,742

- Notes: 1. The above cash flow has been prepared under the Indirect Method, as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. The previous year figures have been regrouped wherever necessary to conform to this year's presentation.
3. Figures in bracket reflects cash outflow.

As per our attached report of even date
and Notes to Accounts attached

For B. S. SHARMA & Co.
CHARTERED ACCOUNTANTS,
FRN No. 128249W

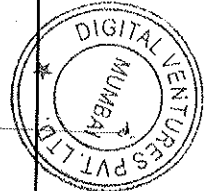
CA B. S. SHARMA
PROPRIETOR



For and on behalf of the Board

[Signature]
Mr. KVS Feshasai
Director

[Signature]
Mr. Dinesh Kanodia
Director



Place: Mumbai
Dated: 25th May, 2015

DIGITAL VENTURES PRIVATE LIMITED

Notes forming part of Financial Statements

1 Corporate information

Digital Ventures Private Limited ("DVPL" the Company"), incorporated and registered on 20th October, 2006 by the office of the Registrar of Companies, in the state of Maharashtra with Company Registration No. U72900MH2006PTC165215. The company is in the business of constructing and leasing of properties for commercial use. The company became a subsidiary of Zee Learn Limited, with effect from 01.04.2011.

2 Significant Accounting Policies

a Basis of Preparation of financial statements

The financial statements are prepared under the historical cost convention on going concern basis in accordance with Indian Generally Accepted Accounting Principles (GAAP) and comply in all material aspects with the accounting standards notified under, the Companies(Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual.

b Use of Estimates

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

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 its 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 amortisation and impairment loss, if any.
- (ii) Intangible assets under development comprises of purchase price, borrowing cost 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, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of respective asset. All other borrowing costs are expenses 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.



DIGITAL VENTURES PRIVATE LIMITED

Notes forming part of Financial Statements

g Depreciation on tangible assets

- (i) a) Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing after April 1, 2014, depreciation on tangible fixed assets is provided on straight line method as per the useful life prescribed by Schedule II to the Companies Act, 2013 except Building where the company has ascertained useful life based on the balance lease period of the land :

Building	Balance lease Period (Years)
a. Bhatinda	32
b. Nagpur	39
a. Patiala	34
a. Karnal	35
a. BKC	26

- b) Upto March 31, 2014, depreciation is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.

h Depreciation on Intangible assets

Assets	Balance Lease Period (Years)
a. Development Rights for BKC	26

i Revenue recognition

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

- (i) Lease income is recognised as per the agreed terms of the lease agreement
 (ii) Interest income is recognised on accrual basis.

j Retirement Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss account of the year in which 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 of the year in which the employee has renders the services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are recognised in the statement of profit and loss.

k Accounting for taxes on income

- (i) Current Tax is determined as the amount of tax payable in respect of taxable income for the year 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 tax rates and laws enacted.



DIGITAL VENTURES PRIVATE LIMITED

Notes forming part of Financial Statements

l Leases

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.

m **Miscellaneous Expenditure**

Preliminary expenses are amortised over a period of Five years.

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 period, 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. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.



DIGITAL VENTURES PRIVATE LIMITED

Notes forming part of Financial Statements

2 Share Capital

Particulars	2015		2014	
(a) Authorised				
5,010,000 (PY 5,010,000) Equity Shares of ₹ 10/- each		50,100,000		50,100,000
100,000 (PY 100,000) Equity Shares of ₹ 10/- each		1,000,000		1,000,000
100,000 (PY 100,000) Preference Shares of ₹ 10/- each		1,000,000		1,000,000
		52,100,000		52,100,000
(b) Issued, Subscribed and Paid up				
5,010,000 (PY 5,010,000) Equity Shares of ₹ 10/- each		50,100,000		50,100,000
(c) Issued, Subscribed and Paid up				
100,000 (PY 100,000) 0.1% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up at a premium of ₹ 9,562/- per share		1,000,000		1,000,000
Total		51,100,000		51,100,000

(d) Reconciliation of number of shares

Equity shares	2015		2014	
	Number of Equity Shares	₹	Number of Equity Shares	₹
At the beginning of the year				
Add : Issue of Shares Equity Shares of ₹ 10 /- Each Fully Paid	5,010,000	50,100,000	5,010,000	50,100,000
Outstanding at the end of the year	5,010,000	50,100,000	5,010,000	50,100,000

