STRENGTHENING THE ROOTS OF INDIAN EDUCATION. GROWING WITH THE NATION.

LEARN

ANNUAL REPORT
2016 - 17

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THINK EDUCATION.
THINK ZEE LEARN.

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 School 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 115 schools in 105 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 1,705 pre-schools in 650+ cities. Kidzee is a pioneer in organised and standardised pre-schooling in the country. Kidzee has touched the lives of more than 7,00,000 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 animation in 17 cities across the country.

From the current year company has started operating, Zee Institute of Teaching Arts (ZITA). It's new offering In Teachers Training that trains women to become pre-school teachers. Company is operating 33 centres across the country.

Zee Learn Network

State	Kidzee		Mount Litera Zee School		ZICA	ZIMA	ZITA
	Operating Centres	Centres to be operationalised	Operating K-12 schools	K-12 schools under construction	Operating Centres	Operating Centres	Operating Centres
Andaman and nicobar islands	2						
Andhra pradesh	24	5					
Arunachal pradesh	8						
Assam	59	5			1		
Bihar	115	14	10	1			
Chhattisgarh	25						
Dadra and nagar haveli (ut)	1		1				
Daman and Diu (ut)	1						
Delhi	38	1			1	1	1
Goa	11		1				
Gujarat	100	13	3	1	2		3
Haryana	61	4	7				
Himachal pradesh	7	1					
Jammu and kashmir	25	5	3				
Jharkhand	28	1	5		1		1
Karnataka	156	23	6	1	2		7
Kerala	20	3			1		
Madhya pradesh	83	11	8	2	1		
Maharashtra	197	48	7	3	1	1	3
Manipur	1	1					
Meghalaya	3						
Nagaland	1						
Odisha	35	3	4		1		
Puducherry / pondicherry	3						
Punjab	53	9	10				
Rajasthan	86	8	2	1	2	1	3
Sikkim	3	1					
Tamil nadu	169	17	14		1		2
Telangana	70	7	4				3
Tripura	5						
Uttar pradesh	144	39	21	1			3
Uttarakhand / Uttaranchal	22	1	5		1		
West Bengal	155	10	4	3			7
Total	1711	230	115	13	15	3	33
Nepal	10						

Z LEARN

INDIA'S LEADING EDUCATION BRAND OF THE YEAR - 2017

NATIONAL EDUCATION EXCELLENCE AWARDS, 2017

Praxis Media initiative
where local becomes global

Zee Learn has always excelled in its endeavour to build the brand and added yet another feather in the cap. We are proud to be India's Leading Education Brand of the Year - 2017 by Praxis Media Pvt. Ltd. The wings of our glory are strengthened by our partners, parents and employees' unwavering trust in us.

THANK YOU FOR YOUR SUPPORT IN OUR GROWTH!

CEO'S MESSAGE

"We want that education by which character is formed, strength of mind is increased, the intellect is expanded, and by which one can stand on one's own feet," Swami Vivekananda.

These words by Swami Vivekananda about education are golden words. They were spoken years ago but still hold as true today as they did, then. And they will always be. I am proud today to say that we, at Zee Learn Ltd., are following the same path. We live by these words. We just don't impart education. We make global citizens for the future with a focus on overall growth of the child. Through our various ventures including Early Childhood Care and Education (ECCE), K-12 School Education, Youth and Vocational education, we are setting a benchmark in the Indian education segment which very few can claim to match.

Education industry in India has seen many reforms with improved infrastructure, human resources and increased awareness about the importance of quality education. This has put our country in the forefront of becoming a knowledge haven, harking back to the days of glory when Indian education was seen as a global example to be followed from the days of Taxila and Nalanda. Efforts from our present government have been vigorous in the recent past to further continue this positive movement for Indian education. We focus and emphasis on crucial sectors such as skill building, technical education, digital learning and education as a whole, which propels players like Zee Learn to out do ourselves and it gives me great pride to say that is exactly what we have done. Zee Learn Ltd. has achieved a net profit for FY17, up by 141% over FY16. On March 31, 2017, the net profit stood at ₹363 mn, up against net profit of ₹151 mn for the corresponding year ending March 31, 2016.

Over the last year, we have grown significantly in numbers, reaching the milestone of over 1,700 Kidzee (pre-school chain) centres and 115 Mount Litera Zee Schools by the end of FY 2017. It is our solemn commitment to ensure that the best Early Childhood Care and Education (ECCE) and K-12 education are accessible to more children in India. Towards fulfilling that promise, 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 Schools every year to our portfolio. This is an extraordinary level of growth in the education segment, an achievement every Zee Learn Ltd. employee is proud of.

As last year, 2017 has also been a promising year for Zee Learn with consolidated revenue from operations for the year ending at March 31, 2017 at ₹1,789.13 mn, up against ₹1,515.66 mn for the corresponding year ending March 31, 2016. Consolidated EBITDA for the year ending March 31, 2017 stood at ₹623.28 mn, up against ₹432.67 mn for the corresponding year ending March 31, 2016, showing a 44% growth over the last year. These numbers tell a story of a dynamic brand that is rapidly growing in the Indian education system.

The Indian education segment is all set to grow to almost double at $180 billion by 2020, buoyed by the rapid expansion of the digital learning market and the emergence of the world's largest population in the age bracket of 6 to 17 years. The digital learning market is expected to reach $5.7 billion by 2020 as the number of internet users is increasing. However, digital learning cannot replace the conventional brick and mortar model of education.

But it can supplement it by filling in the existing need gaps. Keeping this in mind, our focus should be on expanding the chain of schools across the nook and the corners of the country. Private companies along with Govt. can achieve the feat of providing quality education to the students of India if we work together. This is where we, as pioneers of quality education and creators of future citizens come in.

We are also catering to another huge area where we need to focus the most as country. Kids below the age of 5 or 6. India has 158.7 million 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. Science has proven that the brain develops upto 90% of its potential till the age of 5 so the education imparted during these years is critical for the future of the nation. 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. In the coming future which is clearly going to be a digital age, only creativity and creative solutions to the problems would hold an edge! We know that and we are preparing our students for such a future from the very beginning. Along with providing education, Zee Learn has also been empowering aspiring entrepreneurs by enabling them with the required tools through the franchising business model. 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 centre and be self-reliant by actively contributing towards nation building.

With Asia's largest preschool chain, Kidzee, and one of the fastest growing 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 Art (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.

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 constantly working towards an inclusive growth by collaborating with society and other organisations striving to drive change. 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,

Debshankar Mukhopadhyay
CEO, Zee Learn Ltd.

OUR BRANDS & KEY INITIATIVES

KIDZEE

WHERE KIDS LOVE TO LEARN

The pre-school industry is still in its nascent stage in India with approximately 3% penetration. Considering the average enrolment in a pre-school is 75 kids per centre, 113 mn kids would require over 15 lakh centres. However, as of today, India has a severe shortage of pre-school centres 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 276 centres and signed up 327 new centres. The number of students enroled has increased to 10% in Kidzee centres 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 1,705 centres in 650+ 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 centres 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 recognised for their efforts and be even more productive for the nation's growth.

Kidzee is working towards realising the entrepreneurial aspiration of the country. As per the sixth economic census, women constitute only 13.76% of the total entrepreneurs that is only 8.05mn out of the 58.5mn 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 centre 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 85% 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 franchise partners. 76 percent business partners are satisfied with their overall experience with Kidzee and more than 50 per cent of them are either expanding existing centres 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 according to CRISIL Research, will grow at a CAGR of 20% to reach ₹165 billion in 2017-18 from ₹80 billion in 2013-14. 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.

In 2015, Kidzee launched a new curriculum. Interactive iLLUME was introduced by Kidzee in 2015, 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 programme, 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 form 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. 1,250 Centres have moved on to the new curriculum by the year 2016-17. With the Interactive illume, we ensure that the Kidzee children have the best possible pre-school experience available yet in India.

KIDZEE LEARNING TABLET

Kidzee Learning Tablet was launched in 2016. Learning TAB is an edutainment tool with curated content, aggregated and created by academics and child experts. There is a module for each age group and the tab will record the child's learning curve and also help parents monitor children's progress. In the launch year itself, around 714 Kidzee Learning TABs were sold.

Zee Institute of Teaching Arts (ZITA)

Preschool Teachers Training Program

In India, there is an acute shortage of qualified and trained teachers for pre-schools. To address this issue, Zee Learn launched the Preschool Teachers Training Programme (PTTP) in 2016. The program aims at creating quality Early Childhood Care and Education (ECCE) educators, to bridge the existing gap between the number of teachers available and the number required. The programme would provide ECCE training and certification with a mandatory 1 month internship at Kidzee centres. 250 participants are part of the programme currently while about 113 participants have completed the course. This programme has had participation from around 115 centres.

Kidzee stayed on the path of Innovation and introduced IMAGENIE to bring in the dawn of a new era in Understanding of Learning. IMAGENIE involves Augmented-Reality-Enabled Education and Kidzee is India's first preschool to integrate Augmented Reality in Learning. Augmented Reality Technology leads to a new dimension of Learning. IMAGENIE redefines children's time-tested favourite activities, i.e. colouring and puzzle solving, through hands-on Interactive Learning, for Higher Engagement and Longer Retention.

The IMAGENIE kit contains colouring sheets for PG and Nursery Kids and colouring sheets along with jigsaw puzzles for Junior and Senior KG kids. For teachers, it includes concept notes, lesson plans and pedagogical milestones.

IMAGENIE is a unique Technology Enabled Learning Experience that enables Experiential Learning, Audio-Visual Interactivity, Higher Engagement, Literacy Skills Enhancement, Greater Comprehension Skills, Longer Retention, Cognitive Skills Development, Motor Skills Improvement and Mind+Body Immersive Learning.

Key Initiatives

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 enumerated bellow

OVER 1,27,000 ENROLMENTS

Kidzee crossed 1,27,000 enrolments in the last financial year, which denotes the trust that parents place in the brand nationally.

CONSUMER-FRIENDLY

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.

KIDZEE CENTRES MIGRATED TO INTERACTIVE ILLUME

Your 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.

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

b. Keeping in mind your 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.

c. 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 close to 400 ECCE seminars across the length and breadth of the country.

Awards and Recognition

Kidzee has always focussed on driving greater consumer trust and recognition.

KIDZEE
WHERE KIDS LOVE TO LEARN

WINS
The Fast 50 Brands Awards 2016 basis the research
conducted by
World Consulting
&
RESEARCH CORPORATION

KIDZEE
WHERE KIDS LOVE TO LEARN

wins the award
FOR MARKETING COMMUNICATION BUSINESS TO BUSINESS
by
CMO ASIA AWARDS

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

Grassroots Marketing- Community Outreach

HEALTH AND SAFETY - I Care

Every child deserves a right to safety and security, resulting in an ABUSE-FREE WORLD.
Zee Learn ensures we push this message through the social campaign at all its Kidzee centres in the form of 'I Care'. In order to ensure that every child at every Kidzee centre is developing and growing effectively in a safe and secure environment, Zee Learn assures that all who play the role of care givers at the centre right from the Chairman to the Doorman is trained and empowered to protect and safeguards the rights of the child, thus avoiding any form of abuse or harm to the child. Zee Learn's social cause of 'I Care' is not merely limited to the Kidzee centre but extends far beyond its boundaries.

The year 2016-17 witnessed 827 seminars conducted on I care for Parents, relatives and well-wishers of children; not just who belong to Kidzee; but across all stakeholders in our children's futures, thus creating a strong awareness not just in creating an abuse-free world for the child, but empowering every parent with multiple skills in effective, happy and safe parenting.

This campaign reached out to approximately 41,350 citizens at large.

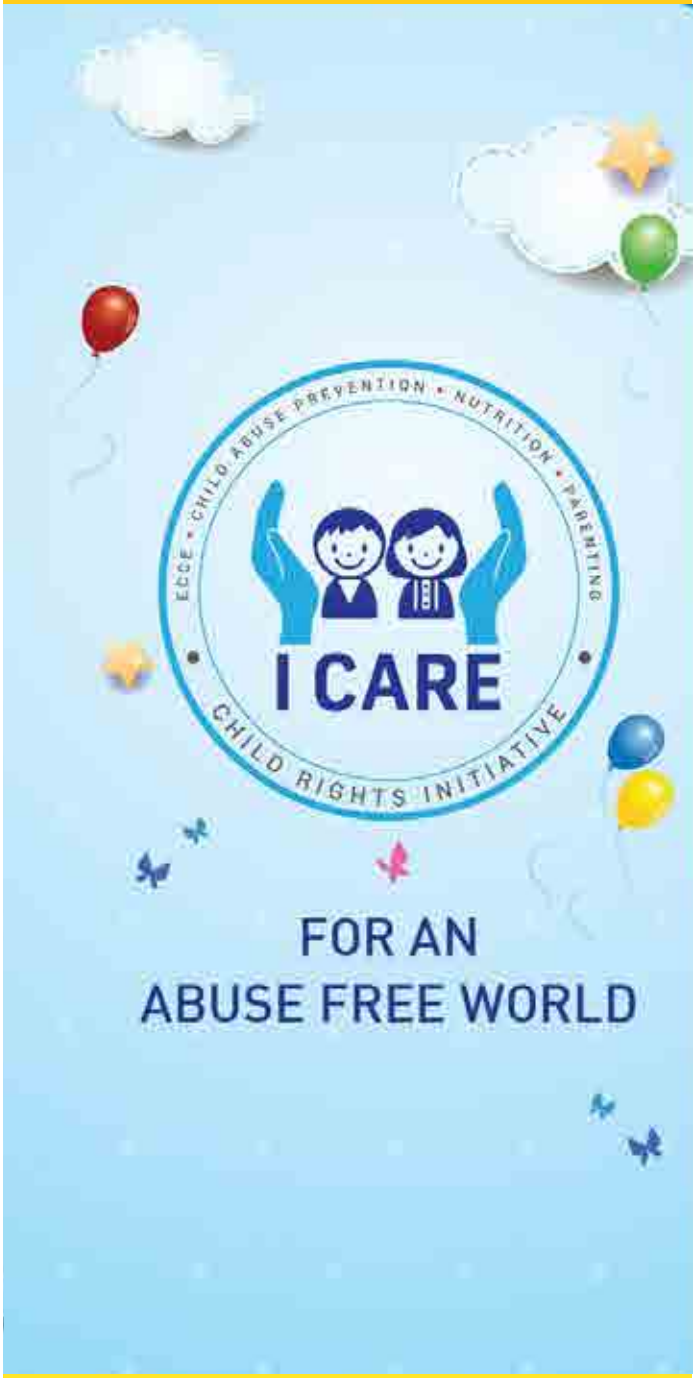
This campaign is a step towards ensuring that each child will experience a safe and secure, abuse-free environment not only at the Kidzee centre but even at their respective homes in society.

HEALTH AND SAFETY - Yoga Day

This year, Kidzee celebrated International Day of Yoga for the 2nd year. Almost 800 centres from across the country celebrated Yoga Day. The activity introduced young children to the ancient forms and enabled them to lead a workshop for parents, adults and other children in their respective locality. The children practiced the yoga postures for a week before conducting the session on June 21. These activities were widely covered on our social media and also got some media coverage as well.

HEALTH AND SAFETY - FIGHT AGAINST CHILD ABUSE

To voice protest against an Abuse-Free Society, Kidzee initiated a City Wide Rally across 16 major locations in Bangalore. 8,000+ people were reached through this programme and it was supported by numerous eminent personalities from the society including the CM of Karnataka. 700 children from 114 centres participated in the rally.



HEALTH AND SAFETY - World Heart Day

On the occasion of World Heart Day, East Zone Centres conducted 'Walk for Healthy Life'. Here 150+ centres participated which generated a crowd of 5,000+ parents and over 6,000 children.

HEALTH AND SAFETY – DEWORMING CAMP

Partnering with the Ministry of Health and Family Welfare, GOI, for its initiative on National Deworming Day (NDD) in Hyderabad, centres in Hyderabad arranged for the NDD programme that aimed at giving treatment for parasitic intestinal worms to the children between the age group of 1-19 years in the region.

As part of this partnership, a vaccination drive was conducted in 23 Kidzee centres, benefitting over 1,000 children from this open to all drive.

SERVE THE SOCIETY - AADHAAR CARD REGISTRATION

Tying up with an NGO, Aadhaar Card Camp was organised in Jaipur where 2,000+ Aadhar Card registrations were facilitated and the drive was carried out through participation of 15+ centres. It garnered 1,000+ parents footfall along with prospect parents. This was a highly valued initiative. This was followed up in Tamil Nadu also, where several centres arranged for Aadhaar Card Registration for Kidzee and Non-Kidzee students. This was conducted continuously by the centres over the weekends. Similar drive was also conducted in Delhi, Patna and also Raipur. Activity was a one-of-a-kind and the first for any pre-school.

SERVE THE SOCIETY - BETI BACHAO, BETI PADHAO.

This was another drive to support girl child though education. The rally in support of the cause was organised in Bihar, Jharkhand, Odisha and Chhatisgarh, after arranging for all local permissions and police protection. In this initiative, over 150+ centres participated and it involved participation from 4,000+ children and over 3,000 parents.

ENVIRONMENTAL DRIVE – "BOWL OF JOY"

This initiative was undertaken by numerous Kidzee centres in the south zone. It aimed at an environment-friendly gesture to keep a bowl of water for birds during the scorching summer months. It resonated strongly with the parents and others in the society too and was highly appreciated by many.

www.mountlitera.com

Mount Litera
Zee School
Great School. Great Future

This year, your company has worked tirelessly to further cement the brand of Mount Litera Zee School as a leader in the education sector. Not only in terms of students enroled and schools launched, your company has also worked on further evolving the Mount Litera brand through a number of key community engagements in the form of on-ground activities, new marketing initiatives and outreach programmes aimed at further developing the dream of "I am Mount Literan", the seed which was planted this year and continues to grow and blossom.

The K-12 segment constitutes 38% of the Indian Education Segment which is predicted to grow from 44 billion dollar in 2011 to 144 billion dollar in 2020. With an ever-evolving aspiration of Indians for better education, the sector is growing at the rate of 14.1%. Currently, an estimated 3 lakh private schools have 40% of the total student enrolment, projecting a scope of major development in this area, an enormous potential for private school sector.

This striking observation puts immense emphasis on the growing significance of private sector education. Mount Litera Zee School is one of the largest network of schools in the private-unaided 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 one of the fastest growing chains of schools in the country with 115 schools in 105 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 curious 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 done over the years. It brings together the various quintessential elements of learning such as content, infrastructure, classroom design and assessment; which are crucial in a child's development and learning. The interactive life skill based programe focuses 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.

SCHOOL INFRASTRUCTURE

MLZS - Bathinda

MLZS - Goa

MLZS - Nagpur

MLZS - Karnal

The Sound Of Music

This year Mount Litera Zee School had an exclusive partnership with ZEE TV as education partner for it's hit reality music show, Li'l Champs, one of the highest rated reality shows on Indian Television.

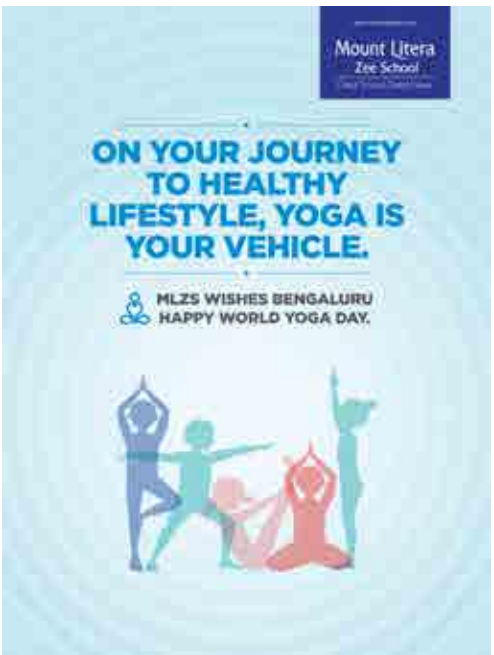
As part of this tie-up, Mount Litera Zee School students participated in internal music competitions at their schools, the winners of which were given Cut the Queue Passes for the main auditions. Additionally there were special interactions organised at Mount Litera Zee Schools with the winning contestants from the show. As education partners, Mount Litera Zee School got brand coverage in all Li'l Champs marketing and also had our TVC played on-air in the spotlight episode.

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.

ZEE TV
www.mountlitera.com
Mount Litera
Zee School
Sa Re Ga Ma Pa
Li'l Champs
Opportunity to audition for Zee TV
Li'l Champs through an exciting singing competition
at Mount Litera Zee School!
On 15th Dec I 5 pm onwards
WIN
exclusive
"CUT THE QUEUE"
Passes!
For Ages
5-14
MountLiteraZeeSchool
Mount_Litera
9320063100
THINK EDUCATION. THINK ZEE LEARN.
KIDZEE
Mount Litera
World Preschool
Mount Litera School
ZIMA

Yoga Day- Stretching The Limits

On International Day Of Yoga 2016, Yoga Day activity was held across 50+ Mount Litera Zee Schools. This activity was open to non-MLZS students and families as well. The activity included a special yoga demonstration by MLZS students and workshops by local yoga expert for attendees. The entire activity was covered on social media and covered in the press as well, with over 1,500 students involved in Yoga performance in 4 schools in Hyderabad. In Bangalore there was a special Yoga Day rally in association with International Yoga Committte with over 400 students taking part and the ex-chief minister of Karnataka, B.S. Yeddyurappa as chief guest.



World Tiger Day - Eye Of The Tiger

This year saw certain new initiatives like the celebration of World Tiger Day in July 2016 where 30+ Mount Litera Zee Schools organised rallies and awareness programmes at the schools to try and address the national crisis of tiger endangerment. This activity was covered across social media and by local press as well with on-ground events in several states including Uttar Pradesh, Bihar, West Bengal, Madhya Pradesh and Rajasthan.

Children's Film Festival: The Future Of Cinema

Another major new on-ground activity was the Children's Film Festival, an exclusive Mount Litera Zee School initiative in collaboration with Children's Film Society India (CSFI). This Children's Film Festival was held across several weeks from November-December 2016 across Mount Litera Zee Schools in Karnataka, Andhra Pradesh and Tamil Nadu. The film festival covered a range of films cutting across genres and social messages, with each of the films being profiled on the Mount Litera Zee school social media pages and online engagement used to further amplify the impact of this initiative. This activity was widely covered in the press, with press coverage in publications in multiple languages across state lines.

Digital Citzenship Programme: Creating The Digital Citizens Of Tomorrow, Today

Through several workshops, activities and communications, the Digital Citizenship Programme was a major initiative by Mount Litera Zee School to help educate both students and parents about the importance of responsible usage of digital technology and the perils of social media addiction. One of the key objectives of this programme is to educate the next generation about the importance of ensuring one's health and family life is not stunted by the use of digital technology. While at the same time, this programme is aimed at helping them learn how to leverage technology for growth and development and to become true digital citizens.

Awards and Recognitions

Since inception Mount Litera Zee School has been awarded with many prestigious accolades. This year, 16 schools from the Mount Litera Network have been awarded the International School Award (ISA) from British Council. As part of this collaboration, Mount Litera Zee Schools in various cities participated in international collaborations with schools from countries like Singapore, Russia, Ghana, the USA, and Japan, just to name a few. In addition to accolades for the respective schools this year, Mount Litera Zee School was awarded "K-12 National School Chain of the Year 2017" by Indian Education Awards 2017, Franchise India, making it the second time that Mount Litera Zee School has won this prestigious national award. This year saw us continuing last year's brand theme "I am a Mount Literan" with a further evolution in the campaign with new print ad creatives and an expanded universe of collaterals and on-ground activities mirroring this concept. To take this integration even further, the marketing team developed an ambient branding design for the Mount Litera schools to be implemented across schools. Spreading its wings far and wide to further the spread of quality education, Mount Litera Zee School has opened 13 new schools in 2016-17 and signed 21 new academic alliance agreements, making it one of the most prominent market leaders in K-12 education segment. Currently, the network of Mount Litera Zee Schools has a total student strength exceeding 55,600 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 to prepare them to prosper and succeed as the future leaders and citizens of a vibrant India.

ZIMA and ZICA has played a role of 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 & Group Chairman, Dr. Subhash Chandra in 1976 touching now over 20,000 employees and a business conglomerate having a multi-billion rupees turnover. Our Chairman forayed into visionary categories like Broad-casting, Entertainment, Media, Education and much more.

Zee Learn is India's Leading Education Brand for 2017 as per Praxis Media Pvt. Ltd. At Zee Learn, we believe in Nation building through education. Indian demographics states that India's 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.

ZIMA has also initiated the process of commencing its company owned centres in Jaipur, Delhi and Dehradun. ZIMA and ZICA gives opportunities to new entrants as well as industry professionals to up grade and put value additions to their skills.

While ZICA operates through a mix of franchise spanning to 15 centres along with company-owned 1, ZIMA remains a company-owned 1.

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% nationwide 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 billion dollars equivalent to 37.2 lakh 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 lakh crore equivalent to 66.4 billion dollars, whereas in Private sector, it is ₹33.3 lakh crore equivalent to 555 billion dollars.

Media and Entertainment Industry will reach 2,272 billion rupees by 2018. The Projected Compound annual growth rate will be for TV in 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.

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

This year too, the students of both ZIMA and ZICA have won several accolades at various festivals.

ZIMA had participation in varipous college festival – Umang (NM College), Kshitij – Mithibai, NMIMS College, Detor – Jai Hind College, Rx 2017 – Bombay College of Pharmacy, Zeal – Guru Nanak College, Somaiya College,
Several workshops were held at University of Rajasthan – Jaipur, ARRI camera workshop, at IIEBM - Pune
ZIMA has had various Guest visits including Hardik Mehta , Ashish Shulka, Viveck Vaswani, Kailash, Sameer Baghela, Mr. Zafar Anjum Filmwalas.com).
This year, ZIMA has been taking its students on regular field visits to places like Q-Lab, FTII-Pune, Film City – Sets of Sa Re Ga Ma & Yarro Ki Barrat
Commenced on 27th August 2004, ZIMA has completed 11 successful years of its operations. Most of ZIMA students are independently making Feature Films, Serials and Documentaries.

ZEE INSTITUTE OF MEDIA ARTS

ZIMA is setting new benchmarks in media and entertainment education across India. It is a creative and 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 Centre. It has a highly experienced faculty from Film and TV industry.

ZIMA offers courses in possibly all domains of filmmaking, 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 lead from the latest international trends, but has also been successful in inviting students from all over the country and even abroad.

ZEE INSTITUTE OF CREATIVE ART

Zee Institute of Creative Art (ZICA) is India's first full-fledged Classical and Digital Animation Training Academy that trains youth in Graphic Designing, Web Designing, 3D Animation and Visual Effects. The institute has adopted a novel training style and is focussed entirely on creating a stimulating environment for the students. ZICA lays vast emphasis on the principles of art and design and fundamentals of Animation, while also applying the same knowledge to computer based Digital Animation and Web Design. In 2016, ZICA has entered into continuously progressing 21st year.

ZICA is now operating in 16 centres and in more than major cities including Mumbai, Pune, Noida, Bengaluru, Chennai, Kolkata, Lucknow, Ranchi, Bhubaneswar, Guwahati, etc.

A well laid out assessment procedure ensures the students' acceptability as distinguished professionals in the world of Animation. ZICA's placement cell provides placement assistance to all ZICA students across the country. ZICA training academy is equipped with high-end animation tools, 2D animation facilities, 3D software, visual FX Labs and Imaging Technologies. ZICA continues to provide quality education to thousands of students every year and strives to help each student discover their unique creative potential.

