

Zee Learn Ltd.,
513/A, 5th Floor,
Kohinoor City, Kiroli Road,
Off. LBS Marg, Kurla (W),
Mumbai - 400070.

P: +91 22 4034 3900
F: +91 22 2674 3422
Customer Support:
+91 93200 63100

Registered Office:
135, Continental Building,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018.
CIN : L80301MH2010PLC198405



www.zeelearn.com

September 24, 2018

BSE Limited
National Stock Exchange of India Limited
Luxembourg Stock Exchange

Kind Attn.: Corporate Relationship / Listing Department

BSE Scrip Code: 533287

NSE SYMBOL: ZEELEARN

Dear Sir / Madam,

Sub: Annual Report – 2017-18.

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 8th Annual Report of Zee Learn Limited for the information of the investor community at large.

The above may also be accessed on the website of the Company i.e. www.zeelearn.com

We request you to take note of the above on your records and oblige.

For Zee Learn Limited


Bhautesh Shah
Company Secretary



THINK EDUCATION. THINK ZEE LEARN.





QUANTUM LEAP

ZEE LEARN LIMITED | ANNUAL REPORT 2017-18

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QUANTUM LEAP

If there is one thing that can be isolated as an element that has helped progress or bring paradigm changes in human evolution, it has to be Knowledge. And the key to absorbing the ever changing knowledge is education. Quality education is not only the key to a better future, but also a success mantra for civilised and prosperous society. It helps a nation to take a quantum leap in terms of economy and transformation of its society.

We, at Zee learn, are an advocate of this belief and have continuously endeavoured to bring a positive change in the Indian education sector through our innovative educational tools. We have been leading from the front and providing quality and world class education, starting from the Early Childhood Care and Education (ECCE) to K-12 school education to shape the individual's skills and make them future ready. We are spreading the light of education through our Kidzees, where our focus is to bring the curiosity and love of learning as the first stepping stone of a child's lifelong education process; and Mount Litera Zee Schools that is empowering the youth. We have stepped beyond the realm of K-12 to vocational and professional training through Zee Institute of Media Arts (ZIMA), Zee Institute of Creative Art (ZICA) and Zee Institute of Teaching Arts (ZITA). Looking at continuing our philosophy of providing world class and quality education beyond the schools, we took another quantum leap in the corporate world where we have introduced our Liberium division. The division's aim is to support corporate to focus on their core business and offer them the entire gamut of the HR responsibility, including payroll processing, recruitment, training, etc.

We have also acquired MT Educare Ltd., a coveted name in the education sector, to add to our existing educational offering. This is indeed an ideal marriage of two players who have revolutionised the education domain.

Some of our progressive approaches towards education including ImaGenie+, ImaGenie, Kidzee Learning Tablet that touches all age groups, right from preschoolers to adolescents and youth. Our offerings are not only helping students but also increasing parent's awareness about the nature of quality education.

Importantly, we continue to take our latest education tools to the Tier II and Tier III cities, a quantum leap in propagating education in areas which remained untouched before.

Education is the
passport to the
future; for tomorrow
belongs to those
who prepare for it
today
- Malcolm X



QUANTUM LEAP... IN TECHNOLOGY

In our endeavour to provide high quality education to students in Preschools, K-12 schools and beyond, we envision a key role played by technology to transform education. Over the past many years, we have continued to build on our education knowledge base and added a layer of technology to effectively address learning needs at all levels. This has often brought a disruption in the areas where we operate and helped us race ahead of competition. The Company is the first in the Indian preschool segment to integrate Augmented Reality in learning with our ImaGenie offering for preschoolers and helping

the young learners to progress quickly and yet at their own pace along with higher engagement levels. Again, leveraging technology, our new product, 'Spell-English', under the ImaGenie+ umbrella provides an immersive language learning experience for the child. Importantly, our investment in technology has helped us to make the experience a holistic one as the programme encourages higher involvement of the parent, which ensures higher quality time for the child and fostering a positive experience around learning. With the acquisition of MT Educare, its technology offering, Robomate+, will improve face-to-face classroom training courses and provide online methodology for reaching students across geographies, not restricted to Indian boundaries.

Slowly and steadily, technology is taking over the entire education domain and we are confident that with our quantum leap in technology, as we become a torch-bearer in the high growth edutech market in India and beyond and offer the best engaging content to our students.





QUANTUM LEAP... FOR THE FUTURE

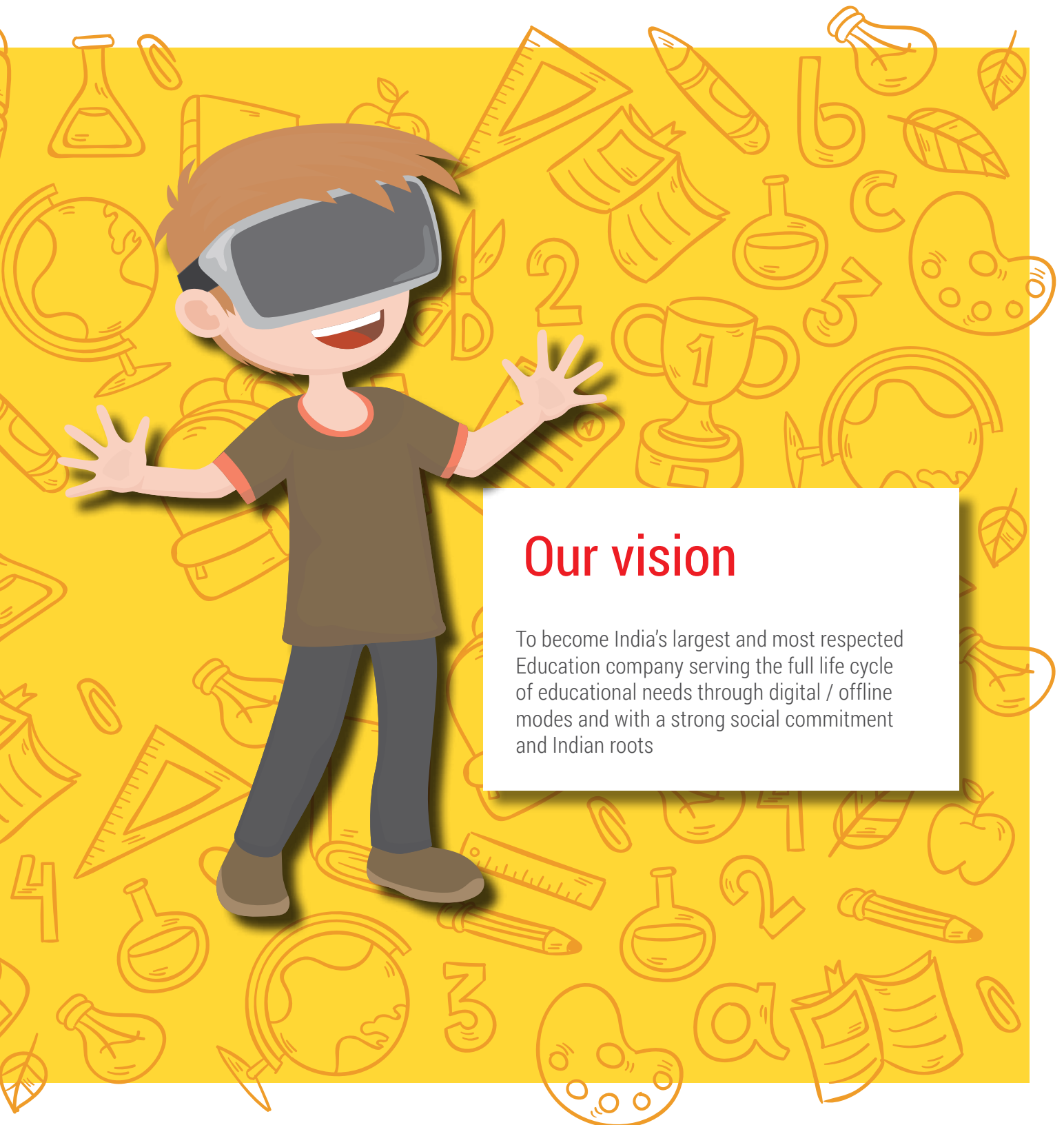
The Company has a strong presence in the Preschools and K-12 offerings through Kidzee and Mount Litera Zee Schools. For an above average growth, it is important for us to increase our footprint across the other segments in the education sector. While ZIMA and ZICA have helped us, the Company has been conspicuous by its absence in the high growth tutorial & test preparation and the government supported skill & vocational training segments.

Our acquisition of MT Educare Ltd. is in line with our vision to expand in these fast growing areas. MT Educare Ltd. has built a solid reputation in the education sector over the past 3 decades and will open doors for the Company in the test preparation/tutorials segment through MT Educare's other brands like Mahesh Tutorials, Lakshya and Chitale classes. MT Educare's significant presence in government supported skill and vocational training segment will help the Company to make rapid inroads in this segment. More importantly, we will cross pollinate technology and high quality teaching resources to the students of Mount Litera who will have access to very high-end content, curriculum, tutorials and test preparation opportunities giving a significant boost to the academic achievements of the schools in our network.

With the acquisition, we have taken a quantum leap towards a fast paced future as our combined education offerings would reach around 3.50 lakhs students, making the Company one of the biggest education companies globally in terms of number of students served.

With acquisition of MT Educare Ltd., the Company will further build on MT Educare's repository of knowledge, Digital content and platform (Robomate) for enhancing its offerings to Mount Litera Zee Schools and will also significantly strengthen MT Educare's presence in the informal education sector through Zee Learn's partner network spread across India. The Company through MT Educare will offer Mount Litera Zee School students, coaching / test preparation for courses like IIT / Engineering, MBA, MBBS, CA, etc. at Pan India level.





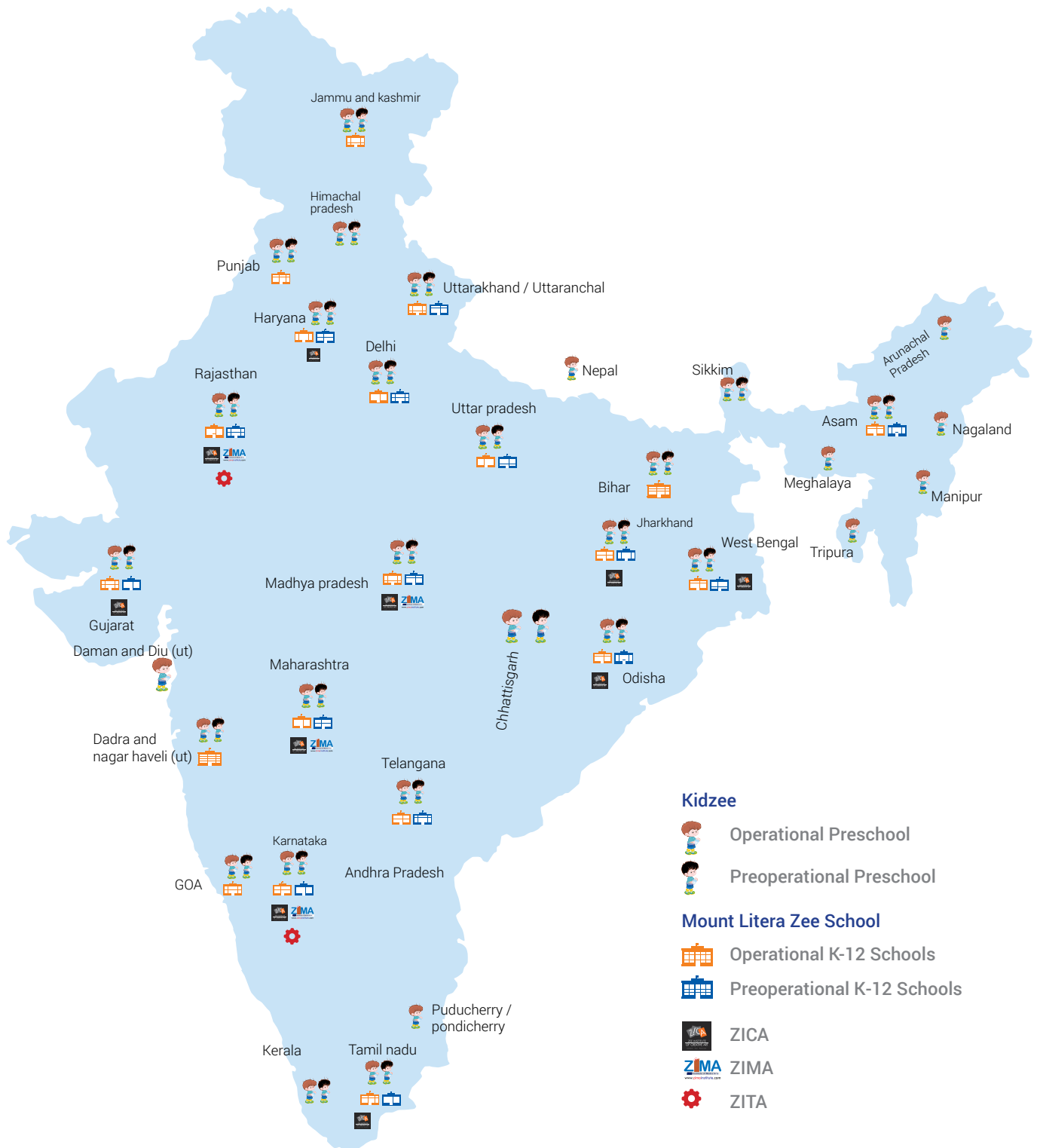
Our vision

To become India's largest and most respected Education company serving the full life cycle of educational needs through digital / offline modes and with a strong social commitment and Indian roots

GEOGRAPHICAL FOOTPRINT

Zee Learn ended the year with 2,014 centers located across India and Nepal

State	Kidzee		Mount Litera Zee School		ZICA	ZIMA	ZITA
	Operational Preschools	Preoperational Preschools	Operational K-12 Schools	Preoperational K-12 Schools	Operating Centres	Operating Centres	Operating Centres
Andhra Pradesh	80	3					
Arunachal Pradesh	8						
Assam	63	2			1		1
Bihar	125	19	11				
Chhattisgarh	27		1				
Dadra and Nagar Haveli (UT)	1	2	1				
Daman and Diu (UT)	1						
Delhi	36	7				1	2
Goa	11	1	1				
Gujarat	101	10	4		2		3
Haryana	63	7	7	1			2
Himachal Pradesh	10	1					
Jammu and Kashmir	29	6	3				
Jharkhand	30	5	5		1		1
Karnataka	164	24	7	1	2		4
Kerala	19	2					
Madhya Pradesh	101	13	10	4	1		
Maharashtra	210	47	7	1	3	1	9
Manipur	2						
Meghalaya	3						
Nagaland	1						
Odisha	37	2	4		1		1
Puducherry / Pondicherry	3						
Punjab	53	7	10				
Rajasthan	89	8	3	2	1	1	1
Sikkim	3	1					
Tamil Nadu	180	20	12		1		2
Telangana	16	14	4				2
Tripura	5						
Uttar Pradesh	177	39	21				2
Uttarakhand / Uttaranchal	19	4	5		1		
West Bengal	158	17	6	1			12
India Total	1,825	261	122	10	14	3	42
Nepal	8						
Grand Total	1,833		122		14	3	42



OUR MARKET-LEADING BRANDS



Kidzee is a market-leader in the preschool division of the Company which brings a structured and research based curriculum to help preschoolers discover their potential. The Company's proprietary pedagogy, Interactive Illume, has become a clear differentiator and with the launch of ImaGenie, it has become India's first preschool to integrate Augmented Reality in Learning. The division has over 1825 centres running across 750+ cities across India and Nepal.

**Mount Litera
Zee School**

Great School. Great Future

The Mount Litera Zee Schools is a leader in the field of providing holistic, quality and state-of-art education and covers the entire spectrum of education from kindergarten to K-12. It is the second largest network of schools in the private-unaided category in India with over 122 schools across 100+ cities in India. A proprietary K-12 education model, Litera Octave, gives every student an opportunity to achieve his/her true, unique potential.



The ZIMA division is the creative and training academy for the film making and media industry. It has the best in class and international standard curriculum for its courses coupled with cutting-edge technology and infrastructure and highly experienced faculty from the Film, TV and Journalism industry. Currently, the courses in ZIMA are available in Mumbai, Noida and Jaipur.



ZICA is India's first full-fledged Classical and Digital Animation training academy offering training in 3D Animation, Visual Effects, Graphic Design and Web Design. Courses in ZICA are available in 14 centers across the countries and include major cities like Mumbai, Pune, Noida, Bengaluru, Chennai, Kolkata, Mangalore, Ranchi, Bhubaneswar, Guwahati, etc.



The division offers corporate the entire gamut of HR services including Remuneration Management & Solutions, Talent Management, Skill Development and HR Business Process Outsourcing.



The division fulfils the educational and aspirational needs of a diverse range of students from Class V to students appearing for Engineering and Medical entrance exams, exams for CA and MBA aspirants.

OPERATIONAL HIGHLIGHTS FOR FY18

- ✍ Kidzee signed 354 preschools and added 259 centers. The division now has a more than 1,825 operational preschools in over 750 cities across India and Nepal.
- ✍ Launched the new Kidzee App to fulfil the need gap of all stakeholders – Parents, Partners and Teachers.
- ✍ Introduced Imagenie. The Company has the distinction of being India's first preschool to integrate Augmented Reality in Learning.
- ✍ Introduced a new product under the Imagenie+ umbrella to provide an immersive language learning experience for the child.
- ✍ The Company signed 14 schools and added 7 K-12 Mount Litera Zee Schools, taking the total count to 122, including 5 Company managed schools.
- ✍ ZICA introduced 3 new programs in interior design, digital marketing and digital photography.
- ✍ ZIMA conducted workshops and guest lectures by various industry professionals like Mr. Ballu Saluja (won National award for Lagaan), Mr. Viveck Vaswani (Director/Writer/Actor), Simon Money (Faculty - UCA, UK), K.D Sathyam (Writer – Mukkabaaz, Bollywood diaries), etc.
- ✍ With the acquisition of MT Educare, the Company expanded its footprint in the coaching institute space.
- ✍ Additionally, through its I Care Outreach to prevent child abuse, the Company conducted 607 workshops touching 90,350 parents.



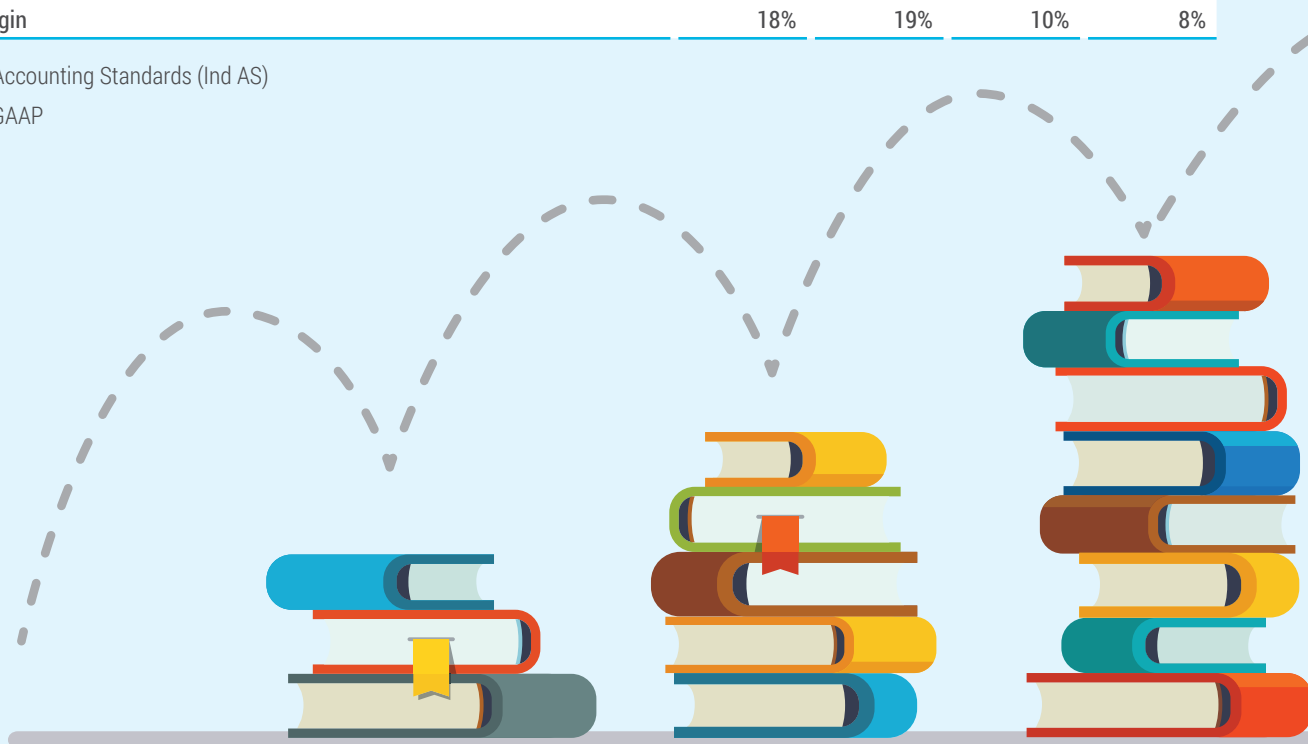
FINANCIAL HIGHLIGHTS

Consolidated Records

(₹ in Lakhs)

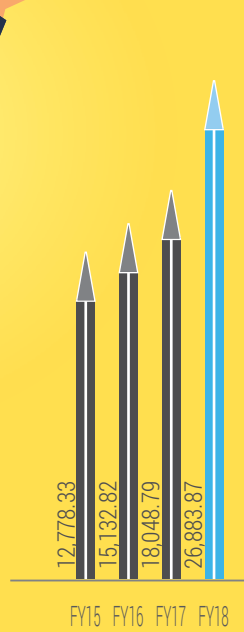
Particulars	FY 18 [#]	FY 17 [#]	FY 16 [§]	FY 15 [§]
Results of Operations				
Revenue from Operations	26,883.87	18,048.79	15,132.82	12,778.33
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	10,208.09	5,913.24	4,326.60	3,060.84
Profit/(Loss) before Tax	7,555.63	3,240.97	1,508.33	989.37
Net Profit / (Loss)	4,927.91	3,351.40	1,508.33	989.37
Financial position				
Equity Share Capital	3,258.95	3,226.42	3,205.54	3,200.01
Reserves and Surplus	32,080.16	26,025.23	21,813.08	20,187.13
Net Worth	35,339.11	29,251.65	25,018.62	23,387.14
Non-Current Assets	85,745.13	65,047.96	62,267.02	61,559.34
Stock information				
Earnings Per Share (in ₹)	1.52	1.04	0.47	0.31
Margins				
Operating Profit Margin	38%	33%	29%	24%
Net Profit Margin	18%	19%	10%	8%

