

ZEE LEARN LIMITED

CIN: L80301MH2010PLC198405

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Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 for the year ended March 31, 2016

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

During the year the company had instituted the ZLL ESOP 2010-AMENDED 2015 as approved by the Members by way of Postal Ballot on December 18, 2015, to the eligible employees of the company and of its subsidiaries, other than Independent Directors, promoters or person belonging to promoter group.

Pursuant to the said scheme, stock options convertible into 64,02,980 (Previous year 19,61,750) equity shares of Re. 1/- each were granted in the category of employees/ Directors at an exercise price of Rs. 31.80/- (Previous year Rs. 35.25 per share), being the market price as defined in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (SEBI Regulation). In view of 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 for the value of options as per the SEBI Regulations. Had the Company followed 'fair value' method of accounting of employee benefit expense, the reported profit after tax on proforma basis would be lower by Rs.19,448,970 ; and the basic and diluted earnings per share for the year ended 31st March,2016 on proforma basis would have been Rs.0.41.

Subject to terms and conditions of the scheme, the said options will vest on each of October 28, 2016, October 28, 2017, October 28, 2018 to the extent mentioned in the letter of grant and can be exercised within a minimum period of 4 years from the date of vesting.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Rs.0.47

C. Details related to Employee Stock Options Plan (ESOP) of the Company:

Sr. No.	Particulars			Details		
(i)	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP including -					
Grant	1 st Grant 27.01.2011	2 nd Grant 30.01.2012	3 rd Grant 10.09.2013	4 th Grant 04.02.2014	5 th Grant 29.09.2014	6 th Grant 28.10.2015

Options granted:	11,07,000	16,09,700	18,16,350	50,000	19,61,750	64,02,980
Exercise Price:	26.05	14.50	20.85	27.55	35.25	31.80
(a)	Date of shareholders' approval			13th October, 2010 18th December, 2015*		
(b)	Total number of options approved under ESOP			1,60,07,451 equity shares *ESOP Pool increased pursuant to Special resolution passed on 18.12.2015 through Postal Ballot		
(c)	Vesting requirements			Options granted under ZLL ESOP would vest not less than one year and not more than five years from the date of grant of such options.		
(d)	Exercise price or pricing formula			The exercise price shall be equal to the closing market price on the day previous to the grant date.		
(e)	Maximum term of options granted			Exercise period of maximum four years from the date of Vesting		
(f)	Source of shares (primary, secondary or combination)			Primary		
(g)	Variation in terms of options			None		
(ii)	Method used to account for ESOP - Intrinsic or fair value			Intrinsic Value Method		
(iii)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options.			Rs.19,448,970		
	The impact of this difference on profits and on EPS of the Company shall also be disclosed.			Reported profit after tax on proforma basis would be lower by Rs.19,448,970 and EPS by Rs.0.06 per share.		
(iv)	Option Movement during the year					
	Number of options outstanding at the beginning of the period i.e., 1 st April 2015			33,17,773		
	Number of options granted during FY 2015-16			64,02,980		
	Number of options forfeited / lapsed during FY 2015-16			9,16,859		
	Number of options vested during the year			16,34,090		
	Number of options exercised during the year			5,53,158		
	Number of shares arising as a result of exercise of options			5,53,158		

	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 1,23,14,939.90 realized during Financial Year 2015-16					
	Loan repaid by the Trust during the year from exercise price received	Not Applicable					
	Number of options outstanding at the end of the year	82,50,736					
	Number of options exercisable at the end of the year	10,66,307					
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.						
	Exercise price equals/ exceeds market price of the stock						
		1st Grant	2nd Grant	3rd Grant	4th Grant	5th Grant	6th Grant
	Weighted-average exercise prices	2.23	1.80	2.92	0.11	5.34	15.73
	Weighted-average fair values of options	3.52	16.99	12.77	8.99	6.85	9.42
	Exercise price less than market price of the stock	Nil					
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price)of options granted to -						
(a)	Senior Managerial Personnel: Mr. Ajey Kumar <i>Executive Director</i>	64,02,980 options granted at an exercise price of Rs. 31.80					
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL					
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Mr. Ajey Kumar, <i>Executive Director</i> 64,02,980 options granted at an exercise price of Rs. 31.80					
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:						
	Particulars	1st Grant	2nd Grant	3rd Grant	4th Grant	5th Grant	6th Grant
a.	the weighted-average values of -						
	share price	26.05	14.50	20.85	27.55	35.25	31.80
	exercise price	26.05	14.50	20.85	27.55	35.25	31.80
	expected volatility	41.56	41.11	36.09	36.03	38.64	38.81
	expected option life	0.28	0.75	1.55	1.75	2.08	2.62
	expected dividends	0	0	0	0	0	0

	risk-free interest rate	3.44	6.89	6.98	7.07	7.12	7.18
	any other inputs to the model	-	-	-	-	-	-
b.	the method used and the assumptions made to incorporate the effects of expected early exercise	Black Scholes Model					
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	For the purpose of calculation of annual volatility, it is assumed there are 255 trading days in a year on an average and it is calculated on basis of the period which commensurate with the remaining time to maturity of the considered option.					
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	<p>The following factors have been considered :</p> <ul style="list-style-type: none"> - The closing price of the shares of the Company on the NSE as on March 31, 2016 is considered as the Spot price. - Risk free interest rate refers to the Yield to Maturity on the Zero coupon securities maturing in the period which commensurate with the maturity of the option. - Markets are efficient. 					