Seminars and workshops on various topics of Animation, VFX, Graphic Design and Web Design had been conducted. Some of the major were Art of VFX, Maya Muscle System, Body Language for Animation, Unity 3D, Intro to 3D matchmove and Storyboard for Animation.

Various seminars are conducted by industry experts to impart latest technology advancements to students. We encourage campus placement by post production studios to hire fresh talents. For the industry connect programme, we scheduled studio visits at Fluiidmask Studios Pvt. Ltd. (Baroda centre), Maya Digital Studios (Surat) and Vertex Volt Studio (Indore).
ZICA and ZIMA sponsored various Arts and Media colleges including Mithibai College (Kshitij 2016), NM College (Rotofest 2016), NMIMS College (Vaayu 16) and VG Vaze Kelkar College (Dimensions 16). ZICA celebrated Valentine's Day at Jeevan Asha Old Age Home.

New Initiatives

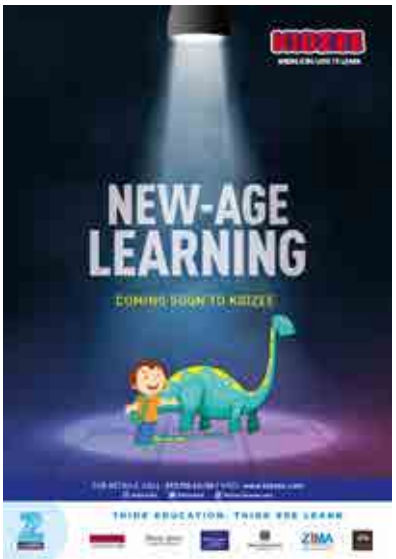
KIDZEE

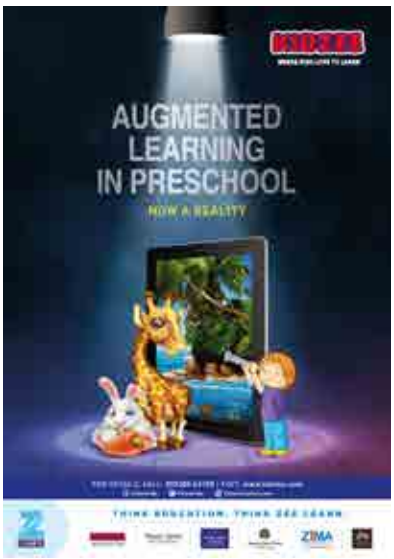
WHERE KIDS LOVE TO LEARN

AUGMENTED REALITY PLAYBOX

Kidzee introduced augmented reality based play boxes for all four pre-primary levels. Children would interact with play cards and colour in animals, which would appear in 3D motion when the cards are viewed through the app.

The app has additional interactions and information packs that make play and learning seamless.



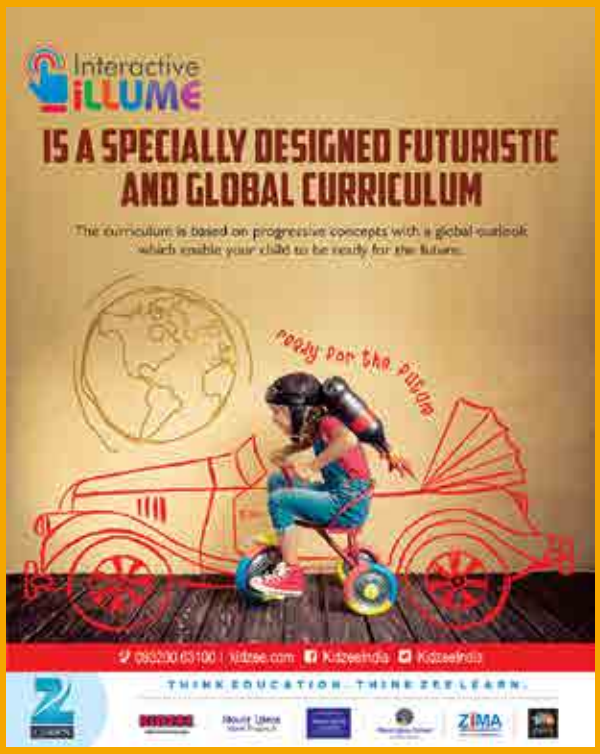


INTERACTIVE ILLUME CURRICULUM EVALUATION

The SNDT Women's University, Mumbai has evaluated and validated our Interactive illume curriculum for Kidzee. Zee Learn signed an agreement of collaboration with the SNDT Women's University in 2015 and the curriculum evaluation and validation was done under the agreement.

It was a two part evaluation consisting internal and external experts. Curriculum for each level (Playgroup, Nursery, Junior KG and Senior KG) was evaluated on a tool developed by the Department of Human Development of the SNDT Women's University. The Department found Interactive illume effective and appropriate. They recommended some action items that will help us be future-ready. We plan to implement the recommendations and take the validated curriculum to our children, parents and partners.

We look forward to more such collaborations with think tanks for establishing the thought leadership of Kidzee in the early childhood care and education sector.



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Mount Litera Zee School

Great School. Great Future

DIGITAL EDGE FOR A DIGITAL AGE

Digital Citizenship Programme (DCP) is part of academic excellence in Mount Litera Zee School. This programme 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. All Mount Litera Zee Schools have started using the programme. Digital Literacy Day was celebrated in December 2016 in many Mount Litera Zee Schools across India. This celebration was done to create digital awareness amongst the community. Schools conducted Digital Citizenship assembly, yoga session on digital fitness and board decoration on Digital Citizenship to put forward the message of safe and effective digital usage. Many schools flagged off rallies on cyber bullying along with the local political leaders of the area and conducted parent session on digital awareness. Students at national level participated in competitions like slogan writing, logo designing and song on Digital Citizenship. Teachers participated in 2 minute video contest on Digital Citizenship. We introduced Digital Citizenship Workbook this year for Grades 5, 6 and 7. As some of the schools are already conducting the Digital Citizenship Programme and are participating in the Digital Literacy Week Celebration, the workbooks will be an additional step for making the programme more accessible for the teachers and students.

Mount Litera Zee School participated in competitions like Google Webrangers and 65 students got the certificate of participation. Students also participated in Doodle for Google contest. MLZS teachers participated in National ICT awards by teachers.
Digital Community Connect: As a part of digital community outreach sessions were conducted on Digital parenting and Digital Village.

FLIP

SIMPLIFYING FINANCE

FINANCIAL LITERACY PROGRAMME

In keeping with the initiatives by the CBSE, we have created a structured and innovative Financial Literacy Programme for 5 levels. The need for financial literacy among students has been observed by various education boards and think tanks universally.

Although some organisations like the RBI, NISM, SEBI and IRDA offer modules on financial literacy, we developed a customised programme with 5 levels that address the key strands of financial literacy like Money and currency, Personal Finance and Insurance, Banking Service, Business, Economics, Financial Protection, Financial Planning and Career. Each level has a student workbook and a teacher handbook providing concept overview, activities and solutions. We believe that this well-planned programme with assessments in form of projects will empower students in Financial Literacy Olympiads as well.

Zee Learn in News

Kidzee plans more pre-school centres across India

Hrithik Kiran Bagade

BENGALURU: Homegrown pre-school chain Kidzee, owned by education company Zee Learn, has planned to expand its range of schools, by adding 300-400 facilities each year, as it taps the pre-school and early childhood care and education (ECCE) needs of the various towns and cities in India.

The company currently boasts of a wide network of more than 1,500 schools in over 580 cities, having signed up 500 centres for FY 2016.

According to Zee Learn Head (Marketing and Innovation) Abhinav Upadhyay, "Kidzee remains focused on nurturing the 'unique potential' in every child. Our primary focus area is on the critical age group of 0-6 years in children, when 90% of the brain's development takes place. Kidzee is also involved in making people aware of early childhood needs, and also provides for the same."

In terms of opening schools, Kidzee follows an all-franchise model, wherein the franchisee will be required to invest in structure standards. "Each school may be built over a minimum area of 2,500 sq feet, and will entail an investment of Rs 10-15 lakh, which will be borne by the franchisee. According to our revenue model, Kidzee shares the fees collected on revenue-ness with the franchisee," Kidzee Business Head Sukhwinder Singh Bindra told *Deccan Herald*.

As per policy, Kidzee allows only women to become franchisees, with the staff at each schools also comprising only women. "Each of our pre-school has been mandated to be run by women, since we believe that women, when given the right responsibility and ad-

Through the said franchise model, Kidzee has been able to create 1,500 women entrepreneurs, who are specially trained by the company to tend to the young ones. Meanwhile, for its students, the schools also integrate state-of-the-art technologies as part of their teaching tools, such as audio visual aids and tablets.

There are 150 million children in the ages of 0-6 in India, and many towns have not even come across a concept called 'pre-school'. Around 90% of the said Rs 13,000-crore category is unorganised. "Yet, even in small towns, there is acceptance for our products, and we've varied for structures for

Zee Learn posts Rs 7.76 cr profit

Zee Learn, an education company, on Friday reported standalone net profit of Rs 7.76 crore for the quarter ended March 31, 2016, against net profit of Rs 3.81 crore for the corresponding quarter ending March 31, 2015, registering 104% growth over same quarter last year, a press release said.

Zee Learn fourth-quarter net profit surges 104%

India's leading diversified education brand, Zee Learn has reported 104% year-on-year increase in standalone net profit at Rs 7.76 crore (Rs 77.63 million) for the January to March quarter of fiscal 2016. While company's revenue from operations at Rs 50.23 crore (Rs 502.31 million) increased 20% on year, operating ebitda increased 59% at Rs 11.4 crore (Rs 114.09 crore). According to Umesh Pradhan, chief financial officer, Zee Learn Ltd, the company 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," said Pradhan.

Debshankar Mukhopadhyay appointed Zee Learn CEO

Mumbai: Essel Group's education arm Zee Learn has appointed Debshankar Mukhopadhyay as chief executive officer. Mukhopadhyay has over 20 years of experience in educational and financial sector across South Asia. Prior to joining Zee Learn, he was the head of educational sales – financial services and insurance at Manipal Global Education Services, a statement by the company said on Wednesday. He has also been associated with Max Life Insurance, Western Union, Scholastic India, Zee Interactive Learning Systems and DHL Worldwide. "We are confident that his experience will further accelerate growth of the company," the company said in a statement.

Zee Learn scores a 102% jump in net profit in Q1

dna correspondent
correspondent@dnaindia.net

Mumbai: Essel Group company Zee Learn has reported a net profit of Rs 8.01 crore in the June quarter, an impressive 102 per cent growth over the year-ago period. Profit before tax at Rs 9.13 crore was up 130.7 per cent over the same period last year.

The company's operating revenues increased 17.5% on year to Rs 42.06 crore in the April-June quarter of fiscal 2017.

According to the Zee Learn management, the company has delivered sterling first quarter performance, giving better than expected profits, strongly improving operating margins and has steadily progressed

CHILDCARE A MONEYSPINNER

Players Aplenty in Preschool Space

Bharath.Joshi@timesgroup.com

Bengaluru: Parents in India's IT capital are spoilt for choice as Bengaluru's preschool segment teems with several brimmed early childhood care providers.

The latest to join the space is Safari Kid, a California-based international chain that opened its centre on a sprawling 25,000 sqft property in Whitefield earlier this month. Safari Kid joins the ranks of chains

India's IT hub," Safari Kid CEO Jitendra Karsan said. Safari Kid will cater to the premium segment of the market with a fee structure ranging between ₹80,000 and ₹1.2 lakh per annum. India's pre-school segment is estimated to generate revenues of $2.24 billion (₹2,152 crore) by 2017, up from $700 million in 2011, according to consulting firm Cyan Research and Analytics.

Kidzee, a brand owned by Zee Learn, has about 100 centres in Bengaluru, targeting mid-income

Upadhyay, head of marketing and innovation at Zee Learn.

Bengaluru has at least 1,400 pre-schools, including daycare centres, nurseries and creches, according to

India's pre-school segment is estimated to generate revenues of ₹2,152 crore by 2017

Atomconnect, a web platform that helps parents choose schools.

The mushrooming of preschools, experts say, is due to insufficient regulation.

Department requires kindergarten sections only.

In January, the government issued guidelines for new pre-primary schools. "But pre-primary is not preschool. The government should spell out a clear regulatory framework for preschools," said VP Niranjan Aradhya, fellow at the Centre for Child and the Law, NLSIU.

Rajesh Bhatia, MD at The Treehouse, a low-cost chain with about 25 centres in Bengaluru, is

INVEST

SUSTAINING PRE-SCHOOLS STANDARD IS NO CHILD'S PLAY

'కిడ్జీ లెర్నింగ్ ట్యాబ్'

INVEST

किडझी लर्निंग टॅब बाजारात

झी लर्न लिमिटेडने मोस्ट ट्रस्टेड ऑर्गनायझेशन इन डायव्हर्सिफाइड एज्युकेशन किडझी लर्निंग टॅब आणि झी लर्न प्री स्कूल टीचर ट्रेनिंग प्रोग्रॅमची सुरुवात केली आहे. झी लर्न लिमिटेडने शिक्षण आणि तंत्रज्ञान यांचा संगम साध्य करून अधिक उच्च प्रतीचे शिक्षण मिळण्यासाठी किडझी लर्निंग टॅब सुरू केला आहे. नवीन झी लर्न प्री स्कूल टीचर ट्रेनिंग प्रोग्रॅमही सुरू केला आहे, अशी माहिती

Kidzee preschools to multiply in the coming year in TS, AP

झी लर्न तर्फे प्री स्कूल टिचर ट्रेनिंग प्रोग्राम

पुणे : झी लर्न लिमिटेड या भारतातील 'मोस्ट ट्रस्टेड ऑर्गनायझेशन इन डायव्हर्सिफाईड एज्युकेशन तसेच १५०० हून अधिक किडझी प्री स्कूल ने आता प्रगती करत प्रथमच किडझी लर्निंग टॅब आणि झी लर्न प्री स्कूल टीचर ट्रेनिंग प्रोग्रामची पुण्यात सुरुवात केली. झी लर्न लिमिटेड ने शिक्षण आणि तंत्रज्ञान यांचा संगम साध्य करून अधिक उच्च प्रतीचे शिक्षण मिळण्यासाठी किडझी लर्निंग टॅब सुरू केला असून यामुळे आता मुलांचे शिक्षण आणि मुलांच्या तज्ञांकडून मार्गदर्शन होणार आहे.

सर्वाधिक वेगाने वाढणाऱ्या शिक्षण क्षेत्राच्या वाढत्या गरजा लक्षात घेऊन झी लर्न ने आता नवीन झी लर्न प्री स्कूल

वाढती दरी कमी करू शकतील.

महाराष्ट्र ही किडझी साठी एक महत्त्वपूर्ण बाजारपेठ असून राज्यात त्यांची १६५ केंद्रे आहेत तर केवळ पुण्यात त्यांची ५७ केंद्रे आहेत. साधारणपणे ३००-४०० किडझीची केंद्रे दरवर्षी सुरू होतात आणि देशभरातील १०० टक्के केंद्रे ही केवळ महिलांद्वारे संचालित आहेत. किडझी तर्फे समाजातील दोन महत्त्वपूर्ण घटक असलेल्या महिला आणि मुले यांच्या सक्षमीकरणासाठी कार्य केले जाते.

झी लर्न तर्फे प्री स्कूल टिचर ट्रेनिंग प्रोग्राम आणि किड्झी लर्निंग टॅब ची पुण्यात सुरूवात

The magic of storytelling

Advertisment Campaign

ENTREPRENEURS START BUSINESSES. BUT VISIONARIES START SCHOOLS.
Rajat Gandecha, Education Visionary, started a Mount Litera Zee School in 2009.
INDIA'S NO.1 SCHOOL CHAIN
SCHOOL CHAIN OF THE YEAR 2015
K-12
Join the ranks of great visionaries who have revolutionised the world of education. Start your own Mount Litera Zee School!
5 exclusive advantages of becoming a Mount Litera Zee School Partner
1. Backed by a well-funded group: MLZS is part of Zee Learn, one of India's biggest education organisations.
2. 100% support at every step: Dedicated account managers at your service.
3. India's fastest growing network: More than 150 schools across the country.
4. Best-in-class teaching methodology: Litera Octave, a research-driven and unique pedagogy.
5. Highly rewarding: Contribute to the society and also create your own unique legacy.
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Investment: Construction cost of minimum 90,000 sq.ft. over 3 phases
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Awarded Most Trusted School Brand by Brand Trust Report, 2015.
Awarded K12 School Chain of the Year 2015 by Franchise India.

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KIDZEE
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Digital Outreach

Technology has forever changed the world and has created a new outlook for children as well. Children are getting their hands-on technology as soon as their little hands can push a button or swipe a screen. Getting advanced and progressive education has always been the target of any school.

Therefore, the reason to go digital with education became the first target.
The possibility of utilising something much slender than their books, that too a gadget and to have the capacity to get to an assortment of things would itself get kids eager to think about. Keeping this in consideration, Zee Group took the move to step in and provide a technology-enabled learning experience, along with the digital touch point website for consumers. Likewise, by taking such a measure, Zee group spares a significant amount of paper and a lot of time with the help of Tablet, designed especially for kids.

One of the most important benefits of Technological Learning is accessibility.
To give students the best version of improved education is the only aim.
to get them accustomed to latest happenings around

With the increase in technology, they gain the enthusiasm to learn and explore more. Perceived performance against other countries and other factors have pushed education to the forefront of national politics, right behind healthcare reform. Technology thus can be used to improve teaching and learning and help students be successful. Kidzee shows their commitment towards quality child education along with complementing aspects of self-reliance, peer interaction, and individual growth. To excel in this process, they have created a solid foundation for the curriculum. Kidzee recently launched Tablet that deals with giving children the ultimate learning experience. It can help to improve vocabulary, can give a reading advantage, and better maths sense.

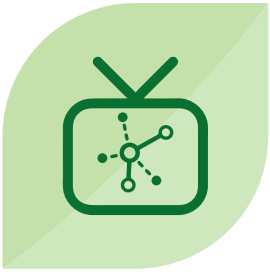
Not only providing materials for their subject but also to increase their general knowledge. Faster brain development is one of its advantage for which even parents will not ask them to put it down.

INTERNET
ADVERTISING

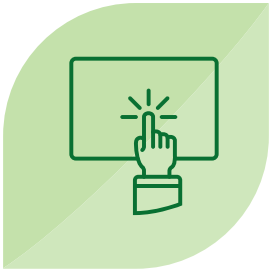
As part of digital transformation catering to the dynamic consumer needs, we created different engagement models for the different platforms:

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

Mount Litera Zee School keeps a child in the centre of learning and development. Social campaigns like #SpeakScience, #DigitizeYourself and Yoga Day aimed to not only generate engagement but drive social change for good. As an outcome, we were able to gain around 1mn impressions and create more value driven stories.

Mount Litera School International engaged digital super users to start the conversation around #SciFest and propagate the articles from press note dissemination and we hit the trend almost the whole day. Showcasing on-ground activities on annual day helped in gaining 27k impressions in a day across all social platforms.

KIDZEE

WHERE KIDS LOVE TO LEARN

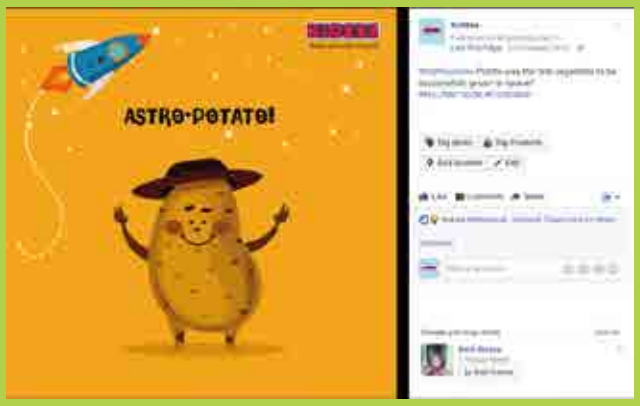
Beti Bachao

Know Your Nation

Clean And Green Diwali

iCare

My Little Foodie



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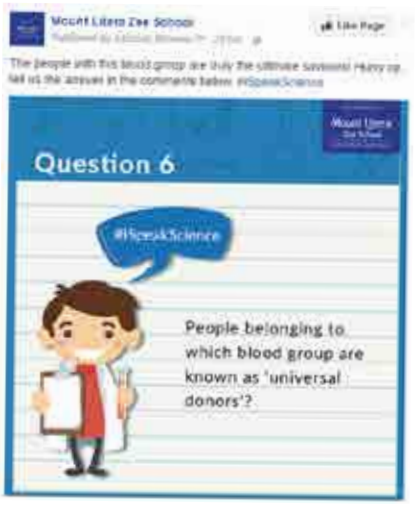
Mount Litera
Zee School
Great School. Great Future

Women Power

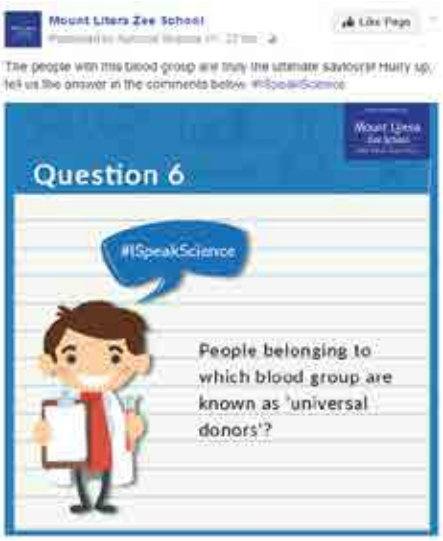
Tiger Day

I Speak Science



Our Pride Our Nation

I Speak Science



Li'l Champs

Digitize Yourself

Mount Litera @Mount_Litera
Here is an easy one!

Share your answers in the comments below & stand a chance to win exciting shopping vouchers.

#DigitizeYourself
pic.twitter.com/ZH58AgnsSG

Mount Litera @Mount_Litera
#TaskOfTheDay!

Create a slogan of your own on Digital Citizenship with us!
All the best ☺ **#DigitizeYourself**
@Contest_Alert @ContestsInIndia
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Mount Litera @Mount_Litera
The wait is about to be over! Are you all set to **#DigitizeYourself? @ContestWatchIn @thefreejinn** pic.twitter.com/jLudoA2p4v

Mount Litera @Mount_Litera
#TaskOfTheDay! Share your creative side with us as you design a logo on Digital Citizenship. **#DigitizeYourself @ContestIndia_ @Contest_in**
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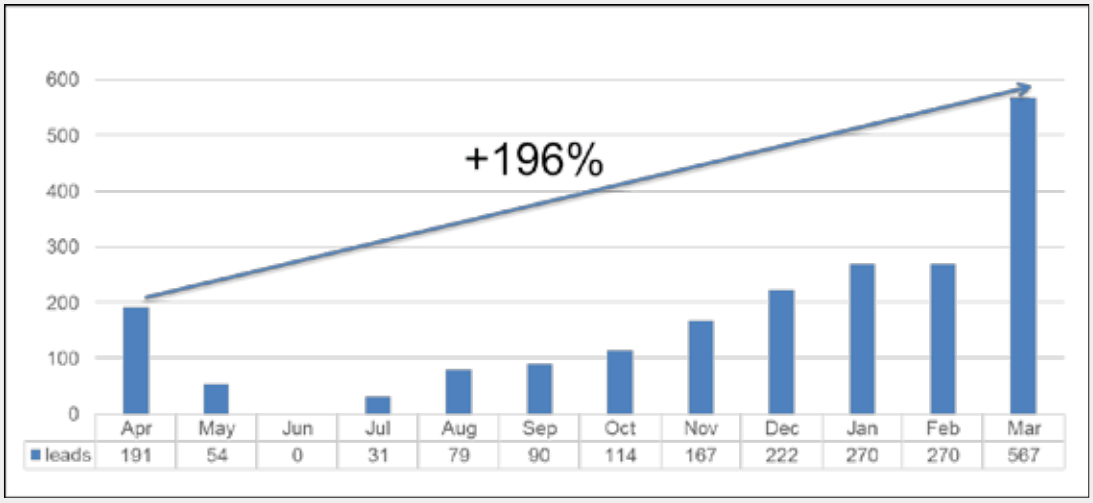
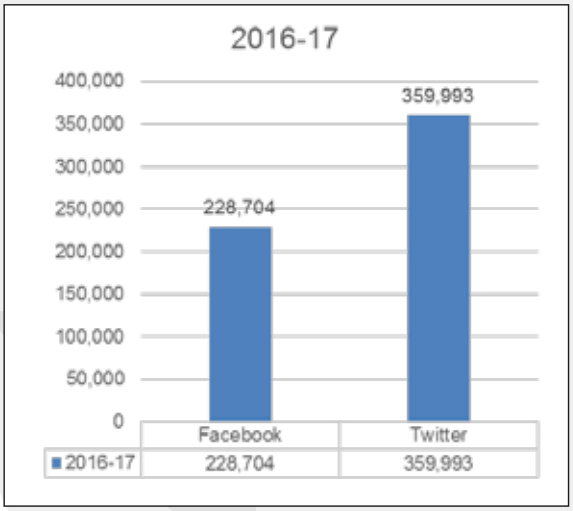
Annual Digital Journey

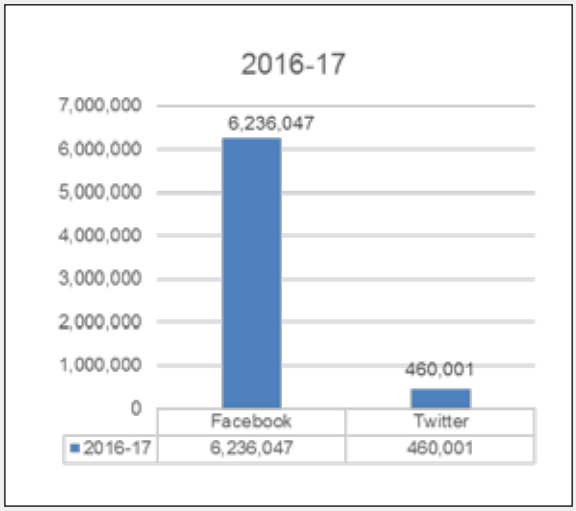
MLZS Organic Reach



MLZS Social Reach



Kidzee Social Reach



Management Discussion & Analysis

Zee Learn Ltd. (ZLL) (BSE Code: 533287 and NSE Code: ZEELEARN) with its PAN India presence in Pre-schools and K-12 schools is uniquely positioned to capitalise on the growth of education sector in India with its organic and inorganic strategy. As a constant endeavour to provide quality education in line with the government's vision of making India a knowledge superpower, the company endeavours in developing more refined way of delivering education along with strengthening its existing curriculum base. The compelling growth dynamics of the Indian demographics, rising affluence, use of technology and a strong ethos of good quality education are expected to drive growth for education in the country. Being predominantly a franchisee based business, Zee Learn can maintain its traction in establishing a pan India franchisee over the next decade. To support its brand growth, the company has put in place strong pedagogy of 'Illume and Octave' and follows a policy of 0% tolerance in its implementation across its network.

Economy Overview

The global economy continues to face subdued growth owing to low commodity prices and low inflation rates, stagnant growth in advanced economies, and geopolitical and political uncertainties. The International Monetary Fund (IMF) projects global economic growth to recover to 3.4 per cent in 2017 from 3.1 per cent in 2016. Against the dismal global conditions, the Indian economy's expansion has been noteworthy. Despite an expected decline in the growth rate owing to slowdown in manufacturing, decline in budgetary capital expenditure and demonetisation, India is expected to continue as the fastest growing large economy.