(d) Reconciliation of number of 0.1% Non-Convertible Non-cumulative Redeemable Preference shares

Preference Shares	2015		2014	
	Number of Preference Shares	₹	Number of Equity Shares	₹
At the beginning of the year				
Add : Issue of Preference Shares of ₹ 10 /- Each Fully Paid	100,000	1,000,000	100,000	1,000,000
Less: Buyback of Shares during the year	-	-	-	-
Add : Shares issued under Employee Stock Option Plan (ESOP)	-	-	-	-
Outstanding at the end of the year	100,000	1,000,000	100,000	1,000,000

(d) Terms/ rights attached to equity shares & Preference shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The said equity shares are entitled to dividend as and when company declares and is paid in Indian Rupees. The dividend as and when 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.

(e) Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years

None of the shares have been issued for consideration other than cash till date. No shares are bought back and no bonus shares were issued during the period of preceding five years.

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

Name of Shareholders	2015		2014	
	Number of shares	% Shareholding	Number of shares	% Shareholding
1 Zee Learn Limited The holding company	5,010,000	100%	5,010,000	100%



Notes forming part of Financial Statements

3 Reserves and Surplus

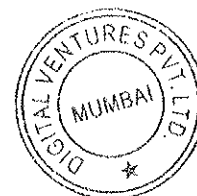
Particulars		2015 ₹	2014 ₹
(a)	Securities Premium Account:		
	Balance as per the last financial statements	1,966,200,000	1,010,000,000
	Add: Received on issue of 0.1% Non-convertible Non-cumulative shares (100,000 Preference Shares of ₹ 10 each issued at the premium of ₹ 9,562 per share)	-	956,200,000
	Balance as on 31/03/2015	1,966,200,000	1,966,200,000
(b)	Surplus/(Deficit) in the Statement of Profit and Loss		
	Opening balance of Deficit	(8,404,015)	(2,286,616)
	Add : Surplus/(Deficit) for the year	2,710,975	(6,117,399)
	Net Surplus/ (Deficit) in the Statement of Profit and Loss	(5,693,040)	(8,404,015)
	Total	1,960,506,960	1,957,795,985

4 Long term Borrowings

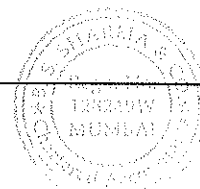
Particulars	Non Current		Current	
	2015 ₹	2014 ₹	2015 ₹	2014 ₹
Secured Borrowing **				
Term Loan from Bank (secured)	2,491,750,000	1,770,137,616	30,550,000	53,059,901
Term Loan from other (secured)	-	193,536,000	-	8,064,000
Intercompany Deposits from Holding Company (Unsecured)	-	-	-	1,014,875,808
0.01% Compulsorily Convertible Debentures	1,304,887,000	-	-	-
Amount disclosed under the head "Other Current Liabilities"	-	-	(1,075,999,709)	(1,075,999,709)
Net Amount	3,796,637,000	1,963,673,616	(1,045,449,709)	(0)

* In view of Repayment subsequent to the date of Balance Sheet the same is classified under Note. No. 7 as other current liabilities

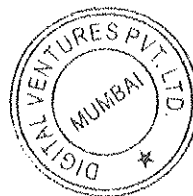
**a) Term loan is from Axis Bank Limited, of ₹ 382,300,000 (PY ₹ 406,700,000) for two K-12 Schools and carries interest @3.5% p.a plus base rate viz., 12.50% p.a. The loan is repayable in 36 quarterly installments beginning from 4th year i.e FY 2015.
Secured by first charge on:
- over all present and 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 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 company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the company;
Collaterals:
- pledge of shares in Zee Learn Limited to the extent of 30% of ₹ 406,700,000;
- Corporate Guarantee from Zee Learn Limited;
- non disposal undertaking for 51% shares held by Zee Learn Limited in the company.



