

REPORT ON CORPORATE GOVERNANCE

COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance Philosophy of Zee Learn 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 stake holders, 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. 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.

BOARD OF DIRECTORS

a) Composition & Category of Directors

ZLL has a balanced Board with combination of Executive and Non-Executive Directors, to ensure independent functioning and the current composition of the Board is in conformity with extant Clause 49 (I)(A) of the Listing Agreements. Non-Executive Directors include independent professionals with experience in business, finance, strategy and education. 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 Clause 49.

Composition of the Board as at the close of March 31, 2014

Category of Directors	No. of Directors	Percentage to total No. of Directors
Non-Executive Independent Directors	3	60%
Other Non-Executive Directors	2	40%
Total	5	100%

Independent Directors provide an annual certification to the Board confirming satisfaction of the conditions of their 'being independent' as laid down in Clause 49 of the Listing Agreement.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2013-14 and also their other directorships in other Public Companies (excluding Foreign Companies and Section 25 Companies) and Membership/Chairmanship of Audit Committee and Share Transfer Committee of other Public Companies as at March 31, 2014 are as under:

Sr. No	Name of Director	Category	Attendance at		No. of Directorship of other Public Companies		No. of Committee positions held in other public Companies	
			Board Meetings (Total 6 Meetings)	3 rd AGM held on 07/08/13	Chairman	Member	Chairman	Member
1.	Mr. Subodh Kumar	Non-Executive Chairman	04	No	-	4	-	-
2.	Mr. Himanshu Mody	Non Executive	06	Yes	-	7	-	-
3.	Mr. Surjit Banga	Non-Executive Independent	06	Yes	-	2	1	3
4.	Dr. Manish Agarwal	Non-Executive Independent	06	Yes	-	-	-	-
5.	Mrs. Sangeeta Pandit*	Non-Executive Independent	02	N.A	-	-	-	-

*Mrs. Sangeeta Pandit was appointed as an additional director w.e.f. 01.12.2013.

None of the Directors on the Board is a member of more than ten (10) Committees (other than Remuneration Committee) or Chairman of more than five (5) Committees across all the companies in which he is a Director.

b) Board Meetings & Procedures

During the financial year under review, six (6) meetings of the Board were held. The intervening period between the Board Meetings were well within the maximum time gap of four (4) months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each year. The details of the meetings held during the year are as under:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present
1	April 15, 2013	3	3
2	May 29, 2013	4	4
3	August 07, 2013	4	3
4	October 30, 2013	4	4
5	January 29, 2014	5	5
6	March 24, 2014	5	5

Board Meetings of the Company are governed by a structured agenda. All major agenda items, backed up by comprehensive background information, are sent well in advance of the date of

the Board Meetings to enable the Board to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter for consideration by the Board. Chief Financial Officer is normally invited to the Board Meetings to provide necessary insights into the working of the Company and for discussing corporate strategies. All the relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement, are considered and taken on record/ approved by the Board.

The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

c) Brief profile of the Director of the Company to be appointed / re-appointed at the Annual General Meeting

Mr. Himanshu Mody, 36, currently heads Group Finance & Strategy for the Essel Group. With almost 12 years in the industry, he 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.

Apart from the Company, Mr. Himanshu Mody currently holds directorships in various Essel Group Companies viz. Zee Sports Limited, Diligent Media Corporation Limited, Essel Sagar Damoh Toll Roads Limited, Essel Damoh - Jabalpur Toll Roads Limited, Taj TV Ltd , Mauritius, Tatva Global Environment (Deonar) Limited.

Mr. Himanshu Mody does not hold any Shares of the Company in his name as at March 31, 2014.

Dr. Manish Agarwal, 48, 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. Manish Agarwal is an Orthopaedic Oncologist involved in clinical, teaching and Reserch work. He has been member of various professional organisations and has been receipt of various prestigious awards/Medals like Shree Jairamdas Berry Gold Medal, Gold Medal for Orthopaedic Surgery etc. Dr. Agarwal has contributed articles in various publicatons and authored various books in area of is specialization.

Apart from the Company, Dr. Manish Agarwal does not hold directorship in any other Indian Public Limited Companies.

Dr. Manish Agarwal holds 25,500 Equity Shares of Re. 1/- each (0.00% of the paid- up capital) in the Company.

Mrs. Sangeeta Pandit, is an honors commerce graduate and fellow member of the Institute of Chartered Accountants of India. Mrs. Sangeeta Pandit 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. 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.

Apart from the Company, Mrs. Sangeeta Pandit does not hold directorship in any other Indian Public Limited Companies.

Mrs. Sangeeta Pandit does not hold any Shares of the Company in her name as at March 31, 2014.