[#] As per Indian Accounting Standards (Ind AS)

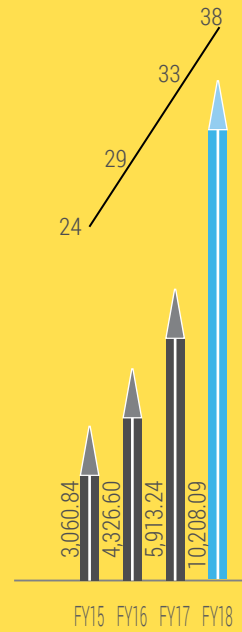
[§] As per Indian GAAP




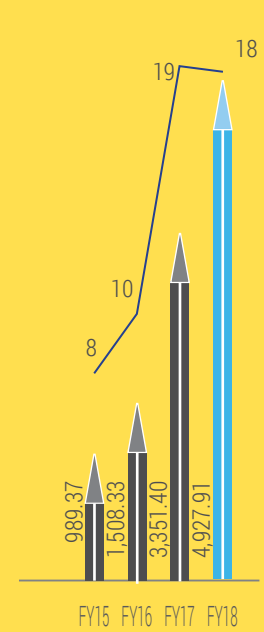
Revenue from Operations
(₹ in Lakhs)



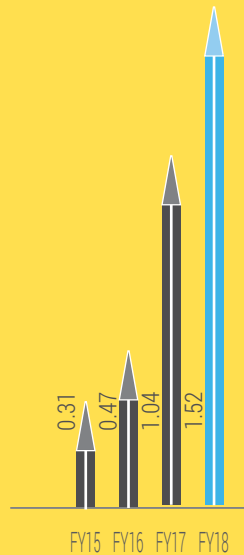
EBITDA (₹ in Lakhs) & EBITDA Margin (%)



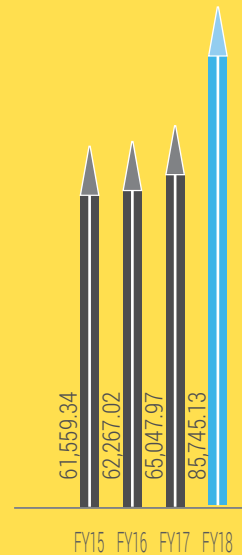
PAT (₹ in Lakhs) & PAT Margin (%)



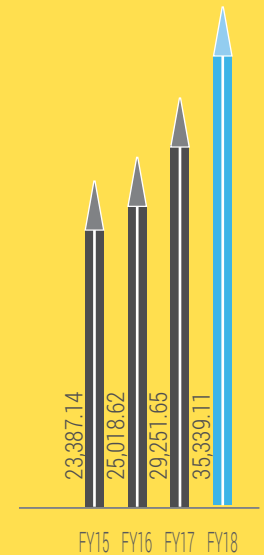
Earnings Per Share (₹)



Non-Current Assets
(₹ in Lakhs)



Net Worth (₹ in Lakhs)

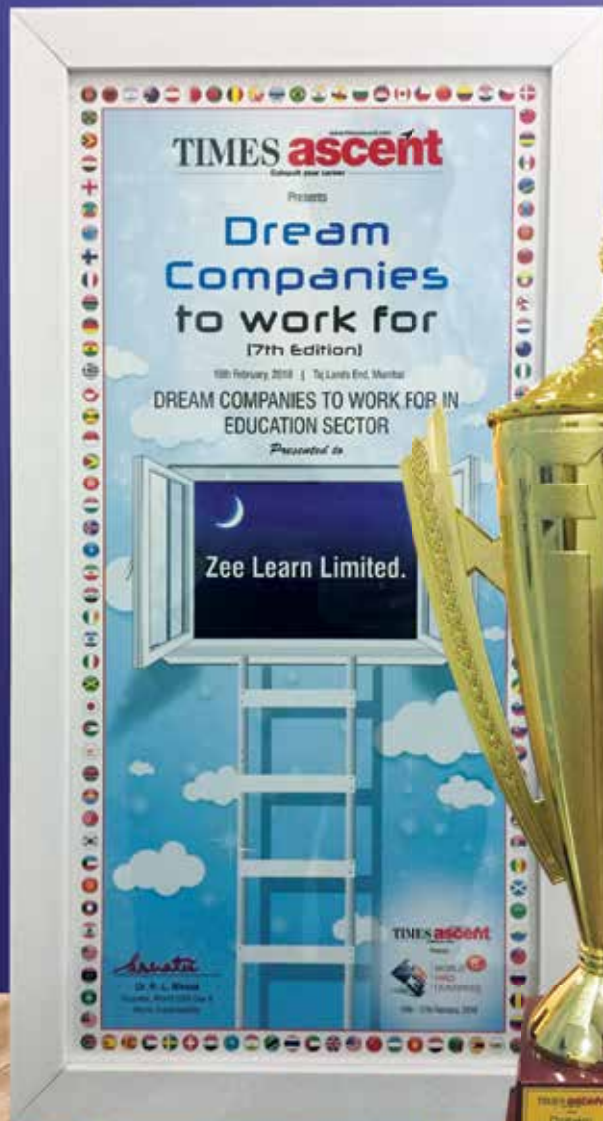




Zee Learn's robust brand strategy is now globally recognised. The World Marketing Congress conferred Zee Learn with Brand Excellence Award in the Education category. The award was in recognition of the brand's marketing achievements basis quantitative data, comparable trend data over time and on the indices of sales, profit, market share and customer attitudes. An excellent performance by the team.



WINS THE AWARD FOR **DREAM COMPANIES TO WORK FOR** IN EDUCATION SECTOR.



**ZEE LEARN
ALSO RANKED 38TH
IN THE SURVEY,
DREAM COMPANIES
TO WORK FOR'
BY TIMES ASCENT.**

CEO'S MESSAGE

Education is the key to a thriving, prosperous democracy and economic development. It is also an empowering tool to fight the many ills in our society. According to an OECD report, providing every child an access to education and the skills needed to participate fully in the society would boost GDP by an average 28% per year in the lower-income countries and 16% per year in the high-income countries for the next 80 years.

The education sector is witnessing multiple positive indicators and is at a crucial stage in its growth phase. The country's demographic advantage of a large young population coupled with low enrolment presents a huge opportunity to players in the education sector. We realise the immense potential of this segment, as the per capita income is surging rapidly and there is a growing aspiration of parents to give their children quality education. According to the estimates, the Indian education sector is poised to witness major growth in the years to come as India will have world's largest tertiary-age population and second largest graduate talent pipeline, globally by the end of 2020. The education sector in India was estimated at US\$ 91.7 billion in FY18 and is expected to reach US\$ 101.1 billion in FY19. This bears well for your Company as we have created robust networks in the key segments of the education sector - (ECCE) to K-12 to vocational training to test preparation/coaching. I am bullish about your Company's prospect as we continue to expand our networks in India and beyond, invest in technology to make learning a fun and enjoyable process and continue to constantly challenge ourselves to ensure that our students, our future global citizens, are equipped to handle the challenges of the global economy with élan and confidence.

As the need for quality education is increasing across the country, private players have been stepping in, to fill the huge gap and creating the necessary infrastructure for delivering quality education. With this philosophy of imparting quality education, we remained focused on developing and offering a differentiated, digitised and specialty product basket. This has helped the students/parents in our network, further strengthen our brands and helped our business partners.

Over the past so many years, Zee Learn has steadily continued to create a positive multiplier in the country by providing world-class education. It is indeed heartening to note that your Company has been providing quality education in the entire spectrum of Early Childhood Care and Education (ECCE), K-12 School Education and vocational. Your Company continued to explore opportunities in areas where it can continue to shape an individual and enhance his/ her productivity. With its youth and vocation education via Zee Institute of Media Arts (ZIMA) and Zee Institute of Creative Art (ZICA), your Company continued to empower the youth.

“Over the past so many years, Zee Learn has steadily continued to create a positive multiplier in the country by providing world-class education. It is indeed heartening to note that the Company has been providing quality education in the entire spectrum of Early Childhood Care and Education (ECCE), K-12 School Education and vocational. The Company continued to explore opportunities in areas where it can continue to shape an individual and enhance his/ her productivity levels. With its youth and vocation education via Zee Institute of Media Arts (ZIMA) and Zee Institute of Creative Art (ZICA), the Company continued to empower the youth.”

Beyond strengthening the content and leveraging technology, the Company continued to work on its strategy of expanding its network at a rapid pace. Over the last fiscal, your Company's Kidzee chain has expanded to cross the 1825 mark. The Mount Litera Zee School have touched the 122 mark. As we see an increasing demand from Tier II and Tier III cities, your Company rapidly expanded in these cities thereby significantly improving the quality of education on offer in these cities. A combination of measures including expanding the network, focus on content and technology saw your Company posting excellent numbers for the year. Your Company achieved 49% growth in its FY18 Operating Revenue to reach at ₹ 2,688 Mn. Operating EBITDA improved by 73% to ₹ 1021 Mn. and Profit after Tax grew by 47% to ₹ 493 Mn. Focused efforts put in by management and all stakeholders has fuelled this above average growth witnessed by your Company. It is indeed a moment of pride to see that the Consolidated Operating EBITDA for FY18 at ₹ 1021 Mn. surpassed your Company's FY13 Consolidated Revenue of ₹ 1008 Mn. – a significant growth for any business.

Your Company through its 100% subsidiary company, Liberium Global Resources Pvt Ltd, forayed into fast growing training and recruitment service through its innovative work force solutions which effectively connects people potential to business requirements of organisations. In this dynamic world of workplaces, corporates today need future-ready people management partners, who would help them to source and retain inspired, trained, and motivated workforce across geographies, quickly and sustainably. Liberium provides these essential services around training, lateral hiring, temporary staffing, human resource business process outsourcing and ensures quality services through soft skill training, pre-screening, better understanding of customer needs and absolute adherence to compliance.

Towards the end of the financial year, your Company took a step to bring into its fold MT Educare Limited, a leader in the informal Education sector, with a diversified product portfolio. The addition of MT Educare Limited, your Company will get a strong footfall outside the four walls of the conventional education segment, which is test preparation, tutorials, etc., thus enabling us to service all the segments of the education

sector within and outside the schools and the college landscape. This association will help us achieve an unprecedented scale of growth. We will reach out to over 3.50 lakh students with a balanced education portfolio that spreads across formal and informal education segments. This will help your Company become one of the biggest names in education landscape of the country.

Your Company remains committed to spread quality education across the country through its various verticals and initiatives. Your Company will continue to focus each and every effort to deliver better value to our shareholders. I am sure that we will continue to grow at an exhilarating pace as each one of the Zee Learn's management and stakeholders will direct their energy towards achieving many more milestones and march in unison to fulfil our vision. I look forward to provide you with more exciting updates in the new financial year.

Best Regards,
Debshankar Mukhopadhyay
 CEO, Zee Learn Ltd.





CEO of Zee Learn Ltd. wins
the award for Outstanding
School Leader at Indian
Education Congress 2018

Corporate Information

Board of Directors

Himanshu Mody Non- Executive Director	Dr. Manish Agarwal Independent Director	Dr. Sangeeta Pandit Independent Director
Ajeay Kumar Executive Director	Surjit Banga Independent Director (Resigned w.e.f. November 9, 2017)	Nandita Agarwal Parker Independent Director (Appointed w.e.f. January 15, 2018)

Auditors

M/s MGB & Co. LLP - Chartered Accountants
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Board Committees

Audit Committee

Dr. Sangeeta Pandit – Chairperson w.e.f. January 10, 2018	Dr. Manish Agarwal – Member
Himanshu Mody - Member	Surjit Banga – Ceased as Chairman of Committee w.e.f. November 9, 2017

Stakeholders Relationship Committee

Dr. Sangeeta Pandit – Chairperson w.e.f. January 10, 2018	Himanshu Mody – Member
Surjit Banga – Ceased as Chairman of Committee w.e.f. November 9, 2017	

Nomination and Remuneration Committee

Dr. Manish Agarwal – Chairman	Dr. Sangeeta Pandit – Member w.e.f. January 10, 2018
Himanshu Mody – Member	Surjit Banga – Ceased as member of Committee w.e.f. November 9, 2017

Corporate Social Responsibility Committee

Dr. Manish Agarwal – Chairman w.e.f. January 10, 2018	Dr. Sangeeta Pandit – Member
Himanshu Mody – Member	Surjit Banga – Ceased as Chairman of Committee w.e.f. November 9, 2017

Key Management

Debshankar Mukhopadhyay Chief Executive Officer	Umesh Pradhan Chief Financial Officer & Manager	Bhautesh Shah Company Secretary & Compliance Officer (Joined w.e.f. August 16, 2017)
Vikash Kar Human Resources	Avinash Kundalia Preschool –Enrolments & Operations	Brijesh Jadia Supply Chain
Santosh Gupta Information Technology	Shyam Sunder Gudimella Content and Curriculum (Joined w.e.f November 1, 2017)	Vivek Bhanot Partner Acquisitions (Joined w.e.f November 3, 2017)
Prashant Thakur Government Business (Joined w.e.f. November 3, 2017)	Sumit Mishra K-12 Schools- Enrolments and Operations (Joined w.e.f July 23, 2018)	Pravin Gadelli Business Lead

Bankers

Yes Bank Limited	Axis Bank Limited	ICICI Bank Limited	IDBI Bank Limited	State Bank of India	Deutsche Bank
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Registered Office Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai-400018.	Corporate Office 513/A, 5 th Floor, Kohinoor City, Kiro Road, Off LBS Marg, Kurla (West), Mumbai- 400 070.	Registrar & Share Transfer Agent Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai- 400083.
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Corporate Identity Number : L80301MH2010PLC198405 | **Investor Email ID** : investor_relations@zeelearn.com | **Website**: www.zeelearn.com

OUR BRANDS AND KEY INITIATIVES





WHERE KIDS LOVE TO LEARN

The last decade has seen an increase in personal disposable income and rising standard of living. This has also led to a surge in parents' aspirations to ensure quality education for their child. While the trend was limited only to Metro and major urban centres in the past, recent years have seen the quest for quality and world-class education from Early Childhood Care and Education (ECCE) to K-12 education in Tier II and Tier III cities. The ECCE sector is seeing a slow shift from the highly fragmented and unorganised sector to organised branded preschools. While the organised sector is expanding rapidly, the industry remains under-penetrated and is less than 4 percent of the total market potential thus giving a huge opportunity for the companies in the segment in the coming years.

Recognising the rise of India and the demand for quality education, the Company started Kidzee, its preschool division, as a pioneering initiative to bring a structured and research-based curriculum to help preschoolers and the parent realise their children's unique learning style and discover their own creative and aesthetic potential. The effort has led to a revolution in this market and with the first mover opportunity; the Company is now a market leader with over 1825 centres running across 750+ cities across India and Nepal.

Even as the Company continued to expand the Kidzee network, this would not have been possible without keeping the child as the central theme in the entire learning process. Given the rich experience, the Company's unrelenting efforts to refine and refresh its curriculum, Interactive iLLUME, ensures that it caters to the learning styles of every child in a holistic way. With a research-based curriculum, it enables the child to learn in a self-paced and age-appropriate manner. The child-centric curriculum and the teaching pedagogy has time and again been lauded by the parents and have appreciated the efforts we have taken in bringing a world-class structure in the preschools segment.



Along with creating an industry of preschools, the Company continues to play a quiet significant role in empowering women in India. As a business philosophy, Kidzee centres are run by women and encourage each centre to employ women facilitators and support staff. Given the reasons like flexible timings, advanced academic training, technological and logistical backings, limited investment along with autonomy, the Company offers the ideal conditions to encourage women to start a Kidzee centre and be self-reliant and actively contribute towards nation building.

The Company continues to be bullish about the preschool industry in India, even as it continues to make deeper inroads in the country and beyond. According to CRISIL Research, the segment will grow at a CAGR of 23% between 2017 -2022.

The Company continues to reiterate its leadership role by strongly focusing on various elements associated with the preschool business in India right from pedagogy, child safety, smart technology adoption and employment for women.



KIDZEE APP

The year saw the Company roll out the new Kidzee App to fulfil the gap of all stakeholders – Parents, Partners and Teachers. The Company recognised the need of parents to have information and data of their child availability on their fingertips and as and when they want it. With the app, parents can now have all the information on the go. Furthermore, the app also helps the other stakeholders like partners and teachers in the seamless flow of data across various user groups and enables a smooth functioning of the centre.





The Company continued to progress on its child-centric philosophy and its belief that each child is unique and hence the content and teaching pedagogy must be customised to the need of the child. The Company had introduced its proprietary pedagogy, Interactive iLLUME, in 2015 and has become a clear differentiation as compared to other preschools. The

Interactive Illume was introduced after conducting a research carried out across 20,000 parents, 2,000 teachers and 130,000 children and building on its earlier Illume pedagogy tool. The Interactive Illume has been a huge success since it was launched, as the proprietary tool understands the learning needs of each child and then customises content to the preferred learning style of each child. The learning experience had major technology components in the 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. This approach ensures that no pressure is enforced on the child, hence they learn faster, but at their own pace. The child learns HOW to think rather than WHAT to think.



KIDZEE LEARNING TABLET

Leveraging on its extensive understanding of providing child-centric content, the Company introduced the Kidzee Learning Tablet as an edutainment tool to provide an engaging content that is child- friendly, age- appropriate and developmentally fundamental for children.

The year saw the Company adding more proprietary apps and multimedia content to the learning tablet. The Company continues to receive positive feedback from parents who can easily map and monitor the child's progress.



in technical collaboration with **eddy**

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THINK EDUCATION. THINK ZEE LEARN.

KIDZEE Mount Litera Zee School ZIMA

KIDZEE

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Making learning fun with Kidzee Learning Tablet



Bringing in disruptive innovations in education has been embedded in our DNA. Last year, the Kidzee division introduced ImaGenie and became India's first preschool to integrate Augmented Reality in Learning. The Company ushered in a new age of learning within the network. The solution redefined children's time-tested favourite activities, i.e., colouring and puzzle solving and brought in hands-on interactive learning for higher engagement and longer retention. The content introduces new concepts to the child and evolves in a self-paced manner as the grade progresses.

This year, continuing on its path of adding new content for higher engagement, the Company introduced an upgrade to the Sr. KG Kit in the form of new puzzles under the topic 'Extinct Animals'. This was in line with the developmental milestones of the children and observing the acceptance of the product by the children over the last year



Even as the Company upgraded its content in its ImaGenie offering, in its quest to bring in better solutions to the preschool sector, it introduced a new product under the ImaGenie+ umbrella. Called the 'Spell-English', the new solution provides a value-added immersive language learning experience for the child.

The product is based on the basis of developing language – the 3Rs: Reading, 'Riting and 'Rithmetic. The product is offered from PG to Sr. KG and helps kids to have a productive learning experience from simple to complex activities, beginning with pattern tracing and letter introduction and extending to phonic introduction with rhymes and making sentences.

More importantly, the Company's experience with the preschooler indicates that the formative years are extremely important in developing the love for learning. The design of the ImaGenie+ is structured in ways to encourage the higher involvement of the parent, which ensures higher quality time for the child and fostering a positive experience around learning.



Awards and Recognition



Preschool Franchisor of the Year - Jury's Choice By Business World Education

Franchisor of the Year – Preschools by Franchise India Awards

India's Most Attractive Brand – Preschools by Trust Research Advisory

Excellence in Omni-Experience App by IDC Insight Award





Mount Litera Zee School

Great School. Great Future

The Mount Litera Zee Schools (MLZS), a leader in the field of holistic, quality and state-of-the-art education, covers the entire spectrum of education from preschool to K-12. MLZS is the second largest network of schools in the private-unaided category in India with over 122 schools, across 100+ cities in India. The Company has developed its unique, proprietary K-12 education model, Litera Octave, which provides students the opportunity to achieve their true, unique potential. Litera Octave is an integrated educational model that has been honed over years of research and development. It integrates various pillars such as content,

infrastructure, classroom design, assessment and systems that impact the child during his/her learning and development in school.

Zee Learn has worked tirelessly to strengthen the brand 'Mount Litera Zee School', as a leader in the education sector. Not only in terms of students enrolled and schools launched, the 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 Litera", the seed which was planted last year and continues to grow and blossom.

The year saw the Company continuing to further build the Mount Litera brand across the country. The Company continues to be bullish about the education market and firmly believes that a high-quality of curriculum, good faculty and judicious usage of technology will be the key to making a difference and satisfying the aspiration of Indians for better education.



Key Initiatives

Litera OCTAVE

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. The uniquely designed pedagogy of MLZS 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 programme focuses on holistic 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.

Olympiad

MLZS believes in education beyond just learning from the text books. At MLZS, education is providing opportunity for children to explore. With this idea as the guiding principle, the MLZS Olympiad for the South and West Zone was hosted by MLZS Tirupur, conducted by Zee Learn Ltd. The Mount Litera Zee School Olympiad - South & West Zone, 2017 -The Challenge of the Champions, an Inter Mount Litera Zee School (IMLZS) competition, tests students on various mental and physical faculties.

The competition spanning 3 days included challenging activities, was a huge success with more than 400 students participated from 8 Mount Litera Zee Schools.



Environment Day

Environment conservation is into the DNA of Mount Litera Zee Schools. Across the country, MLZS students at Bengaluru, Gandhidham, Ichalkaranji, Maheshtala, Pathankot, Silvassa, Ratlam and Howrah propagated this cause with great vigor and enthusiasm during Environment Week. Through a variety of activities within school and beyond, they spread the message about the importance of conservation of environment far and wide.

With the guiding theme 'Save Nature', Senior Members of the school, teachers plus students spoke on various aspects of Environment Conservation, like tree plantation, kinds of pollution and its perils etc.