- **b)** Term loan of ₹ 890,000,000 (PY ₹ 700,000,000) 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.
- 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 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 company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the company;
- Collateral**
- Corporate Guarantee from Zee Learn Limited;
 - non disposal undertaking for 51% shares held by Zee Learn Limited in the company.
- **c)** Term loan of ₹ 1,000,000,000 (PY ₹ NIL) 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 & the 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 company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the company;
 - registered mortgage of the lease hold land of the Project;
- Collateral**
- Corporate Guarantee from Zee Learn Limited;
 - Pledge of 51% shares held by Zee Learn Limited in the company, subject to adherence to BR Act, to be held pari passu with RTL II (Rs.102.21 Cr)
 - PDC for principal installments;
- **d)** Term loan of ₹ 250,000,000 (PY ₹ NIL) 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 & the 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 company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the company;
 - registered mortgage of the lease hold land of the Project;
- Collateral**
- Corporate Guarantee from Zee Learn Limited;
 - Pledge of 51% shares held by Zee Learn Limited in the company, subject to adherence to BR Act, to be held pari passu with RTL II (₹ 102.21 Cr)
 - PDC for principal installments;
- **e)** Term of ₹ NIL/- (P.Y. ₹ 17,70,05,631) from Bank of Baroda to part finance the BKC Project and carries interest @ 3% p.a. plus base rate viz., 13.75% pa. The loan is repayable in 39 quarterly installments beginning from June 2014.
- Secured by first charge on:
- 1.) First pari passu charge on the entire immovable assets created out of project (both present & future)
 - 2.) Charge on the entire cash flows of the project which will be routed through an Escro account maintained at PNB
 - 3.) Equitable Mortgage of Lease hold rights of the project land whose leased hold rights are owned by TALEEM Research Foundation, in favour of vendors
- Collateral**
- 4.) Corporate Guarantee given by Essel Infraprojects Limited, TALEEM Research Foundation, Zee Learn Limited
- **f)** Term of ₹ NIL (P.Y. ₹ 17,94,47,854) from Bank of India to part finance the BKC Project and carries interest @ 3.25% p.a. plus base rate Plus 0.75% Tenor Premium viz., 13.75% p.a. The loan is repayable in 39 quarterly installments beginning from April 2014.C83
- Secured by first charge on:
- 1.) First pari passu charge on the entire cash flows of the project will be routed through an escrow account maintain with lenders.
 - 2.) First pari passu charge on the entire immovable and movable assets of the BKC Project (both Present & Future)
 - 3.) Equitable Mortgage of Lease hold rights of the project land whose leased hold rights are owned by TALEEM Research Foundation, in favour of vendors
- Collateral**
- 4.) Corporate Guarantee given by Essel Infraprojects Limited, TALEEM Research Foundation, Zee Learn Limited



**g)	<p>Term of ₹ NIL/- (P.Y. ₹ 360,044,032) from Punjab National Bank to part finance the BKC project and carries interest of 2.50% plus base rate plus Tenor Premium viz., 13.75% p.a., for BKC project. The loan is repayable in 40 quarterly installments with 1 year 9 month construction period and one year moratorium, and repayment to begin from the financial year 2014-15.</p> <p>Secured by first charge on:</p> <p>1.) First part passu charge on entire immovable and movable asset created out of BKC Project</p> <p>2.) Charge on entire cash flows of BKC Project</p> <p>3) Entire cashflows of the Company which are routed through an Escrow account maintained by PNB</p> <p>4) Equitable Mortgage of Lease hold rights of the project land whose leased hold rights are owned by TALEEM Research Foundation, in favour of vendors</p> <p>Secured by Collateral created by</p> <p>- Corporate Guarantee given by Essel Infraprojects Limited, TALEEM Research Foundation</p>																											
h)	<p>During the current year, 0.1% Non-Convertible Non-Cumulative Redeemable Preference Shares were due for redemption, Company with the approval of majority share holders have decided to extend the same upto 2017. Accordingly now the Non-Convertible Non-Cumulative Redeemable Preference Shares will be redeemable on 31st March 2017 (P.Y 31st March 2015) at a premium of ₹ 10,005 (₹ 9,725) per share</p>																											
i)	<p>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, at any time from the date of allotment but not latter than 10 years from the date of allotment. Such debentures have been issued against the inter-corporate deposit received by the company from its group company with the approval of boards.</p>																											
h)	<table border="1"> <thead> <tr> <th colspan="2">Debenture No</th> <th rowspan="2">Amount (₹1 00/- per debenture)</th> <th rowspan="2">Date of Allotment</th> <th rowspan="2">Tentative date of conversion</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>10894250</td> <td>1,089,425,000</td> <td>30/05/2014</td> <td>29/05/2024</td> </tr> <tr> <td>10894251</td> <td>11457870</td> <td>56,362,000</td> <td>22/11/2014</td> <td>21/11/2024</td> </tr> <tr> <td>11457871</td> <td>13048870</td> <td>159,100,000</td> <td>31/03/2015</td> <td>30/03/2025</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td>1,304,887,000</td> <td></td> <td></td> </tr> </tbody> </table>	Debenture No		Amount (₹1 00/- per debenture)	Date of Allotment	Tentative date of conversion	From	To	0	10894250	1,089,425,000	30/05/2014	29/05/2024	10894251	11457870	56,362,000	22/11/2014	21/11/2024	11457871	13048870	159,100,000	31/03/2015	30/03/2025	Total		1,304,887,000		
Debenture No		Amount (₹1 00/- per debenture)	Date of Allotment				Tentative date of conversion																					
From	To																											
0	10894250	1,089,425,000	30/05/2014	29/05/2024																								
10894251	11457870	56,362,000	22/11/2014	21/11/2024																								
11457871	13048870	159,100,000	31/03/2015	30/03/2025																								
Total		1,304,887,000																										
i)	<p>Inter-corporate Deposits from other related party is interest free and are repayable after 3 years from the respective dates of deposit.</p>																											