Country's economic growth unexpectedly slowed to its lowest in more than two years, dragged down by construction, manufacturing and trade services, and stripping the country of its status as the world's fastest-growing major economy. Construction activity contracted 3.7 per cent year-on-year in the March quarter compared with a 3.4 per cent growth in the prior quarter. Manufacturing grew 5.3 per cent in the last quarter from a year ago, slower than an annual rise of 8.2 per cent in the December quarter. Annual growth in trade, hotels and transport services slowed to 6.5 per cent in the January-March period from 8.3 per cent a quarter ago. India's economic growth slowed for the fourth consecutive quarter in the three months ended March, mirroring the impact of demonetisation on key sectors including construction and financial services.

Real gross value added (GVA), another measure of economic activity that is arrived at by excluding net indirect taxes from GDP, slowed to a growth pace of 5.6% in the March quarter, also the fourth consecutive quarterly decline.

Impact of Demonetisation

The growth numbers reflected the lingering effects in the March quarter of the government's demonetisation of high-value banknotes with effect from 9 November, which triggered a cash crunch and disrupted business, especially in the unorganized sector. The labour-intensive construction sector contracted as a result of the cash shortage and regulatory changes, and financial services grew at an anemic single-digit pace.

The Economic Survey 2016-17 has highlighted the impact of the demonetisation exercise carried out by the Government in November 2016 on the health of the economy. The assessment determined that the maximum negative impact of the exercise has been felt on the informal and cash-intensive sectors. However these costs are expected to be transitory in nature.

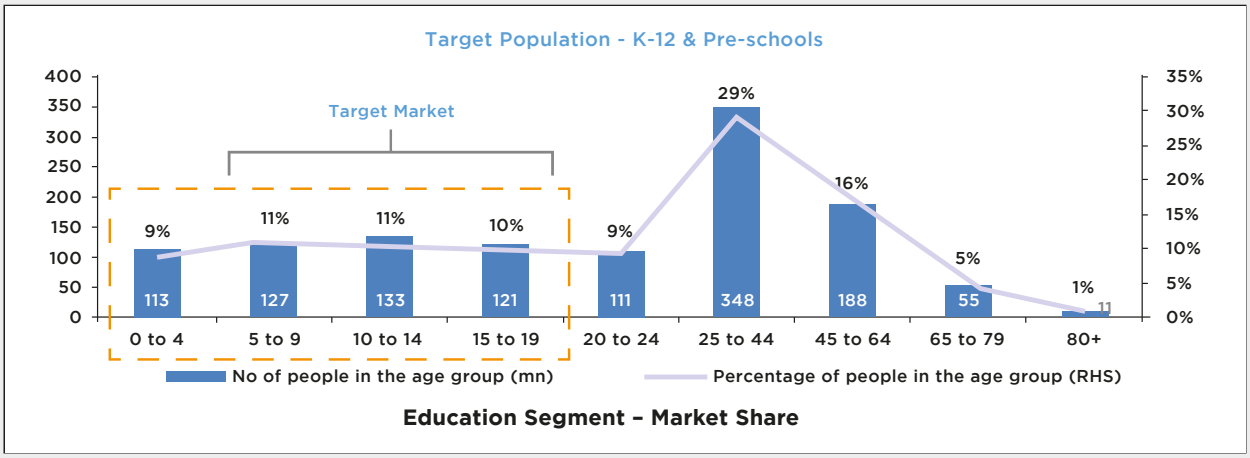
At the same time, demonetisation has the potential to generate long-term benefits in terms of reduced corruption, greater digitalization of the economy, increased flows of financial savings, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues. Lower interest rates and inflation are further expected to provide a cushion to the common man towards easing the impact of demonetisation.

India GDP growth rate slowed down to 6.1% in the fourth quarter of 2016-17 from 7% in the preceding quarter, mirroring impact of demonetisation on key sectors.

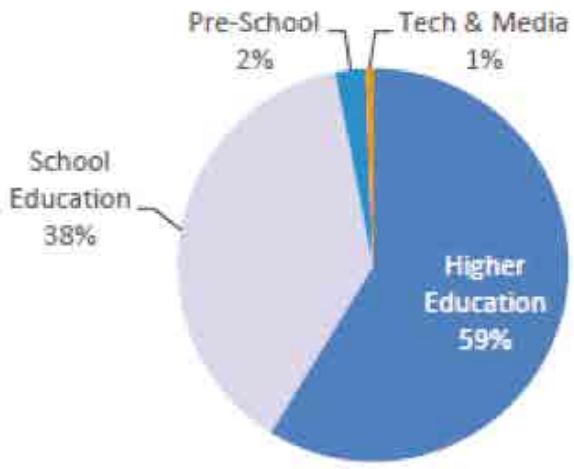
Indian Education Industry

The education sector is envisaged to witness major growth as India will have the world's largest tertiary-age population and second largest graduate talent pipeline globally by 2020 end. In FY16, the education market was worth about USD100bn and is expected to reach USD 116. 4bn in FY17 and further cross USD 144bn by FY20. Currently, higher education contributes 58.8% to the market size, school education 38.1%, pre-school 2.5% and technology & multi-media the balance 0.6%.

India has the largest population in the world within the 5-24 years age group, which constitutes ~41% of the country's total population (~500mn). The primary education segment provides a great opportunity with ~29% of India's population between the age group of 0 and 14. Further, rising disposable incomes and willingness to spend on education are key drivers of Indian education. The country's literacy rate is ~74% compared to world average of ~86%. This presents humungous opportunity to private players to explore the hitherto untapped market.



Education Segment – Market Share



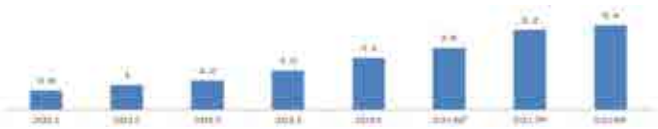
Education industry in India is estimated to reach ~USD144 bn by FY20 from USD 112 bn in FY17.

Pre-school Segment: Branded Players Controlling Dominant pie

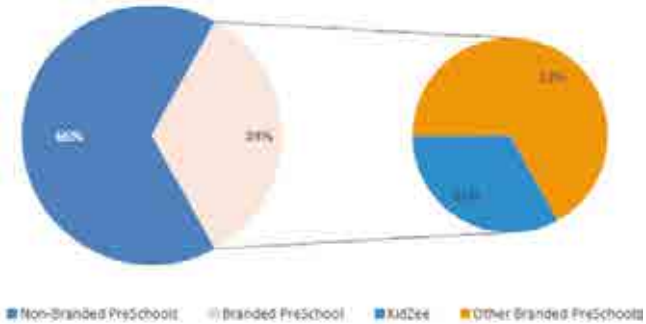
In FY16, the pre-school segment was worth USD2.5bn (USD0.75bn in FY11), of which the branded segment contributed 33.83%. The pre-school segment is expected to grow to USD3.4bn by FY20, clocking CAGR of over 17%. Growing awareness of importance of pre-school/play-school in upbringing of child in tier 2 and 3 cities is envisaged to propel the pre-school segment's penetration rate to 25%. To ensure scalability, pre-school chains like Kidzee and Eurokids are upgrading to K-12 schools. The branded pre-school outperforming the sector growth mainly through asset light franchise model.

The pre-school industry is still in a nascent stage in India with only 2.5% penetration. Considering the average enrolment of 75 kids per centre, 113mn children will require over 15 lakh centres. However, currently, India has only around 30,000 pre-school centres.

Domestic Education Pre-school Market (USD bn)



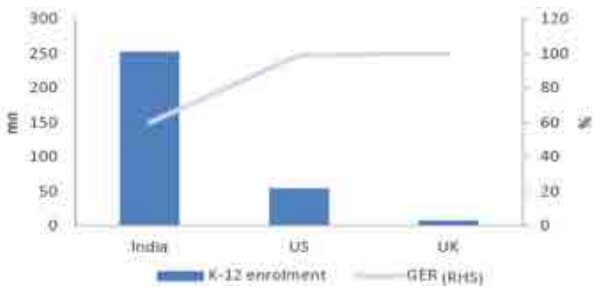
Preschool Market: Moving to Branded Pre-schools



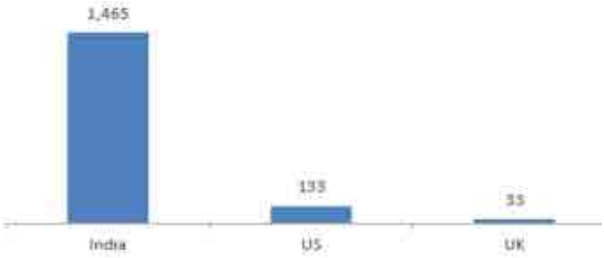
K-12 Business: India Largest in The World; Growing at Faster Clip

The Indian K-12 system is the largest in the world with 253 mn students enroled in 1.4mn schools. However, with inefficiencies in the government education system, has resulted in poor infrastructure both hard (buildings, technology) and soft (teachers, pedagogy) and high drop-out rates. Thus, it is an opportunity to overhaul to education system in the country for the efficient private players.

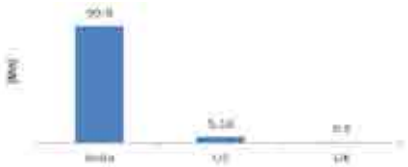
K-12 Enrolment and GER Across Countries FY12 (mm)



Number of K-12 Schools FY12 ('000)



Number of Students enroled in Private Schools (mn)



Number of Private Schools ('000)

25% of all K-12 schools in India are private schools, they account for 40% share in student enrolment.

Porter Five Force Analysis for Indian Education Sector

New Opportunities

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 much 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.

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 will 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 favourable 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 8 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 enrol them in private schools. While private schools account for 25% of the total number of schools, they provide education to more than 40% 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.

SMART Education - Past Reviewed for Future of India

SMART Education is an education system designed to strengthen the capabilities of 21st century's learners by offering an intelligent and customised learning solution. SMART aims for a driving force that will innovate the education system including education environment, method and evaluation. To bring innovation to the overall school education system, a comprehensive measure should be implemented based on improvement of the system and teachers' capabilities, which require active support.

The ultimate goal and vision of education deliverables is to foster creative global human talents through 'classroom revolution,' which is expected to innovate education content, teaching and evaluation methods, and educational environments in tune with an educational paradigm shift.

1. Development and application of digital textbooks

Digitisation of books and resources is a long and constant process, with increase in IT technology the publishers and printers are ready with soft / digital format of text books. Many publishers provide a DVD along with the hard copy of text books. The Electronic Bookshelves is the next step where open source of free digital libraries will enable an improved learning experience for students. Learner can access these digital libraries as per their convenience from any locations. Schools have already started digital library sections as part of the school systems which is accessible through website or school mobile app.

2. Strengthening teachers' capabilities and trainings for implementing SMART Education

The most challenging aspect of SMART Education is to train existing teachers from public (Govt) and private schools for 21st century teaching. The public school network which occupies eighty percent of the schools are deprived of resources, and thrust to learn. The accountability and responsibility to work is a questionable fact in this sector. The medium of instructions is another hurdle in the field.

In spite of barriers of language, time and administration, professional development programmes are in process and teachers are trained to prepare for new generation platforms. Teachers are trained in large number to use technology and gadgets for making classes interesting and learning effective.

3. Developing high quality educational content and promotion of its availability

The process of smart classes and digitations of limited contents has started way back in by private companies as part of their education business more exclusively for private schools. Most of such schools have used these small steps as part of their

promotional activities and used these as model classed in premises. The Smart Education is research-integrated teaching project focuses upon the development and application of information technologies - a key scientific and technological development priority. Students will benefit directly from using technology and participating in its research and development.

4. Online classes and establishment of real-time online assessment system

As demand for digital education tools increases, device manufacturers and solution providers are realizing significant growth in the academic field. As a result, they are looking for ways to make these tools more accessible, easier and affordable for educators to integrate. Innovative schools are beginning to implement electronic classrooms, teaching features and functions. As they use these new educational tools, they are finding improved results in learning retention and classroom management. With digital teaching tools, students are more engaged in the learning experience and are more excited about learning than with traditional teacher-centric education methods.

5. Establishment of the foundation for a cloud-based education service

Most education contents even today are server based as schools and management feel this as safe and secured system to keep confidential data of their working. There is big change in mind set of people and now started working from closed system to sharing open systems. The major content service providers are now using clouds for saving information and data for usage. Big data management is in use to understand trends, interests and inclination of child's need.

6. Reinforcement of education on ICT ethics to resolve ICT-related side effects

Reinforcement is major part of learning the content covered in classroom teaching can be rechecked and revised after school hours and a child gets chance to evaluate himself on days learning. Self-assessment is considered as the best way for learning. Ethics is are important part of this entire network, where an independent student behaves in mature way and uses technology for learning and sharing knowledge. World Wide Web (WWW) is open source, we need to train our generation how to select right contents and source of contents. To select resource from source is major step in SMART education implementation.

Government Initiatives

The Union Budget 2017-18 has made the following provisions for the education sector:

- The Budget has pegged an outlay of ₹79,685.95 crore (US$ 11.952 billion) for the education sector for Financial Year 2017-18, up from ₹72,394 crore (US$ 10.859 billion) in 2016-17 - a 9.9 per cent rise. Of the total outlay, ₹46,356 crore is for the school sector and the rest for higher education.

- The Government of India has allocated around ₹17,000 crore (US$ 2.55 billion) towards skilling, employment generation, and providing livelihood to millions of youth, in order to boost the Skill India Mission.

- The Ministry of Skill Development and Entrepreneurship has launched the Pradhan Mantri Yuva Yojana, which will provide entrepreneurship education and training to over 7,00,000 students in 5 years through 3,050 institutes.

- The Cabinet Committee on Economic Affairs has approved opening of one Jawahar Navodaya Vidyalaya (JNV) in each of the 62 uncovered districts with an outlay of ₹2,871 crore (US$ 430.6 million), which is expected to benefit over 35,000 students in rural areas and provide direct permanent employment to 2,914 individuals.

- The Ministry of Labour and Employment will set up Model Career Centres (MCC) across the country. Out of the 950 employment exchanges in India, 100 would be developed as model centres with an investment of ₹350 crore (US$ 52.5 million). The Union Government also plans to set up 100 driver training institutes across India.

- The Government of India will likely educate over 10 million people on e-payments in rural India, through the newly-launched Digi Dhan Abhiyan or Digital Financial Literacy Programme.

- The Union Cabinet has approved 'Pradhan Mantri Gramin Digital Saksharta Abhiyan' (PMGDISHA) to make 60 million rural households digitally literate. The outlay for this project is ₹2,351.38 crore (US$ 353.70 million) to usher in digital literacy in rural India by March, 2019.

- Prime Minister of India launched the Skill India initiative – 'Kaushal Bharat, Kushal Bharat'. Under

this initiative, the Government has set itself a target of training 400 million 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.

- PMKVY is the flagship programme under the Skill India Initiative. The Union Government plans to set up skill development centres across India with an investment of ₹12,000 crore (US$ 1.8 billion) to create job opportunities for 10 million individuals by 2020 under PMKVY, as per Mr Bandaru Dattatreya, Minister of Labour and Employment.

- National Policy for Skill Development and Entrepreneurship 2015 is India's first integrated program to develop skill and promote entrepreneurship simultaneously. The Union Government plans to provide ₹7,000 crore (US$ 1.05 billion) to states to spend on skill development, and thereby accelerate the ambitious task of skilling 500 million Indians by 2022, and encourage creation of an ecosystem of entrepreneurs.

- The National Skill Development Mission has created an elaborate skilling eco-system and imparted training to 7.6 million youth since its launch in 2015 and the government now plans to set up 1,500 Multi-Skill Training Institutes across the country.

Business Overview

A leader in the Early Childhood Development and Education (ECDE) domain for over a decade now, Kidzee has nurtured around 700,000 children till date, thus truly standing for India's Favorite Preschool.

Kidzee's proprietary curriculum places the child at the centre 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.

Company registered Standalone Revenue of ₹1612 Mn in FY17 compared to ₹1392 mn in FY16 (up by 16%). Operating EBITDA stood at ₹461mn in FY17, compared to ₹317 mn in FY16 (up by 45%). PBT stood at ₹352 mn in FY17, compared to ₹150 mn in FY16 (up by 134%). PAT stood at ₹363 mn in FY17, compared to ₹ 150 mn in FY16 (up by 141%)

Company registered Consolidated Revenue of ₹ 1789 mn in FY17, compared to ₹1515 mn in FY16 (up by 18%) Operating EBITDA stood at ₹623 mn in FY17, compared to ₹432mn in FY16 (up by 44%). PBT stood at ₹355 mn in FY17, compared to ₹150 mn in FY16 (up by 136%). PAT stood at ₹366 mn in FY17, compared to ₹150mn in FY16 (up by 143%).

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

- Pre-school: Kidzee

- K-12: Mount Litera Zee School

- Vocational Courses: ZICA and ZIMA

Kidzee:

FY17 was a landmark year for Kidzee as it continued its growth story and crossed 1,705 operational centres across 650+ cities. In FY17, Kidzee grew by c.10% over the last year with c.127,650 children studying in its network across the country.

Its proprietary pedagogy, iLLUME is what sets Kidzee a class apart from other preschool 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 franchise to local education entrepreneurs, especially women, to run and manage Kidzee preschools.

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 centre 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 realise 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 enrolment 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 FY17, MLZS continued its growth story with 115 operational schools. In FY17, enrolments in MLZS grew by c.33% over the last year with c.55,600 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 software 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 programme designed at Zee Learn keep the child at its centre. We firmly believe that if our programme 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 FY17 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 maximise 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 focussed on maintaining its position of a pre-eminent player in the 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. **Enrolment growth in its institutes**
   Zee Learn today has more than 1,705 pre-schools, 115 K-12 schools and 17 vocational institutes. Driving enrolments in these existing institutes to hit full capacity gives a significant upside of more than doubling our enrolments.

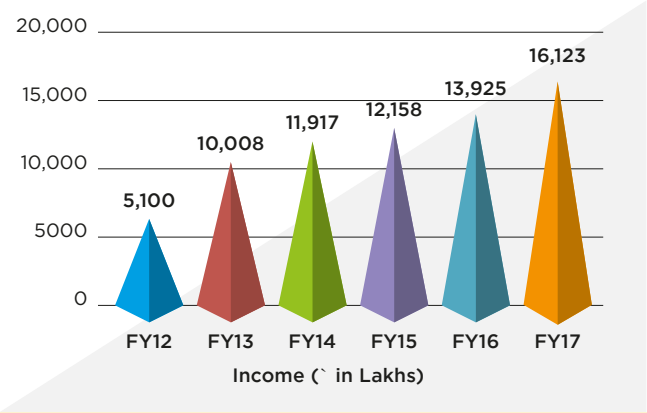
2. **Expansion of footprint**
   With education being a supply constrained market for good quality pre-schools, schools and vocational centres, Zee Learn is committed to expanding its footprint to reach out to more and more children and creating more avenues for driving enrolments. We'll be leveraging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

3. **Increasing Capacity Utilisation**
   Within businesses, we constantly add innovations and products to fulfil 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 endeavour 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.

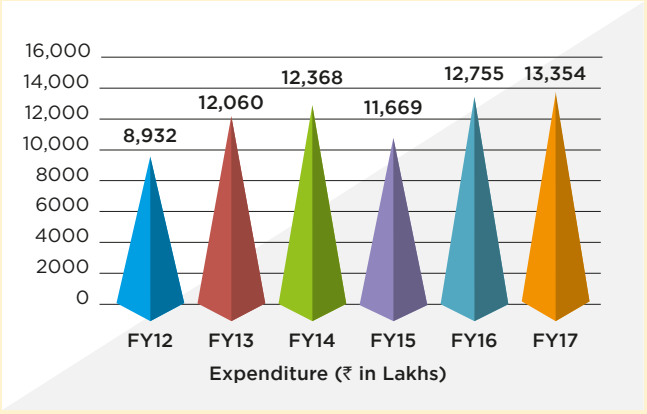
STAND-ALONE FINANCIAL PERFORMANCE
FINANCIAL YEAR 2017 COMPARED TO FINANCIAL YEAR 2016

Income
Our total income increased by 16 per cent to ₹16,123 lakhs in FY 17 from ₹13,925 lakhs in FY 16. Revenue from Kidzee and MLZS business grew by 11% in FY17 to ₹14,752 lakh vis-à-vis ₹13,154 lakh during FY16.



Other Income
The company earned other income of ₹758 lakhs in FY17 up from ₹338 lakh in FY16 largely on account of Interest on ICD from Wholly Owned Subsidiary and Premium on Redemption of Preference shares.

Expenditure
Total expenditure increased by 5 per cent to ₹13,354 lakh in FY17 from ₹12,755 lakh in FY 16 largely on account of increase in freight and packaging expenses corresponding to the increase in sales, increase in legal and professional fees and on account of the one-time impact of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16.



Cost of Goods Sold and Operational Expenses
Cost of goods sold and operational expenses decreased by 9 per cent to ₹3,538 lakh in FY17 from ₹3,896 lakh in FY16 on account of change of mix of sales of centre and child kit.

Employee Benefits Expenses
Employee benefits expenses meagerly decreased by 0.5 per cent to ₹2,496 lakh from ₹2,509 lakh in FY16.

Other Expenses
Other expenses increased by 26 per cent to ₹5,478 lakh in FY17 from ₹4,344 lakh in FY16 largely on account of increase in freight and packaging expenses corresponding to the increase in sales, increase in legal and professional fees and on account of the onetime impact of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16.

Finance Costs
The increase in finance costs by 0.6 per cent from ₹1,439 lakh in FY16 to ₹1,447 lakh in FY17.

Depreciation and Amortisation Expenses
Depreciation and amortisation expenses decreased by 30 per cent to ₹395 lakh in FY 17 from ₹568 lakh in FY16.

PROFIT AFTER TAX
The company has made profit after tax of ₹3,634 lakh in FY17 as compared to ₹1,507 lakh in FY16 on account of leverage of business model in Kidzee and MLZS.

SOURCE OF FUNDS

Share Capital
The share capital increased by ₹20.88 lakh from ₹3,205.54 lakh as on March 31, 2016 to ₹3,226.42 lakh as on March 31, 2017, on account of issuance of shares under the Employee Stock Option scheme.

Reserve and Surplus
The reserve and surplus as at March 31, 2017, saw an increase of ₹4,048 lakh from ₹21,868 lakh as at March 31, 2016, largely on account of profits generated during the year of ₹3,634 lakh.

Long-term Borrowings
Long-term borrowings saw an decrease of ₹1,040 lakh from ₹10,140 lakh at March 31, 2016 to ₹9,100 lakh as on March 31, 2017, on account term loan of ₹1,040 lakh was classified under short-term loan due to its maturity in next the 12 months.

Long-term Provisions
Long-term provisions saw an increase of ₹8 lakh from ₹144 lakh as at March 31, 2016 to ₹153 lakh as at March 31, 2017.

Current Liabilities
Current liabilities saw an increase of ₹1,126 lakh from ₹8,555 lakh as at March 31, 2016 to ₹9,681 lakh as at March 31, 2017, mainly on account of advance received from customers, cheques overdrawn and other payables and reduction of Short term borrowings (Unsecured Inter Corporate Deposits)

APPLICATION OF FUNDS

Fixed Assets
Fixed assets saw a net decrease of ₹300 lakh from ₹970 lakh as at March 31, 2016 to ₹671 lakh as at March 31, 2017, on account of depreciation charged in normal course of business.

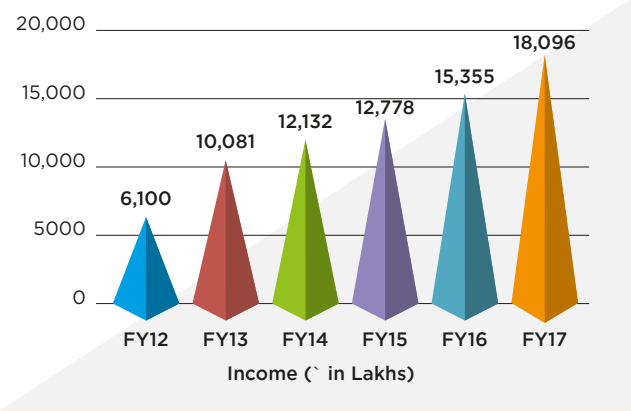
Non-current investments
Non-current investments increased by ₹9,572 lakh from ₹24,925 lakh as at March 31, 2016, to ₹34,497 lakh as at March 31, 2017 on account of reclassification of Non-Convertible Non-Cumulative Redeemable Preference Shares in wholly owned subsidiary company from current investment to long term investment by ₹9,572 lakh.

Long-term Loans and Advances
Long-term loans and advances saw an increase of ₹6,400 lakh from ₹847 lakh as at March 31, 2016 to ₹7,246 lakh as at March 31, 2017 largely on account of loans and advances given to wholly owned subsidiary.

Current Assets
Current assets saw a decrease of ₹12,123 lakh from ₹17,878 lakh as at March 31, 2016, to ₹5,755 lakh as at March 31, 2017, largely on account of reclassification of Non-Convertible Non-Cumulative Redeemable Preference Shares in wholly owned subsidiary company from current investment to long-term investment by ₹9,572 lakh, reclassification of current loans and advances into long term loans and advances to wholly owned subsidiary and on account of the onetime impact of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16.

CONSOLIDATED FINANCIAL PERFORMANCE
FINANCIAL YEAR 2017 COMPARED TO FINANCIAL YEAR 2016

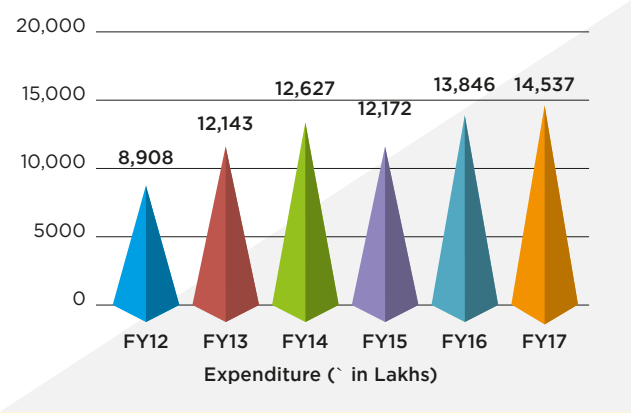
Income
Our total income increased by 18 per cent to ₹17,891 lakh in FY17 from ₹15,156 lakh in FY16 largely due to growth in revenue from Kidzee and MLZS business grew by 11% in FY17 to ₹14,752 lakh vis-à-vis ₹13,154 lakh during FY16. Also, lease rentals income from DVPL saw an increase of ₹539 lakh during the year.



Other Income
The company earned other income of ₹204 lakh in FY17 up from ₹198 lakh in FY16 on account of dividend and interest income.

Expenditure
Total expenditure increased by 5 per cent to ₹14,537 lakh in FY17 from ₹13,846 lakh in FY 16 largely on account of increase in freight and packaging expenses corresponding to the increase in sales, increase in legal and professional fees and on account of the onetime impact of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16.

Cost of Goods Sold and Operational Expenses
Cost of goods sold and operational expenses decreased by 9 per cent to ₹3,538 lakh in FY17 from ₹3,896 lakh in FY16 on account of change of mix of sales of centre and child kit.