Mr. Surjit Banga, 73, is a senior and experienced banker and is known for his leadership and commendable contribution to the Banking sector. Mr. Surjit 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. He is a Graduate in Sociology, Fellow of All India Management Association and is a Certified Associate of Indian Institute of Bankers.

Apart from the Company, Mr. Surjit Banga holds Directorship in two (2) other Indian Public Limited Companies viz., Zee News Limited and Jetking Infrotrain Limited.

Mr. Surjit Banga holds 45,450 Equity shares of Re. 1/- each as a first holder (0.01% of the paid up capital) and 17,500 equity shares of Re. 1/- each as a second holder (0.00 % of the paid up capital) jointly with his wife in the Company.

d) Code of Conduct

The Company has instituted a Code of Conduct for Members of the Board and Senior Management of the Company and the compliance of the same is affirmed by the Board and Senior Management Personnel annually. The Code has also been posted on Company's corporate website viz. www.zeelearn.com

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management 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, 2014.

Subodh Kumar

Chairman

Mumbai, May 29, 2014

BOARD COMMITTEES**a) Audit Committee**

The Board has constituted an Audit Committee, comprising of three (3) members, two (2) of whom are Independent Directors, with Mr. Surjit Banga, a Non-Executive Independent Director as its Chairman.

The composition of the Audit Committee of the Board which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement(s) is as under:

Name of Directors	Category
Mr. Surjit Banga	Non- Executive – Independent
Dr. Manish Agarwal	Non -Executive – Independent
*Mr. Himanshu Mody	Non- Executive
**Mr. Subodh Kumar	Non -Executive

**Up to 07.08.2013*

***w.e.f. 07.08.2013*

The role and the powers of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement(s) and provisions of Section 292A of the Companies Act, 1956. The Committee meets periodically and reviews various agenda items as per the terms of reference which broadly includes:

- Oversight of Company's financial reporting process and disclosure of its financial information.
- Review with the management, quarterly and annual financial statements.
- Review of related party transactions.
- Review Company's financial and risk management policies.
- Review with the management, external and internal auditors, adequacy of internal control systems.
- Review of financial statements, investments, minutes and related party transactions of subsidiary company.
- Recommend to the Board the appointment, re-appointment and removal of the statutory auditor and fixation of their remuneration.

- Discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the statutory auditors.
- Discussion of Internal Audit Reports with internal auditors and significant findings and follow-up thereon and in particular internal control weaknesses.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements of Clause 49 of the Listing Agreement, the Audit Committee reviews operations of Subsidiary Companies viz., its financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees.

The details of composition of the Audit Committee, which complies with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement along with attendance of the Committee Members at the 5 (five) meetings held during the financial year are as under:

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present	No. of Independent Directors present
1	May 29, 2013	3	3	2
2	August 7, 2013	3	3	2
3	October 30, 2013	3	3	2
4	January 29, 2014	3	3	2
5.	March 24,2014	3	3	2

Audit Committee Meetings are generally attended by the Chief Executive Officer, Chief Financial Officer and representative of the Statutory Auditors of the Company. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee. The Company Secretary acts as the secretary to the Audit Committee.

b) Remuneration Committee and Policy

The Remuneration Committee of the Company comprises of Dr. Manish Agarwal, Non Executive Independent Director as Chairman, Mr. Himanshu Mody and Mr. Surjit Banga as members.

The terms of reference of the Remuneration Committee, *inter alia*, consist of reviewing the overall compensation policy, service agreements and other employment conditions of Executive Director(s) and administering Company's Employee Stock Option Scheme. The remuneration of Executive Director is decided by the Board of Directors on the recommendation of the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling approved by shareholders. The Company Secretary acts as the secretary to the Remuneration Committee.

The details of composition of the Remuneration Committee along with attendance of the Committee Members at the meetings held during the year under review, is as detailed herein:

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present
1	April 15, 2013	3	3
2	July 02, 2013	3	3
3	September 10, 2013	3	3
4	January 29, 2014	3	3
5	February 04, 2014	3	3

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 Share Transfer and Investors Grievances Committee.