Caregivers

Contribution to the society is a cause that MLZS strongly believes in and makes multiple efforts to take this up through a variety of activities throughout the year. We had MLZS Nagothane and MLZS Udaipur, taking up 2 major activities to drill in this message deep within, with the events focused on caregivers.

Beginning the previous year, MLZS Nagothane continued with the 'Design For Change' activity this year as well, with a prime focus to boost their economic growth, informed decision making and overall development. Here, Class XII students teach the maids basic English and maids have shown remarkable improvement in spoken English.

On 1st May, i.e. Labour Day, MLZS Udaipur honored the caregivers of the school, as they expressed their gratitude and appreciation towards them, for their selfless care and attention. Students performed a Nukkad Natak and relayed the message of humanity with a plea to treat the caregivers as humans and not as machines. There was a dance performance themed on oneness and unity. The Caregivers were felicitated with badges and boxes of sweetmeats, the programme concluded with the National Anthem.



Anti Child Abuse Program

Child Abuse is an issue which MLZS strongly cares about and this year was no exception. With the message of ## NO EXCUSE FOR CHILD ABUSE ##, various activities were organized across various MLZS centres, including walkathons, Nukkad Natak, opening an 'Awareness Counter' on the roadside. Banners, Posters, Placards and Pamphlets aided the students in these efforts.

Awards





Mount Litera School

INTERNATIONAL

Zee Learn offers the International Baccalaureate (IB) curriculum through its Mumbai-based Mount Litera School International (MLSI). The Company aims to provide an interactive life skill-based programme focusing on a holistic development - mental, emotional, social and physical. Coupled with the extensive use of cutting-edge educational technology, the Company offers a one-of-its-kind blended learning design approach at par with very few schools globally.

During the year, MLSI received authorisation from the IB Organisation for its Middle Years Program (MYP). It is heartening to note that the inspecting team from IBO conducted a thorough check of the school including its philosophy, leadership and structure, resources and support, collaborative planning, written curriculum, and assessment practices. The authorisation was another step towards the Company's commitment of offering future ready programs along with holistic education.





Key Initiatives

Cultures Mela: Know the World

It is an innovative, hands-on way to know the world. Students across the Company's various schools spent 4 days in their classrooms learning about world's and Indian states' different cultures. Activities were conducted to transform the classrooms to showcase the culture of various countries and states they were studying. As part of the engagement and creating real-life learning experience, the students had to travel to other countries (classrooms) with their passports to learn about other cultures. The Mela also explored the rich Indian heritage as students travelled to various states to deep dive into their cultures. During the fest, the students got an opportunity to learn around 38 different countries including countries like Mexico, United Kingdom, France, Spain, Turkey, Jamaica, Canada,



Indonesia, Netherlands, Russia, Afghanistan, etc and Indian states and cities like Karnataka, West Bengal, Goa, Kashmir, etc. The cultural mela also saw the parents engage with the various activities as they not only helped in decorating, doing a craft, teaching a dance, telling stories, but also gave a chance to spend time with the students exploring the various cultures.

Fun fair for kids fighting cancer

To bring cheer in the lives of the kids fighting cancer, students of MLSI organised a fun fair for kids fighting cancer. As part of the school's 'Service with Smile' club in association with an NGO – Annam, the school invited around 40 kids from the Tata Memorial Centre for a morning of fun and frolic along with their parents to the school. A special guest of honour and a cancer survivor Anurag Basu also graced the occasion and shared his inspiring journey of emerging victorious from his battle with cancer.



Bookaroo, India's First Children Lit Fest to Mumbai

A proud moment for the school, MLSI brought Bookaroo, India's first children's literature festival to Mumbai. The carnival celebrated the joy of reading with over 20 well-established authors, storytellers, illustrators and poets to unveil their magic. The festival saw a range of literature for kids and the event facilitated the joy of reading through hands-on experiences like doodle wall, art, puppetry, reading under the tree, illustrations, etc. The two days event featured over 50 sessions of varying activities, which included dramatised readings, storytelling sessions, workshops on Haiku writing and Patua art with well-known authors and writers and performing artists, ensuring an enlightened and fun-filled weekend.

Meraki – A week- long riot of colours

MLSI had a three week long art festival – Meraki with celebrated painter and Padma Shri. awardee, Paresh Maity gracing the event on the final day. At the event, Mr. Maity conducted a special workshop for students on art appreciation as well as taught them some exciting techniques, colour schemes and composition styles to enliven their canvas.



The aim of the event was to highlight the importance of art in education as well as child development. The event showcased how art helps children in the development of various skills like fine motor skills, cognitive development, Math and language skills, etc. and also assist them to channel their inner creativity.

Mother's Day – Celebrating Motherhood

MLSI hosted a unique event for mothers with celebrity chef, Maria Goretti, to celebrate Mother's Day. Maria introduced mothers to healthy alternatives for snacks that were tasty yet nutritious. The objective of the event was to inculcate good eating habits at an early age and help children understand eating right is as important for a healthy body and all-round development.





According to a report released by FICCI, the Indian film industry is the largest in the world in the terms of number of films produced every year. The country witnesses the production of 2,000 films, in over 20 languages. In terms of revenue, the industry had a gross box office realisation of US\$2.1 billion in 2016 and expected to grow at 11% CAGR reaching US\$3.7 billion by 2020. The Indian TV industry is yet another big employment and revenue creator. Moreover, with the influx of digital media and content creators like Amazon Prime, Netflix and hundreds of mom and pop channels mushrooming on the web, the demand for film and media professional is on the rise.

The Company's ZIMA division, the creative and training academy for the film- making and media industry, continued to set new benchmarks in media and entertainment education across India. With a best- in- class and international standard curriculum for its courses coupled with cutting-edge technology and infrastructure, and highly experienced faculty from the Film and TV industry, the academy prepares its students to be industry-ready on completion of the courses. The division 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 the integrated courses.

ZIMA continues to refresh, upgrade or add new courses to its portfolio as per the demand from the industry. The Company has the distinction of being India's first Autodesk and Steinberg certified training centre. Currently, ZIMA is operational at Mumbai, Noida and Jaipur.



Industry interaction has been a key theme at ZIMA. The year saw the institute conducting multiple workshops and inviting esteemed film personalities for guest lectures like Ballu Saluja (National award winner for Lagaan), Viveck Vaswani (Director/ writer/actor), Sunil Thapa (actor from Nepal), Rohit Jain (CEO – Short Reels), Simon Money (Faculty - UCA, UK), K.D Sathyam (Writer – Mukkabaaz, Bollywood Diaries) and Sandeep Sawant (Director – Marathi films) among others.

Kumar Raj, the winner of many international awards and alumni, visited ZIMA and showcased his work and interacted with the students.

ZIMA also conducted various college events at Wilson College, UMANG Festival (NM College), SNDT University, Vaayu Fest (NMIMS College), Detour (Jai Hind College), VJTI College (seminar by ZIMA Faculty), AAHAN 2018 (Usha Pravin Gandhi College), Meter Down (National College), SPACE 2018 (Bhavan's College).

As part of the hands-on training, the year saw ZIMA students visiting sets of Dance India Dance and Sa Re Ga Ma and post-production studio of Q-Lab. Also, experts from Yamaha Steinberg conducted a workshop for students (Sound dept.) in ZIMA.







Zee Institute of Creative Art (ZICA) is India's first full-fledged Classical and Digital Animation training academy offering training in 3D Animation, Visual Effects, Graphic Design and Web Design.

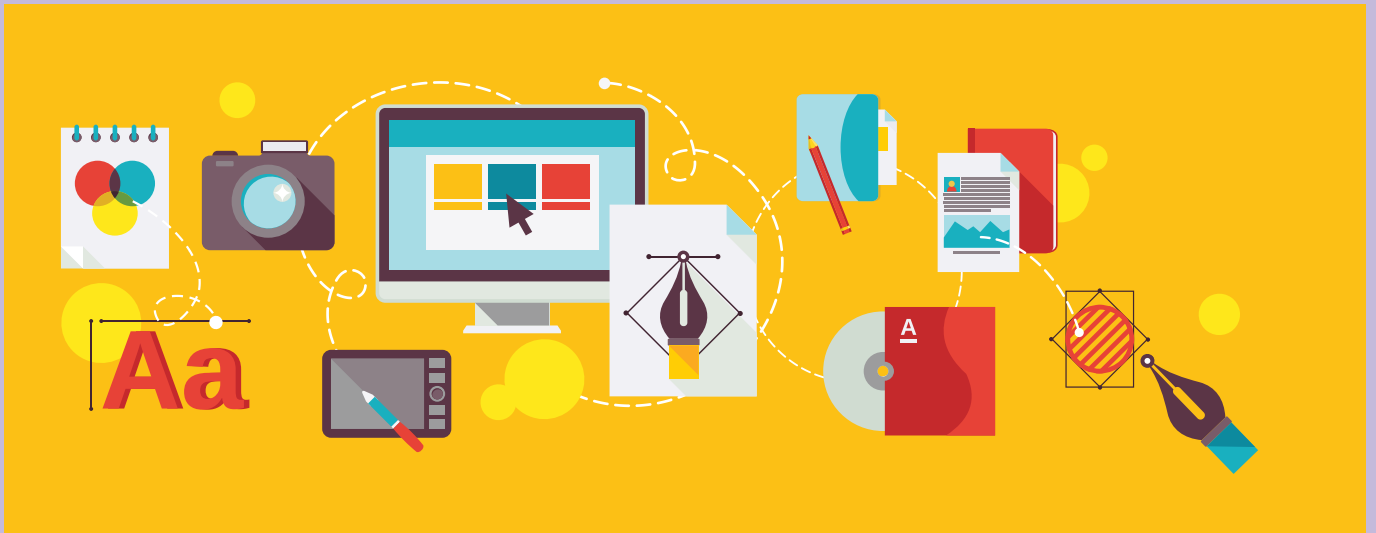
During the year, ZICA expanded its portfolio and introduced 3 new programs in Interior Design, Digital Marketing and Digital Photography. With a state-of-the-art and high-end animation tools, 2D animation facilities, 3D software, visual FX Labs and Imaging Technologies and the best of faculty, the institute has been focused on creating a stimulating environment for the students since the past two decades.

The Company's division continues to provide quality education to thousands of students every year and strives to help each student discover their unique creative potential.

The course content adopted by ZICA lays emphasis on the principles of art and design and fundamentals of animation. Leveraging its deep relationship with the industry, ZICA has refreshed its course, as per the industry demands to ensure that the students are ready for the profession after the completion of the course. The strong placement cell coupled with industry compliant courses helps the student find easy placements with well-known companies across the country.

ZICA is now operating in 14 centres across the country and includes major cities like Mumbai, Pune, Noida, Bengaluru, Chennai, Kolkata, Mangalore, Ranchi, Bhubaneswar, Guwahati, etc. The year also saw ZICA launching a new website.





Grass Root Marketing / Community Outreach

Health and Safety – I Care

'I Care', the Child Rights Initiative of Zee Learn, is designed to educate everyone around the child about Child Abuse and eventually prevent

such incidence. Given the growing incidence of child abuse in the country, the campaign aims to ensure 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.

An all-inclusive programme, the initiative reaches out to Parents, Teachers, Staff, Partners and everyone who interacts with the child. As a part of the initiative, the caregivers are trained to recognise signs and enable the child to prevent abuse in any form.

The Company has been taking the programme to its growing Kidzee family and creating awareness in the society. In 2017-18, it touched over 90,000 parents through our outreach programme, up from 41,350 parents in the previous year.



Health and Safety – Yoga Day

The international Day of Yoga is India's gift to the world and June 21 is now globally celebrated as the Yoga Day. The Company champions the cause of a healthy body with a healthy mind and the need to develop healthy habits at an early age. Every year Kidzee celebrates Yoga Day with great enthusiasm to spread the message of healthy wholesome living and imbibe a healthy lifestyle in young children. The activity is designed keeping in mind the developmental milestones of young children and only child-friendly Asanas are shared with the teachers to be practiced by young children.



On the occasion of International Day of Yoga, everyone is invited to the centre and the entire team is led by these young children.

Over a 100 centres participated in this activity with many communities organising events to celebrate Yoga and health.



Serve the Society

Beti Bachao, Beti Padhao

The Company takes up various government initiatives and promotes them in its network. As part of this, Kidzee promoted the Beti Bachao Beti Padhao initiative across all its centres with children conducting walk-athons, rallies and street plays to spread the message across the country.

The Company is proud to share that the Honourable Chief Minister of Bihar, Shri Nitish Kumar recognised the efforts of Kidzee and appreciated its contribution towards raising awareness about the 'Beti Bachao Beti Padhao' campaign. The Company has also been felicitated by the Honourable Governor of Bihar, Shri Satya Pal Malik for the work in this area.



Sukanya Samriddhi Yojana

Kidzee held the Sukanya Samriddhi Yojana camps across its centres to enable parents to enroll in the scheme by the Honorable Prime Minister of India. As part of this initiative, over 3,000 parents were reached out and 800+ accounts were opened at various Kidzee premises.



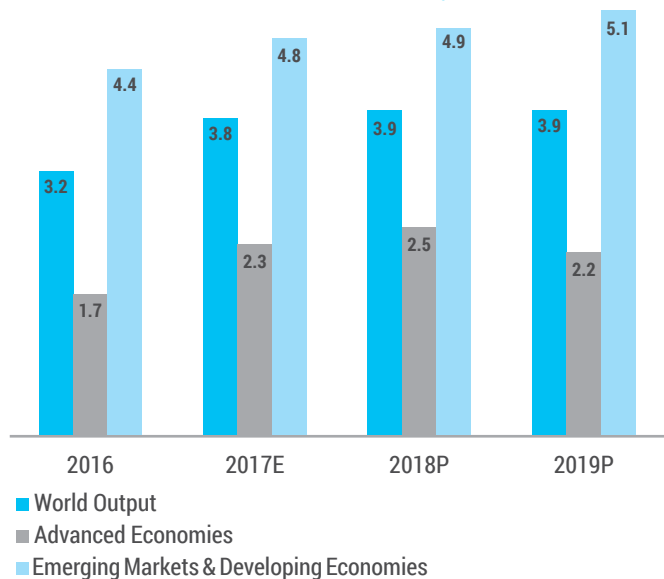
Management Discussion and Analysis

Economic Overview

Global economic review

Economic activity in 2017 ended on a high note as growth in the second half of the year was strongest since the second half of 2010, supported by recovery in investment. At 3.8%, global growth in 2017 was the fastest since 2011. Emerging Asia and emerging Europe witnessed strong growth and signs of recovery were visible in several commodity exporters. Stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment in advanced economies which registered 2.3% growth in 2017 as compared to 1.7% in 2016. This coupled with accommodative monetary policy, stronger balance sheets, and an improved outlook helped release pent-up demand for capital goods. Emerging market and developing economies (EMDEs) registered 4.8% growth in 2017 as compared to 4.4% in 2016 led by acceleration in private consumption. China saw revival in net exports and India witnessed strong pick up in private consumption. Brazil, Russia, Angola, Ecuador and Nigeria saw pick up in commodity exports. Other EMDEs saw higher fixed investment growth and stronger private consumption.

World Growth Summary



E=estimates, P= projections

Source: IMF – World Economic Outlook, April 2018

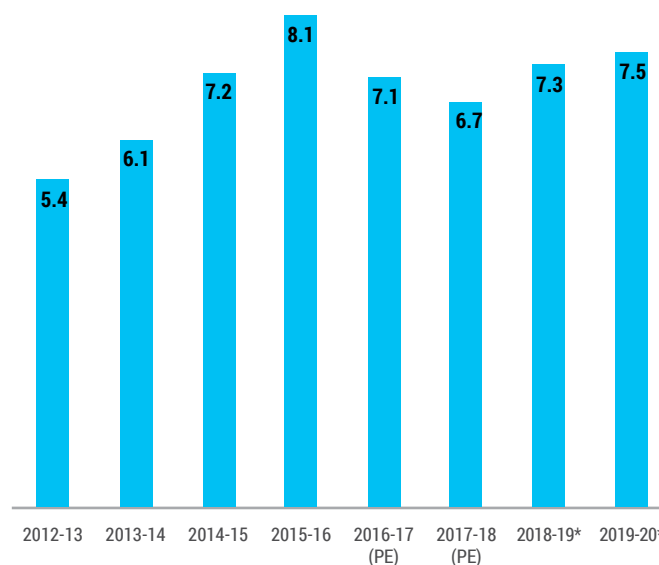
With upbeat financial conditions, global growth is expected at 3.9% in both 2018 and 2019. Advanced economies are expected to grow at 2.5% in 2018 and 2.2% in 2019. Euro area economies are expected to grow, led by accommodative monetary policy. US economy will benefit from expansionary fiscal policy which is also expected to drive the economy

above full employment. With continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters, EMDEs are expected to grow at 4.9% in 2018 and 5.1% in 2019. Climate change, geopolitical tensions, and cyber-security breaches pose threats to the global growth outlook.

Indian economic review

Indian economy is on the cusp of a major change with a slew of reforms by the Government including Make in India, Digital India, Skill India, rural electrification drive, Smart Cities Mission, impetus on infrastructure, rising disposable income, low inflationary pressures, implementation of the Seventh Pay Commission, recovery in exports and private investments. These factors have together resulted in 6.7% GDP growth at constant prices in FY18 versus 7.1% in FY17, as per the provisional estimates issued by the Central Statistics Organisation (CSO). In the World Bank's Ease of Doing Business index, India's global ranking reached to 100th among 190 countries in 2018 as compared to 130th rank in the previous year. Acceleration in manufacturing, enhanced capacity utilisation, strong pick-up in activity in the services sector, low inflationary pressures and normal monsoon, work in favour robust economic growth.

Indian Growth Outlook



PE=Provisional estimates, *estimates by World Bank

Source: CSO, World Bank

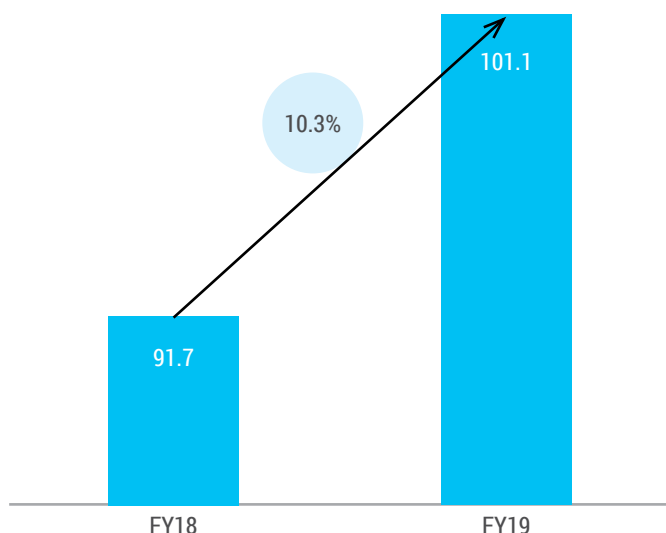
According to World Bank, the Indian economy is expected to be the fastest growing major economy in the World with 7.3% growth in FY19 and 7.5% in FY20, reflecting robust private consumption and strengthening investment. The Indian economic growth has been robust and resilient

in the recent past showing potential to deliver substantial growth in the coming years. The growth is expected to be supported by major economic reforms and fiscal measures undertaken by the government. Increasing non-performing assets in the banking sector, high crude oil prices and uncertainty in global growth due to plausible trade wars, pose risk to growth prospects. However, higher government spending ahead of elections, strong rural demand aided by normal monsoon, favourable conditions in labour market, continued spending on infrastructure sectors like roads, irrigation and power transmission bode well for the economic growth.

Industry Review – Education Industry

The education sector in India is estimated at US\$ 91.7 Bn in FY18 and is expected to reach US\$ 101.1 Bn in FY19. With approximately 28.1% of India's population in the age group of 0-14 years, educational sector in India provides great growth opportunity. With evolving times, the purpose of education has evolved from imparting knowledge to all-round development of students to groom them to be literate citizens. The schools guide the students to explore their potential and understand their passion while also develop their skills like language, technology, cross-cultural understanding etc. Schools are adopting innovative and practical teaching methods and have brought about a sea change in the teaching methodology with use of technology.

Indian education sector size in US\$ Bn

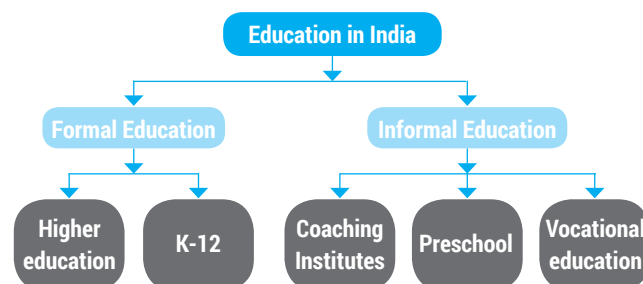


Source: IBEF

India holds an important place in the global education industry. India has one of the largest networks of higher education institutions in the world with 850 universities and 42,026 colleges. With both the Government and

the private sector stepping up to invest in the Indian education sector, the number of schools and colleges have seen an uptrend over the past few years. A total of 35.7 Mn people were enrolled in higher education institutes in FY17. India ranks 124th in literacy rates with literacy rate estimated at 75% in 2016. In 2017, 8% of the schools in India were RTE (Right to Education) compliant. Education spending is close to 2.7% of GDP in India in FY18 versus global average of 4.5%. Gross Enrolment Ratio (GER) in higher education was 25.2% in FY17, which the Government aims to increase to 30% by 2020. The country has become the second largest market for e-learning after the US and online education is expected to reach US\$ 1.96 Bn by 2021 with around 9.5 Mn users.

The Indian education system can be broadly classified into formal and informal with K-12 (schooling of lower primary, primary and secondary sections) and higher education (graduate and post graduate colleges) falling under the formal sector. The informal sector mainly comprises of preschools, coaching institutes and vocational education. Slowly with rising interest of parents and growing demand for quality, preschooling segment is becoming a part of formal education with many schools having preschools.



K-12

The current K-12 school system in India is one of the largest in the world with more than 1.5 Mn schools that have more than 250 Mn students. Private schools account for about 25% of total schools.

Based on the differential geography and income-levels of Indian population, three different sub-markets have emerged within private school segments namely:

- High-End Schools (having fees > ₹ 60,000 per annum),
- Mid-Market Schools (having fees between ₹ 12,000-60,000 per annum) and
- Affordable Private Schools (having fees < ₹ 12,000 per annum).