Cost of Goods Sold and Operational Expenses

Employee Benefits Expenses
Employee benefits expenses decreased by 0.5 per cent to ₹2,497 lakh from ₹2,509 lakh in FY16.

Other Expenses
Other expenses increased by 27 per cent to ₹5,624 lakh in FY17 from ₹4,425 lakh in FY16 largely on account of increase in freight and packaging expenses corresponding to the increase in sales, increase in legal and professional fees and on account of the onetime impact of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16.

Finance Costs
The decrease in finance costs by 5 per cent from ₹1998 lakh in FY16 to ₹1,898 lakh in FY17 is on account of repayment of term loan which eventually resulted in lower finance cost.

Depreciation and Amortisation Expenses
Depreciation and amortisation expenses decreased by 4 per cent to ₹980 lakh in FY17 from ₹1,019 lakh in FY16.

PROFIT AFTER TAX
The company has made profit after tax of ₹3,664 lakh in FY17 as compared to ₹1,508 lakh in FY16 on account of leverage of business model in Kidzee and MLZS

SOURCE OF FUNDS

Share Capital
The share capital increased by ₹20.88 lakh from ₹3,205.54 lakh as on March 31, 2016 to ₹3,226.42 lakh as on March 31, 2017, on account of issuance of shares under the Employee Stock Option scheme.

Reserve and Surplus
The reserve and surplus as at March 31, 2017, saw an increase of ₹4,080 lakh from ₹21,813 lakh as at March 31, 2016, largely on account of profits generated during the year of ₹3,665 lakh.

Long-term Borrowings
Long-term borrowings saw a decrease of ₹13,187 lakh from ₹34,600 lakh as on March 31, 2016 to ₹21,413 lakh as on March 31, 2017, largely on account of repayment of term loan and term loan of ₹1,040 lakh was classified under short-term loan due to its maturity in next the 12 months.

Other Long-term Liabilities
Other Long-term liabilities saw an increase of ₹12,579 lakh largely on account of refundable interest free security deposits received from lessees against leased hold agreements.

Long-term Provisions
Long-term provisions saw an increase of ₹7 lakh from ₹149 lakh as at March 31, 2016 to ₹155 lakh as at March 31, 2017.

Current Liabilities
Current liabilities saw an increase of ₹652 lakh from ₹9976 lakh as at March 31, 2016 to ₹10,628 lakh as at March 31, 2017, mainly on account of increase in advance received from customers, cheques overdrawn and other payables and reduction of Short term borrowings (Unsecured Inter Corporate Deposits).

APPLICATION OF FUNDS

Fixed Assets
Fixed assets saw a net increase of ₹2,245 lakh from ₹59,165 lakh as at March 31, 2016, to ₹61,411 lakh as at March 31, 2017, on account of increase of tangible and intangible assets in DVPL.

Long-term Loans and Advances
Long-term loans and advances saw a decrease of ₹252 lakh from ₹2,445 lakh as at March 31, 2016, to ₹2,193 lakh as at March 31, 2017.

Current Assets
Current assets saw a decrease by ₹134 lakh from ₹6,57 lakh as at March 31, 2016, to ₹523 lakh as at March 31, 2017.

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

Zee Learn hires the best fit talent to meet the current and future requirements of the business. 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 the 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 organisation 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 organisational updates, regular open forums attended by CEO and senior leadership team.

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 programmes. Our approach is 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

Dr. Manish Agarwal
Independent Director

Dr. Sangeeta Pandit
Independent Director

Ajey Kumar
Executive Director

Surjit Banga
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*

Key Management

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

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary & Compliance Officer
(Resigned w.e.f. June 09, 2017)

Bhautesh Shah
Company Secretary & Compliance Officer (Joined w.e.f. August 16, 2017)

Avinash Kundalia
Pre-school –Enrolments & Operations

Nitish Menon
K-12 School– Enrolments & Operations

Brijesh Jadia
Supply Chain

Santosh Gupta
Information Technology

Vikash Kar
Human Resources

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-101, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai- 400083

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

website: www.zeelearn.com

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of **Zee Learn Limited** will be held on Thursday, the 28th day of September, 2017 at 4.00 p.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, 2017 including the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.

2. To confirm the payment of Interim Dividend and to declare final Dividend of Re. 0.05 per Equity Share for the financial year ended March 31, 2017.

3. To appoint a Director in place of Mr. Ajey Kumar (DIN:02278096), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

4. 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 2017-18, at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. **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, 2018, 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."

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

"**RESOLVED THAT** pursuant to Regulation 31A and other relevant provisions, if any, of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013, and pursuant to the communication received from Mr. Laxmi Narain Goel, Mr. Jawahar Lal Goel, Mr. Ashok Kumar Goel, Mr. Ashok Kurien, Mrs. Sushila Devi (wife of Mr. Jawahar Lal Goel) and other promoter entities in which the aforesaid persons are interested i.e M/s Veena Investment Private Limited (Entity controlled by Mr. Jawahar Lal Goel), M/s Ganjam Trading Company Private Limited (Entity controlled by Mr. Ashok Kumar Goel) and M/s Ambience Business Services Private Limited (Entity controlled by Mr. Ashok Kurien) subject to necessary regulatory approval(s), if any, required, approval be and is hereby granted for reclassifying Mr. Laxmi Narain Goel, Mr. Jawahar Lal Goel, Mr. Ashok Kumar Goel, Mr. Ashok Kurien, Mrs Sushila Devi (wife of Mr. Jawahar Lal Goel) and other promoter entities in which the aforesaid persons are interested i.e M/s Veena Investment Private Limited (Entity controlled by Mr. Jawahar Lal Goel), M/s Ganjam Trading Company Private Limited (Entity controlled by Mr. Ashok Kumar Goel) and M/s Ambience Business Services Private Limited (Entity controlled by Mr. Ashok Kurien) along with their respective family members and persons acting in concert with them (Outgoing Promoters), from Promoter and Promoter Group" category to the "Public" category.

RESOLVED FURTHER THAT subject to such regulatory approvals as may be required, the Outgoing Promoters (as stated above), whether or not holding any shares in the Company, shall not be considered as Persons Acting in concert and / or relatives of the continuing Promoters for the purpose of applicable SEBI Regulations including Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director or Company Secretary of the Company or any other officer(s) of the Company, as it may consider appropriate, in order to give effect to this Resolution including filing of necessary applications / forms / returns with the Ministry of Corporate Affairs / Stock Exchanges / other concerned authorities for re-classification and to take such steps expedient or desirable to give effect to this resolution and to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board."

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meeting of Board and its Powers) Rules, 2014 including any statutory modification/s or re-enactment/s thereof, consent of the shareholders of the Company, be and is hereby accorded to the Board of Directors, to give loan/s or any other form of debt to any person or other body corporate/s and / or give guarantee/s and/ or provide security /ies and/or acquire by way of subscription, investment, purchase or otherwise, the securities of any other body corporate/s, its own subsidiary, associate company as may be required from time to time, exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more, as the Board of Directors may think fit, provided that the total loans or investments made, guarantee given, security provided, shall not at any time exceed Rs. 500 crores (Rupees five hundred crores) or limits so prescribed under Section 186 (as may be amended from time to time), whichever is higher.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. 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 at the 6th Annual General Meeting held on September 19, 2016 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(s) of the Company's Registrar and Share Transfer Agents M/s Link Intime India Private Ltd., at their registered office at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 or such other office/s of M/s Link Intime India Private Limited within the city of Mumbai as may be decided by them in future, instead of the Registered Office of the Company."

By order of the Board

Place : Mumbai
Date : April 25, 2017

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. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority as applicable.

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. The register of Members and the Share Transfer Books of the Company will be closed from Thursday, September 21, 2017 to Thursday, September 28, 2017 (both days inclusive). Final Equity Dividend, if approved by Members at the Annual General Meeting will be paid on or after September 30, 2017 to all those Equity Shareholders whose name appear in the Register of Members of the Company as on the Book Closure date after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and in the list of beneficial owners furnished by the Depositories, in respect of shares held in electronic form.

4. As per current SEBI Regulations, dividend is required to be credited to shareholders' bank account through National Electronic Clearing Service (NECS) wherever the facility is available and the requisite details / mandate have been provided by the shareholders. Shareholders desirous of availing of this facility may send the ECS form (available on the website of the Company), along with a Xerox copy the cheque pertaining to the bank account where the shareholders would like the payment to be credited, to their Depository Participants in case of shares held in dematerialized form or to the Company's Registrar and Share Transfer Agents ("RTA") in case of shares held in physical form.

5. 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.

6. 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.

7. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2017, 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.

8. Electronic Copy of the Annual Report for 2016-17 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 2016-17 is being sent. The Annual Report may also be accessed on the Company's Corporate Website www.zeelearn.com.

9. 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-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. 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.

10. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect at any time during the business hours of the Company, the proxies lodged, provided not less than three day's notice in writing is given to the Company.

11. Members / proxies are requested to bring the duly filled attendance slip attached herewith to attend the meeting.

12. The notice is being sent to all the Members, whose names appear in the Register of Members/ Statements of beneficial ownership maintained by the Depositories i.e National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] as on the close of business hours on August 18, 2017.

13. **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 7th 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 September 25 , 2017 at 9.00 a.m. and will end on September 27, 2017 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 21, 2017, 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.

14. 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.

15. 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.

16. 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 21, 2017.

17. 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.

18. The Company has appointed Ms. 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.

19. 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.

20. The Results declared along with the Scrutinizer's report shall be placed on the website of the Company www.zeelearn.com and shall also be communicated to the Stock Exchanges and Central Depository Services [India] Limited [CDSL]. The Resolutions, if approved, shall be deemed to be passed, on the date of Annual General Meeting.

21. The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Monday, September 25th, 2017 at 9:00 a.m. and ends on Wednesday, September 27th, 2017, at 5 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 Thursday, September 21st, 2017 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 / Members

(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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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)	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. • 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 changed 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 users can download the app from the App Store and the Windows Phone Store respectively. 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. 5

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, 2018 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2018.

Your Board recommends the ordinary resolution as set out in Item No. 5 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. 5.

Item No. 6

The Company has received a communication from Mr. Laxmi Narain Goel, Mr. Jawahar Lal Goel, Mrs. Sushila Devi (wife of Mr. Jawahar Lal Goel), Mr. Ashok Kumar Goel Mr. Ashok Kurien, and other promoter entities in which the aforesaid persons are interested i.e M/s Veena Investment Private Limited (Entity controlled by Mr. Jawahar Lal Goel), M/s Ganjam Trading Company Private Limited (Entity controlled by Mr. Ashok Kumar Goel) and M/s Ambience Business Services Private Limited (Entity controlled by Mr. Ashok Kurien) for reclassifying

Mr. Laxmi Narain Goel, Mr. Jawahar Lal Goel, Mrs. Sushila Devi (wife of Mr. Jawahar Lal Goel), Mr. Ashok Kumar Goel, Mr. Ashok Kurien and other promoter entities in which the aforesaid persons are interested i.e M/s Veena Investment Private Limited (Entity controlled by Mr. Jawahar Lal Goel), M/s Ganjam Trading Company Private Limited (Entity controlled by Mr. Ashok Kumar Goel) and M/s Ambience Business Services Private Limited (Entity controlled by Mr. Ashok Kurien) along with their respective family members and persons acting in concert with them, from Promoter and Promoter Group" category to the "Public" category.

Mr. Laxmi Narain Goel, Mr. Jawahar Lal Goel, Mrs. Sushila Devi (wife of Mr. Jawahar Lal Goel), Mr. Ashok Kumar Goel Mr. Ashok Kurien and other promoter entities in which the aforesaid persons are interested i.e M/s Veena Investment Private Limited (Entity controlled by Mr. Jawahar Lal Goel), M/s Ganjam Trading Company Private Limited (Entity controlled by Mr. Ashok Kumar Goel) and M/s Ambience Business Services Private Limited (Entity controlled by Mr. Ashok Kurien) alongwith their respective family members and persons acting in concert with them shall not be considered as Persons Acting in concert and relatives of continuing Promoters for the purpose of applicable SEBI Regulations with regard to the Company.

Following is the list of promoters/promoter group entities who wish to reclassify themselves from promoter to public:

1 Mr. Laxmi Narain Goel*
2 Mr. Jawahar Lal Goel*
3 Sushila Devi (Wife of Mr. Jawahar Lal Goel)
4 Veena Investment Private Limited (Entity controlled by Mr.Jawahar Lal Goel)
5 Mr. Ashok Kumar Goel*
6 Ganjam Trading Company Private Limited (Entity controlled by Mr. Ashok Kumar Goel)
7 Mr. Ashok Kurien*
8 Ambience Business Services Private Limited (Entity controlled by Mr. Ashok Kurien)

*** It includes** their respective family members / relatives and / or the entities controlled by them and / or persons acting in concert with them (whether or not holding any shares in the Company). For the purpose of this Resolution, applicable SEBI Regulations, including Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the term 'family members / relatives' do not include the Promoters who shall continue to be the Promoters of the Company and his family members / relatives (whether or not holding any shares in the Company).

Further, continuing promoters can be appointed as KMP, as may be required.

In terms of the above resolution, the consent of the members of the Company is inter-alia sought for the re-classification of Outgoing Promoters but excluding those family members / relatives, who are not part of Outgoing Promoters and shall continue as promoters of the Company), from the "Promoter & Promoter Group Category" to "Public Category" of the Company.

Therefore, your Board recommends the Resolution as set out in Item No. 6 for your approval.

Company would make necessary application to National Stock Exchange of India Ltd and BSE Limited to seek their approval for reclassifying the Promoter / Promoter Group, as required.

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

Item No. 7

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Power) Rules, 2014, the Board of Directors is authorized to give loans, guarantees or provide securities, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, its own subsidiary, associate company as may be required from time to time, not exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. In case the above limits are exceeded then, prior approval of shareholders by way of special resolution will be required.

Members may note that in order to support its business activities, the Company may be required to give loans and/or any other form of debt to any person or other body corporate/s and / or give guarantee/s and / or provide security/ies in any other body corporate/s and/or acquire by way of subscription, investment, purchase or otherwise, the securities of any other body corporate in connection with the limits prescribed under the Companies Act, 2013 and rules made thereunder and as the Board of Directors may think fit, provided that the total loans or investments made, guarantee given, security provided, shall not at any time exceed Rs. 500 crs (Rupees five hundred crores) or limits so prescribed under Section 186 (as may be amended from time to time), whichever is higher.

It is therefore, necessary to obtain prior approval of the shareholders by means of a Special Resolution, authorizing the Board to exercise aforesaid powers, up to the maximum amount not exceeding Rs. 500 crs (Rupees five hundred crores only) outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees/ securities / investments

exceeds the prescribed limits under the Companies Act, 2013.

In view of the same it is proposed to pass enabling resolutions authorizing Board of Directors of the company to give guarantees, securities, loans and/or make investments up to the limits as mentioned above or limits prescribed under Section 186 of the Companies Act, 2013 (as may be amended from time to time), whichever is higher.

The Board recommends the special resolution as set out in the notice for the Member's approval.

None of the Directors or Key Managerial Personnels of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in passing of the said Special Resolution.

Item No. 8

Pursuant to Section 94 of the Companies Act, 2013 and rules made thereunder, certain registers, returns and documents which are required to be kept at the registered office of the Company can be kept at a place other than the registered office of the Company, provided such other place has been approved by the members by way of a Special Resolution.

In compliance with the requirements of Section 94 of the Companies Act, 2013, Members of the Company at the 6th Annual General Meeting held on September 19, 2016, had approved a proposal for maintaining the Register & Index of Members / Preference Shareholders, Share Transfer Register and other particulars including Annual Returns and annexures thereto at the office of the Registrar & Share Transfer Agent of the Company M/s Link Intime India Pvt Ltd ('RTA') located at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered Office of the Company.

A communication has been received from Company's Registrar and Share Transfer Agent, Link Intime India Private Limited about their shifting of registered office from present address C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai-400 078 to C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.

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 will be forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94(1) of the Companies Act, 2013.

The Board recommends the special resolution as set out in the notice for the Member's approval.

None of the Directors or Key Managerial Personnels of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in passing of the said Special Resolution.

By order of the Board

Place: Mumbai
Date: April 25, 2017

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 Seventh Annual Report of the Company together with Audited Financial Statements for the year ended March 31, 2017. This report states compliance as per the requirements of the Companies' Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

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 2016-2017, your Directors confirm that:

a) The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2017 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, 2017, 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, 2017 is summarized below:

(₹ in lakhs)

Particulars	Standalone – Year ended		Consolidated – Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue from Operations	16,123.04	13,924.65	17,891.33	15,156.58
Other Income	758.24	337.65	204.32	198.22
Total Income	**16,881.28**	**14,262.30**	**18,095.65**	**15,354.80**
Total Expenses	11,511.61	10,748.72	11,658.49	10,829.94
Operating Profit/Loss	**5,369.67**	**3,513.58**	**6,437.16**	**4,524.86**
Less: Finance Cost	1,446.81	1,438.51	1,898.83	1,997.59
Less: Depreciation	395.37	568.21	979.56	1,018.95
Profit/Loss before Tax	**3,527.49**	**1,506.86**	**3558.77**	**1,508.32**
Provision for Taxation (Net)	(106.39)	-	(106.38)	-
Profit/Loss after Tax	**3,633.88**	**1,506.86**	**3665.15**	**1,508.32**
Less : Appropriations		-		-
Transferred to Debenture Redemption Reserve	406.25		406.25	
Interim Equity Dividend	160.34		160.34	
Tax on Interim Equity Dividend	32.64	-	32.64	-
Balance Carried To Balance Sheet	**3,034.65**	**1,506.86**	**3,065.92**	**1,508.32**

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 2016-17.

DIVIDEND

During the year under review, the Board of Directors approved payment of an interim dividend of Re 0.05 per share. The total amount distributed as interim dividends on the paid-up share capital for the year amounted to Rs. 1,60,34,113.35 (excluding dividend tax of Rs.32,64,168/-).

Based on the performance of the Company for the year and in view of the track record of the Company, the Board of Directors is pleased to recommend a final dividend of Re. 0.05 per equity shares for the financial year 2016-2017, subject to approval of the Shareholders at the Annual General Meeting.

BUSINESS OVERVIEW

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. We believe that every child has a unique and infinite potential and we are committed to help children realize their capabilities.

FY17 was a landmark year for Kidzee as it continued its growth story and crossed 1705 operational centres across 650+ cities. In FY17, Kidzee grew by c.10% over the last year with c.127,650 children studying in its network across the country. During FY17, Mount Litera Zee Schools (MLZS) continued its growth story with 115 operational schools. In FY17, enrolments in MLZS grew by c.33% over the last year with c.55,600 children studying in its network across the country.

Your Company delivered on its promise of sustained profitability and improving on margins and has shown remarkable growth in profit after tax. Company registered Standalone Revenue of Rs. 1612 Mn in FY17 compared to Rs. 1392 Mn in FY16 (up by 16%). Operating EBITDA stood at Rs. 461 Mn in FY17, compared to Rs. 317 Mn in FY16 (up by 45%). PBT stood at Rs. 352 Mn in FY17, compared to Rs. 150 Mn in FY16 (up by 134%). PAT stood at Rs. 363 Mn in FY17, compared to Rs. 150 Mn in FY16 (up by 141%)

Company registered **Consolidated** Revenue of Rs. 1789 Mn in FY17, compared to Rs. 1515 Mn in FY16 (up by 18%). Operating EBITDA stood at Rs. 623 Mn in FY17, compared to Rs. 432 Mn in FY16 (up by 44%). PBT stood at Rs. 355 Mn in FY17, compared to Rs.150 Mn in FY16 (up by 136%). PAT stood at Rs. 366 Mn in FY17, compared to Rs. 150 Mn in FY16 (up by 143%)

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 20,88,126 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. 32,05,54,255 to Rs. 32,26,42,381 comprising of 32,26,42,381 equity shares of Re. 1/- each.

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 (THEAL). However, taking note of the various media reports on THEAL closing down hundred of its playgroup centers ("Tree House"), many parents filing police complaints against Tree House and its Promoters and coupled with the fact that THEAL's financial position was steadily deteriorating, in order to protect the interest of the shareholders of your Company, the Board of Directors of the Company on December 16, 2016 withdrawn the merger process with THEAL.

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, 2017, 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 implemented an ESOP scheme called ZLL ESOP 2010 –AMENDED 2015 Scheme in accordance with the SEBI (Share Based Employees Benefits) Regulations, 2014 for grant of stock options to its eligible employees of the Company and its Subsidiary. 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 Employees 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, 50,000 and 22,54,214 Stock Options were granted on July 25, 2016 and September 30, 2016. 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. 31.40 and Rs. 34.15 per share respectively being the closing market price of the equity shares of the Company on the National Stock Exchange of India Limited as on July 24, 2016 and September 29, 2016. 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 2017, 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, 2017, your company had three wholly owned subsidiaries, namely, Digital Ventures Private Limited; Academia Edificio Private Limited; and Liberium Global Resources Private Limited.

During the year, Liberium Global Resources Private Limited has been incorporated on March 27, 2017 as wholly owned subsidiary of the Company to venture into the business of Manpower & Training. 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. All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2016-17. A declaration to this effect signed by the Chief Executive Officer of the company is contained in this Annual Report. The Chief Executive Officer and Chief Financial Ofiicer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI LODR Regulations and the said certificate is contained in 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.

CSR at Zee is all about creating sustainable programs that actively contribute to and support the social and economic development of the society. In line with this intent, your Company has adopted a unified approach towards CSR at Essel Group level, wherein CSR contributions of eligible Essel group entities are pooled in, to fund high cost long-term projects that help build Human capital and create lasting impact on the society. Accordingly, during the year under review, a Section 8 Company in the name of Dr Subhash Chandra Foundation was established at Essel Group level and the Company had contributed an amount of **Rs.16,00,000 (Rupees Sixteen Lakhs)** to the said foundation towards Group's Educational infrastructure development project at Hisar, Haryana. The Report on CSR activities is given at Annexed to the Directors' Report.

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.

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 2016-2017, your Board met 6 (six) times details of which are available in Corporate Governance Report annexed to this report.

Mr. Ajey Kumar, 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 with all his earlier terms and conditions of appointment remaining same. A resolution to the effect is placed in the Notice for the ensuing Annual General Meeting for consideration / approval of the members for your consideration and approval.

The information as required to be disclosed under the Listing Regulations in case of re-appointment of the director is provided in Report on Corporate Governance annexed to this report and in the notice of the ensuing Annual General Meeting.

The shareholders at the 6th Annual General Meeting of the Company approved the appointment of Dr. Sangeeta Pandit, Mr. Surjit Banga and Dr. Manish Agarwal, Independent Directors of the Company vide Special resolution for a second term of three (3) years effective from December 1, 2016, April 1, 2017 and April 1, 2017 respectively.

The disclosure in pursuance of Schedule V to the Companies Act, 2013 and SEBI Listing Regulation pertaining to the remuneration, incentives etc. to the Directors is given in the Corporate Governance Report.

Subsequent to resignation of Mr. KVS Seshasai from the post of Chief Executive Officer with effect from February 1, 2016, Mr. Debshankar Mukhopadhyay has joined the Company w.e.f. July 1, 2016.

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.

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 2017-18 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 V V & Associates, Cost Auditor having Firm Registration No. 000515 to audit the cost accounts of the Company for the financial year 2017-18.

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.

ix. Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.

c) Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.

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

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)	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.
	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	

FOREIGN EXCHANGE EARNING AND OUTGO:

During the year under review, there were no Foreign Exchange Earnings and the particulars of Foreign Exchange out go is given in Note no. 36 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.

CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. Important factors that could affect the company's operations include significant political and / or economic environment in India, tax laws, litigations, interest and other costs.

For and on behalf of the Board

Place: Mumbai
Date: April 25, 2017

Surjit Banga
Director

Sangeeta Pandit
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, 2017

(₹ in lakhs)

Name of the Subsidiary	Digital Ventures Private Limited	Academia Edificio Private Limited	Liberium Global Resources Private Limited
Share capital	511.00	0.10	0.10
Reserves & surplus	19,641.36	(0.62)	(0.09)
Total assets	67,445.97	0.33	(0.01)
Total Liabilities	47,293.61	0.86	-
Investments	-	-	-
Turnover	1,818.11	-	-
Profit before taxation	34.42	(0.22)	(0.09)
Provision for taxation	-	-	-
Profit after taxation	34.42	(0.22)	(0.09)
Proposed Dividend	-	-	-
% of shareholding	100%	100%	100%

Notes:

1. Liberium Global Resources Private Limited, a newly formed wholly owned subsidiary, incorporated on March 27, 2017 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 : April 25, 2017

Surjit Banga Director

Sangeeta Pandit Director

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR activities at Zee Learn are carried out as per the CSR Policy with primary focus on Education, Health Care, Women Empowerment and Sports.
2) The Composition of the CSR Committee.	1. Mr. Surjit Banga, Independent Director (Chairman) 2. Mr. Himanshu Mody, Non Executive Director 3. Dr. Sangeeta Pandit, Independent Director
3) Average net profit of the company for last three financial years (Amount in Crores)	Rs. 7.79 Crores
4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Amount in lakhs)	Rs. 15.58 Lakhs
5) Details of CSR spent during the financial year:	
(1) Total amount to be spent for the Financial Year	Rs. 16 Lakhs
(2) Amount unspent , if any;	Not Applicable
(3) Manner in which the amount spent during the financial year :	The manner in which the amount is spent is detailed as under:

(₹ in lakhs)

1	2	3	4	5	6	7
CSR Project or Activity identified	**Sector in which the Project is covered**	**Projects or programs** **(1) Local area or other** **(2) Specify the state and district where projects or programs was undertaken**	**Amount outlay** **(budget) project or programs wise**	**Amount spent on the projects or programs** **(1) Direct Expenditure on projects orprograms** **(2) Overhead**	**Amount spent on the projects or programs** **(1) Direct Expenditure on projects orprograms** **(2) Overhead**	**Amount spent: Direct or through implementingagency**
Promotion of Education	Education	Hisar, State-Haryana	16.00	16.00	16.00	Implementing Agency - Dr. Subhash Chandra Foundation (DSC Foundation). Amount utilised towards Girl's School at Hisar and Education City Project.

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 2016-17.

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 2016-17.

For and on behalf of the Board

Place : Mumbai
Date : April 25, 2017

Surjit Banga
Director

Sangeeta Pandit
Director

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 lakhs)	% 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					
Himanshu Mody	NIL	NIL	NIL	NA	NA
Surjit Banga[$]	3.60	20%	0.6:1	NA	NA
Manish Agarwal[$]	3.60	20%	0.6:1	NA	NA
Sangeeta Pandit[$]	3.60	20%	0.6:1	NA	NA
Executive Director Ajey Kumar	242.01[~]	NA	NA	1.50%	6.86%[@]
Key Managerial Personnel					
Debshankar Mukhopadhyay* - CEO	40.44	NA	NA	0.25%	1.15%
Umesh Pradhan - CFO	56.53[**]	14.03%[#]	NA	0.35%	1.60%
Hemangi Patil - CS[##]	13.24	29.04%	NA	0.08%	0.38%

$ Independent Directors remuneration represents Commission and excludes Sitting Fees.

~ Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOP's during the year

@ Executive Director is currently working in the capacity of Professional Director and hence, to that extent, is not governed by the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

** Debshankar Mukhopadhyay joined the company w.e.f. July 01, 2016.*

*** Amount includes Rs 6.99 lakhs perquisite on account of exercise of ESOP's during the year.*

 # % excludes perquisite on account of exercise of ESOP's.

Hemangi Patil left the company on June 09, 2017.