Notes forming part of Financial Statements

5. Other Long Term Liabilities

Particulars	2015	2014
	₹	₹
Interest Payable	85,046	-
Total Other Long Term Liabilities	85,046	-

* In view of Repayment subsequent to the date of balancesheet the same is classified under Note. No. 7 as Other Current Liabilities

6. Provisions

Particulars	Non Current		Current	
	2015	2014	2015	2014
	₹	₹	₹	₹
Provision for Employee Benefits				
- Leave Encashment	146,472	89,826	15,532	10,584
- Gratuity	333,262	162,097	35,315	19,096
Total Provisions	479,734	251,923	50,847	29,680

7. Other Current Liabilities

Particulars	2015	2014
	₹	₹
Current Maturities of Term Loan *	30,550,000	53,059,901
Current Maturities of Intercompany Deposits (Secured) *	-	8,064,000
Intercompany Deposits from Holding Company (Unsecured)	-	1,014,875,808
Interest Payable on Term Loan from other related party (Secured)	-	34,564,318
Interest accrued but not due (to others)	27,713,815	12,478,245
Advance received from customer	120,754,587	91,928,636
Creditors for capital expenditure	7,525,325	9,080,184
Expenses Payable	36,789	489,397
Other Liabilities	16,665,000	2,522,791
Other payables - Due to Revenue Authorities	8,222,250	791,701
Total	211,467,766	1,227,854,981
Total Current Liabilities	211,467,766	1,227,854,981

* Refer note no. 4



Notes forming part of Financial Statements

Note No.8

a) Deferred Tax Assets

In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income Tax" (AS 22) issued by ICAI, deferred tax assets and liabilities should be recognized for timing difference and based on the virtual certainty with convincing reasons for profits to accrue in future for absorption of such deferred tax, in accordance with the said standard. Considering this being the first year of profits, on conservative basis, the management has decided not to provide for Deferred Tax Asset since the determination of virtual certainty of future years profits cannot be ascertained with the convincing reasons at this stage. On the basis of the said statement, the deferred tax for the year is not provided. However, the same will be reassessed at a subsequent balance sheet date.