As per rules, schools are formed as non-profit organisations and any surplus generated is needed to be ploughed back into the improvement of the school.

With increasing awareness, private Indian players are collaborating with international brands to provide international standard quality education. Schools are investing in information and multimedia education technologies to provide better education infrastructure to students. Increase in technology has also influenced the education sector, due to which smart classes are gaining acceptance. Technology-driven learning is introducing a qualitative and quantitative difference to education. The introduction of online learning in Indian education system has changed its scenario, with its reach and economical access.

Higher Education

India's higher education system is the largest in the world with over 70 Mn students and it ranks second in terms of student enrolment in higher education. By 2025, the segment is expected to reach US\$ 35.03 Bn. This includes various institutions providing graduate courses in various streams and post graduate courses. Mostly higher education is controlled by government under various Central and State universities. However private players are foraying in a big way in post-graduate courses. With increasing need for formal education, higher education has become commonplace and increasing number of students are opting for post graduate courses with a view to secure more competitive jobs.

Preschools

There are close to 106 Mn children in 2-5 age group, out of which 60 Mn children go to preschool or an early childhood education centre. With a market size of US\$ 1.18 Bn, India has highest number of preschool children enrolled globally (*Source: Kaizen Education, 2014*). Currently, India has close to 0.5 Mn private preschools including both organised and unorganised.

The segment is majorly unregulated in the country with preschool education not being compulsory. The National Commission of Protection for Child Rights (NCPCR) has formed guidelines for private preschools to ensure child safety and bring uniformity and inclusiveness. All preschools are required to be registered with NCPCR and ensure police verification of all employees.

The preschool market is highly fragmented and competitive, with several local operators operating out of standalone centres without any standardised curriculum. Several K-12 schools are increasingly including preschools in their own campus offering nursery and kindergarten programs, though it continues to remain voluntary. Even though parents prefer organised preschools with standardised curriculum, the fees charged by them is high and parents from low-income segment group are unable to afford it. There are several players that are trying to build cost-effective centres to cater to low-income segment groups. In most big cities, there are chains of preschools catering to high and mid income segment people. Given the low penetration level of preschools, it is estimated to grow at 23 per cent CAGR over 2022.

Coaching institutes

With child development becoming the priority for parents, there has been a tremendous rise in coaching institutes which offer both curricular and extra-curricular activities. Coaching classes offer tuitions for all grades, preparation for entrance exams and coaching for higher education as well. In extra-curricular, coaching institutes cover everything from day-care to soft skill development to dance, art, craft, computer training, etc. There has been a tremendous rise in coaching institutes with increasing competitiveness and growing need for all-round development. Many schools offer extra-curricular activities in their campus to formalise these activities and provide an element of security and assurance to parents.

Manpower training

Teacher training is emerging as a huge demand area, as teacher quality is a big barrier to improvement in learning outcomes. Despite being the second largest education system in the world, there is serious shortage of good faculties in India. There is a huge requirement for both pre-service and in-service training for teachers. Of the 9 Mn teachers working in schools (K-12), only 80% are professionally trained. Pre-service teacher training has mainly been in the hands of government and private institutes that provide Bachelor's and Master's degree in education. Social enterprises have mainly been driven by non-profit models with some for-profit models emerging, given the need of the hour. While there is a strong need to change the policy to revamp teacher training in India, there is huge opportunity for entrepreneurs to design solutions that can help train teachers to be more effective in the classrooms.

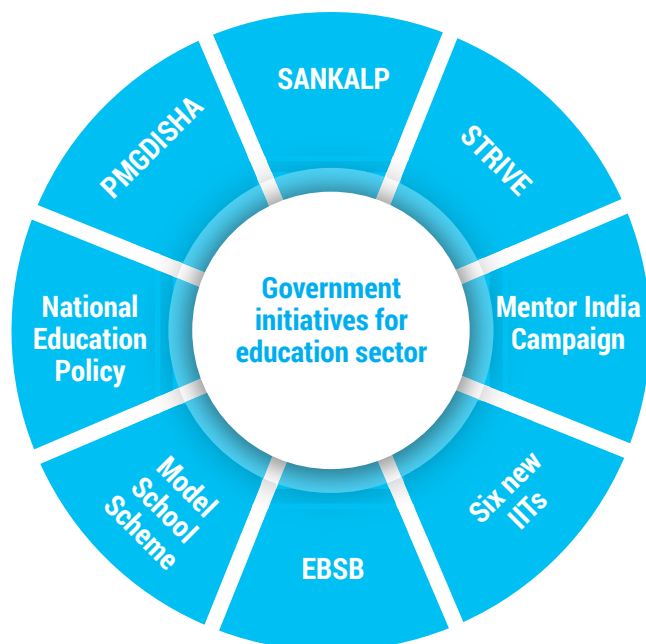
Source: IBEF June 2018, Technopak Education Outlook June 2017

Government Initiatives

The allocation for school education under the Union Budget 2018 was ₹ 850 Bn with strong focus on accelerating existing schemes and quality improvement. With a view to boost the Skill India Mission, two new schemes, Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) and Skill Strengthening for Industrial Value Enhancement (STRIVE), were approved with an outlay of US\$ 1.02 Bn in support by the World Bank. The Government of India has signed a Financing Agreement with the World Bank for International Development Association (IDA) credit of US\$ 125 Mn for the STRIVE Project.

Government initiatives to boost education sector growth

NITI Aayog is launching the Mentor India Campaign which will bring leaders and students together at more than 900 Atal Tinkering Labs (ATLs). As of June 2018, 5,441 schools were selected across India for establishing ATLs.



The Government of India will spend around US\$ 3.10 Bn to build six new Indian Institutes of Technology (IITs) by March 2024.

The Ek Bharat Shreshtha Bharat (EBSB) campaign is undertaken by Ministry of Human Resource Development to increase engagement between States, Union Territories, Central ministries, educational institutions and general public.

The Government has adopted The Model School Scheme to provide quality education in rural areas by setting up of 6,000 schools across the rural regions of the country.

HRD Ministry formed a panel of Central Advisory Board of Education to boost girls' education in Telangana with the help of the state government.

The new National Education Policy (NEP) to be launched by the Government considers education as an utmost important parameter in the country with strong focus on quality of education as well as innovation and research in the sector.

Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) is aimed at providing digital literacy to 60 Mn rural households in the country by March 2019. As of January 2018, more than 10 Mn candidates were trained under the scheme.

Outlook

Increasing disposable incomes and willingness of people to spend on education is a key driver for the Indian education industry. India has the world's largest population of about 500 Mn in the age bracket of 5 to 24 years

and this provides a great opportunity for the education sector. The Indian education sector is set for strong growth, buoyed by a strong demand for quality education.

The education sector in India is poised to witness major growth in the years to come as India will have the world's largest tertiary-age population and second largest graduate talent pipeline by the end of 2020. The sector has been growing with double digits over the last decade and is expected to grow at 16% CAGR till 2020.

Education sector has seen a host of reforms and improved financial outlays in recent years that could possibly transform the country into a knowledge haven. With human resource increasingly gaining significance in the overall development of the country, development of the education infrastructure is expected to remain a key focus area.

The Government of India has taken several steps including opening of IIT's and IIM's in new locations as well as allocating educational grants for research scholars in most government institutions. Furthermore, with online modes of education being used by several educational organisations, the higher education sector in India is set for some major changes and developments in the years to come.

Performance Review

Kidzee

Kidzee has more than 1,825 operational preschools in over 750 cities across India and Nepal. Kidzee has so far touched the lives of more than 4,50,000 children since its inception in 2003. In FY18, the Company signed 354 preschools and added 259 centers under its umbrella.

The franchisee owner bears the establishment costs and an upfront franchisee fees. Further, it pays royalty each year under a revenue-share agreement and also student kit fee to franchisor. The franchisor provides the curriculum, content, kits and other necessary support like teacher training and advertising and marketing.

Its proprietary pedagogy, iLLUME 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 realise it. Zee Learn offers franchise to local edupreneurs, especially women, to run and manage Kidzee preschools.

In FY18, the Company launched the new Kidzee App to fulfil the need gap of all stakeholders – Parents, Partners and Teachers. The app allows data to flow seamlessly across these user groups and enables a smooth functioning of the centre.

Kidzee introduced Imagenie, based on state-of-the-art Augmented Reality (AR) technology, designed around age-appropriate learning and

complements the classroom learning by continuing the learning process at home. Imagenie consists of Coloring sheets for PG and Nursery and Jigsaw puzzles for Jr. and Sr. KG. In FY18, the Company introduced an upgrade to the Sr. KG Kit in the form of new puzzles under the topic 'Extinct Animals' in line with developmental milestones of the children and observing the acceptance of the product by the children over the last year. The Company also introduced a new product under the Imagenie+ umbrella. The new product Spell-English, provides a value added immersive language learning experience for the child, based on the basis of developing language – the 3 R's: Reading, 'Riting and 'Rithmetic. The product is offered from PG to Sr. KG and is designed to evolve from simple to complex activities beginning with pattern tracing and letter introduction to phonic introduction with rhymes and making sentences. The Company also continues to upgrade the Kidzee Learning Tablet to provide engaging content that is child friendly, age-appropriate and developmentally fundamental for children.

Mount Litera Zee School

Mount Litera Zee Schools (MLZS) aims to provide Learner-Centred 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 children. The Company partners with local educational trusts under various operating models. The range of services and solutions provided under these partnerships range across school set up assistance, teacher-training, assessment, teaching materials, student learning resources, branding. In addition, the Company runs five CBSE schools at Goa, Bhatinda, Karnal, Patiala, and Nagpur, having more than 3,000 students and also runs an IB school at BKC Mumbai, which has around 400 students.

In FY18, the Company signed 14 and added 7 K-12 Mount Litera Zee Schools taking the total count to 122 including 5 Company managed schools. The total number of K-12 kits dispatched in FY18 is around 56,000. The recurring revenues from the K-12 schools witnessed 4-5% increase in FY18. These schools enjoy around 90% retention rate.

Vocational training

Youth today is looking for vocational education, outside the ambit or traditional higher education. The Company's Zee Institute of Media Arts (ZIMA), a TV and film training institute, in Mumbai 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 offering training in classical 2D, modern 3D animation, VFX, visual effects, graphic design and web design in 14 cities across India.

In FY18, ZICA introduced 3 new programs in interior design, digital marketing and digital photography. The institute has strong emphasis

on creating a stimulating environment for the students. ZICA focuses on the application of principles of art and design and fundamentals of animation to computer based digital animation and web design. 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. In FY18, ZICA launched a new website, which has received overwhelming response from the users.

ZIMA has international standard curriculum for all courses and a cutting-edge technology and infrastructure. It is India's first AUTODESK & STEINBERG Certified Training Centre. It has a highly experienced faculty from film and TV industry. ZIMA offers courses in most domains of filmmaking, with creative courses like writing, direction, acting, music and film appreciation or technical courses of cinematography, sound recording, editing and even production designing and integrated courses. Currently, ZIMA is operational at Mumbai, Noida and Jaipur. ZIMA with its expertise in film and TV and Journalism has aligned programs in "School of Film and TV" and "School of Journalism".

During FY18, workshops and guest lectures were conducted by various industry professionals like Mr. Ballu Saluja (won National award for Lagaan), Mr. Viveck Vaswani (Director/Writer/Actor), Sunil Thapa (Actor from Nepal), Rohit Jain (CEO – Short reels), Simon Money (Faculty - UCA, UK), K.D Sathyam (Writer – Mukkabaaz, Bollywood diaries), and Sandeep Sawant (Director – Marathi Films). Kumar Raj (Producer/Director - Alumni, ZIMA) visited ZIMA and showcased his work and interacted with the students. ZIMA also conducted various college events at Wilson college, UMANG Festival (NM College), SNTD University, Vaayu Fest (NMIMS College), Detour (Jai Hind College), VJTI College (Seminar by ZIMA Faculty), AAHAN 2018 (Usha Pravin Gandhi College), Meter Down (National College), SPACE 2018 (Bhavan's College). ZIMA Students visited sets of Dance India Dance (DID), Sa Re Ga Ma and Post-production studio Q-Lab. ZIMA is a certified training provider of Steinberg. Yamaha Steinberg conducted a workshop for students (Sound dept.) at ZIMA.

Manpower training

With increasing awareness, manpower training is gaining centre-stage among corporates who dedicate substantial time and resources to train their employees. Most organisations prefer to seek external help from training organisations to train their new joiners on general skills, and temporary staffing companies to manage payrolls, compliance and other HR aspects related to such contingent workforce. Liberium provides a one stop solution to the corporates by providing assistance to the corporate HR team to recruit the right resources, provide training on client specific required skills and place the associates on Liberium rolls to efficiently

manage staff. Additionally, On-boarding and Induction sessions conducted by Liberium help to motivate and engage the associates.

Liberium assists in effective hiring, rapid backfilling, soft-skill training, strict adherence to compliance, quick turnaround time on associate/client queries, legal support, performance and productivity tracking. Liberium help provides lateral hiring assistance, comprehensive solutions around payroll processing, training and HR business process outsourcing.

Financial Review

During FY18, the Company signed 354 new Kidzee Preschools and 14 Mount Litera Zee K-12 Schools, expanding its network to more than 750 cities in India. The Company strengthened its leadership position in the school segment with over 1825 Kidzee Preschools and 122 Mount Litera Zee K-12 Schools. Through network of preschool centres, K-12 schools and Youth centres, the Company served 230,000+ students during FY18 as against 205,000+ students during FY17, registering 12% growth on student enrolment.

Consolidated

Income

The Company's total income increased by 49% to ₹ 26,884 Lakhs in FY18 from ₹ 18,049 Lakhs in FY17 aided by 16% growth in revenue from educational services /activities. Lease rentals income registered 48% growth and revenue from Training, Manpower and related activities.

Expenditure

Total expenditure increased by 30% to ₹ 19,698 Lakhs in FY18 from ₹ 15,187 Lakhs in FY17.

Operational Expenses

Operational expenses increased by 27% to ₹ 4,507 Lakhs in FY18 from ₹ 3,538 Lakhs in FY17 commensurating to increase in sales.

Employee Benefit Expenses

Employee benefits expenses increased by 168% to ₹ 7,879 Lakhs in FY18 from ₹ 2,939 Lakhs in FY17 primarily on account of consolidation of 100% subsidiary Liberium Gloabal Resources Pvt Ltd, which is engaged into Training, Manpower and related activities.

Other Expenditure

Other expenditure decreased by 24% to ₹ 4,290 Lakhs in FY18 from ₹ 5,659 Lakhs in FY17 largely on account of one time impact booked in

FY17 of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16, reduction in legal and professional charges and reduction in marketing, advertisement and publicity expenses.

Finance Costs

Finance costs decreased by 8% to ₹ 1,911 Lakhs in FY18 from ₹ 2,072 Lakhs in FY17 on account of refinancing of high cost term loan.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by 14% to ₹ 1,112 Lakhs in FY18 from ₹ 980 Lakhs in FY17.

Profit After Tax

The profit after tax increased by 47% to ₹ 4,928 Lakhs in FY18 from ₹ 3,351 Lakhs in FY17.

SOURCES OF FUNDS

Share Capital

The equity share capital increased by ₹ 32.53 Lakhs from ₹ 3,226.42 Lakhs as on March 31, 2017 to ₹ 3,258.95 Lakhs as on March 31, 2018.

Other Equity

Other equity saw an increase of ₹ 6,054.93 Lakhs from ₹ 26,025.23 Lakhs as on March 31, 2017 to ₹ 32,080.16 Lakhs as on March 31, 2018 largely on account of Net Profits earned during the year.

Total Non-Current Liabilities

Non-Current liabilities saw an increase of ₹ 13,534 Lakhs from ₹ 34,726 Lakhs as on March 31, 2017 to ₹ 48,260 Lakhs as on March 31, 2018.

Financial Liabilities

Financial Liabilities saw a decrease of ₹ 1,462 Lakhs from ₹ 25,536 Lakhs as on March 31, 2017 to ₹ 24,074 Lakhs as on March 31, 2018 on repayment of security deposits.

Other Liabilities

Other Liabilities saw an increase of ₹ 14,991 Lakhs from ₹ 9,035 Lakhs as on March 31, 2017 to ₹ 24,056 Lakhs as on March 31, 2018 largely on account of discounting of security deposit received at present value as per IND AS.

Current Liabilities

Current liabilities saw a decrease of ₹ 506 Lakhs from ₹ 10,628 Lakhs as on March 31, 2017 to ₹ 10,122 Lakhs as on March 31, 2018 on account of reduction in trade payables, tax liabilities and other liabilities.

APPLICATIONS OF FUNDS

Non-Current Assets

Non-Current Assets saw a net increase of ₹ 20,697 Lakhs from ₹ 65,048 Lakhs as on March 31, 2017 to ₹ 85,745 Lakhs as on March 31, 2018 on account of increase in other financial assets (amount given towards share allotment in MT Educare Ltd)

Current Assets

Current assets saw a decrease of ₹ 1,582 Lakhs from ₹ 9,558 Lakhs as on March 31, 2017 to ₹ 7,976 Lakhs as on March 31, 2018 largely on account of realisation of debtors in DVPL.

Standalone

Income

The Company's total income increased by 16% to ₹ 20,202 Lakhs in FY18 from ₹ 17,374 Lakhs in FY17 aided by 26% growth in revenue from sales of educational goods and equipment on account of higher enrolments vis-à-vis FY17.

Total Expenditure

Total expenditure decreased by 6% to ₹ 13,067 Lakhs in FY18 from ₹ 13,840 Lakhs in FY17 largely on account of other expenses and finance cost.

Operational Expenses

Operational Expenses increased by 27% to ₹ 4,507 Lakhs in FY18 from ₹ 3,538 Lakhs in FY17 commensurating an increase in sales.

Employee Benefit Expenses

Employee benefits expenses decreased by 2% to ₹ 2,873 Lakhs in FY18 from ₹ 2,939 Lakhs in FY17 on account of ESOPs as per IND AS.

Other Expenditure

Other expenditure decreased by 27% to ₹ 4,037 Lakhs in FY18 from ₹ 5,505 Lakhs in FY17 largely on account of one time impact booked in FY17 of the difference in loss claimed and the actual claim determined w.r.t. fire occurred in the warehouse in FY16, reduction in legal and professional charges and reduction in marketing, advertisement and publicity expenses.

Finance Costs

Finance costs decreased by 9% to ₹ 1,336 Lakhs in FY18 from ₹ 1,464 Lakhs in FY17 on account of refinancing of high cost term loan.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased by 21% to ₹ 312 Lakhs in FY18 from ₹ 395 Lakhs in FY17.

Profit After Tax

The profit after tax increased by 26% to ₹ 4,576 Lakhs in FY18 from ₹ 3,644 Lakhs in FY17.

SOURCE OF FUNDS

Share Capital

The equity share capital increased by ₹ 32.53 Lakhs from ₹ 3,226.4 Lakhs as on March 31, 2017 to ₹ 3,258.95 Lakhs as on March 31, 2018.

Other Equity

Other equity saw an increase of ₹ 5,702 Lakhs from ₹ 26,407 Lakhs as on March 31, 2017 to ₹ 32,109 Lakhs as on March 31, 2018 largely on account of Net Profits earned during the year.

Non-Current Liabilities

Non-Current liabilities saw an increase of ₹. 6242 Lakhs from ₹ 11,062 Lakhs as on March 31, 2017 to ₹ 17,304 Lakhs as on March 31, 2018

Financial Liabilities

Financial Liabilities saw an increase of ₹ 783 lakhs from ₹ 10,415 Lakhs as on March 31, 2017 to ₹ 11,198 Lakhs as on March 31, 2018 on account of increase in 10.40% Secured Redeemable Non- Convertible Debentures.

Other Liabilities

Other Liabilities saw an increase of ₹ 5,248 Lakhs from ₹ 92 Lakhs as on March 31, 2017 to ₹ 5,340 Lakhs as on March 31, 2018 largely on account of discounting of security deposit received at present value as per IND AS.

Current Liabilities

Current liabilities saw a decrease of ₹ 1,227 Lakhs from ₹ 9,681 Lakhs as on March 31, 2017 to ₹ 8,454 Lakhs as on March 31, 2018 on account reduction in trade payables, tax liabilities and other liabilities.

APPLICATION OF FUNDS

Non-Current Assets

Non-Current Assets saw a net increase of ₹ 10,294 lakhs from ₹ 35,147 Lakhs as on March 31, 2017 to ₹ 45,441 Lakhs as on March 31, 2018 on account of increase in other financial assets (amount given towards share allotment in MT Educare Ltd) and decrease in Inter corporate deposits and investments.

Current Assets

Current assets saw an increase of ₹ 455 Lakhs from ₹ 15,230 Lakhs as on March 31, 2017 to ₹ 15,685 Lakhs as on March 31, 2018 on account of increase in current investment.

Risk Management

Risk identification, measurement and mitigation controls are controlled by the Company's robust risk management framework. The Risk Management Committee continuously monitors various products, processes and policies to check for any probable risks and in accordance initiate risk control measures. The Committee also defines the prudential limits for various risks. The Committee devices a host of strategies to ensure that the Company is appropriately insulated against uncertain events. These strategies also enable to effectively achieve organisational goals by eliminating foreseeable risks. The Committee ensures strict adherence of various products and processes to the regulatory requirements on an on-going basis. The Committee ensures that corrective measures are initiated in a timely manner, as per requirement. The Committee is actively involved in anticipating risks and planning for managing risks proactively. Various risk mitigation solutions are determined on identification of any risk to bring risk exposure levels in line with the risk appetite. The Committee also monitors operational risks involved in various products and processes and closely watches operational losses incurred by the Company. The Committee ensures risks are appropriately managed and the business operates smoothly on an on-going basis. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and business activities.

Internal Controls

The Company's internal control system has been designed keeping in mind the size and nature of operations to ensure strict compliance with applicable legislation. Internal audit team conducts periodic reviews about the business operations and periodically appraises the Board to ensure timely decision-making. The Board ensures that timely measures are taken in case of any deviation from budgeting.

All financial statements are appropriately documented. The management information system (MIS) forms an integral part of the company's control mechanism. This enables the Company to strictly adhere to all applicable procedures, laws, rules and statutes.