Sr. No	Requirements	Disclosure
1	The Percentage increase in median remuneration of employees in Financial Year	9.2 %
2	Number of permanent employees on the rolls of the Company	272 (As on March 31, 2017)
3	The explanation on the relationship between average increase in remuneration and Company's performance	The average increment of 7.30% 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 0.68% of turnover and 3.1% 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	**Particulars** / **Market Capitalization (₹ in lakhs)** / **Price Earnings Ratio** 31.03.2017 / 1,55,513 / 42.65 31.03.2016 / 98,570 / 65.35 Change % / 57.77% / (22.70%) Note – During FY 2016-17 the Company had allotted 20,88,126 Equity Shares under ESOP Scheme and therefore % change in Market Capiatalization and Price Earning Ratio will not be comparable.
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	The Equity Shares of the Company were listed w.e.f. December 20, 2010 pursuant to a scheme of arrangement. The Company has not come out with any public offer and therefore, comparative details are not applicable.
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 7.3% while the average increase in managerial remuneration during the year was 14%
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 Top 10 Employees whose remuneration exceeded Rs. 1.02 crore per annum or Rs. 8.50 lakhs per month during FY 2016-17

1. Employed throughout the year and in receipt of remuneration aggregating Rs. 1.02 crore or more per annum

There are no employees who are employed throughout the year and in receipt of remuneration aggregating to Rs. 1.02 crore or more per annum.

2. Employed part of the year and in receipt of remuneration aggregating Rs. 8.5 lakhs or more per month.

There are no employees who are employed for the part of the year and were in receipt of remuneration aggregating Rs. 8.50 lakhs or more per month.

For and on behalf of the Board

Place: Mumbai
Date: April 25, 2017

Surjit Banga Director

Sangeeta Pandit 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, however such applicable limits will not apply to Executive Directors working in the capacity of Professional Directors, to that extent.

Executive Members of the Board including the Managing Director, if any, shall be employed under service contracts for a period not exceeding 5 (five) 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 & Compensation 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 & Compensation 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.

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[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)	M/S Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai- 400083 Tel No: +91-22-49186000 Fax No: +91-22-49186060 Email : rnt.helpdesk@linkintime.co.in

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:-

Sl 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

Sl 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)
3	Liberium Global Resources Private Limited 18th Floor, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400013. CIN U74999MH2017PTC293021	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	59.51	19,07,66,475	0	19,07,66,475	59.12	-0.39
	Sub-total (A) (1):-	**19,14,95,564**	**0**	**19,14,95,564**	**59.74**	**19,14,95,564**	**0**	**19,14,95,564**	**59.35**	**-0.39**
(2)	**Foreign**									
	Bodies Corp.	57,97,315	0	57,97,315	1.81	57,97,315	0	57,97,315	1.80	-0.01
	Sub-total (A) (2):-	**57,97,315**	**0**	**57,97,315**	**1.81**	**57,97,315**	**0**	**57,97,315**	**1.80**	**-0.01**
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**19,72,92,879**	**0**	**19,72,92,879**	**61.55**	**19,72,92,879**	**0**	**19,72,92,879**	**61.15**	**-0.40**
B.	**Public Shareholding**									
(1).	**Institutions**									
	Mutual Funds	0	274	274	0.00	5,80,000	274	5,80,274	0.18	0.18
	Banks / FI	62,080	0	62,080	0.02	66,370	0	66,370	0.02	0
	Insurance Companies									
	FIIs									
	Foreign Portfolio Investors	7,19,50,268	3,013	7,19,53,281	22.45	6,43,60,493	3,013	6,43,63,506	19.95	-2.50
	Sub-total (B)(1):-	**7,20,12,348**	**3,287**	**7,20,15,635**	**22.47**	**6,50,06,863**	**3,287**	**6,50,10,150**	**20.15**	**-2.32**
(2).	**Non-Institutions**									
a)	Bodies Corp.									
	Indian	1,00,40,963	0	1,00,40,963	3.13	55,96,112	0	55,96,112	1.73	-1.40
b)	Individuals									
	Individual shareholders holding nominal share capital upto Rs. 1 Lac	98,07,687	1,03,160	99,10,847	3.09	1,55,70,217	1,00,174	1,56,70,391	4.86	1.77
	Individual Shareholders holding nominal share capital in excess of Rs. 1 lac	21,35,833	0	21,35,833	0.67	70,83,588	0	70,83,588	2.20	1.53
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	24,960	274	25,234	0.00	0.00
	Trusts	88	0	88	0.00	88	0	88	0.00	0.00
	Non Resident Indians	4,05,240	1,09,849	5,15,089	0.16	1,239,415	107,657	1,347,072	0.42	0.26
	HUF	422,919	0	422,919	0.13	908,014	0	908,014	0.28	0.15
	Other Directors	197,500	0	197,500	0.062	330,945	0	330,945	0.10	0.04
	Clearing Member	499,835	0	4,999,835	0.16	1,868,015	0	186,801	0.58	0.42
	Sub-total (B)(2):-	**2,35,22,688**	**2,13,283**	**2,37,35,971**	**7.40**	**3,26,21,477**	**2,08,105**	**3,28,29,582**	**10.17**	**2.77**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**9,55,35,036**	**2,16,570**	**9,57,51,606**	**29.87**	**9,76,28,340**	**2,11,392**	**9,78,39,726**	**30.32**	**-0.45**
C.	Shares held by Custodian for GDRs	2,75,09,770	0	2,75,09,770	8.58	2,75,09,770	0	2,75,09,770	8.53	-0.05
	Grand Total (A+B+C)	**32,03,37,685**	**2,16,570**	**32,05,54,255**	**100.00**	**32,24,30,989**	**2,11,392**	**32,26,42,381**	**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

Sl No	Name of Promoter	Shareholding at the beginning of the year i.e., April 1, 2016			Shareholding at the end of the year i.e., March 31, 2017			% 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	19.68	16.20	6,30,52,512	19.55	10.84	-0.13
2	Jayneer Capital Private Limited	7,79,75,375	24.33	17.51	7,79,75,375	24.17	17.86	-0.16
3	Essel Media Ventures Private Limited	1,28,61,036	4.01	0.00	1,28,61,036	3.99	0.00	-0.02
4	Sprit Textiles Private Limited	1,11,03,864	3.46	1.87	1,11,03,864	3.44	1.55	-0.02
5	Ganjam Trading Company Private Limited	49,49,506	1.54	0.00	49,49,506	1.53	0.00	-0.01
6	Veena Investment Private Limited	34,49,013	1.08	0.00	34,49,013	1.07	0.00	-0.01
7	Essel Infraprojects Limited	17,52,286	0.55	0.00	17,52,286	0.54	0.00	-0.01
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	1.80	0.00	-0.01
10	Jayneer Enterprises LLP	1,50,00,000	4.68	4.15	1,50,00,000	4.65	3.66	-0.03
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**	**61.55**	**36.95**	**19,72,92,879**	**61.15**	**33.91**	**0.40**

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	61.55%	-	-
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	61.15%

** 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	#	80,76,298	2.52	NA	NA
Religare Finvest Limited	#	49,78,486	1.55	NA	NA
Prism Commodeal Private Limited	#	10,70,937	0.33	NA	NA
Driehaus Emerging Markets Small Cap Growth Fund, A Series of Driehaus Mutual Funds	#	21,52,599	0.67	NA	NA
Morgan Stanely Asia (Singapore) – PTE	$	97,09,528	3.03	1,24,93,704	3.87
Vittoria Fund -Sr, L.P.- Asia Portfolio	$	44,21,500	1.38	38,01,500	1.18
Polus Global Fund	$	1,36,70,000	4.26	1,24,26,429	3.85
Swiss Finance Corporation (Mauritius) Limited	$	2,55,89,415	7.98	2,55,89,415	7.93
Copthall Mauritius Investment Limited	$	82,10,585	2.56	82,10,585	2.54
Tarra Fund	@	NA	NA	12,99,000	0.40
Kalpesh Dayalbhai Vaghani	@	NA	NA	12,02,113	0.37
Yash Trade And Consultant Pvt Ltd	@	NA	NA	11,94,993	0.37
Dilipkumar Lakhi	@	NA	NA	10,34,439	0.32
OPG Securities Private Limited	@	NA	NA	813,500	0.25

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, 2016 and March 31, 2017*
   # denotes top 10 shareholders only as on April 1, 2016
   @ denotes top 10 shareholders only as on March 31, 2017
   NA denotes that the shareholder was not amongst top ten shareholders during relevant date

V) Change in 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, 2016 or at the end of the year i.e. March 31, 2017 or dealt in the Equity Shares of the Company during financial year ended March 31, 2017:

	Shareholding at the beginning of the year i.e. April 1, 2016		Changes			Cumulative shareholding during the year	
	No. of Shares	% of share Capital	Date	No. of Shares	Reason	No. of Shares	% of share Capital
Mr. Ajey Kumar Executive Director	-	-	27.01.2017	100,000	ESOP Allotment	100,000	
			27.01.2017	7,730	Market Sale	92,270	
			30.01.2017	55,658	Market Sale	36,612	
			31.01.2017	36,612	Market Sale	-	
			07.02.2017	200,000	ESOP Allotment	200,000	
			07.02.2017	47,000	Market Sale	153,000	
			08.02.2017	13,433	Market Sale	139,567	
			09.02.2017	56,460	Market Sale	83,107	
			10.02.2017	83,107	Market Sale	-	
			17.02.2017	300,000	ESOP Allotment	300,000	
			17.02.2017	65,186	Market Sale	234,814	
			20.02.2017	113,949	Market Sale	120,865	

	Shareholding at the beginning of the year i.e. April 1, 2016		Changes			Cumulative shareholding during the year	
	No. of Shares	% of share Capital	Date	No. of Shares	Reason	No. of Shares	% of share Capital
Mr. Ajey Kumar Executive Director	-	-	21.02.2017	11,921	Market Sale	108,944	
			23.02.2017	9,684	Market Sale	99,260	
			27.02.2017	7,967	Market Sale	91,293	
			28.02.2017	89,192	Market Sale	2,101	
			01.03.2017	2,101	Market Sale	-	
			03.03.2017	250,000	ESOP Allotment	250,000	
			03.03.2017	31,000	Market Sale	219,000	
			06.03.2017	39,935	Market Sale	179,065	
			07.03.2017	150,000	ESOP Allotment	329,065	
			07.03.2017	55,224	Market Sale	273,841	
			08.03.2017	2,961	Market Sale	270,880	
			09.03.2017	42,001	Market Sale	228,879	
			10.03.2017	50,707	Market Sale	178,172	
			14.03.2017	30,256	Market Sale	147,916	
			15.03.2017	10,785	Market Sale	137,131	
			16.03.2017	175,000	ESOP Allotment	312,131	
			17.03.2017	14,268	Market Sale	297,863	
			20.03.2017	59,712	Market Sale	238,151	
			21.03.2017	216,152	Market Sale	21,999	
			23.03.2017	3,000	Market Sale	18,999	
			27.03.2017	215,000	ESOP Allotment	233,999	
			27.03.2017	92,748	Market Sale	141,251	
			28.03.2017	33,502	Market Sale	107,749	
			29.03.2017	136,000	ESOP Allotment	243,749	
			29.03.2017	10,949	Market Sale	232,800	
			30.03.2017	104,991	Market Sale	127,809	
			31.03.2017	100,000	ESOP Allotment	227,809	
			31.03.2017	103,364	Market Sale	124,445	0.04
Mr. Himanshu Mody *Non-Executive Director*	80,500	0.02	-	-	-	80,500	0.02
Mr. Surjit Banga *Independent Director*	72,000	0.02	30.09.2016	4500	ESOP Allotment	4500 76500	0.02
Dr. Manish Agarwal *Independent Director*	45,000	0.01	30.09.2016	4,500	ESOP Allotment	4500 49500	0.02
Dr. Sangeeta Pandit *Independent Director*	-	-	-	-	-	-	-
Mr. Umesh Pradhan- *Chief Financial Officer*	-	-	11.11.2016	20000	ESOP	20,000	-
			18.11.2016	20000	Market Sale	-	-
			22.11.2016	25000	ESOP	25,000	-
			25.11.2016	25000	Market Sale	-	-
Ms. Hemangi Patil *Company Secretary*	-	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ in lakhs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY i.e., April 1, 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**
Change in Indebtness during the Financial Year				
• Addition	57.61	1,096.44	-	1,154.05
• Reduction	(1,085.11)	(2,490.01)	-	(3,575.12)
Net Change	**(1,027.50)**	**(1,393.57)**	**-**	**(2,421.07)**
Indebtedness at the end of FY i.e., March 31, 2017				
i) Principal Amount;	10,140.00	970.91	-	11,110.91
ii) Interest due but not paid;	-	-	-	-
iii) Interest accrued but not due	57.61	196.44	-	254.05
Total (i+ii+iii)	**10,197.61**	**1,167.35**	**-**	**11,364.96**

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Particulars of Remuneration	Paid to Executive Director and Manager
Gross Salary (As per Income Tax Act)	**242.01**
Salary	-
Perquisites	242.01 ~
Profits in lieu of salary	-
Total Stock Options Granted	72,49,194 shares
Stock Options Exercised during FY	16,26,000 shares
Sweat Equity	-
Commission as % of Profit	-
Others (contribution to Provident Fund)	-
Total (A)	**242.01**
Ceiling as per the Act	10% of Profits as per Section 198 of the Companies Act, 2013. @

~ Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOP's during the year.

@ Executive Director is currently working in the capacity of Professional Director and hence is not governed, to that extent, by the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Note: Mr.Umesh Pradhan is appointed as Manager of the Company for a period of three years w.e.f. April 1, 2016, without being paid any remuneration as Manager. However, he draws remuneration as Chief Financial Officer of the Company.

B. Remuneration to other Directors

(₹ in lakhs)

Name of Directors	Sitting Fees	Commission	Others	Total
Independent Directors				
Surjit Banga	5.00	3.60	-	8.60
Dr. Manish Agarwal	3.00	3.60	-	6.60
Dr. Sangeeta Pandit	3.60	3.60	-	7.20
Total	**11.60**	**10.80**	**-**	**22.40**
Overall Ceiling as per Act	1% of Net Profits as per Section 198 of the Companies Act, 2013			

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

(₹)

Particulars of Remuneration	Key Managerial Personnel			
	Debshankar Mukhopadhyay* CEO	**Umesh Pradhan** CFO	**Hemangi Patil #** Company Secretary	**Total**
Gross Salary (As per Income Tax Act)	3,876,068	5,444,062	1,269,309	10,589,439
Salary	3,876,068	4,745,062	1,269,309	9,890,439
Perquisites	-	699,000**	-	699,000
Profits in lieu of salary	-	-	-	-
Total Stock Options Granted	50,000	65,000	11,100	126,100
Stock Options Exercised during FY	-	45,000	-	45,000
Sweat Equity	-	-	-	-
Commission	-	-	-	-
Others (Contribution to Provident Fund)	167,940	209,040	55,476	432,456
Total	**4,044,008**	**5,653,102**	**1,324,785**	**11,021,895**

* *Debshankar Mukhopadhyay joined the Company w.e.f July 1, 2016*

** *Represents value of perquisites calculated upon exercise of ESOP's during the year*

*Hemangi Patil left the Company on June 9, 2017*

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: None

For and on behalf of the Board

Place: Mumbai
Date: April 25, 2017

Surjit Banga Director

Sangeeta Pandit Director

FORM NO MR-3

SECRETARIAL AUDIT REPORT

For the financial Year ended March 31, 2017

To,

The Members,
Zee Learn Limited

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, 2017** 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 here in after:

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, 2017 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 Borrowing's;
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 and amendments from time to time.
(d) 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;
(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

vi. Other acts

(a) Employee Provident Fund and Miscellaneous Provisions Act, 1952
(b) Employee State Insurance Act, 1948
(c) Employees Liability Act, 1938
(d) Employees Remuneration Act, 1938
(e) Maternity Benefits Act, 1961
(f) Minimum wages Act, 1948
(g) Payment of Bonus Act, 1965
(h) Payment of Gratuity Act 1972
(i) Payment of Wages Act, 1936 and other applicable Laws
(j) Bombay Shop Establishments Act, 1948

We have relied on the representation made by the Company, its officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in point vi.

I have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the Audit period under review, based on the said verifications and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned herein above.

I further report that:

a) The Board of Directors of the Company is duly constituted. During the Audit period the Independent Directors Mr. Surjit Banga, Dr. Manish Agarwal and Dr. Sangeeta Pandit were Re-appointed for Second Term in Annual general meeting held on 19th September 2016 .
b) Mr Debshankar Mukhopadhyay was appointed as CEO of company w.e.f from 1st July, 2016.
c) 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 (THEAL). However, taking note of the various media reports on THEAL closing down hundred of its playgroup centers ("Tree House"), many parents filing police complaints against Tree House and its Promoters and coupled with the fact that THEAL's financial position was steadily deteriorating, in order to protect the interest of the shareholders of your Company, the Board of Directors of the Company on December 16, 2016 withdrawn the merger process with THEAL.
d) The Company has declared 1st Interim Dividend on 21st October, 2016.
e) Wholly owned subsidiary 'Liberium Global Resources Pvt Ltd' was formed for Manpower & Training business on 27th March, 2017.
f) The Company had decided to conduct postal ballot, duly passed in its Board meeting held on January 12, 2017 and due to certain reasons the postal ballot was not conducted and the same was noted in the next board meeting dated 30th March 2017.
g) 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.
h) Decisions at the Board Meetings, as represented by the management and recorded in the minutes, were generally unanimous.

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.

MITA SANGHAVI

FCS No.7205
CP No. 6364

Date: April 25, 2017

Place: Mumbai
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: Mumbai
Date : April 25, 2017

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, 2017.

Debshankar Mukhopadhyay
Chief Executive Officer
Mumbai, April 1, 2017

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, 2017

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, 11 (eleven) meetings of the Board were held April 29, 2016, May 13, 2016, May 30, 2016, June 1, 2016, June 27, 2016, July 7, 2016, August 16, 2016, October 21, 2016, December 16, 2016, January 12, 2017 and March 30, 2017. 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 2016-17 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, 2017 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 11 Meetings)	6th AGM held on September 19, 2016	Member	Chairman	Member	Chairman
Non- Executive Chairman						
Mr. Himanshu Mody	9	Yes	8	-	1	-
Executive Director						
Mr. Ajey Kumar	9	No	-	-	-	-
Non- Executive Independent Director						
Mr. Surjit Banga	11	Yes	2	-	3	1
Dr. Manish Agarwal	8	No	-	-	-	-
Dr. Sangeeta Pandit	10	Yes	4	-	4	1

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.

Name of Director	Mr. Ajey Kumar
Director Identification Number	02278096
Date of Birth	09/10/1971
Qualifications	Engineer and MBA
Specialised Expertise	Strategy, Business Leadership, Turnarounds and Startups
No. of Shares held in the Company	124445
Directorships in other Companies	Nil
Committee positions held	Nil

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:

Name of Director	Audit Committe	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
No. of Meetings held	6	5	2	3
Directors attendance				
Mr. Himanshu Mody	5	3	2	1
Mr. Surjit Banga	6	5	2	3
Dr. Manish Agarwal	3	4	N.A.	N.A.
Dr. Sangeeta Pandit	5	N.A.	N.A.	3

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

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 March 30, 2017 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, 2017, the Audit Committee of the Board comprises of four (4) Directors, including Mr. Surjit Banga, Independent Director as Chairman and Mr. Himanshu Mody, Non-Executive Director; Dr. Sangeeta Pandit, Independent Director; and Dr. Manish Agarwal, Independent Director as Members of the Audit Committee.

During the year under review, six (6) meetings of the Audit Committee were held on April 29, 2016, May 13, 2016, July 7, 2016, August 16, 2016, October 21, 2016, and January 12, 2017.

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, 2017, 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 5 (Five) times on June 27, 2016, July 25, 2016, August 13, 2016, September 30, 2016 and on October 21, 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 is appointed as an Executive Director of the Company without any remuneration but he is 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. Accordingly, he has been granted 8,46,214 Stock Options at then market price of Rs. 34.15 during the year under review.

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 paid to Non-Executive Directors of the Company during financial year 2016-17 is as detailed herein:

Name of Director	Commission	Sitting Fees	Total
Mr. Surjit Banga *Independent Director*	3,60,000	5,00,000	8,60,000
Dr. Manish Agarwal *Independent Director*	3,60,000	3,00,000	6,60,000
Dr. Sangeeta Pandit *Independent Director*	3,60,000	3,60,000	7,20,000
Total	**10,80,000**	**11,60,000**	**22,40,000**

In addition to this, the Directors were earlier 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, 2017, are as under:

	No. of Stock Options granted at							
Name of Director	Rs. 26.05	Rs.14.50	Rs. 20.85	Rs. 35.25	Rs. 31.80	Rs. 34.15	Options Vested	Options Exercised
Mr. Himanshu Mody *Non-Executive Director*	28,000	32,500	40,000	40,000	NA	1,50,000	1,34,500	80,500
Mr. Ajey Kumar *Executive Director*	NA	NA	NA	NA	64,02,980	8,46,214	32,01,490	16,26,000
Mr. Surjit Banga *Independent Director*	30,000	30,000	30,000	NA	NA	NA	90,000	90,000
Dr. Manish Agarwal *Independent Director*	30,000	30,000	30,000	NA	NA	NA	90,000	90,000

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, 2017, 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 two (2) times on November 4, 2016 and November 18, 2016.

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.

Details of number of requests/complaints received and resolved during the year ended March 31, 2017, are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	-	-	-
Non-receipt of Annual Report	-	-	-
Non-receipt of Shares	**1**	**1**	
Letter from Stock Exchange/ROC/SEBI	**7**	**7**	-
Total	**8**	**8**	**-**

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, 2017, the Committee comprises of Mr. Himanshu Mody, Non Executive Director, Mr. Debshankar Mukhopadhyay, Chief Executive Officer, 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 / 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-today 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.

GENERAL MEETINGS

The Seventh Annual General Meeting of the Company for the financial year 2016-17 will be held on Thursday, September 28, 2017 at 4.00 p.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

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Year	Day and Time	Special Resolutions passed	Venue
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.
2015-2016	Monday, Sept.19,2016 at 11.00 a.m.	Re-appointment of Dr. Sangeeta Pandit as Independent Director for second term.	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
		Re-appointment of Dr. Manish Agarwal as Independent Director for second term	
		Re-appointment of Mr.Surjit Banga as Independent Director for second term.	
		Re-appointment of Mr. Umesh Pradhan as Manager of the Company for a period of 3 (three) years w.e.f. April 1, 2016	
		Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered office of the Company	

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

No Postal Ballot during financial year 2016-17.

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, Luxemborg Stock Exchange. The required information is provided in Shareholders Information Section.

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 of
Zee Learn Limited

We have examined the compliance of conditions of Corporate Governance by **Zee Learn Limited** ('the Company'), for the year ended 31 March 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 25 April 2017

Shareholders' Information

1.	**Date, Time and Venue of Shareholder's Meeting**	Meeting : Seventh Annual General Meeting Day & Date : Thursday, September 28, 2017 Time : 4.00 p.m. Venue : 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
2.	**Financial Year**	April 1, 2016 till March 31, 2017
	First Quarterly Results	On or before 14th August, 2017
	Second Quarterly Results	On or before 14th November, 2017
	Third Quarterly Results	On or before 14th February, 2018
	Forth Quarterly Results	On or before 31th May, 2018
3.	**Date of Book Closure**	From Thursday, September 21, 2017 to Thursday, September 28, 2017
4.	**Dividend Payment Date**	Interim Dividend @ Re.0.05 – Paid on November 18, 2016 Final Dividend @ Re.0.05 – to be paid on or after September 30, 2017
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
6.	**Corporate Identity No.**	L80301MH2010PLC198405
7.	**Listing on Stock Exchanges**	**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 **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, 2017, 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
Goregoan (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-16	$4.7630	$4.4050	$4.5735
May-16	$4.8530	$4.0640	$4.2654
Jun-16	$4.3240	$3.9750	$4.1647
July-16	$4.8130	$4.2540	$4.5487
Aug-16	$5.6760	$4.4800	$4.9437
Sep-16	$5.7600	$5.1080	$5.5203
Oct-16	$5.9140	$5.2910	$5.5709
Nov-16	$6.0420	$4.8510	$5.4801
Dec-16	$6.1820	$5.5790	$5.8980
Jan-17	$6.8410	$5.8560	$6.5625
Feb-17	$7.2190	$6.6620	$6.9033
Mar-17	$7.7220	$6.8150	$7.1681

11. Registrar & Share Transfer Agent

Link Intime India Private Limited (w.e.f. July 1, 2016)
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai- 400083 Tel No: +91-22-49186000
Fax No: +91-22-49186060
Email id: rnt.helpdesk@linkintime.co.in

12. Investor Relations Officer

The Company Secretary
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@zeelearn.com

13. Listing Fee:

Company has paid the Annual Listing fees for the Financial Year 2017-18 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 2017 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.

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15. Share Transfer System

Equity Shares sent for physical transfer or for dematerialisation are generally registered and returned within a period of 15 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, 2017, 99.93% of the equity shares of the Company is held by 79,713 Equity Shareholders in dematerialized form and the balance 0.07% is held by 948 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, 2016	220	39,701
Fresh undelivered cases during the Financial Year 2016-2017	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2017	1	274
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2017	1	274
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	219	39,427

The voting rights on the Equity shares outstanding in the suspense account as on March 31, 2017 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, 2017.