The components of the deferred tax liability as on are as under:

Particulars	2015 ₹	2014 ₹
Deffered Tax Liability		
On Accounting of Timing difference arising due to Depreciation (Difference between WDV as per Income tax Act and as per Compnies Act)	901,255	-
Deffered Tax Liability	901,255	901,255.00
Deffered Tax Asset	-	-
Net Deffered Tax Liability	901,255	901,255.00

b) Current Tax & Minimum Alternate Tax u/s 115JB of the Income tax Act 1961

In view of tax losses incurred during the year as per Computation of income under Income Tax Act 1961, no provision for current tax is made. However, there is Book Profit and as required under Section 115JB of the Act, a provision for Minimum Alternate Tax of Rs.4.45 lacs has been made.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

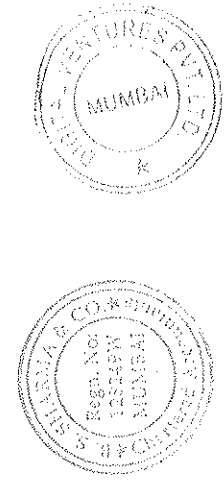
Note no. 9

9. FIXED ASSETS

(Amount in ₹)

Description	Rate of Depreciation	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
		As at April 2014	Additions	Deductions	As at March 2015	Up to 31 March 2013	For the year	Deductions	Up to March 2015	As at 31 March 2015	As at March 2014
i) Tangibles											
Land		64,231,168	-	-	64,231,168	-	-	-	-	64,231,168	64,231,168
Building, Bhaunda	32 years	56,045,844	44,029,441	-	100,075,285	3,291,048	1,762,514	-	5,053,562	95,021,722	52,734,796
Building, Coa	1.67	24,974,812	46,119,907	-	71,094,719	406,274	416,355	-	824,629	70,270,090	24,518,537
Building, Nagpur	38 years	18,418,499	41,697,640	-	60,116,139	484,697	475,276	-	959,973	59,156,166	17,933,801
Building, Karnal	34 Years	22,159,183	59,348,763	-	81,507,947	651,741	637,902	-	1,289,643	80,218,304	21,507,443
Building, Patiala	33 Years	31,972,864	53,998,881	-	85,971,745	968,875	944,861	-	1,913,736	84,088,009	31,003,990
Building, BKC	22 Years	17,776,341	234,491,742	-	234,491,742	847,068	6,764,185	-	227,727,557	25,440,521	16,929,273
Office Equipment	4.75	11,922,413	13,666,443	-	31,442,784	757,799	5,155,196	-	6,002,263	31,393,578	11,164,614
Furniture & Fixtures	6.33	11,058,294	22,675,153	-	34,597,566	757,799	2,446,189	-	3,203,988	10,471,055	9,247,864
Computer	16.21		5,018,987	-	16,077,281	1,810,430	3,795,797	-	5,606,226		
Total		258,509,418	521,046,957	-	779,556,375	9,217,932	22,400,274	-	31,618,206	747,838,169	289,291,486
Previous year		113,489,038	145,020,380	-	258,509,418	2,067,089	7,150,643	-	9,217,932	249,291,486	111,421,949
ii) Intangibles											
Total		-	105,030,728	-	105,030,728	-	3,033,108	-	3,033,108	101,997,620	-
Previous year		-	105,030,728	-	105,030,728	-	3,033,108	-	3,033,108	101,997,620	-
iii) Capital Work in Progress											
Total		3,244,484,163	720,418,724	500,877,467	3,464,025,420	-	-	-	-	3,464,025,420	3,244,484,163
Previous year		1,696,091,840	1,669,963,312	121,570,988	3,244,484,163	-	-	-	-	3,244,484,163	1,696,091,840
iv) Intangibles under development**											
Total		1,050,000,000	-	105,000,000	945,000,000	-	-	-	-	945,000,000	1,050,000,000
Previous year		1,050,000,000	-	-	1,050,000,000	-	-	-	-	1,050,000,000	1,050,000,000
Grand Total		3,502,993,581	1,346,496,409	500,877,467	4,348,612,523	9,217,932	25,433,382	-	34,651,314	5,258,961,209	4,543,775,649
Previous year		1,809,580,877	1,814,985,692	121,570,988	3,502,993,581	2,067,089	7,150,843	-	9,217,932	4,543,775,649	2,857,513,789

**Intangible under development consists of amount paid towards development rights with underlying rights of a deemed owner.



