



REPORT OF THE AUDIT COMMITTEE OF ZEE LEARN LIMITED ("COMPANY") FOR RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED WITH THE COMPANY AT ITS MEETING HELD ON WEDNESDAY, DECEMBER 23, 2015

Members Present: Mr. Surjit Banga : Chairman
Mr. Himanshu Mody : Member
Dr. Sangeeta Pandit : Member

In attendance:

Mr. KVS Seshasai : CEO
Mr. Umesh Pradhan : CFO
Ms. Hemangi Patil : Company Secretary

1. Background:

In terms of Circular dated 30 November 2015 bearing reference No. CIR/CFD/CMD/16/2015 issued by the Securities and Exchange Board of India ("Circular"), draft Scheme of Amalgamation of Tree House Education & Accessories Limited ("Tree House") with Zee Learn Limited ("ZLL") and their respective shareholders and creditors in terms of provisions of Section 391-394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013, as may be applicable ("Scheme") was placed before the Audit Committee for its consideration and its recommendations, to the Board of Directors of ZLL.

This report is made by the Audit Committee after perusing *inter alia* the following necessary documents ("Documents"):

- Draft Scheme;
- Valuation Report dated 23rd December 2015, issued by M/s SSPA & Co., Chartered Accountants, Mumbai;
- Fairness Opinion dated 23rd December 2015, issued by IDBI Capital Market Services Ltd.;
- Audited financial statements of Tree House and ZLL for the year ended March 31, 2015, March 31, 2014 and March 31, 2013;



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Registered Office :
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- e. Certificate dated 23rd December 2015 issued by the Statutory Auditors of the Company, M/s. MGB & Co. LLP, Chartered Accountants, Mumbai certifying that the accounting treatment contained in the Scheme is in compliance with all the accounting standards specified by the Central Government under Companies Act, 2013 read with the rules framed thereunder or the Accounting Standards issued by ICAI, as applicable, and other generally accepted accounting principles.

2. Proposed Scheme:

Salient features of the proposed Scheme are as follows:

- a. The Scheme provides for amalgamation of Tree House with ZLL;
- b. The accounting treatment to be followed for the Scheme of Amalgamation will be as per accounting standard 14 issued by the ICAI;
- c. Proposed appointed date for the scheme is 31 March 2016;
- d. Based on the Share Entitlement Report of an independent valuer, M/s SSPA & Co., Chartered Accountants, the share exchange ratio for the amalgamation of Tree House with ZLL is as under:

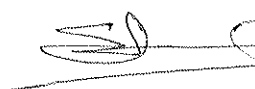

53 (Fifty Three) equity shares of Zee Learn of INR 1 each fully paid up for every 10 (Ten) equity shares of Tree House of INR 10 each fully paid up.

3. Recommendation of the Audit Committee:

Having considered the Documents, the Audit Committee found the draft Scheme to be in the best interests of all the stakeholders of the Company and recommended the draft scheme for favorable consideration by the Board of Directors of the Company, the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India.

Date: December 23, 2015

Place: Mumbai


Chairman 



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