Human Resource

Intellectual capital is one of the key resources for the Company, to ensure business sustainability and growth. The Company has a diverse employee base with unique creative skills, technical knowledge and functional proficiency. The experienced and talented pool of employees plays key roles in enhancing business efficiency, devising strategies, setting-up systems and evolving business. Nurturing people is a key organisational goal and leadership mandate. The Company conducts regular trainings to the employees to ensure skill upgradation and personnel development to enhance employee productivity. HR policies nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention rate. Employees have a sense of belongingness and feel empowered in driving business profitability. HR policies ensure proper awareness, encourage communication, and provide opportunities for employees to give feedback through periodic mailers, group announcements for key organisational updates, regular open forums attended by CEO and senior leadership team. The Company's three pronged strategy for people development encompasses providing challenging work, encouraging strong cross-functional interaction and provide structured training programmes.

Corporate Social Responsibility (CSR)

The Company follows a unified policy towards CSR at Essel Group level, wherein CSR contributions of the group entities are pooled in and used to fund high cost long-term projects aimed at building Human capital and creating lasting impact on the society.

Additionally, through its I Care Outreach to prevent child abuse, the Company conducted 607 workshops touching 90,350 parents. The initiative is aimed at sensitising maximum adults about the incidence of child abuse to create an abuse-free and nurturing environment for every child. The Company also furthered the causes of 'Beti Bachao Beti Padhao' and 'Sukanya Samridhi Yojana campaign' across all its centres.

Opportunities and Challenges

Business Outlook

The Company has a strong presence in the preschool and K-12 spaces of education sector. With the acquisition of MT Educare to be accomplished

Opportunities

- Large population with rapid urbanisation, increased disposable incomes and dual working families
- Growing popularity of formal educational institutes
- Willingness of parents to opt for private education versus Government education facilities
- Low penetration of formal preschools and coaching institutes and huge demand supply gap
- Growing popularity of private schools versus Government schools
- Low percentage of trained teachers in the system with a need for the same
- The Company plans to bid for government schools for providing Information and Communication Technology education platform
- The Company plans to enter EPO segment by providing solutions for process outsourcing and remote tutoring and classroom support to overseas students

Challenges

- Poor track record of Indian education companies impacting sentiment of parents
- Complex regulatory environment
- Rising real estate and rental costs
- Increased competition from unorganised players, restricting increase in fees to compensate for increased expenses
- Limited availability of quality teachers

in the next financial year, the Company expects to expand its footprint in the coaching institute space. MT Educare is a leading player in Western and Southern India, with strong brands like Lakshya, Mahesh Tutorials, Chitale Classes and Robomate.

Robomate is a very robust digital offering which has a potential of improving face-to-face classroom training courses and provide online methodology for reaching students across geographies, not restricted to Indian boundaries.

The acquisition will also provide the students of Mount Litera system access to very high-end content, curriculum, tutorials, and test preparation opportunities from Mahesh Tutorial especially for the students of the higher classes of IXth, Xth, XIth and XIIth. At the same time, MT Educare will get access to around 2,00,000 students of the Company and franchisee network of almost 2000 people who can be considered for becoming franchisees of offerings from MT Educare so as to provide it a pan-India base.

MT Educare has a strong presence in Government Vocational business and the Company is present in B2C Vocational business. The acquisition will also help strengthen the presence of the Company in the vocational business.

The Company is working to make its balance sheet asset light by divesting the real estate portfolio of the owned, operated schools. In case the Company is able to REIT out or divest these assets, while continuing to have the schools, it will help improve financial parameters and release significant funds which can be invested for future growth.

The Company is looking to increase its geographical footprint to be able to cater to lower strata of the population and may look to introduce new brands for the same.

Directors' Report

To,
The Members of
Zee Learn Limited

Your Directors take pleasure in presenting the Eighth Annual Report of the Company together with Audited Financial Statements for the year ended March 31, 2018. This report states compliance as per the requirements of the Companies' Act, 2013 ("the Act"), the secretarial standards 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 2017-2018, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2018 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;

- 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, 2018, and, of the profits of the Company for the year ended on that date;
- 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;
- 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
- 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, 2018 is summarised below:

(₹ in lakhs)

Particulars	Standalone – Year ended		Consolidated – Year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue from Operations	18,634.25	16,048.04	26,883.87	18,048.79
Other Income	1,568.18	1,325.68	370.22	378.87
Total Income	20,202.43	17,373.72	27,254.09	18,427.66
Total Expenses	11,417.19	11,980.98	16,675.78	12,135.55
Operating Profit/Loss	8785.24	5,392.74	10,578.31	6,292.11
Less: Finance Cost	1,336.14	1,463.51	1,910.75	2,071.58
Less: Depreciation	312.46	395.37	1,111.93	979.56
Profit/Loss before Tax	7,136.64	3,533.86	7,555.63	3240.97
Provision for Taxation (Net)	2560.62	(110.43)	2627.72	(110.43)
Profit/Loss after Tax	4,576.02	3,644.29	4,927.91	3,351.40
Less: Appropriations				
Transferred to Debenture Redemption Reserve	406.25	406.25	406.25	406.25
Interim / Final Equity Dividend	162.17	160.35	162.17	160.35
Tax on Interim / Final Equity Dividend	33.02	32.64	33.02	32.64
Balance Carried To Balance Sheet	3,974.58	3,045.05	4,326.47	2,752.16

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 2017-18.

DIVIDEND

Based on the performance of the Company for the year under review and in view of the track record of the Company, the Board of Directors are pleased to recommend a dividend of ₹ 0.10 per equity share for the financial year 2017-2018, 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 realise their capabilities.

FY18 was a landmark year for Kidzee as it continued its growth story and crossed 1,825 operational centres across 750 cities. During FY18, Mount Litera Zee Schools (MLZS) continued its growth story with 122 operational schools.

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 ₹1,863.4 Mn in FY18 compared to ₹1,604.8 Mn in FY17 (up by 16 %). Operating EBITDA stood at ₹ 721.7 Mn in FY18, compared to ₹ 406.7 Mn in FY17 (up by 77%). PBT stood at ₹ 713.7 Mn in FY18, compared to ₹ 353.4 Mn in FY17 (up by 102 %). PAT stood at ₹ 457.6 Mn in FY18, compared to ₹ 364.4 Mn in FY17 (up by 26 %).

Company registered Consolidated Revenue of ₹ 2,688.4 Mn in FY18, compared to ₹ 1,804.9 Mn in FY17 (up by 49%). Operating EBITDA stood at ₹ 1,020.8 Mn in FY18, compared to ₹ 591.3 Mn in FY17 (up by 73%). PBT stood at ₹ 755.6 Mn in FY18, compared to ₹ 324.1 Mn in FY17 (up by 133 %). PAT stood at ₹ 492.8 Mn in FY18, compared to ₹ 335.1 Mn in FY17 (up by 47%).

The improved performance is a result of sustained growth in the business, despite of tough economic conditions. Numerous innovative and state-of-the-art technological measures were undertaken for driving

efficiencies in running its preschool and K-12 school operations, under the brand names of 'Kidzee' and 'Mount Litera Zee School' respectively.

SHARE CAPITAL

During the year under review, your Company had allotted 32,53,091 Equity Shares of ₹ 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 ₹ 32,26,42,381 to ₹ 32,58,95,472 comprising of 32,58,95,472 equity shares of ₹ 1/- each.

RECLASSIFICATION OF PROMOTERS / PROMOTER GROUP

The members at the 7th Annual General meeting held on September 28, 2017 had accorded their approval for reclassifying the below mentioned person/s / entities from the promoter / promoter group to public category based on the request received from the below person/s / entities :

- 1 Mr. Laxmi Narain Goel*
- 2 Mr. Jawahar Lal Goel*
- 3 Mrs. Sushila Devi (Wife of Mr. Jawahar Lal Goel)
- 4 Veena Investments 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).

Subsequently, upon receipt of the members approval, the Company had filed an application with the Stock Exchanges. The Stock Exchanges i.e BSE Limited and National Stock Exchange of India Ltd., had accorded their approval vide letter dated November 24, 2017 respectively by reclassifying the above mentioned persons/ entities from the category of Promoter / Promoter group to public pursuant to regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The change in the respective Promoter shareholding has been annexed and detailed in the Annexure to the Directors Report. Taking into consideration

the above change, the promoter holding in the Company as on March 31, 2018 stands at 18,75,42,388 equity shares aggregating to 57.55%.

STRATEGIC INVESTMENT IN MT EDUCARE LIMITED

The Board, at its meeting held on February 14, 2018 had accorded its approval to subscribe for 3,19,64,200 Equity Shares as preferential allotment in MT Educare Ltd. for an aggregate amount of ₹ 200 crores (₹ 200,00,00,000) approx. Post subscription, the Company would hold a 44.53% stake in MT Educare Ltd. Since the Company would acquire more than 26% of the paid up capital of MT Educare Limited, the open offer process under Regulation 3, 4 and other applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 was triggered pursuant to which the Company appointed M/s Axis Capital Limited, Merchant Banker as Manager to the Offer for the open offer process.

The acquisition of MT Educare Ltd is aligned with the Company's strategy to increase the footprint across various segments in the Education sector and consolidate its offerings through the digital track. This will further strengthen the Preschools and K-12 offerings through Kidzee & Mount Litera Zee Schools respectively and will also mark your Company's entry into the high growth market of Edutech through Robomate and will open doors for the test preparation / tutorials segment through MT Educare's other brands like Mahesh Tutorials, Lakshya and Chitale classes. This acquisition will also help the Company make inroads to the government supported skill and vocational training segment, where MT Educare has a significant presence. Post this acquisition, the education offerings on a consolidated basis would reach around 3.50 lakhs students, making the Company one of the biggest education companies globally in terms of number of students served.

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 ₹ 10,00,000/- (Rupees Ten Lakhs Only) Each, for cash, aggregating upto ₹ 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 ₹ 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 ₹ 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, 2018, no GDRs have remained outstanding, as all the GDRs have been converted into the underlying equity shares w.e.f. January 15, 2018 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, 25,000 and 12,87,254 Stock Options were granted on January 15, 2018 and February 19, 2018. 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 ₹ 1/- each at an exercise price of ₹ 46.50 and ₹ 42.20 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 January 12, 2018 and February 16, 2018. 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 2019, 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, 2018, your company had three wholly owned subsidiaries, namely, Digital Ventures Private Limited; Academia Edificio Private Limited; and Liberium Global Resources Private Limited.

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 as per Ind As format.

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 2017-18. 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 Officer 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 Dr. Manish Agarwal, Independent Director as Chairman, Mr. Himanshu Mody, Non- Executive Director and Dr. Sangeeta Pandit, Independent Director as Members. Mr. Surjit Banga, Independent Director resigned as the Chairman of the Committee from the close of business hours of November 9, 2017.

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, the Company had contributed a total amount of ₹ 16,50,000 (Rupees Sixteen lakhs fifty thousand) towards CSR activity of which an amount of ₹ 11,50,000 (Rupees Sixteen Lakh fifty thousand) was contributed to Dr Subhash Chandra Foundation catering to the field of education and an amount of ₹ 5,00,000 (Rupees Five lakhs) contributed towards the upliftment of sports activities to M/s Agnishaman Seva Kala and Krida Manch. 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 recognise 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 sensitise 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 2017-2018, your Board met 5 (five) times details of which are available in Corporate Governance Report annexed to this report.

Mr. Himanshu Mody, 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.

During the year under review, Mr. Surjit Banga, Independent Director of the Company resigned from the Board and Committee/s w.e.f. the close of business hours of November 9, 2017 due to personal reasons. The Board placed on record its appreciation for the contribution given by Mr. Banga that had helped the Company reach new milestones.

Further, the Board at its meeting held on January 15, 2018 had appointed Ms. Nandita Agarwal Parker as an Additional Director subject to the approval of the members under the category of Non Executive Independent Director. Her appointment seeking the approval of the members was passed by the Board vide Postal Ballot Notice dated May 7, 2018.

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 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 Ms. Hemangi Patil from the post of Company Secretary with effect from June 9, 2017, Mr. Bhautesh Shah has joined the Company w.e.f. August 16, 2017 as the Company Secretary and Compliance officer.

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 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 2018-19 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 Vaibhav P Joshi & Associates, Cost Accountants (Firm Registration No 101329) for conduct of audit of the cost records of the Company for the financial year 2018-19.

SECRETARIAL AUDITOR

During the year, Secretarial Audit was carried out by Mrs. 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. 36 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
- 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 utilising alternate sources of energy	
(iii)	Capital investment on energy conservation equipments	

Technology Absorption:

(i)	The efforts made towards technology absorption	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.
(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)	
	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. 45 (2) 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: 7 May 2018

Himanshu Mody **Sangeeta Pandit**
Chairman Director
DIN:00686830 DIN: 06748608

**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, 2018**

₹ 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	20,361.46	(1.00)	135.73
Total assets	66,711.35	0.36	615.17
Total Liabilities	34,524.84	1.26	477.29
Investments	-	0	111.31
Turnover	3129.53	0	5349.79
Profit before taxation	216.44	(0.37)	202.92
Provision for taxation	-	0	67.10
Profit after taxation	216.44	(0.37)	135.82
Proposed Dividend	-	-	0.00
% of shareholding	100%	100%	100%

Notes:

1. The Company does not have any Associate/Joint Venture.

For and on behalf of the Board

Place: Mumbai
Date: 7 May 2018

Himanshu Mody
Chairman
DIN:00686830

Sangeeta Pandit
Director
DIN: 06748608

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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. Dr. Manish Agarwal, 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)	₹ 8.24 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Amount in lakhs)	₹ 16.49 Lakhs
5	Details of CSR spent during the financial year:	
	(1) Total amount to be spent for the Financial Year	₹ 16.50 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:

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 (₹ In Lakhs)	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead (₹ In Lakhs)	Cumulative Expenditure upto the reporting period (₹ In Lakhs)	Amount spent: Direct or through implementing agency
Promotion of Education	Education	Hisar, State- Haryana	11.5	11.5	11.5	Implementing Agency - Dr. Subhash Chandra Foundation (DSC Foundation)
Promotion of Sports	Sports	Mumbai, State- Maharashtra	5	5	16.5	Implementing Agency- Agnishaman Seva Kala and Krida Manch

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/ Managerial Personnel	Key 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 [§]	2.53	-30%	0.4 : 1	NA	NA
Manish Agarwal [§]	4.15	15%	0.7 : 1	NA	NA
Sangeeta Pandit [§]	4.15	15%	0.7 : 1	NA	NA
Nandita Agarwal Parkar ^{§^^}	0.85	NA	0.1 : 1	NA	NA
Executive Director					
Ajeey Kumar	329.61~	NA	NA	1.77%	4.62@
Key Managerial Personnel					
Debshankar Mukhopadhyay [*]	65.33	61.5%	NA	0.35%	0.92%
Umesh Pradhan ^{**}	54.97	-2.76%	NA	0.29%	0.77%
Hemangi Patil [#]	2.58	-80.51%	NA	0.01%	0.04%
Bhautesh Shah ^{##}	11.08	NA	NA	0.06%	0.16%

[§] Independent Directors remuneration represents Commission and excludes Sitting Fees

[^] Surjit Banga Independent Director of the Company resigned from the Board/ Committee of the Company w.e.f. the close of business hours of November 9, 2017

^{^^} Nandita Agarwal Parkar was an appointed as an additional director on the Board of the company w.e.f. January 15, 2018

[~] Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOPs 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

^{*} Mr. Debshankar Mukhopadhyay joined the company w.e.f. July 01, 2016. The % increase in remuneration of 2017-2018 is calculated on proportionate earnings of 2016-2017 and hence not comparable.

^{**} Umesh Pradhan's previous year compensation included ₹ 6.99 lakhs perquisites on account of exercise of ESOP's during that year.

[#] Hemangi Patil resigned as the Company Secretary of the company on June 09, 2017

^{##} Bhautesh Shah was appointed as the Company Secretary of the Company w.e.f August 16, 2017.

Sl No	Requirements	Disclosure
1	The Percentage increase in median remuneration of employees in Financial Year	9.3 %
2	Number of permanent employees on the rolls of the Company	285 (as on March 31,2018)
3.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and managerial personnel during the year was 7.5% while the average its comparison with the percentile increase in the managerial remuneration during the year was -2.6%. 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 the managerial personnel during the year was 7.5% while the average increase in managerial remuneration during the year was -2.6%.
4.	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 ten employees and Employees whose remuneration exceeded ₹ 1.02 crore per annum or ₹ 8.5 lakhs per month during FY 2017-18

- Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 crore or more per annum.
There are no employees who are employed throughout the year and in receipt of remuneration aggregating to ₹ 1.02 crore or more per annum.
- Employed part of the year and in receipt of remuneration aggregating ₹ 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 ₹ 8.50 lakhs or more per month.

Sr. No	Employee Name	Age (in yrs)	Designation	Qualification	Total Exp (in yrs)	Remuneration Amount in ₹	Last Employment
1	Debshankar Mukhopadhyay	48	Chief Executive Officer	B.Com, PGDBM	21	65,32,616	Manipal Global Education Service
2	Umesh A Pradhan	49	Chief Financial Officer	B.Com, ICWA	28	54,97,488	Balaji Telefilms
3	Vikash Kumar Kar	39	Head - Human Resources	B.Sc, MBA	17	41,59,028	MSCI Services Private Limited
4	Subodh Khanna	42	Asst. Vice President - Finance	B.Com, CA	19	34,60,443	Welspun India Ltd
5	Brijesh Jadia	45	Head - Supply Chain & Commercial	B.E, MBA	21	30,97,625	Ingersoll Rand International (India) Ltd
6	Santosh Gupta	41	Head Information Technology	M.Com, MCA	20	27,96,249	Capegemini India Pvt Ltd
7	Avinash Kundalia	45	National Franchise Development Manager - Kidzee	B.Com, MBA	24	26,26,846	ICICI Bank Ltd
8	Shyam Sunder Gudimella *	39	Head Content and Curriculum	B.Sc, PGDM	16	12,25,728	Reliance Jio Infocomm Ltd
9	Vivek Bhanot §	44	Business Head - SAT	B.Sc, MBA	22	11,30,025	Millennium Education Management Pvt Ltd
10	Prashant Thakur ~	40	General Manager Government Business	B.Com, MBA	17	5,76,956	Educomp Solutions Ltd

* Shyam Sunder Gudimella (Head Content and Curriculum) joined the Company w.e.f. November 01, 2017.

§ Vivek Bhanot (Business Head - SAT) joined the Company w.e.f. November 03, 2017.

~ Prashant Thakur (General Manager - Government Business) joined the Company w.e.f. November 03, 2017.

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 2017-18.

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 2017-18.

For and on behalf of the Board

Place : Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman
DIN 00686830

Sangeeta Pandit
Director
DIN 06748608

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, 2018

[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 and Description of main products/ services	% 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)

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	0	0	0	0	-0.23
	Bodies Corp.	19,07,66,475	0	19,07,66,475	59.12	18,17,45,073	0	18,17,45,073	55.76	-3.36
	Sub-total (A) (1):-	19,14,95,564	0	19,14,95,564	59.35	18,17,45,073	0	18,17,45,073	55.76	-3.59
2	Foreign									
	Bodies Corp.	57,97,315	0	57,97,315	1.80	57,97,315	0	57,97,315	1.79	-0.01
	Sub-total (A) (2):-	57,97,315	0	57,97,315	1.80	57,97,315	0	57,97,315	1.79	-0.01
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	19,72,92,879	0	19,72,92,879	61.15	18,75,42,388	0	18,75,42,388	57.55	-3.60#
B	Public Shareholding									
1	Institutions									
	Mutual Funds	5,80,000	274	5,80,274	0.18	0	274	274	0.00	-0.18
	Banks / FI	66,370	0	66,370	0.02	1,45,186	0	1,45,186	0.04	0.02
	Insurance									
	Companies									
	FIIIs									
	Foreign Portfolio Investors	6,43,60,493	3,013	6,43,63,506	19.95	7,89,30,567	3,013	7,89,33,580	24.23	4.28
	Sub-total (B)(1):-	6,50,06,863	3,287	6,50,10,150	20.15	7,90,75,753	3,287	7,90,79,040	24.27	4.12
2	Non-Institutions									
a)	Bodies Corp.									
	Indian	55,96,112	0	55,96,112	1.73	1,46,68,622	0	1,46,68,622	4.50	2.77
	Individuals									
b	Individual shareholders holding nominal share capital upto ₹ 1 Lac	1,55,70,217	1,00,174	1,56,70,391	4.86	2,85,41,380	97,893	2,86,39,273	8.79	3.93

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	
	Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	70,83,588	0	70,83,588	2.20	86,30,568	0	86,30,568	2.64	0.44
	Others Overseas									
	Corporate Bodies	123	0	123	0.00	123	0	123	0.00	0.00
	Foreign Nationals	24,960	274	25,234	0.00	21,498	274	21,772	0.00	0.00
	Trusts	88	0	88	0.00	10,508	0	10,508	0.03	0.03
	Non Resident Indians	1,23,9,415	107,657	1,34,70,72	0.42	30,46,053	106,561	31,52,614	0.97	0.55
	HUF	908,014	0	908,014	0.28	15,47,136	0	15,47,136	0.48	0.20
	Other Directors	330,945	0	330,945	0.10	1,560,943	0	1,560,943	0.48	0.38
	Clearing Member	1,868,015	0	1,86,80,15	0.58	947,905	0	947,905	0.29	-0.29
	Sub-total (B)(2):-	3,26,21,477	2,08,105	3,28,29,582	10.17	59,069,316	2,04,728	59,274,044	18.18	8.01
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	9,76,28,340	2,11,392	9,78,39,726	30.32	138,145,069	2,08,015	138,353,084	42.45	12.13
C	Shares held by Custodian for GDRs	2,75,09,770	0	2,75,09,770	8.53	0	0	0	0	-8.53
	Grand Total (A+B+C)	32,24,30,989	2,11,392	32,26,42,381	100.00	32,56,87,457	2,08,015	32,58,95,472	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 and the conversion of outstanding GDRs of the Company into the underlying equity shares w.e.f. January 15, 2018 which forms part of the existing paid up share capital of the Company

During the year there is a change in Promoters/Promoter group shareholding as the Company has pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 had reclassified certain promoter group shareholders into public based on the request received from them. The said resolution was approved by the members at the Annual General Meeting of the Company held on September 28, 2017 and approved by the BSE Ltd. and National Stock Exchange of India Ltd. vide letter dated November 24, 2017 respectively.