Notes forming part of Financial Statements

10. Long Term Loans and Advances

Particulars	Non Current		Current	
	2015 ₹	2014 ₹	2015 ₹	2014 ₹
Capital Advances				
With Related Parties	149,962,406	170,145,367		-
With Others	7,498,231	6,706,311		
Security Deposit				
Unsecured considered good				
With Related Parties	382,100,000	393,690,765		
With Others	28,562,355	28,396,046		
Total Deposit	410,662,355	422,086,811		
Doubtful	-	-		
	410,662,355	422,086,811		
Advances to Related Parties	-	-		
Advances to Employees			10,000	10,000
Other loans and advances				
Advances, unsecured and considered good	34,095	400,000		
Prepaid expenses	-	-	381,000	1,017,907
Balance With Govt. Authorities				
Advance Direct Taxes (Net off Provisions)	29,182,181	2,921,337		
MAT Credit Entitlement	445,000			
Total Loans and Advances	597,784,268	602,259,826	391,000	1,027,907

11. Other Non Current Assets

	2015 ₹	2014 ₹
FD With Bank against Loan		
Fixed Deposit (DSRA-125 Cr)	44,925,206	-
Fixed Deposit (DSRA-40.67 Cr)	15,803,599	-
	60,728,805	-
Unamortized expenditure		
Preliminary expenses	90,782	181,563
Total Other Assets	60,819,587	181,563

12. Trade Receivable

	Current	
	2015 ₹	2014 ₹
(Unsecured but considered Good)		
Outstanding for more than six months	27,463,518	7,312,500
Others	63,470,964	18,596,253
Total	90,934,482	25,908,753

13. Cash and Bank Balances

	Current	
	2015 ₹	2014 ₹
Cash and Cash Equivalent		
Cash on Hand	2,655	23,910
Balances with Banks -		
In current accounts	29,920,269	28,429,832
FD with Bank	26,842,135	-
Fixed Deposite with Axis Bank		
Total	56,765,059	28,453,742



Notes forming part of Financial Statements

14. Income From Operations

	2015 ₹	2014 ₹
Lease Rental Received from Others	62,007,585	21,437,503
	62,007,585	21,437,503

15. Other Income

	2015 ₹	2014 ₹
Other Income		
Interest Received	5,021,707	654,005
Scrap Sale	56,000	-
Credit Balance W/Back No Longer Payable	-	21,464
Total Other Income	5,077,707	675,469

16. Finance Cost

	2015 ₹	2014 ₹
Interest	18,781,785	15,152,054
Interest on CCD	93,384	-
Divident on Pref. Share	1,000	-
Processing Fee	-	-
Total finance cost	18,876,169	15,152,054

17. Other Expenses

	2015 ₹	2014 ₹
Audit Fee	375,000	441,735
Bank Charges	10,073	12,123
Conveyance	37,326	-
Courier Charges	2,740	-
Debit balance w/off no longer recoverable	15,059	40,181
Filing Fees / Application / Registration Fees	10,000	-
Food Expense	135,202	-
Fuel Charges	-	17,503
Fuel Reimbursement	240,000	-
House Keeping Charges	-	6,200
Insurance	407,068	-
Insurance_Indirect Expenses	-	16,411
Interest on Income Tax	10,401	-
Interest on TDS	256,559	12,966
Interest on WCT	-	709,860
Labour Charges	1,400	-
Laundry Charges	15,000	-
Legal & Professional Charges	-	500
Medical Expenses	15,619	-
Miscellaneous Expenses	1,027	5,418
MMRDA FUND	60,344	-
Octroi Expenses	-	1,095
Office Expense	7,400	-
Preliminary Expenses Written Off	90,781	90,781
Premium on Redemption P & L	13,971,429	2,328,571
Printing & Stationery	458,914	-
Printing & Stationery_Indirect Exp	-	34,413
Prof. & Legal Chg - Others	196,090	224,560
Professional & Consultancy Charges	122,819	-
Rates & Taxes	140,972	9,666
Rent	2,589,308	1,939,497
Repaire & Mainteance	32,980	8,278
Staff Welfare	3,435	-
Staff Welfare_Indirect Exp	-	18,213
Service Tax Expenses	74,160	-
Stamp Duty & Registrar Charges	1,760	1,530
Transport Charges	281,900	-
Travel-Inland - Others	-	7,973
Total other expenses	20,064,766	5,927,474

Summary of Payment to Auditors

	2015 ₹	2014 ₹
Payments to the auditor as		
Audit fees	300,000	275,000
Tax Audit fee	75,000	50,000
Certification * & Tax services	-	116,735
Total	375,000	441,735