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 ₹ 10/- each to ₹ 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
Allotment under ESOP	49,106	01.09.2016
Allotment under ESOP	78,906	26.09.2016
Allotment under ESOP	51,248	08.11.2016
Allotment under ESOP	45,000	18.11.2016

Allotment under ESOP	7,606	19.12.2016
Allotment under ESOP	64,025	16.01.2017
Allotment under ESOP	1,21,269	27.01.2016
Allotment under ESOP	2,49,993	07.02.2017
Allotment under ESOP	3,14,650	17.02.2017
Allotment under ESOP	24,723	20.02.2017
Allotment under ESOP	2,64,825	03.03.2017
Allotment under ESOP	1,58,525	07.03.2017
Allotment under ESOP	1,96,650	16.03.2017
Allotment under ESOP	2,17,250	27.03.2017
Allotment under ESOP	1,37,500	29.03.2017
Allotment under ESOP	1,06,850	31.03.2017
Issue & Paid-up Capital as on 31.03.2017	**32,26,42,381**	

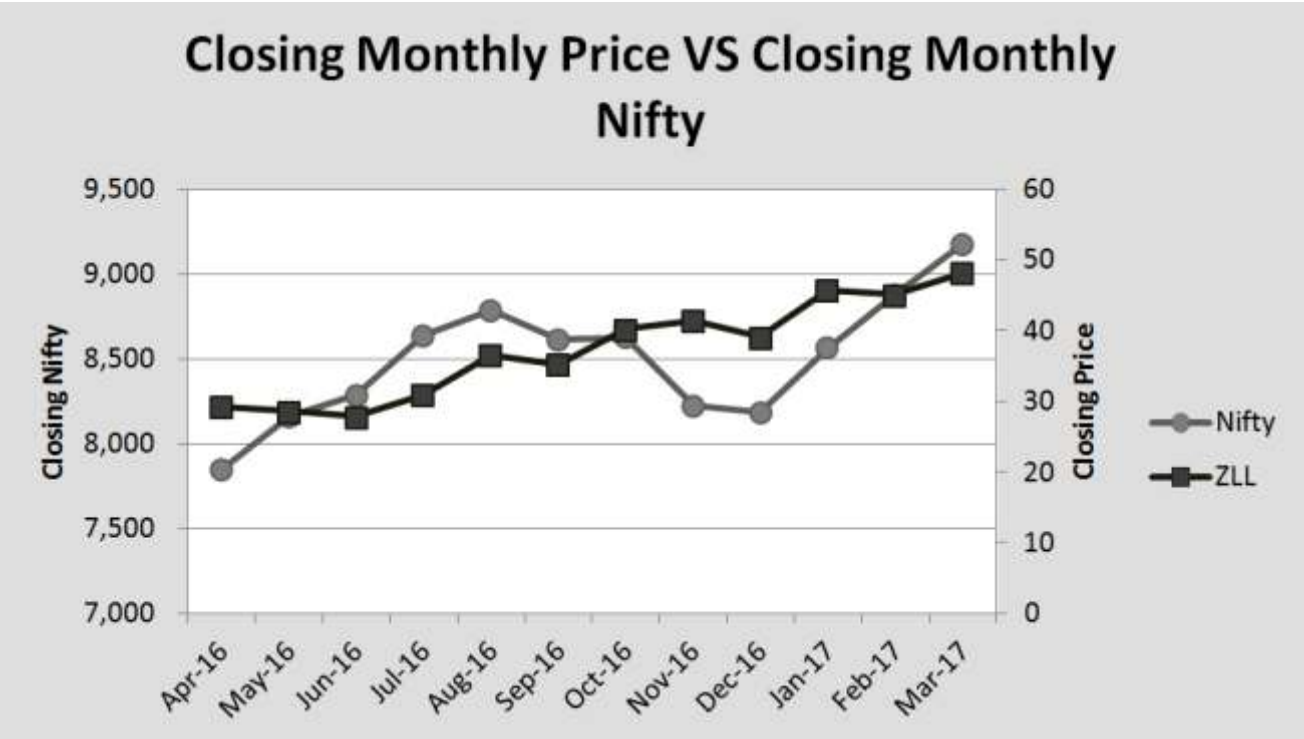
21. Stock Market Data Relating to Shares Listed in India

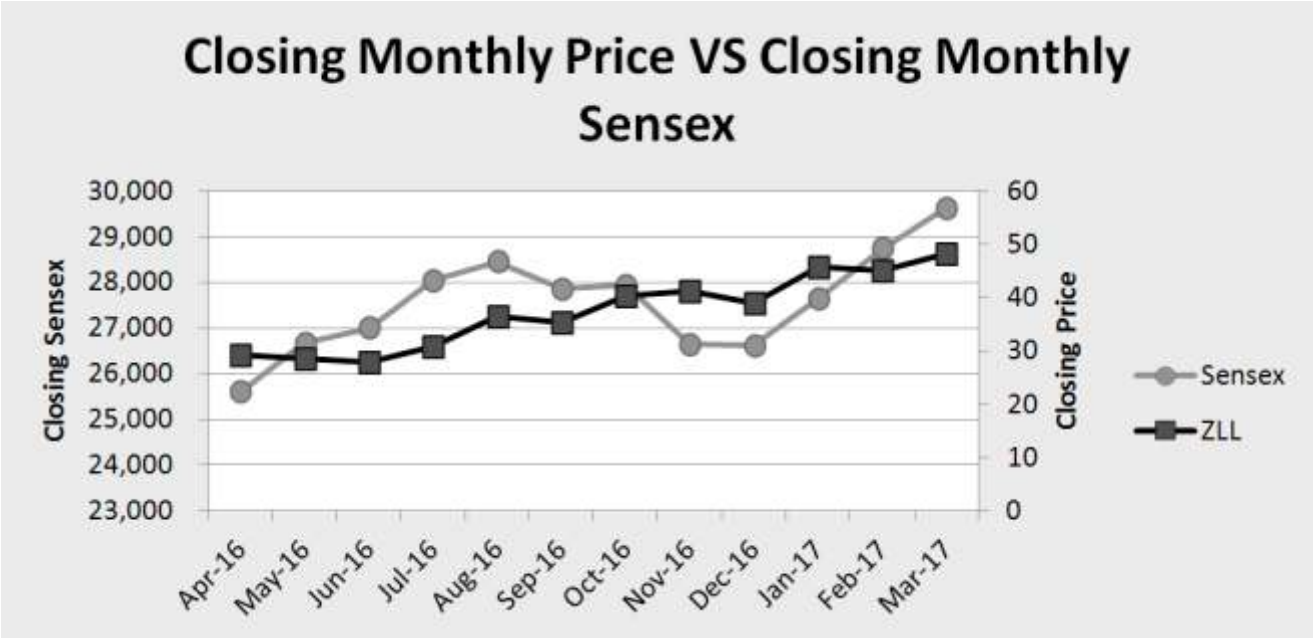
Monthly high and low quotations and volume of Equity Shares traded on BSE and NSE for the financial year 2016 - 2017:

Months	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April 2016	31.85	29.00	26,32,121	31.90	29.10	56,51,336
May 2016	33.60	26.70	19,46,241	33.50	26.70	84,09,047
June 2016	31.00	26.50	10,90,965	31.00	26.50	53,28,250
July 2016	34.10	27.85	26,56,266	34.20	27.75	1,14,61,290
August 2016	40.00	29.70	28,01,658	39.80	29.60	1,56,74,002
September 2016	41.40	33.35	13,71,043	41.70	33.40	71,95,097
October 2016	40.55	35.00	20,48,542	40.50	34.80	95,44,128
November 2016	41.90	32.00	10,67,049	41.90	31.00	70,82,942
December 2016	42.55	37.75	8,46,391	42.60	37.75	61,33,667
January 2017	49.30	38.75	25,52,382	49.30	38.70	1,45,61,241
February 2017	50.10	44.15	39,67,931	50.25	44.15	1,79,69,147
March 2017	51.35	44.00	26,64,521	51.10	44.70	1,36,76,631

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

ZEE LEARN LIMITED



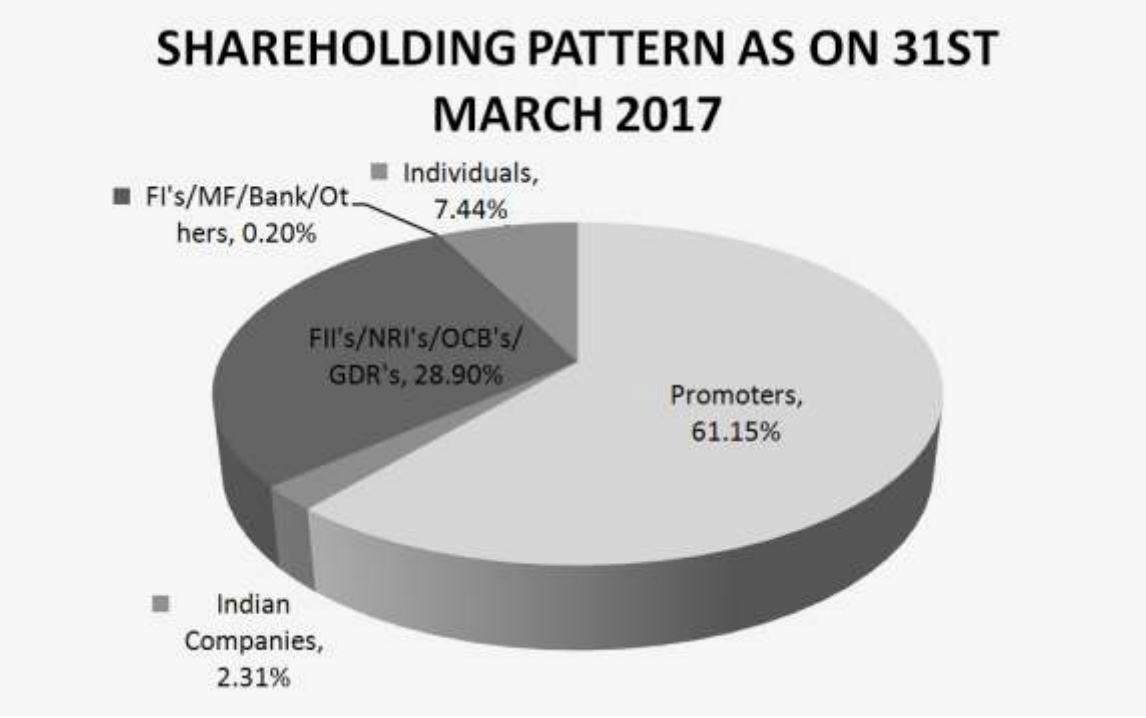


23. Distribution of Shareholding as on March 31, 2017

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 500	76,852	94.52	35,13,249	1.09
501 - 1000	2,135	2.63	18,01,711	0.56
1001 - 2000	952	1.17	14,86,645	0.46
2001 - 3000	382	0.47	9,85,349	0.30
3001 - 4000	155	0.19	5,67,027	0.18
4001 - 5000	207	0.25	1,00,0461	0.31
5001 -10000	274	0.34	21,44,885	0.66
10001 and Above	353	0.43	31,11,43,054	96.44
Total	**81,310**	**100.00**	**32,26,42,381**	**100.00**

24. Categories of Equity Shareholders as on March 31, 2017

Category	March 31, 2017	
	% of shareholding	No. of shares held
Promoters	61.15	19,72,92,879
Individuals	7.44	2,39,92,938
FIs/MF/Banks/Others	0.20	6,46,644
FIIs/ NRIs/OCBs/GDRs	28.90	9,32,45,705
Indian Companies	2.31	74,64,215
Total	**100.00**	**32,26,42,381**



25. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2017

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Jayneer Capital Private Limited	7,79,75,375	24.17
2	Asian Satellite Broadcast Private Limited	6,30,52,512	19.55
3	Essel Media Ventures Private Limited	1,28,61,036	3.99
4	Sprit Textiles Private Limited	1,11,03,864	3.44
5	Ganjam Trading Company Private Limited	49,49,506	1.53
6	Veena Investment Private Limited	34,49,013	1.07
7	Essel Infraprojects Limited	17,52,286	0.54
8	Ambience Business Services Private Limited	6,22,883	0.19
9	Essel Holdings Limited	57,97,315	1.80
10	Jayneer Enterprises LLP	1,50,00,000	4.65
11	Ashok Mathai Kurien	5,59,089	0.17
12	Sushila Goel	1,70,000	0.05
Total		**19,72,92,879**	**61.15**

b) Top ten (10) Public Shareholding as on March 31, 2017

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Swiss Finance Corporation (Mauritius) Limited	2,55,89,415	7.93
2	Morgan Stanely Asia (Singapore) - PTE	1,24,93,704	3.87
3	Polus Global Fund	1,24,26,429	3.85
4	Copthall Mauritius Investment Limited	82,10,585	2.54
5	Vittoria Fund -Sr, L.P.- Asia Portfolio	38,01,500	1.18
6	Tarra Fund	12,99,000	0.40
7	Kalpesh Dayalbhai Vaghani	12,02,113	0.37
8	Yash Trade and Consultant Pvt Ltd	11,94,993	0.37
9	Dilipkumar Lakhi	10,34,439	0.32
10	OPG Securities Private Limited	8,13,500	0.25
	Total	**6,80,65,678**	**21.08**

Certification on Financial Statements of the Company

We, **Debshankar Mukhopadhyay**, Chief Executive officer and **Umesh Pradhan**, Chief Financial Officer of Zee Learn Limited ('the Company'), certify that:

(1) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and that to the best of our 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.

(2) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017 are fraudulent, illegal or violative to the Company's Code of Conduct.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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 we are aware and steps taken or proposed to be taken to rectify these deficiencies.

(4) We have indicated to the auditors and the Audit Committee that suring 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 we are 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, April 25, 2017

Debshankar Mukhopadhyay	**Umesh Pradhan**
Chief Executive Officer	Chief Financial Officer

Essel GROUP

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 2017, 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 (herein after referred to as "standalone financial statements").

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 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 and Companies (Accounting Standards) Amendment Rules, 2016. 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 standalone 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. While conducting the 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 of the standalone financial statements 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 standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 2017 and its profit and its cash flows for the year ended on that date.

5. 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 ("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 and Companies (Accounting Standards) Amendment Rules, 2016.;

e) On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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.

iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 35 to the standalone financial statements.

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

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 25 April 2017

Annexure - A to the Independent Auditor's Report

Annexure referred to in Paragraph 5(I) under "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2017.

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management during the year which in our opinion, 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, in respect of loans/guarantees given, investments made and securities provided by it.

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 pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts 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 2017 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./lakhs)	Period to which the amount relate	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax (including interest) Value Added Tax - Penalty	74.64 46.55	F.Y. 2005-2006 F.Y. 2005-2006	Assistant Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Value Added Tax	43.10	F.Y. 2010-2011	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	49.95	F.Y. 2005-2006	Assistant Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	99.32	F.Y. 2010-2011	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	74.55	F.Y. 2011-2012	Deputy Commissioner of Sales Tax
Central Excise Act,1944	Service tax Service Tax - Penalty	1.79 0.10	F.Y. 2011-2012 F.Y. 2011-2012	Deputy commissioner of service tax
Central Excise Act,1944	Service tax Service Tax - Penalty	2.95 0.10	F.Y. 2012-2013 F.Y. 2012-2013	Assistant Commissioner of service tax
Central Excise Act,1944	Service tax Service Tax - Penalty	9.04 1.00	F.Y. 2012-2013 F.Y. 2012-2013	Additional Commissioner of Service tax
Central Excise Act,1944	Service tax Service Tax - Penalty	57.87 57.97	F.Y.2009-2010 to F.Y. 2011-2012	Additional Commissioner of Service tax
Central Excise Act,1944	Service tax Service Tax - Penalty	21.66 21.66	F.Y. 2007-2008 to F.Y. 2010-2011	Additional Commissioner of Service tax
Central Excise Act,1944	Service tax- Show Cause cum Demand Notice	553.88	F.Y. 2011-2012 to F.Y. 2014-2015	Additional Director General
The Income Tax Act, 1961	Income Tax	16.51	F.Y. 2010-2011	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 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 standalone 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, 25 April 2017

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 5(II)(f) under "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2017.

We have audited the internal financial controls over financial reporting of **Zee Learn Limited** ("the Company") as of 31 March 2017 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 2017, 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, 25 April 2017

Balance Sheet as at 31 March 2017

(₹ lakhs)

	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	3,226.42	3,205.54
Reserves and surplus	4	25,917.03	21,868.54
		29,143.45	25,074.08
Non-current liabilities			
Long-term borrowings	5	9,100.00	10,140.00
Other long-term liabilities	6	1,443.08	756.66
Long-term provisions	7	152.69	144.35
		10,695.77	11,041.01
Current liabilities			
Short-term borrowings	8	1,167.35	2,560.92
Trade payables	9	1,241.11	920.59
Other current liabilities	9	6,734.51	4,996.39
Short-term provisions	7	538.28	77.42
		9,681.25	8,555.32
Total		**49,520.47**	**44,670.41**
ASSETS			
Non-current assets			
Property, plant and equipments	10	120.33	160.15
Intangible assets	10	515.01	282.72
Capital work-in-progress	10	20.02	20.02
Intangible assets under development	10	15.35	507.56
		670.71	970.45
Non-current investments	11	34,497.30	24,925.20
Deferred tax assets	12	442.65	-
Long-term loans and advances	13	7,246.42	846.54
Other non-current assets	14	908.33	50.16
		43,765.41	26,792.35
Current assets			
Current investments	15	630.52	10,525.22
Inventories	16	1,365.55	1,093.60
Trade receivables	17	929.31	779.03
Cash and bank balances	18	1,553.11	965.13
Short-term loans and advances	13	784.47	2,608.81
Other current assets	14	492.10	1,906.27
		5,755.06	17,878.06
Total		**49,520.47**	**44,670.41**

Notes forming part of the financial statements 1 - 43

As per our attached report of even date

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

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 25 April 2017

For and on behalf of the Board

Surjit Banga
Director

Sangeeta Pandit
Director

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2017

(₹ lakhs)

	Note	2017	2016
Revenue			
Revenue from operations	19	16,123.04	13,924.65
Other income	20	758.24	337.65
Total		**16,881.28**	**14,262.30**
Expenses			
Operational cost	21	3,537.77	3,896.07
Employee benefits expense	22	2,495.77	2,508.60
Finance costs	23	1,446.81	1,438.51
Depreciation and amortization expenses	24	395.37	568.21
Other expenses	25	5,478.07	4,344.05
Total		**13,353.79**	**12,755.44**
Profit before tax		**3,527.49**	**1,506.86**
Less: Tax expense			
Current tax- current year		765.26	120.00
Deferred tax		(442.65)	-
MAT Credit entitlement		(429.00)	(120.00)
Net Profit after tax		**3,633.88**	**1,506.86**
Earnings per share (face value ₹ 1 each)	42		
Basic		1.13	0.47
Diluted		1.13	0.47

Notes forming part of the financial statements 1-43

As per our attached report of even date

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

Sanjay Kothari
Partner
Membership Number 048215

For and on behalf of the Board

Surjit Banga
Director

Sangeeta Pandit
Director

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place : Mumbai
Date : 25 April 2017

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, Mount Litera World Preschool, Zee Institute of Media Arts (ZIMA), Zee Institute of Creative Arts (ZICA) and E - Learning Online Education and Testing.

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 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, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses for the year. Actual results could differ from these estimates. Any revision to such accounting estimate is recognized prospectively in current and future periods.

c Property, plant and equipments

(i) Property, plant and equipments are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs 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 property, plant and equipments 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 property, plant and equipments/intangible assets

Depreciable amount for property, plant and equipments / intangible fixed assets is cost of an asset, or other amount substituted for cost less its estimated residual value.

(i) Depreciation on property, plant and equipments except Freehold land which is stated at cost 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 useful lives estimated by management 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 or 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 and as per agreed terms.
   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 as and 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)**

	2017	2016
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		
322,642,381 (320,554,255) Equity Shares of ₹ 1/- each fully paid up	3,226.42	3,205.54
Total	**3,226.42**	**3,205.54**

a) Reconciliation of number of Equity shares and Share capital

	2017		2016	
	Number of equity shares	₹ lakhs	Number of equity shares	₹ lakhs
At the beginning of the year	320,554,255	3,205.54	320,001,097	3,200.01
Add : Allotted on exercise of Employee Stock Option (Refer (e) below)	2,088,126	20.88	553,158	5.53
Outstanding at the end of the year	**322,642,381**	**3,226.42**	**320,554,255**	**3,205.54**

Notes forming part of the Financial Statements

a) 650 (650), 10.40% Rated, Unlisted, Secured, Redeemable Non- Convertible Debentures of ₹/lakhs 10.00 each fully paid up aggregating to ₹/lakhs 6500.00, are issued for a period of 5 years and 3 months from the date of allotment. Debentures will be redeemed on 08 July 2020 in single tranche. 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 Bank ₹/lakhs 3,640.00 (₹/lakhs 4,680.00) 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.

6 Other long-term liabilities

(₹ lakhs)

	2017	2016
Unearned revenue	92.20	81.77
Deposits from customers	10.00	10.00
Interest accrued but not due on debentures	1,340.88	664.89
Total	**1,443.08**	**756.66**

7 Provisions

(₹ lakhs)

	Long - Term		Short - Term	
	2017	2016	2017	2016
Provision for employee benefits				
- Gratuity	106.33	96.51	13.47	10.25
- Leave benefits	46.36	47.84	14.92	5.08
Others				
- Provision for litigation	-	-	65.00	27.13
- Provision for taxation (net of advances)	-		444.89	34.96
Total	**152.69**	**144.35**	**538.28**	**77.42**

8 Short-term borrowings

(₹ lakhs)

	2017	2016
Intercorporate deposits - Unsecured* [(including interest ₹/Lakhs 196.44 (₹/Lakhs 128.92)]	1,167.35	2,560.92
Total	**1,167.35**	**2,560.92**

* The loan carries Interest @12.5% p.a and is repayable on or before 31 March 2018 as per revised terms.

Notes forming part of the Financial Statements

9 Current liabilities **(₹ lakhs)**

	2017	2016
Trade payables	1,241.11	920.59
	1,241.11	**920.59**
Other current liabilities		
Current maturities of long-term borrowings - term loan (Refer Note 5)	1,040.00	1,040.00
Interest accrued and due on borrowings	57.61	45.11
Unearned revenue	1,367.71	1,369.55
Deposits from customers	2.00	2.00
Advance received from customers	1,475.72	1,182.60
Statutory dues payable	183.71	96.30
Cheques overdrawn	739.47	-
Employee benefits payable	81.40	10.00
Other payables	1,786.89	1,250.83
	6,734.51	**4,996.39**
Total	**7,975.62**	**5,916.98**

Notes forming part of the Financial Statements

10. (₹ lakhs)

Description	Gross Block				Depreciation / Amortization				Net Block	
	As at 01 April 2016	Additions	Deductions	As at 31 March 2017	Up to 31 March 2016	For the year	Deductions	Up to 31 March 2017	As at 31 March 2017	As at 31 March 2016
Property, plant and equipments										
Freehold Land (Refer note below)	5.85	-	-	5.85	-	-	-	-	5.85	5.85
Leasehold Improvements	277.18	-	-	277.18	257.86	14.41	-	272.27	4.91	19.32
Equipments	151.83	1.96	-	153.79	115.07	18.68	-	133.75	20.04	36.76
Computers	424.24	24.19	2.53	445.90	350.79	28.43	2.41	376.81	69.09	73.45
Furniture and Fixtures	59.88	0.33	-	60.21	35.11	4.66	-	39.77	20.44	24.77
Total	**918.98**	**26.48**	**2.53**	**942.93**	**758.83**	**66.18**	**2.41**	**822.60**	**120.33**	**160.15**
Previous year	867.68	51.30	-	918.98	648.83	110.00	-	758.83	160.15	
Intangibles										
Content Development	1,467.05	556.09	-	2,023.14	1,229.80	297.93	-	1,527.73	495.41	237.25
Software	482.98	5.40	-	488.38	437.51	31.27	-	468.78	19.60	45.47
Total	**1,950.03**	**561.49**	**-**	**2,511.52**	**1,667.31**	**329.20**	**-**	**1,996.51**	**515.01**	**282.72**
Previous year	1,933.20	16.83	-	1,950.03	1,209.10	458.21	-	1,667.31	282.72	
Capital work-in-progress									**20.02**	**20.02**
Intangible assets under development									**15.35**	**507.56**

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

Notes forming part of the Financial Statements

11 Non-current investments (valued at cost, unless stated otherwise)

(₹ lakhs)

	2017	2016
[A] Trade investments - Unquoted		
(i) Equity shares in wholly owned subsidiaries		
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 (1,000) Equity shares of ₹ 10/- each of Academia Edificio Private Limited	0.10	0.10
1,000 (Nil) Equity shares of ₹ 10/- each of Liberium Global Resources 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 15)	-	(9,572.00)
(iii) Convertible debentures of wholly owned subsidiary company		
14,324,045 (14,324,045) 0.01 %, Compulsorily Convertible Debentures of ₹ 100/- each of Digital Ventures Private Limited (Refer Note c below)	14,324.05	14,324.05
[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**	**34,497.30**	**24,925.20**

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 of ₹ 10/- each will be redeemable on 31 March, 2022 at a premium of ₹ 10,705/- per share as per revised terms.

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.