II) Shareholding of Promoters

Sl No	Name of Promoter	Shareholding at the beginning of the year i.e., April 1, 2017			Shareholding at the end of the year i.e., March 31, 2018			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	19.55	10.84	6,30,52,512	19.35	17.58	-0.20
2	Jayneer Infrapower & Multiventures Private Limited	7,79,75,375	24.17	17.86	7,79,75,375	23.93	20.07	-0.24
3	Essel Media Ventures Private Limited	1,28,61,036	3.99	0.00	1,28,61,036	3.95	3.95	-0.04
4	Sprit Infrapower & Multiventures Private Limited	1,11,03,864	3.44	1.55	1,11,03,864	3.41	1.54	-0.03
5	Essel Infraprojects Limited	17,52,286	0.54	0.00	17,52,286	0.54	0.00	0.00
6	Essel Holdings Limited	57,97,315	1.80	0.00	57,97,315	1.77	0.00	-0.03
7	Jayneer Enterprises LLP	1,50,00,000	4.65	3.66	1,50,00,000	4.60	4.60	-0.05
Total		18,75,42,388	58.14	33.91	18,75,42,388	57.55	47.74	0.59[§]

[§] The number of shares held by promoters have remained the same but there is a change in percentage due to change in total paid up capital of the company, post ESOP allotment and the conversion of outstanding GDRs of the Company into the underlying equity shares w.e.f. January 15, 2018 which forms part of the existing paid up share capital of the Company.

Note: M/s Ganjam Trading Company Pvt. Ltd., M/s Veena Investments Pvt. Ltd., M/s Ambience Business Services Pvt. Ltd., Mr. Ashok Kurien and Ms. Sushila Goel have been reclassified as Public from The Promoter and Promoter group the details of which are mentioned in detail in the Directors' Report.

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	61.15%	-	-
Date wise Increase/ Decrease in promoters share holding during the year specifying the reasons for increase/ decrease			-9,750,491	-3.60
At the end of the year			187,542,388	57.55%

* During the year there is a change in Promoters holding due to various factors 1) the Company has pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 had reclassified certain promoter group shareholders into public based on the request received from them. The said resolution was approved by the members at the Annual General Meeting of the Company held on September 28, 2017 and approved by the BSE Ltd. and National Stock Exchange of India Ltd. vide letter dated November 24, 2017 respectively; 2) conversion of outstanding GDRs of the Company into the underlying equity shares w.e.f January 15, 2018 which forms part of the existing paid up share capital of the Company and 3) 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, 2017)		Shareholding at the end of the year (March 31, 2018)	
		No. of Shares % Equity Share Capital	No. of Shares % Equity Share Capital	
Polus Global Fund	\$	1,24,26,429 3.85	2,38,25,743 7.31	
Moon Capital Trading Pte Ltd.	@	- -	2,09,55,327 6.43	
Morgan Stanley Asia (Singapore) Pte	\$	1,24,93,704 3.87	1,24,85,786 3.83	
Copthall Mauritius Investment Limited	\$	82,10,585 2.54	82,10,585 2.52	
Ganjam Trading Company Pvt. Ltd.	@	49,49,506 1.53	49,49,506 1.52	
UBS Principal Capital Asia Ltd.	@	- -	46,34,088 1.42	
Veena Investments Pvt. Ltd.	@	34,49,013 1.06	34,49,013 1.06	
Vittoria Fund –SR, L.P- Asia Portfolio	\$	38,01,500 1.18	32,21,500 0.99	
Tarra Fund	\$	12,99,000 0.40	21,72,000 0.67	
Swiss Finance Corporation (Mauritius) Ltd.	#	2,55,89,415 7.93	NA NA	
OPG Securities Pvt. Ltd.	#	14,63,500 0.45	NA NA	
Kalpesh Dayalbhai Vaghani	#	12,02,113 0.37	12,31,075 0.38	
Yash Trade and Consultant Pvt. Ltd.	#	11,94,993 0.37	NA NA	
Dilipkumar Lakhi	\$	10,34,439 0.32	12,60,920 0.39	

Notes:

- 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.
- [§] denotes common top 10 shareholders as on April 1, 2017 and March 31, 2018
[#] denotes top 10 shareholders only as on April 1, 2017
[@] denotes top 10 shareholders only as on March 31, 2018
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, 2017 or at the end of the year i.e. March 31, 2018 or dealt in the Equity Shares of the Company during financial year ended March 31, 2018:

	Shareholding at the beginning of the year i.e. April 1, 2017		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	124445	0.04	27-Apr-17	195000	ESOP Allotment	319445	
			28-Apr-17	600000	ESOP Allotment	919445	
			28-Apr-17	54766	Market Sale	864679	
			2-May-17	24334	Market Sale	840345	
			3-May-17	42562	Market Sale	797783	
			4-May-17	96249	Market Sale	701534	
			5-May-17	32239	Market Sale	669295	
			8-May-17	61684	Market Sale	607611	
			9-May-17	60205	Market Sale	547406	
			10-May-17	90221	Market Sale	457185	
			11-May-17	54288	Market Sale	402897	
			15-May-17	6244	Market Sale	396653	
			16-May-17	5375	Market Sale	391278	
			17-May-17	56952	Market Sale	334326	
			18-May-17	525	Market Sale	333801	
			19-May-17	18861	Market Sale	314940	
			24-May-17	2753	Market Sale	312187	
			26-May-17	12013	Market Sale	300174	
			30-May-17	7965	Market Sale	292209	
			31-May-17	8864	Market Sale	283345	
			1-Jun-17	17573	Market Sale	265772	
			2-Jun-17	24996	Market Sale	240776	
			5-Jun-17	9332	Market Sale	231444	
			8-Jun-17	87997	Market Sale	143447	
			9-Jun-17	84846	Market Sale	58601	
			12-Jun-17	14348	Market Sale	44253	
			13-Jun-17	32558	Market Sale	11695	
			14-Jun-17	3798	Market Sale	7897	
			15-Jun-17	235000	ESOP Allotment	242897	
			15-Jun-17	235000	ESOP Allotment	477897	
			15-Jun-17	4897	Market Sale	473000	

Shareholding at the beginning of the year i.e. April 1, 2017		Changes			Cumulative shareholding during the year	
No. of Shares	% of share Capital	Date	No. of Shares	Reason	No. of Shares	% of share Capital
		25-Jul-17	165000	ESOP Allotment	638000	
		25-Jul-17	145490	ESOP Allotment	783490	
		1-Sep-17	25100	Market Sale	758390	
		4-Sep-17	4166	Market Sale	754224	
		5-Sep-17	52240	Market Sale	701984	
		6-Sep-17	40300	Market Sale	661684	
		7-Sep-17	25000	Market Sale	636684	
		8-Sep-17	48122	Market Sale	588562	
		25-Sep-17	27283	Market Sale	561279	
		26-Sep-17	2024	Market Sale	559255	
		27-Sep-17	50000	Market Sale	509255	
		28-Sep-17	903	Market Sale	508352	
		29-Sep-17	10000	Market Sale	498352	
		23-Oct-17	16282	Market Sale	482070	
		24-Oct-17	6925	Market Sale	475145	
		26-Oct-17	350000	ESOP Allotment	825145	
		27-Oct-17	3040	Market Sale	822105	
		30-Oct-17	3113	Market Sale	818992	
		31-Oct-17	9500	Market Sale	809492	
		10-Nov-17	15000	Market Sale	794492	
		14-Nov-17	58256	Market Sale	736236	
		15-Nov-17	8514	Market Sale	727722	
		17-Nov-17	3386	Market Sale	724336	
		12-Dec-17	10000	Market Sale	714336	
		20-Dec-17	70895	Market Sale	643441	
		21-Dec-17	15777	Market Sale	627664	
		22-Dec-17	18519	Market Sale	609145	
		26-Dec-17	44300	Market Sale	564845	
		29-Dec-17	280000	ESOP Allotment	844845	
		29-Dec-17	73107	ESOP Allotment	917952	
		19-Jan-18	26214	Market Sale	891738	
		22-Jan-18	7108	Market Sale	884630	

	Shareholding at the beginning of the year i.e. April 1, 2017		Changes			Cumulative shareholding during the year	
	No. of Shares	% of share Capital	Date	No. of Shares	Reason	No. of Shares	% of share Capital
			24-Jan-18	763	Market Sale	883867	
			25-Jan-18	8045	Market Sale	875822	
			29-Jan-18	43879	Market Sale	831943	
			8-Feb-18	379000	ESOP Allotment	1210943	
			8-Feb-18	220000	ESOP Allotment	1430943	0.43
Mr. Himanshu Mody Non-Executive Director	80,500	0.02	-	-	-	80,500	0.02
Dr. Manish Agarwal Independent Director	49,500	0.01	-	-	-	49500	0.01
Dr. Sangeeta Pandit Independent Director	-	-	-	-	-	-	-
Ms. Nandita Agarwal Parker Independent Director	-	-	-	-	-	-	-
Mr. Debshankar Mukhopadhyay Chief Executive Officer	-	-	-	-	-	-	-
Mr. Umesh Pradhan- Chief Financial Officer	-	-	-	-	-	-	-
Mr. Bhautesh Shah 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, 2017				
i) Principal Amount;	10,114.55	970.91	-	11085.46
ii) Interest due but not paid;	35.09	-	-	35.09
iii) Interest accrued but not due	1,340.89	196.44	-	1537.33
Total (i+ii+iii)	11,490.53	1,167.35	-	12,657.88
Change in Indebtedness during the Financial Year				
• Addition	4,229.39	1,632.26	-	5,861.65
• Reduction	(3,693.88)	(1,500.00)	-	(5,193.88)
Net Change	535.52	132.26	-	667.78
Indebtedness at the end of FY i.e., March 31, 2018				
i) Principal Amount;	9,981.21	970.91	-	10,952.12
ii) Interest due but not paid;	27.94	-	-	27.94
iii) Interest accrued but not due	2,016.89	328.70	-	2,345.59
Total (i+ii+iii)	12,026.04	1,299.61	-	13,325.65

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)	329.61
Salary	-
Perquisites	329.61 ~
Profits in lieu of salary	-
Total Stock Options Granted till date	72,49,194 shares
Stock Options Exercised during Financial Year 2017-18	28,77,597 shares
Sweat Equity	-
Commission as % of Profit	-
Others (contribution to Provident Fund)	-
Total (A)	329.61
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				
Mr. Surjit Banga	1.40	2.53	-	3.93
Dr. Manish Agarwal	2.20	4.15	-	6.35
Dr. Sangeeta Pandit	2.40	4.15	-	6.55
Ms. Nandita Agarwal Parker	0.20	0.85	-	1.05
Total	6.20	11.68	-	17.88
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

(Amount in ₹)

Particulars of Remuneration	Key Managerial Personnel				Total
	Debshankar Mukhopadhyay CEO	Umesh Pradhan CFO	# Hemangi Patil Company Secretary	Bhautesh Shah® Company Secretary	
Gross Salary (As per Income Tax Act)	6,292,088	5,272,356	247,468	1,061,176	12,873,088
Salary	6,292,088	5,272,356	247,468	1,061,176	12,873,088
Perquisites	-	-	-	-	-
Profits in lieu of salary	-	-	-	-	-
Total Stock Options Granted	60,000	55,000	-	-	115,000
Stock Options Exercised during FY	-	-	-	-	-
Sweat Equity	-	-	-	-	-
Commission	-	-	-	-	-
Others (Contribution to Provident Fund)	240,528	225,132	10,226	46,932	522,818
Total	6,532,616	5,497,488	257,694	1,108,108	13,395,906

Ms. Hemangi Patil resigned as the Company Secretary of the Company w.e.f. June 9, 2017

® Mr. Bhautesh Shah was appointed as the Company Secretary of the Company w.e.f. August 16, 2017

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: None

For and on behalf of the Board

Place: Mumbai
Date: 7 May 2018

Himanshu Mody
Chairman
DIN: 00686830

Sangeeta Pandit
Director
DIN: 06748608

FORM NO MR-3
SECRETARIAL AUDIT REPORT
 For the financial Year ended March 31, 2018

To,
 The Members,
Zee Learn Limited
 CIN No-L80301MH2010PLC198405

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 authorised 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 **31 March, 2018** 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 hereinafter:

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 31 March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act), amendments 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 Borrowings;
- 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. The 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 hereinabove.

I further report that:

- a) The Board of Directors of the Company is duly constituted. During the Audit period Mr. Surjit Banga, Independent Director of the

company resigned from the directorship of the company w.e.f. the closing hours of November 9, 2017 and Ms. Nandita Agarwal Parker was appointed as an Additional Director (Non-Executive independent director) of the company w.e.f. January 15, 2018.

- b) During the Audit Period Ms. Hemangi Patil resigned from the post of Company Secretary and Compliance Officer with effect from June 9, 2017. On resignation of Ms. Hemangi Patil, Mr. Umesh Pradhan, Chief Financial officer served as the Compliance officer. Mr. Umesh Pradhan ceased to be the Compliance officer of the Company on appointment of Mr. Bhautesh Shah as the Company Secretary and Compliance officer of the Company w.e.f. August 16, 2017.
- c) The Company has pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 had reclassified shareholding of Promoters and their respective family members/ entities and persons acting in concert with them, from the "Promoters" of the Company during the audit period based on the request received from them. The said resolution was approved by the members at the Annual General Meeting of the Company held on September 28, 2017 and approved by the BSE Ltd. and National Stock Exchange of India Ltd. vide letter dated November 24, 2017 respectively.
- d) As at March 31, 2018, no Global Depository Receipts (GDRs) of the Company have remained outstanding, as all the GDRs have been converted into the underlying equity shares w.e.f. January 15, 2018 which forms part of the existing paid up share capital of the Company.
- e) The Board of Directors of Zee Learn Limited at its meeting held on February 14, 2018 had accorded its approval to subscribe for 3,19,64,200 equity shares of MT Educare Limited at a price of ₹ 62.57/- on preferential allotment basis. Post subscription, the Company would hold a 44.53% stake in MT Educare Ltd. Such investment/ acquisition triggered a requirement to make open offer under Regulation 3 and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Code) by the company along with the Persons Acting in Concert i.e. M/s Sprit Infrapower and Multiventures Private Limited (Formerly Sprit Textiles Private Limited). The Public announcement was required to be made in terms

of Regulation 15 of the Takeover code. The Company appointed M/s Axis Capital Limited, Merchant Banker as the Manager to the Offer for the open offer process. Tripartite share subscription agreement and Shareholder's agreement and other definitive agreements was entered between the Company, MT Educare Limited and Mr. Mahesh Shetty (existing promoter of MT Educare Ltd. i.e target company).

- f) The Company has declared final dividend of ₹ 0.05 per Equity Share for the financial year ended March 31, 2017 in its Annual General Meeting held on September 28, 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: 7 May 2018

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 No-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: 7 May 2018

Signature:
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 maximise 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 organisation 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 financial 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 organisation. 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 victimisation. 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, 2018.

Debshankar Mukhopadhyay
Chief Executive Officer
Mumbai, April 2, 2018

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.

Mr. Bhautesh Shah, 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.

Familiarisation Program for Independent Directors

Independent Directors are familiarised 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, 2018

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, 5 (Five) meetings of the Board were held April 25, 2017, July 24, 2017, October 16, 2017, January 15, 2018 and February 14, 2018. 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 2017-18 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, 2018 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	7 th AGM held on September 28, 2017	Member	Chairman	Member	Chairman
	(Total 5 Meetings)					
Non- Executive Chairman						
Mr. Himanshu Mody	4	No	7	-	2	-
Executive Director						
Mr. Ajey Kumar	4	Yes	-	-	-	-
Non- Executive Independent Director						
Mr. Surjit Banga*	3	Yes	N.A	N.A	N.A	N.A
Dr. Manish Agarwal	4	No	-	-	-	-
Dr. Sangeeta Pandit	5	Yes	2	-	2	-
Ms. Nandita Agarwal Parker #	1	NA	-	-	-	-

* Mr. Surjit Banga, Independent Director of the Company resigned from the Board and Committee/s of the Company w.e.f the closing hours of November 9, 2017

Ms. Nandita Agarwal Parker was appointed as an Additional Director w.e.f. January 15, 2018

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. Himanshu Mody
Director Identification Number	00686830
Date of Birth	28.12.1977
Qualifications	MSc in Finance from University of Strathclyde, Glasgow
Specialised Expertise	Corporate Strategy and Finance
No. of Shares held in the Company	80,500
Directorships in other Public Companies	7
Committee positions held	2

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:

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

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

* Mr. Surjit Banga, Independent Director of the Company resigned from the Board and Committee/s of the Company w.e.f. the closing hours of November 9, 2017.

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 February 14, 2018 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, 2018, the Audit Committee of the Board comprises of Three (3) Directors, including Dr. Sangeeta Pandit, Independent Director as Chairperson, Mr. Himanshu Mody, Non-Executive Director; and Dr. Manish Agarwal, Independent Director as Members of the Audit

Committee. Mr. Surjit Banga resigned as the Chairman to the Committee w.e.f. the closing hours of November 9, 2017.

During the year under review, four (4) meetings of the Audit Committee were held on April 25, 2017, July 24, 2017, October 16, 2017, and January 15, 2018.

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 computerised 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, 2018, the Nomination & Remuneration Committee comprises of Dr. Manish Agarwal, Independent Director as Chairman, Mr. Himanshu Mody, Non-Executive Director and Dr. Sangeeta Pandit, Independent Director as members of the Committee. Mr. Surjit Banga resigned as the member to the Committee w.e.f. the closing hours of November 09, 2017. The Company Secretary of the Company acts as Secretary of Nomination & Remuneration Committee.

During the year under review, the Committee met 3 (Three) times on July 24, 2017, January 15, 2018 and on February 19, 2018.

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 appointed as Executive Director of the Company without any remuneration shall be eligible for grant of Stock Options as may be decided from time to time by the Board or the Nomination and Remuneration Committee of the Company.

Remuneration payable to Non-Executive Director

Non-Executive Directors were entitled to sitting fees of ₹ 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 December 18, 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 2017-18 is as detailed herein:

Name of Director	Commission	Sitting Fees	Total
Mr. Surjit Banga *	2,53,548	1,40,000	3,93,548
Independent Director			
Dr. Manish Agarwal	4,15,000	2,20,000	6,35,000
Independent Director			
Dr. Sangeeta Pandit	4,15,000	2,40,000	6,55,000
Independent Director			
Ms.Nandita Agarwal Parker#	85,274	20,000	1,05,274
Additional Director			
Total	11,68,822	6,20,000	17,88,822

*Resigned w.e.f the closing hours of November 9, 2017. Commission paid on a pro rata basis till the date of his cessation.

#Appointed as Additional Director w.e.f. January 15, 2018. Commission paid on a pro rata basis from the date of her appointment.

In addition to this, the Directors were granted Stock Options (each convertible into equivalent number of equity shares of ₹ 1/- each of the Company) as per the following details at an exercise price equivalent to closing Market Price as on the date preceding 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, 2018, are as under:

Name of Director	No. of Stock Options granted at							Options Vested	Options Exercised
	₹ 26.05	₹ 14.50	₹ 20.85	₹ 35.25	₹ 31.80	₹ 34.15	₹ 42.20		
Mr. Himanshu Mody	28,000	32,500	40,000	40,000	NA	1,50,000	1,75,000	2,15,500	80,500
Non-Executive Director									
Mr. Ajey Kumar	NA	NA	NA	NA	64,02,980	8,46,214	NA	58,65,640	45,03,597
Executive Director									
Mr. Surjit Banga*	30,000	30,000	30,000	NA	NA	NA	NA	90,000	90,000
Independent Director									
Dr. Manish Agarwal	30,000	30,000	30,000	NA	NA	NA	NA	90,000	90,000
Independent Director									
Dr. Sangeeta Pandit	NA	NA	NA	NA	NA	NA	NA	NA	NA
Independent Director									
Ms. Nandita Agarwal Parker	NA	NA	NA	NA	NA	NA	NA	NA	NA
Independent Director									

* Ceased to be a Director w.e.f. the close of working hours of November 9, 2017 on account of resignation.

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, 2018, the Stakeholders' Relationship Committee of the Board comprises of Dr. Sangeeta Pandit, Independent Director as Chairperson and Mr. Himanshu Mody, Non-Executive Director as the member. Mr. Surjit Banga resigned as the Chairman to the Committee w.e.f. the closing hours of November 9, 2017.

During the year under review, Stakeholders' Relationship Committee met five (5) times on April 20, 2017, May 8, 2017, October 9, 2017, November 9, 2017 and March 29, 2018.

Terms of Reference

Terms of reference of Stakeholders' 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, 2018, are as under:

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

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 Dr. Manish Agarwal, Independent Director as Chairman, Mr. Himanshu Mody, Non-Executive Director and Dr. Sangeeta Pandit, Independent Director as its Members. Mr. Surjit Banga resigned as the Chairman to the Committee w.e.f. the closing hours of November 9, 2017.

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, 2018, the Committee comprises of Mr. Himanshu Mody, Non Executive Director, Mr. Debshankar Mukhopadhyay, Chief Executive Officer, Mr. Vikash Kar, Head – Human Resources and Mr. Bhautesh Shah, Company Secretary of the Company as its members.

iii) Finance Sub-Committee

The Finance Sub-Committee of the Company comprises of Dr. Sangeeta Pandit Independent Director as the Chairperson and Mr. Himanshu Mody Non-Executive Director as member. During the year under review, Mr. Surjit Banga, Independent Director resigned as the member of the Committee w.e.f. the closing hours of November 9, 2017.

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-to-day 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.

Mr. Himanshu Mody, Non-Executive Director as its member. Mr. Surjit Banga resigned as the member of the Committee w.e.f. the closing hours of November 9, 2018.

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 Dr. Sangeeta Pandit, Independent Director as Chairperson and

GENERAL MEETINGS

The Eighth Annual General Meeting of the Company for the financial year 2017-18 will be held on Monday, September 24, 2018 at 11:30 a.m. at 'Ravindra Natya Mandir, P L Deshpande Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025.