Particulars of sitting fees paid to Non-Executive Independent Directors of the Company for the financial year 2013-2014 are as under:

Name of Director	Sitting Fees Paid (Rs.)
Mr. Surjit Banga	3,80,000/-
Dr. Manish Agarwal	3,00,000/-
Mrs. Sangeeta Pandit	40,000/-
Total	7,20,000/-

In addition to this, the Non-Executive Independent 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 per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Particulars of Stock Options granted under ZLL ESOP 2010 scheme to the Non-Executive Independent Directors and outstanding as at March 31, 2014, are as under:

Name of Director	No. of Stock Options granted @ Rs. 26.05 per stock option	No. of Stock Options granted @ Rs. 14.50 per stock option	No. of Stock Options granted @ Rs. 20.85 per stock option	Total Stock Options granted	Total Stock Options vested	Total Stock Options exercised
Mr. Surjit Banga	30,000	30,000	30,000	90,000	55,500	48,000
Dr. Manish Agarwal	30,000	30,000	30,000	90,000	55,500	40,500

c) Share Transfer and Investors Grievance Committee

The Share Transfer and Investors Grievance Committee of the Company comprises of Mr. Surjit Banga as Chairman and Mr. Himanshu Mody as member.

Terms of reference of Share Transfer and Investors Grievance Committee are to supervise and ensure efficient transfer of shares and proper and timely attendance to investors' grievances.

The Committee has delegated the power of approving requests for transfer, transmission, rematerialization, dematerialization etc. of Shareholders to the officials of the Secretarial Department.

Mr. Samir Raval, Company Secretary of the Company is Compliance Officer of the Company.

During the financial year under review, Share Transfer and Investors Grievance Committee met nine (9) times. The details of the meetings are as under:

Sr. No.	Date of Meeting	Committee Strength	Directors present
1	May 29, 2013	2	2
2	June 19, 2013	2	2
3	July 15, 2013	2	2
4	August 28, 2013	2	2
5	December 18, 2013	2	2
6	January 27, 2014	2	2
7	February 11, 2014	2	2
8	March 10, 2014	2	2
9	March 18, 2014	2	2

Details of number of requests/complaints received and resolved during the year ended March 31, 2014, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Share Certificate (Demerger)	0	0	0
Non-receipt of Dividend	1	1	0
Non-receipt of Annual Report	1	1	0
Letter from Stock Exchange/ROC/SEBI	2	2	0
Total	4	4	0

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:

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 Remuneration Committee has constituted ESOP Allotment Sub-Committee comprising of Mr. Himanshu Mody, Non Executive Director, Mr. K V S Seshasai, Chief Executive Officer and Mr. Samir Raval, Company Secretary as its members.

Finance Sub-Committee

The Finance Sub-Committee of the Company's 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 / 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.

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.

Corporate Management Committee

The Board has constituted a Corporate Management Committee comprising of senior executives i.e. Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company to review, approve and / or grant authorities for managing day-to-day affairs of the Company within the limits delegated by the Board.

These committees meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

Subsequent to coming into effect of most of the provisions of Companies Act, 2013 from April 1, 2014 and Clause 49 of Listing Agreement from October 1, 2014, the Board is in the process of reorganizing various Board committees and revising the terms of reference of such committees as required.

GENERAL MEETINGS

The Fourth Annual General Meeting of the Company for the financial year 2013-14 will be held on Monday, August 11, 2014 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.

Financial year	Day, Date and Time of the meeting	Special Resolutions passed	Venue
2010-2011	Wednesday, June 29, 2011 at 10.30 a.m.	Maintenance of Register & Index of Members and Register & Index of Debenture Holders and Share / Debenture Transfer Register at the office of Registrar and Share	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

		Transfer Agent instead of Registered Office of the Company.	
2011-2012	Wednesday, August 8, 2012 at 11.00 a.m.	Extending the benefits of Employees Stock Option Scheme to the eligible employees of holding / subsidiary company. Fixing the investment limit by FIIs / QFI in the equity share capital of the Company subject to condition that total investment shall not exceed an aggregate limit of 49% of paid-up equity share capital of the Company.	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
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.

All the above resolutions were passed with requisite majority.

No Ordinary or Special resolutions were passed through Postal Ballot during the year ended March 31, 2014. None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot.

DISCLOSURES

There are no materially significant related party transactions, i.e. transaction material in nature, between the Company and its promoters, directors or management personnel or their relatives etc having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report.

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

COMPLIANCE WITH NON- MANDATORY REQUIREMENTS

The Company confirms that it has complied with all mandatory requirements to Clause 49 of the Listing Agreement(s). Particulars of non mandatory requirements complied by the Company is as detailed hereunder:

Remuneration Committee - The Company has setup Remuneration Committee to recommend/review overall compensation policy, service agreements and other employment conditions of Executive Director(s) and also to manage Company's Employee Stock Option Scheme.

Whistle Blower Policy – The Board of Directors of the Company have approved the Whistle Blower Policy, pursuant to which employees can raise concern relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company and/or its stakeholders. As per the Whistle Blower Policy of Company, no employee has been denied access to the Audit Committee of the Board.

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

Means of Communication

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

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

Management Discussions and Analysis Report forming part of annual report is annexed separately.

General Shareholders Information

The required information is provided in Shareholders Information Section.

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