12 Deferred tax assets

(₹ lakhs)

	2017	2016
The components of deferred tax balances as at 31 March 2017 are as under:		
Arising on account of -		
Employee retirement benefits	62.67	-
Provision for doubtful debts	26.02	-
Depreciation and amortisation	353.96	-
Deferred Tax Assets	**442.65**	**-**

Notes forming part of the Financial Statements

13 Loans and advances (unsecured)

(₹ lakhs)

	Long-Term		Short-Term	
	2017	2016	2017	2016
Deposits				
- others	238.70	287.87	45.51	191.40
- related parties	80.00	80.00	-	-
	318.70	367.87	45.51	191.40
Less: Provision for doubtful deposits	-	-	-	-
	318.70	367.87	45.51	191.40
Loans and advances to wholly owned subsidiary companies	6,900.00	-	0.60	2,161.25
Other advances				
- considered good	-	-	62.20	130.99
- considered doubtful	33.71	33.71	-	-
	33.71	33.71	62.20	130.99
Less: Provision for doubtful advances	33.71	33.71	-	-
	-	-	62.20	130.99
Minimum alternate tax credit entitlement	-	120.00	556.52	-
Prepaid expenses	1.44	1.06	76.28	34.99
Balance with government authorities				
- Advance direct taxes (net of provisions)	7.28	338.61	-	-
- Advance indirect taxes	19.00	19.00	43.36	90.18
Total	**7,246.42**	**846.54**	**784.47**	**2,608.81**

14 Other assets

(₹ lakhs)

	Non-Current		Current	
	2017	2016	2017	2016
Balances with banks - in deposit account (Refer Note 18)	1.90	1.40	-	-
Interest accrued - on bank deposits	2.18	0.14	17.11	35.73
- on Debentures - Wholly owned subsidiary	1.29	2.10	-	-
- on ICD - Wholly owned subsidiary	459.96	46.52	-	-
Premium on redemption of preference Shares- wholly owned subsidiary	443.00	-	-	303.00
Dividend receivable- Wholly owned subsidiary	-	-	0.01	0.02
Claims receivable (refer note 39)	-	-	474.98	1,416.61
Other receivables	-	-	-	150.91
Total	**908.33**	**50.16**	**492.10**	**1,906.27**

Notes forming part of the Financial Statements

15 Current investments

(₹ lakhs)

		2017	2016
Trade investments			
(i) Preference shares in wholly owned subsidiary company - Unquoted			
100,000(100,000) 0.1%, Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Digital Ventures Private Limited (Refer note 11)		-	9,572.00
(ii) Others - Investments in mutual funds- Quoted *			
63,011 (45,062) units of Axis Liquid Fund -Direct Plan-Daily Dividend Reinvestment of face value of ₹ 1,000 each		630.52	450.91
Nil (50,197) units of Reliance Liquidity Fund- Direct Plan-Daily Dividend Plan of face value of ₹ 1,000 each		-	502.31
(All the above securities are fully paid up)	**Total**	**630.52**	**10,525.22**

* Net Asset Value of quoted investments as at 31 March 2017 is ₹ /Lakh 630.52 (₹ /Lakh 953.22)

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

(₹ lakhs)

		2017	2016
Educational goods and equipments		1,365.55	1,093.60
	Total	**1,365.55**	**1,093.60**

17 Trade receivables (unsecured)

(₹ lakhs)

	2017	2016
Over six months		
- considered good	577.98	406.14
- considered doubtful	75.19	-
Others		
- considered good	351.33	372.89
- considered doubtful	-	-
	1,004.50	779.03
Less: Provision for doubtful debts	75.19	-
Total	**929.31**	**779.03**

Notes forming part of the Financial Statements

18 Cash and bank balances

(₹ lakhs)

	Non-Current		Current	
	2017	2016	2017	2016
Cash and cash equivalents				
Balances with banks in current accounts	-	-	614.84	697.96
Cheques in hand	-	-	724.63	-
Cash in hand	-	-	0.15	0.07
	-	-	1,339.62	698.03
Other bank balances				
Balances with banks *-				
- in deposits accounts	-	-	213.49	267.10
- in deposits accounts with banks maturity more than 12 months	1.90	1.40	-	-
Amount disclosed under the head "Other assets" (Refer Note 14)	(1.90)	(1.40)	-	-
Total	**-**	**-**	**1,553.11**	**965.13**

* Pledged/Lien for Term Loan/debentures ₹/lakhs 103.39 (₹/lakhs 157.00), Lien for Government authorities ₹/lakhs 0.50 (₹/lakhs 0.50) Lien for others ₹/lakhs 111.50 (₹/lakhs 111.00)

19 Revenue from operations

(₹ lakhs)

		2017	2016
Sales	- Educational goods and equipments	8,866.24	7,776.17
	- Television content	-	58.29
Services	- Education and other services		
	- Course fees/Royalty	5,508.13	4,786.95
	- Franchisee fees	1,649.03	1,248.67
	- Others	38.03	15.76
Other operating revenue		61.61	38.81
	Total	**16,123.04**	**13,924.65**

20 Other income

(₹ lakhs)

	2017	2016
Interest income on		
- bank deposits	25.34	29.32
- Debentures - wholly owned subsidiary	1.43	1.40
- ICD - wholly owned subsidiary	459.37	51.69
- ICD - others	7.71	-
- others	49.07	8.64
Dividend on		
- Mutual funds	47.49	24.87
- Preference shares - wholly owned subsidiary	0.01	0.01
Premium on redemption of Preference shares - wholly onwned subsidiary	140.00	140.00
Gain on exchange difference (net)	-	1.38
Liabilities/excess provision written back (net)	27.82	80.34
Total	**758.24**	**337.65**

Notes forming part of the Financial Statements

21 Operational cost

(₹ lakhs)

	2017	2016
a) Educational goods and equipments		
Opening	1,093.60	2,741.09
Add: Purchases	3,481.57	3,312.32
	4,575.17	6,053.41
Less: Closing	1,365.55	1,093.60
Less : Loss by fire	-	1,416.61
	3,209.62	**3,543.20**
b) Television content		
Opening	-	-
Add: Commissioned/Acquisition	-	52.99
	-	52.99
Less: Closing	-	-
	-	**52.99**
c) Other educational operating expenses	328.15	299.88
Total	**3,537.77**	**3,896.07**

22 Employee benefits expense

(₹ lakhs)

	2017	2016
Salaries and allowances	2,359.87	2,347.83
Contribution to provident and other funds	78.27	79.67
Training and recruitment cost	29.07	38.96
Staff welfare expenses	28.56	42.14
Total	**2,495.77**	**2,508.60**

23 Finance costs

(₹ lakhs)

	2017	2016
Interest - Borrowings	1,416.68	1,406.34
- Others	27.78	18.26
Bank and other financial charges	2.35	13.91
Total	**1,446.81**	**1,438.51**

24 Depreciation and amortization expenses

(₹ lakhs)

	2017	2016
Depreciation on property, plant and equipments	66.18	110.00
Amortisation on intangible assets	329.20	458.21
Total	**395.37**	**568.21**

Notes forming part of the Financial Statements

25 Other expenses

(₹ lakhs)

	2017	2016
Rent	265.91	290.05
Repairs and maintenance - others	239.01	272.15
Insurance	20.56	17.90
Rates and taxes	31.45	58.01
Electricity and water charges	36.49	45.64
Communication expenses	137.76	145.82
Printing and stationery	58.35	41.80
Travelling and conveyance expenses	562.02	665.86
Legal and professional charges	846.10	535.26
Payment to auditors (Refer Note 37)	26.70	18.09
Freight and packing charges	1,081.59	865.83
Directors sitting fees	11.60	7.20
Bad debts / advances written off	12.46	730.89
Provision for doubtful debts (net)	75.19	(726.03)
Marketing, advertisement and publicity expenses	884.35	1,228.74
Inventory lost by fire (Refer Note 39)	941.63	-
CSR expenditure	16.00	-
Miscellaneous expenses	230.90	146.84
Total	**5,478.07**	**4,344.05**

26 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)

	2017	2016
Lease rental charges for the year	396.89	412.52
Future lease rental obligation payable (under non-cancellable lease)		
Not later than one year	239.01	21.31
Later than one year but not later than five years	241.60	-

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 Executive Director and Manager is as under :

(₹ lakhs)

	2017	2016
	(Refer note b & c below)	(Refer note c below)
Salary and allowances (Refer note a below)	-	41.69
Provident fund contributions	-	1.90
Perquisites	242.01	-
Total	**242.01**	**43.59**

Notes :

a) 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.

b) Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOPs during the year.

c) Mr. Umesh Pradhan, Chief Financial Officer, has been reappointed with effect from 01 April 2016, as Manager of the Company without any remuneration. He draws salary from the company as the CFO and not as the Manager.

Notes forming part of the Financial Statements

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.

(₹ lakhs)

		Gratuity (Non Funded)	
		2017	2016
I.	**Expenses recognized during the year**		
	1 Current Service Cost	30.54	30.22
	2 Interest Cost	7.99	7.28
	3 Actuarial Losses / (Gains)	(11.69)	(10.56)
	Total Expenses	**26.84**	**26.94**
II.	**Net Asset/(Liability) recognized in the Balance sheet as at 31 March 2017**		
	1. Present value of defined benefit obligation	119.80	106.76
	2. Net Asset / (Liability)	(119.80)	(106.76)
III.	**Reconciliation of net asset/(Liability) recognized in the Balance sheet as at 31 March 2017**		
	1 Net Asset/(Liability) at the beginning of year	(106.76)	(104.60)
	2 Expense as per I above	(26.84)	(26.94)
	3 Employer contribution	13.80	24.78
	4 Net Asset/(Liability) at the end of the year	(119.80)	(106.76)
IV.	**Actuarial assumptions:**		
	1 Discount rate	6.84%	8.00%
	2 Expected rate of salary increase	6.00%	6.00%
	3 Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
V	**Amount recognised in current year and previous five years**	**Defined Benefit Obligation**	**Actuarial Losses / (Gains)**
	2017	119.80	(11.69)
	2016	106.76	(10.56)
	2015	104.60	(31.26)
	2014	99.29	(11.74)
	2013	78.18	(18.77)

Notes:

(a) Amounts recognized as an expense and included in the Note 22: "Employee benefits expense" are Gratuity ₹/lakhs 26.84 (₹/lakhs 26.94) and Leave benefits ₹/lakhs 31.04 (₹/lakhs 23.18)

(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 22 "Employee benefits expense" of the Statement of Profit and Loss.

Notes forming part of the Financial Statements

29 Related party transactions

(I) List of parties where control exists

Subsidiary company-wholly owned

Digital Ventures Private Limited
Academia Edificio Private Limited
Liberium Global Resources Private Limited (Incorporated on 27 March 2017)

(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, Diligent Media Corporation Limited, Essel Business Excellence Services Private Limited, Himgiri Zee University, Pan India Network Infravest Private Limited, Pri-Media Services Private Limited, Taleem Research Foundation, Zee Entertainment Enterprises Limited, Dr Subhash Chandra Foundation.

A) Transactions with related parties **(₹ lakhs)**

	2017	2016
Short- term borrowings	**950.00**	**3,831.00**
Other related parties		
Asian Satellite Broadcast Private Limited	950.00	3,831.00
Repayment of short- term borrowings	**2,540.00**	**4,335.91**
Other related parties		
Asian Satellite Broadcast Private Limited	2,540.00	4,335.91
Interest expense	**218.27**	**151.29**
Other related parties		
Asian Satellite Broadcast Private Limited	218.27	151.29
Loans, advances and deposits given	**6,178.28**	**2,461.25**
Subsidiary company		
Digital Ventures Private Limited	6,178.02	2,461.00
Academia Edificio Private Limited	0.26	0.25
Loans, advances and deposits given repaid	**1,439.02**	**300.00**
Subsidiary company		
Digital Ventures Private Limited	1,439.02	300.00
Investment in compulsorily convertible debentures	**-**	**1,275.18**
Subsidiary company		
Digital Ventures Private Limited	-	1,275.18
Investment in equity share capital	**0.10**	**0.10**
Subsidiary company		
Academia Edificio Private Limited	-	0.10
Liberium Global Resources Private Limited	0.10	-
Sales and services	**2.93**	**69.64**
Subsidiary company		
Digital Ventures Private Limited	2.93	-
Other related parties		
Zee Entertainment Enterprises Limited	-	63.04
Himgiri Zee University	-	6.60

Notes forming part of the Financial Statements

(₹ lakhs)

	2017	2016
Sale of fixed assets	**0.13**	**-**
Other related parties		
Essel Business Excellence Services Private Limited	0.13	-
Other income	**600.81**	**193.10**
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	140.00
Interest on compulsorily convertible debentures		
Subsidiary company		
Digital Ventures Private Limited	1.43	1.40
Interest on intercorporate deposits		
Subsidiary company		
Digital Ventures Private Limited	459.34	51.69
Academia Edificio Private Limited	0.03	-
Purchase of material	**140.03**	**28.79**
Other related parties		
Pri-Media Services Private Limited	140.03	28.79
Purchase of services	**245.98**	**183.97**
Other related parties		
Pan India Network Infravest Private Limited	12.37	17.86
Zee Entertainment Enterprises Limited	65.44	49.38
Diligent Media Corporation Limited.	0.92	3.08
Dr Subhash Chandra Foundation	16.00	-
Essel Business Excellence Services Private Limited	151.25	113.65
Reimbursement of expenses	**0.09**	**15.99**
Subsidiary company		
Liberium Global Resources Private Limited	0.09	-
Other related parties		
Taleem Research Foundation	-	15.99

Notes forming part of the Financial Statements

B) Balances outstanding as at 31 March (₹ lakhs)

	2017	2016
Short- term borrowing	**1,167.35**	**2,560.92**
Other related parties		
Asian Satellite Broadcast Private Limited	1,167.35	2,560.92
Investment	**34,497.25**	**34,497.15**
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	14,324.05
Equity shares of Academia Edificio Private Limited	0.10	0.10
Equity shares of Liberium Global Resources Private Limited	0.10	-
Loans, advances and deposits given	**6,980.60**	**2,241.25**
Subsidiary company		
Digital Ventures Private Limited	6,900.00	2,161.00
Academia Edificio Private Limited	0.51	0.25
Liberium Global Resources Private Limited	0.09	-
Other related parties		
Essel Business Excellence Services Private Limited	80.00	80.00
Other assets	**904.26**	**351.64**
Subsidiary company		
Digital Ventures Private Limited		
- Premium on redemption of Preference Shares	443.00	303.00
- Dividend receivable on Preference shares	0.01	0.02
- Interest receivable	461.22	48.62
Academia Edificio Private Limited	0.03	-
Advance from customer	**1.15**	**-**
Other related parties		
Zee Entertainment Enterprises Limited	1.15	-
Trade receivables	**-**	**19.35**
Other related parties		
Zee Entertainment Enterprises Limited	-	1.91
Himgiri Zee University	-	17.44
Trade payables	**6.39**	**13.60**
Other related parties		
Pri-Media Services Private Limited	6.39	13.60
Other payables	**59.04**	**26.20**
Subsidiary company		
Liberium Global Resources Private Limited	0.10	-
Other related parties		
Pan India Network Infravest Private Limited	2.72	6.29
Zee Entertainment Enterprises Limited	42.02	13.43
Essel Business Excellence Services Private Limited	14.20	6.48

Notes forming part of the Financial Statements

	2017	2016
Guarantees given	**15,000.00**	**26,788.00**
Subsidiary		
Digital Ventures Private Limited	15,000.00	26,788.00
Guarantees received		
Other related parties	**5,300.00**	**5,300.00**
Zee Entertainment Enterprises Limited		
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 27.
2) During the year, 846,214 stock options granted to Executive Director of the Company.

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	
	2017	2016	2017	2016
Digital Ventures Private Limited	6,900.00	2,161.00	6,900.00	2,461.00
Academia Edificio Private Limited	0.51	0.25	0.51	0.25

(ii) Loanee 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	2016	Given	Repaid	2017
Wholly owned subsidiary company				
Digital Ventures Private Limited	2,161.00	6,178.02	1,439.02	6,900.00
Academia Edificio Private Limited	0.25	0.26	-	0.51
Total	**2,161.25**	**6,178.28**	**1,439.02**	**6,900.51**

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	2017	2016
To secure obligations of wholly owned Subsidiary - Guarantees to Banks	15,000.00	26,788.00
To secure obligations of others - Guarantees to Banks	16,000.00	-
Total	**31,000.00**	**26,788.00**

(iii) Securities given

The Company has given securities of ₹/Lakhs 5,406.51 (₹/Lakhs 5,406.51) 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 15

Notes forming part of the Financial Statements

31 (a) Contingent liabilities not provided for (₹ lakhs)

	2017	2016
(i) Claims against the company not acknowledged as debts *	76.91	126.17
(ii) Disputed direct tax	16.51	16.51
(iii) Disputed indirect taxes	1,138.13	402.76
(iv) Corporate guarantee to wholly owned subsidiary to the extent of loans availed/ outstanding ₹/lakhs 12,500.00 (₹/lakhs 24,918.00)	15,000.00	26,788.00
(iv) Corporate guarantee to others to the extent of loans availed/ outstanding ₹/lakhs 14,000.00 (₹ Nil)	16,000.00	-

* 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 had 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 had taken custody of the study materials. The Company had filed a case in Honourable 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 Honourable High Court and obtained the custody of materials/study materials through court process, during March. Further, the Company had filed a claim for damage and the matter is under arbitration.

(c) The Company has withdrawn the merger with Tree House Education and Accessories Limited (THEAL) and has reserved its rights for suitable actions against adverse allegations by THEAL.

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 0.87 (₹/lakhs 10.43)

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

33 Expenditure in foreign currency (₹ lakhs)

	2017	2016
a. Purchase of Television Content	-	46.06
b. Travelling expenses	0.72	2.98
c. Legal and Professional charges	25.41	24.22
d. Marketing, advertisement and publicity expenses	150.00	-

34 Remittances in foreign currency

	2017	2016
a. Net Dividend remitted (₹ in Lakhs)	0.03	-
b. Number of Shareholders (Numbers)	114	-
c Number of Equity Shares Held (Numbers)	51,666	-

Notes forming part of the Financial Statements

35 Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016

(₹ lakhs)

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08 .11.2016	0.50	0.10	0.60
Add : Permitted receipts	-	2.80	2.80
Less : Permitted payments	-	(1.14)	(1.14)
Less : Amount deposited in Banks	(0.50)	-	(0.50)
Closing cash in hand as on 30.12.2016	**-**	**1.76**	**1.76**

36 Foreign exchange

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March 2017 are as under:

(₹ lakhs)

	2017	2016
Payables	150.00	-

37 Payments to auditors

(₹ lakhs)

	2017	2016
Audit fees (including Limited review)	13.75	13.00
Tax audit fees	2.00	2.00
Tax representation	8.03	2.66
Certification and others	2.92	0.43
Total	**26.70**	**18.09**

38 Micro, small and medium enterprises

The Company has no dues to Micro, Small and Medium enterprises during the year ended 31 March 2017, on the basis of information provided by the parties and available on record.

39 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 ₹/Lakhs1,416.61 lacs got completely destroyed. As per the initial settlement of the claim by the insurance company, the difference of ₹/lakhs 941.63 loss claimed and the actual claim determined is shown in Statement of Profit and Loss during the year.

40 As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend ₹/lakhs 16.00 for the year against which ₹/lakhs 16.00 has been spent on activities specified in Schedule VII of the Companies Act, 2013.

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

Notes forming part of the Financial Statements

42 Earnings per share (EPS)

	2017	2016
a. Profit after Tax (₹/lakhs)	3,633.88	1,506.86
b. Weighted Average number of equity shares for Basic EPS (in numbers)	320,838,268	320,222,098
c. Weighted Average number of equity shares for Diluted EPS (in numbers)	322,700,506	320,933,987
d. Nominal value of equity shares (₹)	1	1
e. Basic EPS (₹)	1.13	0.47
f. Diluted EPS (₹)	1.13	0.47

43 Prior year comparatives

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

Essel GROUP

Cash Flow Statement for the year ended 31 March 2017

(₹ lakhs)

	2017	2016
A. Cash Flow from Operating Activities		
Profit/ (Loss) before tax	3,527.49	1,506.86
Adjustments for:		
Depreciation and Amortisation expenses	395.37	568.21
Interest Income	(542.92)	(91.06)
Dividend Income	(47.50)	(24.88)
Interest expense	1,444.46	1,424.60
Provision for doubtful debts (net)	75.19	(726.03)
Inventory lost by fire	941.63	
Operating Profit before Working Capital Changes	**5,793.73**	**2,657.70**
Adjustments for:		
Decrease / (Increase) in Inventories	(271.95)	1,647.49
Decrease / (Increase) in trade and other receivables	54.43	(919.51)
Increase / (Decrease) in trade and other payables	2,115.86	(828.65)
Cash Generated from Operations	**7,692.07**	**2,557.04**
Direct taxes paid (net)	(31.52)	(112.13)
Net Cash from Operating Activities (A)	**7,660.56**	**2,444.90**
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipment, intangible assets including Capital work in Progress and intangible under development	(95.77)	(237.05)
Sale of Property, plant and equipments including intagible assets	0.12	-
Interest received	146.86	50.49
Investments in bank deposits	53.61	103.83
Investments in bank deposits (having original maturity of more than 12 months)	(0.50)	158.96
Purchase of units of mutual fund	(179.61)	(953.22)
Redemption of units of mutual fund	549.81	402.00
Dividend Income	0.01	0.02
Investments in Compulsorily Convertible Debentures	-	(1,275.28)
Loan given to subsidiary	(4,739.45)	(2,161.00)
Net Cash used in Investing Activities (B)	**(4,264.92)**	**(3,911.25)**

Cash Flow Statement for the year ended 31 March 2017

(₹ lakhs)

	2017	2016
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital including securities premium	628.47	123.15
Proceeds from intercorporate deposits	950.00	3,838.24
Repayment of intercorporate deposits	(2,540.00)	(4,343.15)
Proceeds from long-term borrowings	-	6,500.00
Repayment of long-term borrowings	(1,040.00)	(3,916.00)
Interest paid	(559.54)	(659.51)
Interim Dividend paid	(192.98)	-
Net Cash from/(used in) Financing Activities (C)	**(2,754.06)**	**1,542.73**
Net Cash flow during the year (A+B+C)	**641.59**	**76.38**
Cash and cash equivalents at the beginning of the year	698.03	621.65
Net cash and cash equivalents	**1,339.62**	**698.03**
Add: Balances earmarked	213.49	267.10
Cash and Bank Balances at the end of the year	**1,553.11**	**965.13**

Notes

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

As per our attached report of even date

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

Sanjay Kothari
Partner
Membership Number 048215

For and on behalf of the Board

Surjit Banga
Director

Sangeeta Pandit
Director

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place : Mumbai
Date : 25 April 2017

Independent Auditor's Report

To,
The Members of
Zee Learn Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Zee Learn Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2017, 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").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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 prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 of consolidated financial statements 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 5 below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

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 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Other Matter

We did not audit the financial statements of one subsidiary company of the Group, whose financial statements reflect total assets of Rs. 67,445.97 lakhs as at 31 March 2017, total revenues of Rs. 1,818.11 lakhs and net cash outflows of Rs. 31.06 lakhs 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 by the management, and our opinion on consolidated financial statements 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 and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

6. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of the subsidiary company, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

b) 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;

c) 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;

d) 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 and Companies (Accounting Standards) Amendment Rules, 2016;

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 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 and the operating effectiveness of such controls, refer to our separate report in “Annexure A”, which is based on the auditor’s reports of the Holding company and its subsidiaries incorporated in India; 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii. The Group 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 Group.

iv. In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016, by the Holding Company, and its subsidiaries incorporated in India has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation, we report that, the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiaries incorporated in India and as produced to us by the Management and the reports of the other auditor - Refer Note 30 to the consolidated Ind AS financial statements

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

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 25 April 2017

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 6(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 2017.

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 2017 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.

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 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 2017, based on the internal control over financial reporting criteria established by the Holding 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)(If the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a 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, 25 April 2017

Consolidated Balance Sheet as at 31 March 2017

(₹ lakhs)

	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,226.42	3,205.54
Reserves and surplus	4	25,892.85	21,813.07
		29,119.27	25,018.61
Non-current liabilities			
Long-term borrowings	5(a)	21,412.50	34,599.50
Deferred Tax Liabilities	8(a)	9.01	9.01
Other long-term liabilities	6	13,335.36	756.66
Long-term provisions	7	155.11	148.55
		34,911.98	35,513.72
Current liabilities			
Short-term borrowings	5(b)	1,167.35	2,560.92
Trade payables	9	1,241.11	920.59
Other current liabilities	9	7,680.45	6,416.52
Short-term provisions	7	538.83	77.86
		10,627.74	9,975.89
Total		**74,658.99**	**70,508.22**
ASSETS			
Non-current assets			
Property, plant & equipment	10	11,270.24	9,902.52
Intangible assets	10	1,661.60	1,480.55
Capital work-in-progress	10	39,223.34	38,034.48
Intangible assets under development	10	9,255.35	9,747.56
		61,410.53	59,165.11
Non-current investments	11	0.05	0.05
Deferred tax assets	8(b)	442.65	-
Long-term loans and advances	12	2,192.98	2,445.26
Other non-current assets	13	522.79	656.59
		64,569.00	62,267.01
Current Assets			
Current investments	14	630.52	953.22
Inventories	15	1,365.55	1,093.60
Trade receivables	16	4,983.62	2,975.73
Cash and bank balances	17	1,707.47	1,150.33
Short-term loans and advances	12	910.73	465.08
Other current assets	13	492.10	1,603.25
		10,089.99	8,241.21
Total		**74,658.99**	**70,508.22**

Notes forming part of the consolidated financial statements 1-39

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

Surjit Banga
Chairman

Sangeeta Pandit
Director

Sanjay Kothari
Partner
Membership Number 048215

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place: Mumbai
Date: 25 April 2017

Essel GROUP

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(₹ lakhs)

	Note	2017	2016
Revenue			
Revenue from operations	18	17,891.33	15,156.58
Other income	19	204.32	198.22
Total		**18,095.65**	**15,354.80**
Expenses			
Operational cost	20	3,537.77	3,896.08
Employee benefits expense	21	2,497.01	2,509.06
Finance costs	22	1,898.83	1,997.59
Depreciation and amortization expenses	23	979.56	1,018.95
Other expenses	24	5,623.71	4,424.79
Total		**14,536.88**	**13,846.48**
Profit before tax		**3,558.77**	**1,508.32**
Less: Tax expense			
Current tax- current year		771.82	120.36
Deferred tax		(442.65)	-
MAT Credit entitlement		(435.55)	(120.36)
Profit after tax		**3,665.15**	**1,508.32**
Earnings per equity share (face value ₹ 1 each)	33		
Basic		1.14	0.47
Diluted		1.14	0.47

Notes forming part of the consolidated financial statements 1-39

As per our attached report of even date

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

Sanjay Kothari
Partner
Membership Number 048215

For and on behalf of the Board

Surjit Banga
Director

Sangeeta Pandit
Director

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

Place : Mumbai
Date : 25 April 2017

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, 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/aquisition of television content. The Group is also in the business of providing and servicing school infrastructure on long-term lease agreements.

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 Generally Accepted Accounting Principles in India (GAAP), including the Accounting Standards notified under the relevent 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 Priviate Limited, Academia Edificio Private Limited and Liberium Global Resources 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	100(100)	India
Academia Edificio Private Limited	100(100)	India
Liberium Global Resources Private Limited*	100(-)	India

* Acquired / incorporated during the year

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 Property, plant and equipment

(I) Property, plant and eqipment 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 property, plant and equipments and related expenses that are not yet ready for their intended use as 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, borowing 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 property, plant and equipment 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 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 Property, plant and equipment and intangible assets

(i) Depreciable amount for property, plant and equipment and intagible assets is cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on property, plant and equipment (except freehold land which is stated at cost) is provided on straight-line method as per the useful lives specified in Schedule II to the Companies Act, 2013. In case of a subsidiary, building constructed on leasehold land is provided considering useful life based on the balance lease period of the land :-

Building	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 except in case of a subsidiary where development rights for BKC are amortized over the balance lease period i.e.; 26 years.

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 expense in the year in which they arise.

I Revenue recognition

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

(i) Sales of 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 and as per the agreed terms.

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 agreeements.

(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 Group's right to receive dividend is established.

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 employee renders the service.

(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 group 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 except to the extent capitalised against on-going construction, 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 financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Consolidated Financial Statements

3 Share Capital

(₹ lakhs)

	2017	2016
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		
322,642,381 (320,554,255) Equity Shares of ₹ 1/- each fully paid up	3,226.42	3,205.54
Total	**3,226.42**	**3,205.54**

a) Reconciliation of number of Equity shares and Share capital

	2017		2016	
	Number of equity shares	₹ lakhs	Number of equity shares	₹ lakhs
At the beginning of the year	320,554,255	3,205.54	320,001,097	3,200.01
Add : Allotted on exercise of Employee Stock Option (Refer (e) below)	2,088,126	20.88	553,158	5.53
Outstanding at the end of the year	**322,642,381**	**3,226.42**	**320,554,255**	**3,205.54**

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 2017. Details of aggregate number of shares issued for consideration other than cash during the five years preceding 31 March 2017 is as under:

	2017	2016
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	2017		2016	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Jayneer Capital Private Limited	77,975,375	24.17%	77,975,375	24.33%
Asian Satellite Broadcast Private Limited	63,052,512	19.54%	63,052,512	19.67%
Deutsche Bank Trust Company Americas	27,509,770	8.53%	27,509,770	8.58%
Swiss Finance Corporation (Mauritius) Limited	25,589,415	7.93%	25,589,415	7.98%

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 (Shared Bases 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 and its subsidiary viz Digital Ventures Private Limited as amended in board resolution dated 30 September 2016 to the employees of the Company at the market price determined as per the SEBI (Shared Bases Employee Benefits) Regulations 2014. The said Scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year ended 31 March 2017 the Company issued 2,304,214 (6,402,980) 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 2,088,126 (553,158) options, equivalent number of equity shares were issued and allotted during the year ended 31 March 2017.

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 regulations.