The location, day, date and time of the Annual General Meetings held during last three years along with Special Resolution(s) passed at these meetings are as follows :

Year	Day and Time	Special Resolutions passed	Venue
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, September 19, 2016 at 11.00 a.m.	a) Re-appointment of Dr. Sangeeta Pandit as Independent Director for second term. b) Re-appointment of Dr. Manish Agarwal as Independent Director for second term. c) Re-appointment of Mr. Surjit Banga as Independent Director for second term. d) Re-appointment of Mr. Umesh Pradhan as Manager of the Company for a period of 3 (three) years w.e.f. April 1, 2016 e) Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company.	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2016-17	Thursday, September 28, 2017 at 3.30 p.m.	a) Ratification of Remuneration of M/s. V.V & Associates, Cost Auditor of your Company for 2017-18 b) Reclassification of Promoters, their respective family members and persons acting in concert with them, from the "Promoters" of the Company c) To approve Investments, Loans, Guarantees and Security in excess of limits specified under Section 186. d) Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of the Registered office of the Company.	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

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 was conducted during financial year 2017-18.

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 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 shares 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 / Nav Shakti (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.

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.

Auditor's Certificate on Corporate Governance

To
The Members,
Zee Learn Limited

We have examined the compliance of conditions of Corporate Governance by **Zee Learn Limited** ('the Company'), for the year ended March 31, 2018 as stipulated in 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 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 complied 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: 07 May 2018

Shareholders' Information

General Shareholders' Information

The required information is provided in Shareholders' Information Section.

1. Date, Time and Venue of Shareholder's Meeting	Meeting : Eighth Annual General Meeting Day & Date : Monday, September 24, 2018 Time : 11:30 a.m Venue : Ravindra Natya Mandir, P L Deshpande Kala Academy, Near Siddhivinayak, Temple, Sayani Road, Prabhadevi, Mumbai 400025
2. Financial Year	April 1, 2017 till March 31, 2018
First Quarterly Results	On or before August 14, 2018
Second Quarterly Results	On or before November 14, 2018
Third Quarterly Results	On or before February 14, 2019
Fourth Quarterly Results	On or before May 30, 2019
3. Date of Book Closure	From Monday, September 17, 2018 to Monday, September 24, 2018
4. Dividend Payment Date	Dividend @ ₹ 0.10/- to be paid on or after October 1, 2018
5. Address for Correspondence	Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018 Tel: +91-22-4034 3900, Fax: +91-22-2495 5974 Website : www.zeelearn.com Corporate Office: 513/A 5th Floor, Kohinoor City, Kirol Road, Off LBS Marg, Kurla (West) Mumbai 400070 Tel: +91-22-4034 3900, Fax: +91-22-2674 3422
6. Corporate Identity Number	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 ₹ 1/- each, fully paid up)
10. Global Depository Receipts (GDRs) Details	As at March 31, 2018, none of the Global Depository Receipts have remained outstanding as all the GDRs have been converted into the underlying shares of the Company as on January 15, 2018 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-17	\$7.54	\$7.07	\$7.33
May-17	\$7.35	\$6.61	\$7.04
Jun-17	\$7.16	\$6.55	\$6.86
Jul-17	\$7.03	\$6.72	\$6.88
Aug-17	\$6.89	\$6.08	\$6.61
Sep-17	\$6.95	\$6.46	\$6.70
Oct-17	\$7.20	\$6.62	\$6.97
Nov-17	\$6.99	\$6.70	\$6.84
Dec-17	\$7.20	\$6.61	\$6.84
Jan-18	\$7.35	\$6.90	\$7.11
Feb-18 *	-	-	-
Mar-18 *	-	-	-

* All the Global Depository Receipts have been converted into the underlying shares of the Company as on January 15, 2018 hence the figures for the months of February and March are not mentioned.

11. Registrar & Share Transfer Agent

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 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 2018-19 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 2018 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 dematerialised 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.

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, 2018, 99.94% of the equity shares of the Company is held by 1,12,190 Equity Shareholders in dematerialised form and the balance 0.06% is held by 932 Equity Shareholders in physical form. Entire Equity shareholding of the promoters in Company is held in dematerialised 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, 2017	219	39427
Fresh undelivered cases during the Financial Year 2017-2018	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2018	NIL	NIL
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2018	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	219	39427

The voting rights on the Equity shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

18. Transfer of Unclaimed dividend / Shares to Investor Education Protection Fund

Section 124 and Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from unpaid dividend account to Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years. The shareholders are requested to claim the unclaimed dividend amount immediately in order to avoid the transfer of shares to IEPF.

Year	Type of Dividend	Dividend Per Share (in ₹)	Date of declaration of dividend	Due Dates for transfer to IEPF
2016-17	Interim	0.05	21.10.2016	20.11.2023
2016-17	Final	0.05	28.9.2017	27.10.2024

Shareholders who have not yet encashed their dividend warrants for the previous years may approach with unencashed dividend warrants to the Company, at its Corporate Office for revalidation / issue of duplicate dividend warrants.

19. 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.

20. 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, 2018.

21. 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

Particulars	No. of Shares issued	Date of Issue
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	20.01.2016
Allotment under ESOP	2,49,993	02.02.2017
Allotment under ESOP	3,14,650	14.02.2017
Allotment under ESOP	24,723	20.02.2017
Allotment under ESOP	2,64,825	28.02.2017
Allotment under ESOP	1,58,525	02.03.2017
Allotment under ESOP	1,96,650	14.03.2017
Allotment under ESOP	2,17,250	21.03.2017

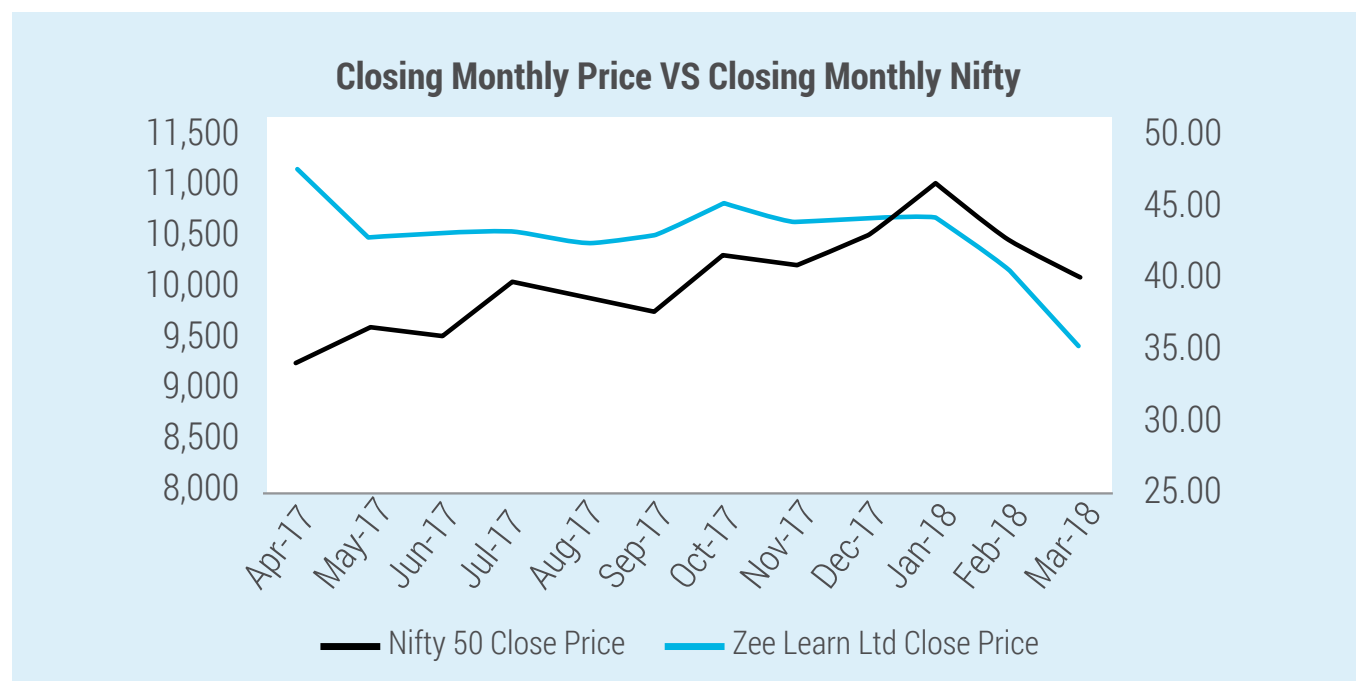
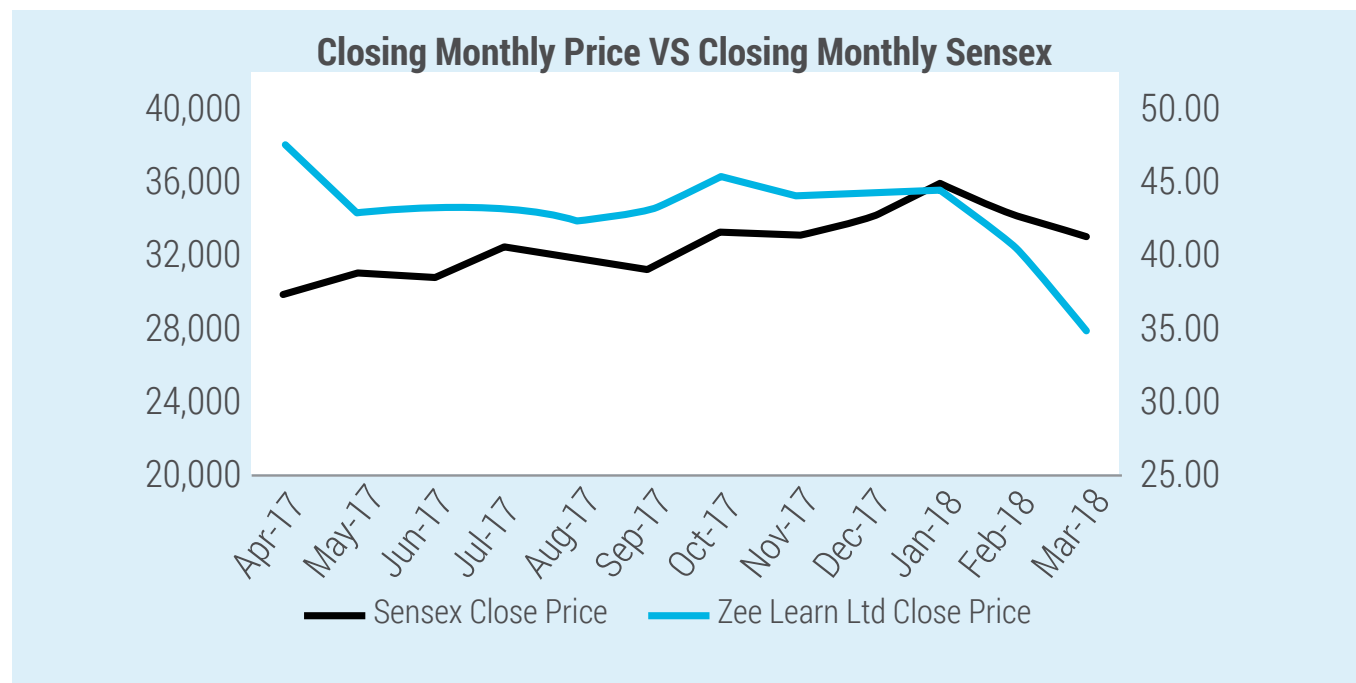
Particulars	No. of Shares issued	Date of Issue
Allotment under ESOP	1,37,500	23.03.2017
Allotment under ESOP	1,06,850	27.03.2017
Allotment under ESOP	2,17,606	24.04.2017
Allotment under ESOP	6,00,000	25.04.2017
Allotment under ESOP	25,067	28.04.2017
Allotment under ESOP	20,158	18.05.2017
Allotment under ESOP	14,806	25.05.2017
Allotment under ESOP	2,45,238	07.06.2017
Allotment under ESOP	2,35,000	08.06.2017
Allotment under ESOP	3,11,190	19.07.2017
Allotment under ESOP	20,400	21.07.2017
Allotment under ESOP	31,425	07.09.2017
Allotment under ESOP	4,10,820	23.10.2017
Allotment under ESOP	82,634	02.11.2017
Allotment under ESOP	24,925	06.12.2017
Allotment under ESOP	3,57,747	22.12.2017
Allotment under ESOP	6,56,075	31.01.2018
Issue & Paid- up Capital as on 31.03.2018	32,58,95,472	

22. 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 2017 - 2018:

Months	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April 2017	50.40	45.20	24,14,274	50.45	45.05	1,17,88,197
May 2017	48.50	42.00	8,82,723	48.50	41.70	57,11,923
June 2017	47.20	41.75	10,42,097	47.20	41.65	41,71,699
July 2017	48.15	42.55	31,99,324	48.20	42.60	1,87,14,659
August 2017	44.90	38.35	6,78,960	44.50	38.15	42,86,765
September 2017	45.10	41.50	25,30,682	45.15	41.60	1,17,44,855
October 2017	48.00	42.80	22,17,475	48.00	42.90	1,32,37,169
November 2017	46.80	42.00	9,76,132	46.75	43.15	72,67,499
December 2017	50.85	42.00	2,88,62,665	51.00	41.75	1,53,21,061
January 2018	50.50	43.40	34,29,523	50.80	43.50	2,64,53,129
February 2018	48.65	40.30	20,44,617	48.50	40.55	1,12,21,040
March 2018	41.10	34.80	14,16,257	41.20	35.10	52,14,235

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



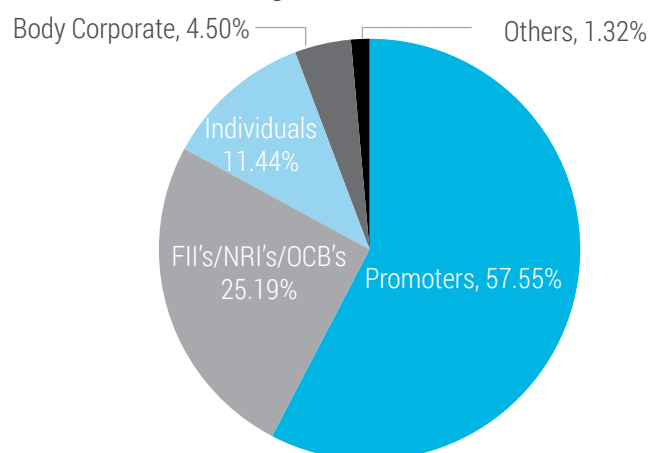
24. Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 500	105131	91.6023	6512858	1.9985
501 - 1000	4664	4.0638	3937238	1.2081
1001 - 2000	2236	1.9483	3485873	1.0696
2001 - 3000	878	0.765	2266736	0.6955
3001 - 4000	381	0.332	1393430	0.4276
4001 - 5000	410	0.3572	1972687	0.6053
5001 - 10000	516	0.4496	3902202	1.1974
10001 and Above	553	0.4818	302424448	92.7980
Total	114769	100.00	325895472	100.00

25. Categories of Equity Shareholders as on March 31, 2018

Category	March 31, 2018	
	% of shareholding	No. of shares held
Promoters	57.55	18,75,42,388
Individuals	11.44	3,72,69,841
FIs/MF/Banks/Others	1.32	43,06,532
FII's/ NRI's/OCB's/GDRs	25.19	8,21,08,089
Indian Companies (Bodies Corporate)	4.50	1,46,68,622
Total	100.00	32,58,95,472

Shareholding Pattern as on March 31, 2018



26. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2018

Sl No	Name of Shareholder	No of Shares held	% of shareholding
1	Jayneer Infrapower & Multiventures Pvt. Limited (Formerly Jayneer Capital Pvt. Ltd.)	7,79,75,375	23.93
2	Asian Satellite Broadcast Pvt. Ltd.	6,30,52,512	19.35
3	Jayneer Enterprises LLP	1,50,00,000	4.60
4	Essel Media Ventures Private Limited	1,28,61,036	3.95
5	Spirit Infrapower & Multiventures Private Limited (Formerly Spirit Textiles Pvt. Ltd.)	1,11,03,864	3.41
6	Essel Infraprojects Limited	17,52,286	0.54
7	Essel Holdings Limited	57,97,315	1.77
Total		18,75,42,388	57.55

b) Top ten (10) Public Shareholding as on March 31, 2018

SI No	Name of Shareholder	No of Shares held	% of shareholding
1	Polus Global Fund	2,38,25,743	7.31
2	Moon Capital Trading Pte. Ltd.	2,09,55,327	6.43
3	Morgan Stanley Asia (Singapore) Pte.	1,24,85,786	3.83
4	Copthall Mauritius Investment Limited	82,10,585	2.52
5	Ganjam Trading Company Private Limited	49,49,506	1.52
6	Ubs Principal Capital Asia Ltd	46,34,088	1.42
7	Veena Investments Private Limited	34,49,013	1.06
8	Vittoria Fund-Sr, L.P.-Asia Portfolio	32,21,500	0.99
9	Tarra Fund	21,72,000	0.67
10	Ajeey Kumar	14,30,943	0.43
Total		8,53,34,491	26.18

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:

- (a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2018 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.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 are fraudulent, illegal or violative to the Company's Code of Conduct.
- (c) 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.
- (d) We have indicated to the auditors and the Audit Committee that during 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, 7 May 2018

Debshankar Mukhopadhyay
Chief Executive Officer

Umesh Pradhan
Chief Financial Officer

Independent Auditor's Report

To
The Members of
Zee Learn Limited

1. Report on the Standalone Ind AS financial statements

We have audited the accompanying Standalone Ind AS Financial Statements of Zee Learn Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

2. Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS 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 Ind AS 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Other Matters

The comparative financial information of the Company for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1 April, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance 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 audited by us whose report for the year ended 31 March, 2017 and 31 March, 2016 dated 25 April, 2017 and 13 May, 2016 respectively expressed an unmodified opinion on those

standalone financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

6. 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 the paragraph 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 (including other comprehensive income), statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on

record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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, Companies (Accounting Standards) Amendment Rules, 2016 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 standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date: 7 May 2018

Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 6(l) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March, 2018.

- 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 ₹ 5.85 lakhs
- ii. The physical verification of inventory including stocks lying with third parties have been conducted by the Management during the year at reasonable intervals. 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 and investments made and guarantees 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 and records 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, goods and 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, 2018 for a period of more than six months from the date they became payable.
 - b) There are no amounts on account of goods and service tax, 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 and value added tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (₹/lakhs)	Period to which the amount relate	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	74.64	F.Y. 2005-2006	Deputy Commissioner of Sales Tax
	Value Added Tax - Penalty	46.55	F.Y. 2005-2006	
Maharashtra Value Added Tax Act, 2002	Value Added Tax	42.85	F.Y. 2010-2011	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.89	F.Y. 2010-2011	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Value Added Tax	41.08	F.Y. 2012-2013	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	14.73	F.Y. 2010-2011	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	49.95	F.Y. 2005-2006	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	90.81	F.Y. 2010-2011	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	50.49	F.Y. 2012-2013	Joint Commissioner of Sales Tax

Name of the Statute	Nature of the Dues	Amount in (₹/lakhs)	Period to which the amount relate	Forum where dispute is pending
Central Excise Act, 1944	Service Tax	1.61	F.Y. 2011-2012	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	2.65	F.Y. 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	7.24	F.Y. 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	17.90	F.Y. 2009-2010 to F.Y. 2011-2012	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	19.49	F.Y. 2007-2008 to F.Y. 2010-2011	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Service Tax	553.87	F.Y. 2011-2012 to F.Y. 2014-2015	Commissioner Central Goods and Service Tax
	Service Tax- Penalty	553.88	F.Y. 2011-2012 to F.Y. 2014-2015	

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). The term loans raised during the year have been applied for the purposes for which they were raised.

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 Ind AS financial statements as required by the applicable Indian 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

Place: Mumbai

Date: 7 May 2018

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 6(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March, 2018.