Summary of stock options outstanding is as follows:

	2017	2016
Options outstanding at the		
- beginning of the year	8,250,736	3,317,773
- granted during the year	2,304,214	6,402,980
- lapsed during the year	330,191	916,859
- exercised during the year	2,088,126	553,158
Options outstanding at the end of the year	8,136,633	8,250,736

Notes forming part of the Consolidated Financial Statements

4 Reserves and Surplus

(₹ lakhs)

	2017	2016
Securities premium		
As per last Balance sheet	10,299.06	10,181.44
Add: On issue of Employees Stock Option Plan	607.59	117.62
	10,906.65	**10,299.06**
General reserve*		
As per last Balance sheet	13,971.80	13,971.80
Debenture redemption reserve		
As per last Balance sheet	-	-
Add: Transfer from statement of Profit and Loss	406.25	-
	406.25	**-**
Surplus/(Deficit) in the Statement of Profit and Loss		
As per last Balance sheet	(2,457.79)	(3,966.11)
Add : Profit for the year	3,665.15	1,508.32
Less : Appropriations		
Debenture Redemption Reserve	406.25	
Interim Equity Dividend	160.34	
Tax on Interim Equity Dividend	32.64	-
	608.15	**(2,457.79)**
Total	**25,892.85**	**21,813.07**

* Pursuant to the Scheme of Amalgamation, sanctioned by the Honourable 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 - secured

(₹ lakhs)

	Non-Current		Current	
	2017	2016	2017	2016
Debentures	6,500.00	6,500.00	-	-
Term loan from banks	14,912.50	28,099.50	1,227.50	1,498.50
	21,412.50	34,599.50	1,227.50	1,498.50
Less : Amount disclosed under the head "Other Current Liabilities" (Refer Note 9)		-	(1,227.50)	(1,498.50)
Total	**21,412.50**	**34,599.50**	**-**	**-**

a) 650 (650), 10.40% Rated, Unlisted, Secured, Redeemable Non- Convertible Debentures of ₹/lakhs 10.00 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 08 July 2020 in single tranche. 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 Bank ₹/lakhs 3,640.00 (₹/lakhs 4,680.00) 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 Bank ₹ Nil (₹ /lakhs 3,518.00) for two K-12 Schools is 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 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, including contracts or letter of credit, guarantee, performance bond provided by any party to the subsidiary company; pledge of shares of the 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 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.

d) Term loan of ₹ Nil (₹ /lakhs 8,900.00) is for three K-12 schools and sports complex is 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 and carries interest @2.75% p.a plus base rate viz., 12.75% p.a. The loan is repayable in 36 quarterly installments begining from 4th year i.e FY 2017 excluding 3 years construction period.

e) Term loan of ₹ /lakhs 10,000.00 (₹ /lakhs 10,000.00) is for BKC schools is 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) and Post dated cheque for principal installments and carries interest @2.65% p.a plus base rate viz., 12.90% p.a. The loan is repayable in 37 quarterly installments begining from 4th year i.e FY 2018 excluding 3 years construction period.

f) Term loan of ₹ /lakhs 2,500.00 (₹ /lakhs 2,500.00) is for BKC schools is 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) and Post dated cheque for principal installments 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.

Notes forming part of the Consolidated Financial Statements

5 (b) Short-term borrowings

(₹ lakhs)

	2017	2016
Intercorporate deposits - Unsecured* [(including interest ₹/Lakhs 196.44 (₹/Lakhs 128.92)]	1,167.35	2,560.92
Total	**1,167.35**	**2,560.92**

The loan carries Interest @12.5% p.a and is repayable on or before 31 March 2018 as per revised terms.

6 Other long-term liabilities

(₹ lakhs)

	2017	2016
Unearned revenue	92.20	81.77
Deposits from customers	10.00	10.00
Interest accrued but not due on debentures	1,340.89	664.89
Security deposit	11,892.27	-
	13,335.36	**756.66**

7 Provisions

(₹ lakhs)

	Long - Term		Short - Term	
	2017	2016	2017	2016
Provision for employee benefits				
- Gratuity	108.15	99.35	13.67	10.55
- Leave benefits	46.96	49.20	15.27	5.22
Others				
- Provision for litigation			65.00	27.13
- Provision for taxation (net of advances)			444.89	34.96
Total	**155.11**	**148.55**	**538.83**	**77.86**

8 Deferred tax assets / (liabilities)

Components of deferred tax balances is as under : **(₹ lakhs)**

	2017	2016
(a) Defered tax liability		
Depreciation	(9.01)	(9.01)
Deferred tax liability	**(9.01)**	**(9.01)**
(b) Defered tax asset		
Arising on account of timing differences in Employee retirement benefits	62.67	-
Provision for doubtful debts and advances	26.02	-
Depreciation	353.96	-
Deferred tax asset	**442.65**	**-**

9 Current liabilities

(₹ lakhs)

	2017	2016
Trade payables	1,241.11	920.59
	1,241.11	**920.59**
Other current liabilities		
Current maturities of long term borrowings (Refer Note 5 (a))	1,227.50	1,498.50
Interest accrued and due	57.61	45.11
Interest accrued but not due	103.62	161.07
Unearned revenue	1,367.69	1,369.55
Deposits from customers	2.00	2.00
Advance received from customers	1,475.72	1,182.60
Creditors for capital expenditure	413.88	580.26
Statutory dues payable	419.34	309.39
Creditors for expenses	1,792.22	1,258.05
Employee benefits payable	81.40	10.00
Cheques overdrawn	739.47	-
	7,680.45	**6,416.52**
Total	**8,921.56**	**7,337.11**

Notes forming part of the Consolidated Financial Statements

10. **(₹ lakhs)**

Description	Gross Block				Depreciation / Amortization				Net Block	
	As at 01 April 2016	Additions	Deductions	As at 31 March 2017	Up to 31 March 2016	For the year	Deductions	Up to 31 March 2017	As at 31 March 2017	As at 31 March 2016
Property, plant and equipments										
Freehold Land (Refer Note below)	648.16	-	-	648.16	-	-	-	-	648.16	648.16
Building	8,662.94	1,765.62	-	10,428.56	398.62	323.08	-	721.70	9,706.86	8,264.32
Leasehold Improvements	277.19	-	-	277.19	257.86	14.39	-	272.25	4.94	19.33
Equipments	574.25	70.93	-	645.18	251.79	107.33	-	359.12	286.06	322.46
Computers	637.19	51.33	2.53	685.99	461.15	94.07	2.41	552.82	130.34	176.04
Furniture and Fixtures	583.73	79.50	-	663.23	111.52	57.83	-	169.35	493.88	472.21
Total	**11,383.46**	**1,967.38**	**2.53**	**13,348.31**	**1,480.94**	**596.70**	**2.41**	**2,075.24**	**11,270.24**	**9,902.52**
Previous year	**8,663.25**	**2,720.21**	**-**	**11,383.47**	**965.02**	**515.92**	**-**	**1,480.93**	**9,902.52**	
Intangibles										
Content Development	1,467.05	556.09	-	2,023.14	1,229.80	297.91	-	1,527.71	495.43	237.26
Softwares	482.98	5.39	-	488.37	437.51	31.27	-	468.78	19.59	45.48
Development Rights	1,272.97	2.51	-	1,275.48	75.17	53.73	-	128.90	1,146.58	1,197.81
Total	**3,223.00**	**563.99**	**-**	**3,786.99**	**1,742.48**	**382.91**	**-**	**2,125.39**	**1,661.60**	**1,480.55**
Previous year	2,983.51	239.50	-	3,223.00	1,239.42	503.04	-	1,742.49	1,480.55	
Capital Work in Progress									**39,223.34**	**38,034.48**
Intangible under development									**9,255.35**	**9,747.56**

Note:
Acquired pursuant to the Composite Scheme of Arrangement, yet to be transferred in the name of the Holding company.

11 Non-current investments (valued at cost, unless stated otherwise)

(₹ lakhs)

	2017	2016
Others- Unquoted		
In National savings certificate (Pledged with sales tax authorities)	0.05	0.05
Total	**0.05**	**0.05**

12 Loans and advances (unsecured)

(₹ lakhs)

	Long-Term		Short-Term	
	2017	2016	2017	2016
Capital Advances	113.74	53.91	-	-
Deposits				
- Related parties	1,072.70	754.00	-	-
- Others	371.76	733.71	45.51	191.40
	1,444.46	1,487.71	45.51	191.40
Intercorporate deposit to other related party	-	-	120.00	-
Other advances				
- considered good	0.42	0.13	62.30	131.09
- considered doubtful	33.71	33.71	-	-
	34.13	33.84	62.30	131.09
Less: Provision for doubtful advances	33.71	33.71	-	-
	0.42	0.13	62.30	131.09
Prepaid expenses	1.44	1.06	83.04	52.41
Minimum alternate tax credit entitlement	4.81	124.81	556.52	
Balance with government authorities				
- Direct Taxes (net of provisions)	609.11	758.64	-	-
- Indirect Taxes	19.00	19.00	43.36	90.18
Total	**2,192.98**	**2,445.26**	**910.73**	**465.08**

Notes forming part of the Consolidated Financial Statements

13 Other assets

(₹ lakhs)

	Non-Current		Current	
	2017	2016	2017	2016
Balances with banks -in deposit account (Refer Note 17)	520.61	656.45	-	-
Interest accrued on bank deposits	2.18	0.14	17.12	35.73
Claims receivable (refer note 34)	-	-	474.98	1,416.61
Other receivables	-	-	-	150.91
Total	**522.79**	**656.59**	**492.10**	**1,603.25**

14 Current investments

(₹ lakhs)

		2017	2016
Others - Investments in Mutual Funds- Quoted			
63,011 (45,062) units of Axis Liquid Fund -Direct Plan-Daily Dividend Reinvestment of face value of ₹ 1,000 each		630.52	450.91
Nil (50,197) units of Reliance Liquidity Fund- Direct Plan-Daily Dividend Plan of face value of ₹ 1,000 each		-	502.31
(All the above securities are fully paid up)	**Total**	**630.52**	**953.22**

Net Asset Value as at 31 March 2017 is ₹/lakhs 630.52 (₹/lakhs 953.22)

15 Inventories

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

(₹ lakhs)

		2017	2016
Educational goods and equipments		1,365.55	1,093.60
	Total	**1,365.55**	**1,093.60**

16 Trade receivables (unsecured)

(₹ lakhs)

		2017	2016
Over six months			
- considered good		2,774.69	1,315.49
- considered doubtful		75.19	-
Others			
- considered good		2,208.93	1,660.24
- considered doubtful		-	-
		5,058.81	2,975.73
Less: Provision for doubtful debts		75.19	-
	Total	**4,983.62**	**2,975.73**

Notes forming part of the Consolidated Financial Statements

17 Cash and bank balances

(₹ lakhs)

	Non-Current		Current	
	2017	2016	2017	2016
Cash and cash equivalents				
Balances with banks in current accounts	-	-	769.19	883.15
Cheques in hand	-	-	724.60	-
Cash in hand	-	-	0.19	0.08
	-	-	1,493.98	883.23
Other bank balances				
Balances with banks *-				
- in deposits accounts upto twelve months	-	-	213.49	267.10
- in deposits accounts with banks maturity more than twelve months	520.61	656.45	-	-
Amount disclosed under the head "Other Assets" (Refer Note 13)	(520.61)	(656.45)	-	-
Total	**-**	**-**	**1,707.47**	**1,150.33**

* Pledged/lien for term loan/debentures ₹/lakhs 103.39 (₹/lakhs 157.00), Lien for Government authorities ₹/lakhs 0.50 (₹/lakhs 0.50) Lien for others ₹/lakhs 111.50 (₹/lakhs 111.00)

18 Revenue from operations

(₹ lakhs)

		2017	2016
Sales	- Educational goods and equipments	8,863.32	7,776.17
	- Television content	-	58.29
Services	- Education and other services		
	- Course fees/Royalty	5,508.13	4,786.96
	- Franchisee fees	1,649.03	1,248.67
	- Rent income	1,771.21	1,231.92
	- Others	38.03	15.76
Other operating revenue		61.61	38.81
	Total	**17,891.33**	**15,156.58**

19 Other income

(₹ lakhs)

	2017	2016
Interest Income		
- Bank deposits	72.23	82.99
- ICD - others	7.71	-
- Others	49.07	8.64
Dividend on mutual funds	47.49	24.87
Exchange difference (net)	-	1.38
Liabilities/excess provision written back (net)	27.82	80.34
Total	**204.32**	**198.22**

Notes forming part of the Consolidated Financial Statements

20 Operational cost

(₹ lakhs)

	2017	2016
a) Educational goods and equipments		
Opening	1,093.60	2,741.09
Add: Purchases	3,481.57	3,312.33
	4,575.17	6,053.42
Less: Closing	1,365.55	1,093.60
Less : Loss by fire (refer note 34)	-	1,416.61
	3,209.62	**3,543.21**
b) Television content		
Opening	-	-
Add: Commissioned/acquisition	-	52.99
	-	52.99
Less: Closing	-	-
	-	**52.99**
c) Other educational operating expenses	**328.15**	**299.88**
Total	**3,537.77**	**3,896.08**

21 Employee benefits expense

(₹ lakhs)

	2017	2016
Salaries and allowances	2,359.88	2,347.83
Contribution to provident and other funds	78.27	79.67
Training and recuritment cost	29.07	38.97
Staff welfare expenses	29.79	42.59
Total	**2,497.01**	**2,509.06**

22 Finance costs

(₹ lakhs)

	2017	2016
Interest - loan	1,859.26	1,951.94
- Others	37.13	31.71
Bank and other financial charges	2.44	13.94
Total	**1,898.83**	**1,997.59**

23 Depreciation and amortization expenses

(₹ lakhs)

	2017	2016
Depreciation on property, plant and equipment	596.64	515.91
Amortisation of intangible assets	382.92	503.04
Total	**979.56**	**1,018.95**

24 Other expenses

(₹ lakhs)

	2017	2016
Rent	336.15	336.55
Repairs and maintenance - others	239.01	272.17
Insurance	33.79	26.35
Rates and taxes	77.70	72.88
Electricity and water charges	36.49	45.64
Communication expenses	137.76	145.83
Printing and stationery	58.35	41.80
Travelling and conveyance expenses	565.55	668.07
Legal and professional fees	852.88	537.32
Payment to auditors (Refer note 31)	31.10	21.99
Freight and packing charges	1,081.59	865.84
Directors sitting fees	12.80	8.60
Bad debts / advances written off	12.46	730.89
Provision for doubtful debts and advances	75.19	(726.03)
Marketing, advertisement and publicity expenses	884.36	1,228.74
Inventory lost by fire (Refer note 34)	941.63	-
Miscellaneous expenditure written off	-	1.16
CSR expenditure	16.00	-
Miscellaneous expenses	230.90	146.99
Total	**5,623.71**	**4,424.79**

25 Operating leases:

The group has taken office, residential facilities, land, etc. 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)

	2017	2016
Lease rental charges for the year	614.17	614.62
Future lease rental obligation payable (under non-cancellable lease)		
Not later than one year	455.30	229.08
Later than one year but not later than five years	1,177.17	906.99

26 Managerial remuneration

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Executive Director and Manager is as under :

(₹ lakhs)

	2017	2016
	(Refer note b & c below)	(Refer note c below)
Salary and allowances (Refer note a below)	-	41.69
Provident fund contributions	-	1.90
Perquisites	242.01	-
Total	**242.01**	**43.59**

Notes :

a) 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.

b) Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOPs during the year.

c) Mr. Umesh Pradhan, Chief Financial Officer, has been reappointed with effect from 01 April 2016, as Manager of the Company without any remuneration. He draws salary from the company as the CFO and not as the Manager.

27 Related party transactions

(I) 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 Infrastructure Private Limited, Essel Infraprojects Limited, Direct Media Distribution Ventures Private Limited, Digital Satellite Holdings Private Limited, Essel Business Excellence Services Private Limited, Dr. Subhash Chandra Foundation.

A Transactions with related parties **(₹ lakhs)**

	2017	2016
Short- term borrowings	**950.00**	**3,831.00**
Other related parties		
Asian Satellite Broadcast Private Limited	950.00	3,831.00
Repayment of short- term borrowings	**2,540.00**	**4,335.91**
Other related parties		
Asian Satellite Broadcast Private Limited	2,540.00	4,335.91
Interest expense	**218.27**	**151.29**
Other related parties		
Asian Satellite Broadcast Private Limited	218.27	151.29
Sales and services	**1,308.65**	**979.36**
Other related parties		
Zee Entertainment Enterprises Limited	-	63.04
Himgiri Zee University	-	6.60
Taleem Research Foundation	1,308.65	909.72
Sale of fixed assets	**0.13**	**-**
Other related parties		
Essel Business Excellence Services Private Limited	0.13	-
Purchase of material	**140.03**	**28.79**
Other related parties		
Pri-Media Services Private Limited	140.03	28.79

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

	2017	2016
Purchase of services	**245.98**	**183.97**
Other related parties		
Pan India Network Infravest Private Limited	12.37	17.86
Zee Entertainment Enterprises Limited	65.44	49.38
Diligent Media Corporation Limited.	0.92	3.08
Dr Subhash Chandra Foundation	16.00	-
Essel Business Excellence Services Private Limited	151.25	113.65
Reimbursement of expenses	**-**	**15.99**
Other related parties		
Taleem Research Foundation	-	15.99
Purchase of fixed asset including capital work-in-progress	**623.25**	**2,666.26**
Other related parties		
Pan India Infrastructure Private Limited	623.25	2,666.26
Capital advances given	**781.65**	**1,090.98**
Other related parties		
Pan India Infrastructure Private Limited	781.65	1,090.98
Capital advances repaid	**-**	**3,439.50**
Other related parties		
Pan India Infrastructure Private Limited	-	3,439.50
Advances repaid	**-**	**1,207.55**
Other related parties		
Essel Infraprojects Limited	-	1,207.55
Interest income	**0.84**	**-**
Other related parties		
Taleem Research Foundation	0.84	-
Unsecured loans given	**120.00**	**-**
Other related parties		
Taleem Research Foundation	120.00	-

Notes forming part of the Consolidated Financial Statements

B) Balances outstanding as at 31 March

(₹ lakhs)

	2017	2016
Short- term borrowings	**1,167.35**	**2,560.92**
Other related parties		
Asian Satellite Broadcast Private Limited	1,167.35	2,560.92
Loans, advances and deposits given	**544.24**	**2,547.10**
Other related parties		
Pan India Infrastructure Private Limited	464.24	305.84
Essel Business Excellence Services Private Limited	80.00	80.00
Advance from customer	**1.15**	**-**
Other related parties		
Zee Entertainment Enterprises Limited	1.15	-
Trade receivables	**2,804.32**	**1,395.01**
Other related parties		
Zee Entertainment Enterprises Limited	-	1.91
Taleem Research Foundation	2,804.32	1,375.67
Himgiri Zee University	-	17.44
Trade payables	**6.39**	**13.60**
Other related parties		
Pri-Media Services Private Limited	6.39	13.60
Other payables	**58.94**	**26.20**
Other related parties		
Pan India Network Infravest Private Limited	2.72	6.29
Zee Entertainment Enterprises Limited	42.02	13.43
Essel Business Excellence Services Private Limited	14.20	6.48
Guarantees given	**15,000.00**	**26,788.00**
Subsidiary		
Digital Ventures Private Limited	15,000.00	26,788.00
Guarantees received		
Other related parties	**5,300.00**	**5,300.00**
Zee Entertainment Enterprises Limited		
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, 846,214 stock option have been granted to Executive Director of the Company.

28 (i) Contingent liabilities not provided for

(₹ lakhs)

		2017	2016
a)	Claims against the group not acknowledged as debts *	76.91	126.17
b)	Disputed direct tax #	734.83	1,001.98
c)	Disputed indirect taxes	1,138.13	402.76
d)	Corporate guarantee to others to the extent of loans availed/ outstanding ₹/lakhs 14,000.00 (₹ Nil)	16,000.00	-

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

Income tax demands mainly include appeals filed by the group before appellate authorities against the disallowance of expenses/claims etc. The management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

(ii) 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 had 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 had taken custody of the study materials. The Company had filed a case in Honourable 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 Honourable High Court and obtained the custody of materials/study materials through court process, during March. Further, the Company had filed a claim for damage and the matter is under arbitration.

(iii) The Company has withdrawn the merger with Tree House Education and Accessories Limited (THEAL) and has reserved its rights for suitable actions against adverse allegations by THEAL.

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 4817.28 (₹ /lakhs 5608.49)

30 Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016

(₹ lakhs)

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08 .11.2016	2.50	0.16	2.66
Add : Permitted receipts	-	2.85	2.85
Less : Permitted payments	-	(1.20)	(1.20)
Less : Amount deposited in Banks	(2.50)	-	(2.50)
Closing cash in hand as on 30.12.2016	**-**	**1.81**	**1.81**

31 Payments to auditors
For standalone

(₹ lakhs)

		2017	2016
Audit fees (including limited review)		13.75	13.00
Tax audit fees		2.00	2.00
Tax representation		8.03	2.66
Certification and others		2.92	0.43
	Total	**26.70**	**18.09**

For subsidiary (₹ lakhs)

	2017	2016
Audit fees	4.40	3.90
Total	**4.40**	**3.90**

32 Foreign exchange

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March 2017 are as under:

(₹ lakhs)

	2017	2016
Payables	150.00	-

33 Earnings per share (EPS)

	2017	2016
a. Profit/ (Loss) after Tax (₹/lakhs)	3,665.15	1,508.32
b. Weighted average number of equity shares for Basic EPS (in numbers)	320,838,268	320,222,098
c. Weighted average number of equity shares for Diluted EPS (in numbers)	322,700,506	320,933,987
d. Nominal value of equity shares (₹)	1	1
e. Basic EPS (₹)	1.14	0.47
f. Diluted EPS (₹)	1.14	0.47

34 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 ₹/Lakhs1,416.61 lacs got completely destroyed. As per the initial settlement of the claim by the insurance company, the difference of ₹/lakhs 941.63 loss claimed and the actual claim determined is shown in Statement of Profit and Loss during the year.

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.

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 for the year ended 31 March 2017

(₹ lakhs)

Particulars	2017	2016
Segment revenue		
- Educational	16,117.19	13,924.66
- Construction and leasing	1,771.21	1,231.92
Total segment revenue	**17,888.40**	**15,156.58**
Less: Inter segment revenue	(2.93)	-
Net segment revenue	**17,891.33**	**15,156.58**
Segment results (Profit before tax and interest from ordinary activities)		
- Educational	4,898.75	2,890.72
- Construction and leasing	436.41	507.29
Total segment results	**5,335.16**	**3,398.01**
Less : Finance costs	1,898.83	1,997.58
Add / (Less) : Other unallocable income net of unallocable expenditure	122.44	107.90
Total profit before tax from ordinary activities	**3,558.77**	**1,508.33**
Less : Tax expenses		
Current tax - current year	771.82	120.36
Defferred tax	(442.65)	-
MAT Credit Entitlement	(435.55)	(120.36)
Profit after tax	**3,665.15**	**1,508.33**
Capital employed (Segment assets less segment liabilities)		
- Educational	28,425.50	37,133.64
- Construction and leasing	40,717.39	44,620.13
- Unallocable (net)	(19,847.58)	(36,562.04)
Total capital employed in segments	**49,295.31**	**45,191.73**
Less: Inter segment eliminations	(20,176.04)	(20,173.11)
Total capital employed	**29,119.27**	**25,018.62**
Capital expenditure		
- Educational	95.77	237.05
- Construction and leasing	3,358.46	4,030.10
	3,454.23	**4,267.15**
Depreciation		
- Educational	395.37	568.21
- Construction and leasing	584.29	450.75
	979.66	**1,018.95**

36 Educational Infrastructure Projects under execution

In the preceeding year, the Group had 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 01 January 2010 against a lump sum development 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 During the year, the group has incurred total expenditure of ₹/lakhs 287.52 (₹/lakhs 248.60) on rent which ₹/lakhs 217.28 (₹/lakhs 202.10) has been transferred to CWIP. Classification of the expenditure in CWIP has been done since the projects are under constrcution and hence yet to be capitalised.

Notes forming part of the Consolidated Financial Statements

38 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	**100.08%**	29,143.45	99.04%	3,527.49
II Subsidiary -				
Digital Ventures Private Limited	69.21%	20,152.36	0.97%	34.42
Academia Edificio Private Limited	0.00%	(0.52)	-0.01%	(0.22)
Liberium Global Resources Private Limited	0.00%	0.01	0.00%	(0.09)

Note: Net assets / Share of Profit of subsidiary are considered based on the respective audited standalone financial statements without considering eliminations / consolidation adjustments.

39 Prior year comparatives

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

Consolidated Cash Flow Statement for the year ended 31 March 2017

(₹ lakhs)

		2017	2016
A.	**Cash Flow from Operating Activities**		
	Profit/ (Loss) before tax	**3,558.77**	**1,508.32**
	Adjustments for:		
	Depreciation and amortisation expenses	979.56	1,018.96
	Interest Income	(129.01)	(91.63)
	Dividend Income	(47.49)	(24.87)
	Interest expense	1,896.39	1,983.66
	Provision for doubtful debts (net)	75.19	(726.03)
	Inventory lost by fire	941.63	-
	Operating Profit before Working Capital Changes	**7,275.05**	**3,668.41**
	Adjustments for:		
	(Increase) / Decrease in Inventories	(271.95)	907.69
	(Increase) / Decrease in trade and other receivables	(1,658.73)	1,647.49
	Increase / (Decrease) in trade and other payables	14,027.09	(1,237.91)
	Cash Generated from Operations	**19,371.46**	**4,985.68**
	Direct taxes paid (net)	(213.33)	(240.70)
	Net Cash from Operating Activities (A)	**19,158.13**	**4,744.98**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, plant and equipment, intangible assets including Capital work in Progress and intangible under development	(3,454.23)	(4,267.15)
	Sale of Property, plant and equipment including intagible assets	0.12	-
	Intercorporate deposits given to other related party	(120.00)	-
	Proceeds from maturity of bank deposits	189.45	483.43
	Purchase of units of mutual fund	(179.61)	(953.22)
	Redemption of units of mutual fund	549.80	402.01
	Interest received	145.57	98.84
	Net Cash used in Investing Activities (B)	**(2,868.91)**	**(4,236.09)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issue of share capital including securities premium	628.47	123.14
	Proceeds from long-term borrowings	-	6,500.00
	Repayment of long-term borrowings	(13,458.00)	(4,221.00)
	Proceeds from intercorporate deposits	950.00	3,831.00
	Repayment of intercorporate deposits	(2,540.00)	(4,335.91)
	Repayment of short-term borrowings	-	(444.27)
	Interest paid	(1,065.96)	(1,999.52)
	Interim dividend paid	(192.98)	-
	Net Cash used in Financing Activities (C)	**(15,678.48)**	**(546.56)**
	Net Cash flow during the year (A+B+C)	**610.75**	**(37.67)**
	Cash and cash equivalents at the beginning of the year	883.23	920.90
	Net cash and cash equivalents	**1,493.98**	**883.23**
	Add: Balances earmarked	213.49	267.10
	Cash and Bank Balances at the end of the year	**1,707.47**	**1,150.33**

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

As per our attached report of even date

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date: 25 April 2017

For and on behalf of the Board

Surjit Banga
Director

Sangeeta Pandit
Director

Umesh Pradhan
Chief Financial Officer

Hemangi Patil
Company Secretary

NOTES

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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 7th Annual General Meeting of the Company, to be held on Thursday, September 28, 2017 at 4:00 p.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, 2017 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2. Confirm the payment of Interim Dividend and to declare final Dividend of Re. 0.05 per Equity Share for the financial year ended March 31, 2017.		
3. Re-appointment of Mr. Ajey Kumar as a Director of the Company, all his earlier terms and conditions of appointment remaining same.		
4. Appointment of Auditors.		
5. Ratification of remuneration of M/s V.V. & associates, Cost Auditors of the Company for the financial year 2017-18.		
6. Reclassification of Promoters, their respective family members and persons acting in concert with them, from the "Promoters" of the Company.		
7. Approve Investments , Loans, Guarantees and security in excess of limits specified under section 186.		
8. Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company.		

Signed this _____ day of _____ 2017.

Signature of Shareholder : _____ Signature of Proxy holder : _____

Affix Revenue Stamp

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

7th Annual General Meeting I September 28, 2017 at 4:00 P.M.

I/We hereby record my/our presence at the 7th Annual General Meeting of the Company at "The Hall of Culture", Nehru Centre, Dr Annie Besant Road, Worli, Mumbai - 400 018, Thursday, September 28, 2017 at 4.00 p.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)