We have audited the internal financial controls over financial reporting of Zee Learn Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS 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, 2018, 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

Place: Mumbai

Date: 7 May 2018

Balance Sheet

As at 31 March 2018

(₹ Lakhs)

	Note	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3 (a)	189.35	114.48	154.30
(b) Capital work-in-progress	3 (a)	4.98	28.92	28.92
(c) Investment property	3 (b)	5.85	5.85	5.85
(d) Intangible assets	4	258.97	515.01	282.72
(e) Intangible assets under development	4	24.99	6.44	498.66
(f) Financial assets				
(i) Investments	5	22,788.54	25,787.26	25,787.97
(ii) Loans	6	1,436.12	7,359.93	-
(iii) Other financial assets	7	20,092.43	253.36	276.46
(g) Income tax assets (net)	8	51.28	7.28	338.61
(h) Deferred tax assets (net)	9	455.18	999.17	120.00
(i) Other non-current assets	10	133.12	69.54	85.52
Total non-current assets		45,440.81	35,147.24	27,579.01
Current assets				
(a) Inventories	11	934.14	1,365.55	1,093.60
(b) Financial assets				
(i) Investments	12	10,849.45	10,202.52	10,525.22
(ii) Trade receivables	13	764.26	929.31	779.03
(iii) Cash and cash equivalents	14 (a)	1,597.43	1,339.62	698.03
(iv) Bank balances other than (iii) above	14 (b)	275.30	230.61	302.83
(v) Loans	6	1.11	0.51	2,207.77
(vi) Other financial assets	7	901.79	963.50	2,061.94
(c) Other current assets	10	361.58	198.29	282.68
Total current assets		15,685.06	15,229.91	17,951.10
Total assets		61,125.87	50,377.15	45,530.11
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	3,258.95	3,226.42	3,205.54
(b) Other equity	16	32,109.47	26,407.43	21,901.73
Total equity		35,368.42	29,633.85	25,107.27
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	11,198.00	10,415.44	10,770.73
(ii) Other financial liabilities	18 (b)	610.27	401.76	870.67
(b) Provisions	19	155.75	152.69	144.35
(c) Other liabilities	20	5,339.70	92.20	81.77
Total non-current liabilities		17,303.72	11,062.09	11,867.52
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	1,299.61	1,167.35	2,560.92
(ii) Trade payables	18 (a)	800.84	1,241.11	920.59
(iii) Other financial liabilities	18 (b)	3,111.87	3,707.36	2,347.94
(b) Other current liabilities	20	2,942.86	3,027.12	2,648.45
(c) Provisions	19	92.78	93.38	42.46
(d) Current tax liabilities (net)	21	205.77	444.89	34.96
Total current liabilities		8,453.73	9,681.21	8,555.32
Total liabilities		25,757.45	20,743.30	20,422.84
Total equity and liabilities		61,125.87	50,377.15	45,530.11

Notes forming part of the financial statements

1-48

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**Chartered Accountants
FRN - 101169W/W-100035**Sanjay Kothari**Partner
Membership Number 048215Place : Mumbai
Date : 7 May 2018**Himanshu Mody**
Chairman**Umesh Pradhan**
Chief Financial Officer**Sangeeta Pandit**
Director**Bhautesh Shah**
Company Secretary

Statement of Profit and Loss

for the year ended 31 March 2018

(₹ Lakhs)

	Note	31 March 2018	31 March 2017
Revenue			
Revenue from operations	22	18,634.25	16,048.04
Other income	23	1,568.18	1,325.68
Total revenue		20,202.43	17,373.72
Expenses			
Operational cost	24	4,506.94	3,537.77
Employee benefits expense	25	2,873.08	2,938.62
Finance costs	26	1,336.14	1,463.51
Depreciation and amortisation expense	27	312.46	395.37
Other expenses	28	4,037.17	5,504.59
Total expenses		13,065.79	13,839.86
Profit before tax		7,136.64	3,533.86
Less : Tax expense			
Current tax - current year		2,578.81	765.26
Deferred tax benefit including MAT credit entitlement		(18.19)	(875.69)
Profit for the year (A)		4,576.02	3,644.29
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurement of defined benefit obligation		16.33	11.69
(ii) Income tax relating to items that will not be reclassified to the profit or loss		(5.65)	(4.05)
Total other comprehensive income (B)		10.68	7.64
Total comprehensive income for the year (A+B)		4,586.70	3,651.93
Earnings per equity share (face value ₹ 1 each)	42		
Basic		1.41	1.14
Diluted		1.41	1.13

Notes forming part of the financial statements

1-48

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**
Chartered Accountants
FRN - 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman

Umesh Pradhan
Chief Financial Officer

Sangeeta Pandit
Director

Bhautesh Shah
Company Secretary

Statement of Changes in Equity

for the year ended 31 March 2018

A. Equity share capital	Note	(₹ Lakhs)
As at 1 April 2016		3,205.54
Changes in equity share capital	15a	20.88
As at March 31 2017		3,226.42
Changes in equity share capital	15a	32.53
As at 31 March 2018		3,258.95

B. Other equity (₹ Lakhs)

	Reserves and surplus					Total other equity
	Debtore redemption reserve	Share based payment reserve	General reserves	Securities premium	Retained earnings	
As at 1 April 2016	-	314.28	13,971.80	10,299.06	(2,683.40)	21,901.74
Profit for the year	-	-	-	-	3,644.29	3,644.29
Other comprehensive income (Refer note 16)	-	-	-	-	7.64	7.64
Total comprehensive income for the year	-	-	-	-	3,651.93	3,651.93
	-	314.28	13,971.80	10,299.06	968.53	25,553.67
Debtore Redemption Reserve	406.25	-	-	-	(406.25)	-
Final Equity Dividend	-	-	-	-	(160.35)	(160.35)
Tax on Final Equity Dividend	-	-	-	-	(32.64)	(32.64)
On issue of shares under Employees stock option plan	-	(190.64)	-	798.24	-	607.60
Share based payments (Refer note 16)	-	439.15	-	-	-	439.15
As at March 31 2017	406.25	562.79	13,971.80	11,097.30	369.29	26,407.43
Profit for the year	-	-	-	-	4,576.02	4,576.02
Other comprehensive income (Refer note 16)	-	-	-	-	10.68	10.68
Total comprehensive income for the year	-	-	-	-	4,586.70	4,586.70
	406.25	562.79	13,971.80	11,097.30	4,955.99	30,994.13
Debtore Redemption Reserve	406.25	-	-	-	(406.25)	-
Final Equity Dividend	-	-	-	-	(162.17)	(162.17)
Tax on Final Equity Dividend	-	-	-	-	(33.02)	(33.02)
On issue of shares under Employees stock option plan	-	(335.70)	-	1,350.28	-	1,014.58
Shared based payments (Refer note 16)	-	295.95	-	-	-	295.95
	406.25	(39.75)	-	1,350.28	(601.44)	1,115.34
As at 31 March 2018	812.50	523.04	13,971.80	12,447.58	4,354.55	32,109.47

Notes forming part of the financial 1-48

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**
Chartered Accountants
FRN - 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman

Umesh Pradhan
Chief Financial Officer

Sangeeta Pandit
Director

Bhautesh Shah
Company Secretary

Statement of Cash Flows

for the year ended 31 March 2018

(₹ Lakhs)

	31 March 2018	31 March 2017
A. Cash flow from operating activities		
Profit before tax	7,136.64	3,533.86
Adjustments for :		
Depreciation and amortisation expense	312.46	395.37
Liabilities / excess provision written back	(37.90)	(27.82)
Bad debts / advance written off	-	12.46
Loss on sale / impairment / discard of property, plant and equipment / intangibles / capital work-in-progress (net)	42.97	-
Interest expenses	1,336.14	1,463.52
Provision for doubtful debts	123.85	75.19
Provision (benefit) of deferred taxes	11.30	437.10
Dividend income	(16.09)	(47.49)
Interest income	(1,278.18)	(1,035.37)
Operating profit before working capital changes	7,631.19	4,806.82
Adjustments for :		
(Increase) / Decrease in inventories	431.41	(271.95)
(Increase) / Decrease in trade and other receivables	64.37	978.45
Increase / (Decrease) in trade and other payables	4,575.26	2,178.87
Cash generated from operations	12,702.23	7,692.19
Direct taxes paid (net)	(2,305.42)	(460.52)
Net cash flow from operating activities (A)	10,396.81	7,231.67
B. Cash flow from investing activities		
Purchase of property, plant and equipment / intangible assets / investment property / capital work-in-progress	(195.46)	(95.78)
Sale of property, plant and equipment / intangible assets	(42.97)	0.12
Purchase of non current investments	-	0.71
Sale of non current investments	2,998.71	-
Purchase of current investments	(646.93)	(179.61)
Sale of current investments	-	502.31
Amount given towards share allotment	(20,000.00)	-
Increase / (Decrease) in bank deposits	(44.69)	72.22
Investments in bank deposit having original maturity period of more than twelve months	2.86	(2.54)
Loans repaid by subsidiary (net)	5,615.93	(4,756.62)
Dividend received from subsidiary company	0.01	0.02
Dividend received from others	16.08	47.47
Interest received	1,657.33	146.86
Net cash flow from / (used in) investing activities (B)	(10,639.13)	(4,264.84)

Statement of Cash Flows

for the year ended 31 March 2018

(₹ Lakhs)

	31 March 2018	31 March 2017
C. Cash flow from financing activities		
Proceeds from issue of shares	1,382.81	1,067.62
Proceeds from long-term borrowings	238.82	-
Proceeds from short-term borrowings	-	12.50
Repayment of long-term borrowings	-	(2,659.82)
Repayment of short-term borrowings	(430.80)	-
Dividend paid (including dividend tax)	(191.80)	(192.99)
Interest paid	(498.90)	(552.55)
Net cash flow from / (used in) financing activities (C)	500.13	(2,325.24)
Net cash flow during the year (A+B+C)	257.81	641.59
Cash and cash equivalents at the beginning of the year	1,339.62	698.03
Net cash and cash equivalents at the end of the year	1,597.43	1,339.62
Add : Balances earmarked	275.30	230.61
Cash and bank balances at the end of the year	1,872.73	1,570.23

Notes:

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

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**
Chartered Accountants
FRN - 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman

Umesh Pradhan
Chief Financial Officer

Sangeeta Pandit
Director

Bhautesh Shah
Company Secretary

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

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and guidelines issued by Securities and Exchange Board of India (SEBI).

These financial statements for the year ended 31 March 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31 March 2017, the Company had prepared its financial statements in accordance with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounts) Rules, 2016 and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') and guidelines issued by the Securities and Exchange Board of India (SEBI) used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April, 2016 being the date of transition to Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

Reconciliations and descriptions of the effect of the transition has been summarised in note no. 47

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated. Zero '0' denotes amount less than ₹ 1,000/-

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

b Property, plant and equipment

- (i) Property, plant and equipment 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 asset to its working condition for the intended use.
- (ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

c Investment property

Investment property is land held for capital appreciation. Investment property is measured initially at cost including purchase price. It is measured and carried at cost.

d Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

e Depreciation / amortisation on property, plant and equipment / intangible assets

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

- (i) Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- (ii) Leasehold Improvements are amortised over the period of Lease.
- (iii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

f Impairment of Property, plant and equipment / intangible assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset.

An impairment loss for an individual asset or cash generating unit are reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the statement of profit and loss.

g Derecognition of property, plant and equipment / intangibles / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

h Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

i Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

j Inventories

Educational goods and equipments are valued at lower of cost or estimated net realisable 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.

k Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent measurement

(A) Financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at Fair value

through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

(B) Debt instrument

(a) Amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

(b) Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate method.

c) Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument,

which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(C) Equity investments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payment is established.

Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with IND AS 27 on "Separate Financial Statements". Refer note 5 for list of investments.

(iii) Derecognition of financial assets

A financial asset is derecognised only when

- a) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(iv) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology

applied depends on whether there has been a significant increase in credit risk.

Financial liabilities and equity instruments

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(v) Financial liabilities subsequent measurement

Financial liabilities measured at amortised cost

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

Financial liabilities measured at fair value through profit and loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognised in other income or finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

I Borrowings and borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method.

Borrowing costs 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.

m Provisions, contingent liabilities and contingent assets

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

n 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. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

- (i) Sales- Educational goods and equipments is recognised 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 recognised over the duration of the course and as per agreed terms
 - b) Franchise fees is recognised 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 from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (iv) Dividend income is recognised when the Company's right to receive dividend is established.

o Retirement and other employee benefits

- (i) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

- (ii) Other long term employee benefits:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(iii) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

p Transactions in foreign currencies

(i) The functional currency of the Company is Indian Rupees ("₹").

Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(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 period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalent at the date of the transaction.

q Accounting for taxes on income

Tax expense comprises of current and deferred tax.

(i) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except to the extent they relate to items are recognised in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

(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.

r Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

s Share based payments

The Company recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

t Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which

control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

u Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

v Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

x Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

There can be no assurance regarding the final outcome of these legal proceedings.

b Useful lives and residual values

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

c Impairment testing

- i Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.
- ii Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d Tax

- i The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
- ii Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.
- iii The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognised.

e Fair value measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

f Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note no. 25, 'Employee benefits'.

Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Indian Accounting Standard (Ind AS) 115 "Revenue from Contracts with Customers"; notifying amendments to Ind AS 12 "Income Taxes" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates". Ind AS 115,

amendments to the Ind AS 12 and Ind AS 21 are applicable to the Company w.e.f. 1 April 2018.

(i) Ind AS 115 "Revenue from Contracts with Customers"

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further this standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

(ii) Amendment to Ind AS

a) Ind AS 12 "Income Taxes"

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions. Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

b) Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendment to this Ind AS requires foreign currency consideration paid or received in advance of an item of asset, expense or income, resulting in recognition of a non-monetary prepayment asset or deferred income liability, to be recorded in the Company's functional currency by applying the spot exchange rate on the date of transaction. The date of transaction which is required to determine the spot exchange rate for translation of such items would be earlier of:

- the date of initial recognition of the non-monetary prepayment asset or deferred income liability, and
- the date on which the related item of asset, expense or income is recognised in the financial statements

If the transaction is recognised in stages, then a spot exchange rate for each transaction date would be applied to translate each part of the transaction.

The Company is evaluating the disclosure requirements of these amendments and its effect on the financial statements.

3(a) Property, plant and equipment

(₹ Lakhs)

Description of Assets	Furniture and Fittings	Equipments	Computers	Leasehold Improvements	Total
I. Deemed Cost as at 1 April, 2016	24.78	36.76	73.44	19.32	154.30
Additions	0.32	1.96	24.19	-	26.47
Disposals	-	-	2.53	-	2.53
At cost as at 31 March, 2017	25.10	38.72	95.10	19.32	178.24
Additions	2.69	76.14	50.94	38.66	168.43
Disposals	14.33	28.64	-	-	42.97
At cost as at 31 March, 2018	13.46	86.22	146.04	57.98	303.70
II. Depreciation upto 01 April, 2016	-	-	-	-	-
Depreciation charge for the year	4.66	18.68	28.43	14.41	66.18
Disposals	-	-	2.41	-	2.41
upto 31 March, 2017	4.66	18.68	26.02	14.41	63.77
Depreciation charge for the year	4.21	10.44	29.75	6.20	50.59
Disposals	-	-	-	-	-
upto 31 March, 2018	8.87	29.12	55.77	20.61	114.36
Net book Value					
As at 31 March, 2018	4.59	57.10	90.29	37.37	189.35
As at 31 March, 2017	20.44	20.04	69.08	4.92	114.48
As at 1 April, 2016	24.78	36.76	73.44	19.32	154.30
Net book value			31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment			189.35	114.48	154.30
Capital work-in-progress			4.98	28.92	28.92

3(b) Investment property

(₹ Lakhs)

Description of Assets	Freehold Land	Total
I. Deemed Cost as at 1 April, 2016	5.85	5.85
Additions / (Disposals)	-	-
At cost as at 31 March, 2017	5.85	5.85
Additions / (Disposals)	-	-
At cost as at 31 March, 2018	5.85	5.85
II. Depreciation upto 01 April, 2016	-	-
upto 31 March 2017	-	-
Depreciation charge for the year	-	-
upto 31 March, 2018	-	-
Net book value		
As at 31 March, 2018	5.85	5.85
As at 31 March, 2017	5.85	5.85
As at 1 April, 2016	5.85	5.85
Fair Value		
As at 31 March, 2018	11.61	11.61
As at 31 March, 2017	11.27	11.27
As at 1 April, 2016	10.84	10.84

- a) Acquired pursuant to the Composite Scheme of Arrangement, yet to be transferred in the name of the Company and is mortgaged against the Secured Debentures.
- b) The fair value of the Company's investment property has been arrived by the management on the basis of a appropriate ready reckoner value. The fair value measurement is categorised as Level 3

4 Intangible assets

(₹ Lakhs)

Description of Assets	Content Development	Software	Total
I. Deemed Cost as at 1 April, 2016	237.25	45.47	282.72
Additions during the year	556.10	5.40	561.50
Disposals during the year	-	-	-
At cost as at 31 March, 2017	793.35	50.87	844.22
Additions during the year	5.82	-	5.82
Disposals during the year	-	-	-
At cost as at 31 March, 2018	799.17	50.87	850.04
II. Amortisation upto 01 April, 2016	-	-	-
Amortisation for the year	297.94	31.27	329.21
Disposal	-	-	-
upto 31 March, 2017	297.94	31.27	329.21
Amortisation for the year	250.14	11.72	261.86
Disposal	-	-	-
upto 31 March, 2018	548.08	42.99	591.07
Net book value			
As at 31 March, 2018	251.09	7.88	258.97
As at 31 March, 2017	495.41	19.60	515.01
As at 1 April, 2016	237.25	45.47	282.72
Net book value	31 March 2018	31 March 2017	1 April 2016
Intangible Assets	258.97	515.01	282.72
Intangible Assets under Development	24.99	6.44	498.66

5 Non-current investments- Unquoted

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
A] Investments carried at cost			
Investment in Equity instruments			
In wholly owned subsidiaries			
5,010,000 (2017-5,010,000), (2016-5,010,000) Equity shares of ₹ 10/- each of Digital Ventures Private Limited (Refer below note 1)	10,601.00	10,601.00	10,601.00
1,000 (2017-1000), (2016-1000) Equity shares of ₹ 10/- each of Academia Edificio Private Limited	0.10	0.10	0.10
1,000 (2017-1000), (2016-Nil) Equity shares of ₹ 10/- each of Liberium Global Resources Private Limited	0.10	0.10	-
Investment in Convertible Debentures			
In wholly owned subsidiaries			
11,326,619(2017-14,325,334),(2016-14,326,145) 0.01%,Compulsorily Convertible Debentures of ₹ 100/- of Digital Ventures Private Limited (Refer below note 2 and 3)	11,326.62	14,325.34	14,326.15
Others - In wholly owned subsidiaries			
Fair value of financial guarantee issued	860.67	860.67	860.67
B] Investment carried at Fair value through profit and loss			
Others			
In National savings certificate	0.05	0.05	0.05
(Pledged with sales tax authorities)			
Total	22,788.54	25,787.26	25,787.97

(All the above securities are fully paid up)

- 1 Non disposal undertaking for 51% shares held by the Company for loan taken by subsidiary Company viz Digital Ventures Private Limited
- 2 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.
- 3 During the year, 0.01% Compulsory Convertible Debentures (CCDs) with face value of ₹ 100/- each was converted into 0.01% Optionally Convertible Debentures (OCDs) aggregating to ₹ 30,00,00,000/- which was passed in the Extra ordinary general meeting of the wholly owned subsidiary held on 26 March 2018. The said OCD can be converted at any time after the allotment at the option of the company or can either be redeemed based on the request of the company. All the OCD's have been redeemed during the year.

	31 March 2018	31 March 2017	1 April 2016
Aggregate amount of unquoted Investments	22,788.54	25,787.26	25,787.97

6 Loans

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Loans (Unsecured and considered good)						
- Subsidiaries	1,436.12	7,359.93	-	1.11	0.51	2,207.77
Total	1,436.12	7,359.93	-	1.11	0.51	2,207.77

7 Other financial assets

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Deposit with banks having original maturity period of more than twelve months (refer note 14 b)	1.22	4.08	1.54	-	-	-
Amount given towards share allotment *	20,000.00	-	-	-	-	-
Advances and deposits - unsecured and considered good						
- to related parties	-	62.79	56.14	70.23	-	-
- to others	91.21	186.48	218.78	248.55	45.51	191.40
Premium on redemption of Preference shares	-	-	-	583.00	443.00	303.00
Claims receivable	-	-	-	-	474.98	1,416.61
Dividend receivable	-	-	-	0.01	0.01	0.02
Other receivables	-	-	-	-	-	150.91
Total	20,092.43	253.36	276.46	901.79	963.50	2,061.94

*As per regulation 22(2A) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Subscription Shares i.e. 3,19,64,200 equity shares having face value of ₹ 10 each at a price of ₹ 62.57 (including a premium of ₹ 52.57/-) each of MT Educare Limited subscribed by the company on a preferential allotment basis has kept in an escrow account.

The company shall not be able to exercise its voting rights in relation to the Subscription Shares until the completion of the proposed open offer.

8 Non-current tax assets (net)

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Balances with government authorities			
- Direct taxes (net of provisions)	51.28	7.28	338.61
Total	51.28	7.28	338.61

9 Deferred tax assets (net)

The components of deferred tax balances are as under:

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets			
Employee retirement benefits obligation	63.52	62.67	-
Depreciation and amortisation	322.78	353.96	-
Provision for doubtful debts	68.88	26.02	-
	455.18	442.65	-
Deferred tax liabilities			
Depreciation and amortisation	-	-	-
	455.18	442.65	-
Mat credit entitlement	-	556.52	120.00
Deferred tax assets (net)	455.18	999.17	120.00

10 Other assets

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Capital advances (unsecured)	26.59	-	-	-	-	-
Other loans and advances (unsecured)						
Other advances (unsecured)						
- Considered good	-	-	-	107.52	62.29	130.99
- Considered doubtful	33.71	33.71	33.71	-	-	-
	33.71	33.71	33.71	107.52	62.29	130.99
Less: Allowances for credit losses	(33.71)	(33.71)	(33.71)	-	-	-
	-	-	-	107.52	62.29	130.99
Prepaid expenses	32.80	50.54	66.52	195.32	92.64	61.51
Balance with government authorities						
- Advance indirect taxes	73.73	19.00	19.00	58.74	43.36	90.18
Total	133.12	69.54	85.52	361.58	198.29	282.68

11 Inventories

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Educational goods and equipments	934.14	1,365.55	1,093.60
Total	934.14	1,365.55	1,093.60

12 Current investments

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
A Investment at amortised cost			
Investment in preference shares			
Wholly owned subsidiaries - Unquoted			
1,00,000 (1,00,000) 0.1%, Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Digital Ventures Private Limited *	9,572.00	9,572.00	9,572.00
(A)	9,572.00	9,572.00	9,572.00
B Investments carried at fair value through Profit and loss			
Mutual funds - Quoted (at face value of ₹ 1000 each)			
44,054, (2017- 63,011), (2016 - 45,062) units of Axis Liquid Fund -Direct Plan - Daily dividend reinvestment	440.97	630.52	450.91
1,60,101, (2017 - Nil), (2016 - Nil) units of ICICI Prudential Liquid Fund - Direct plan - Daily dividend	160.37	-	-
6,74,749, (2017 - Nil), (2016 - Nil) units of ICICI Prudential Money Market Fund - Direct plan - Daily dividend	676.11	-	-
Nil, (2017 - Nil), (2016 - 50,197) units of Reliance Liquidity fund direct daily plan Daily Dividend	-	-	502.31
(B)	1,277.45	630.52	953.22
Total (A+B)	10,849.45	10,202.52	10,525.22
(All the above securities are fully paid up)			
Aggregate amount of quoted Investments and market value thereof	1,277.45	630.52	953.22
Aggregate amount of unquoted Investments	9,572.00	9,572.00	9,572.00

*0.1% Non-Convertible Non-Cumulative Redeemable Preference Shares will be redeemable anytime at the request of the investor on or before 31 March 2022 at a premium of ₹ 10,705 per share. In case of early redemption the premium will be decided by mutual consent on the date of redemption.

13 Trade receivables (unsecured)

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
- Considered good	764.26	929.31	779.03
- Considered doubtful	199.04	75.19	-
	963.30	1,004.50	779.03
Less: Allowances for credit losses	(199.04)	(75.19)	-
Total	764.26	929.31	779.03

For transactions relating to related party receivables, refer note 44.

Trade receivables are non-interest bearing and the credit period extended to them is 0-180 days.

14 Cash and bank balances

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
a Cash and cash equivalents			
Balances with banks -			
- In Current accounts #	1,597.32	614.84	697.96
Cheques in hand / remittance in transit	-	724.63	-
Cash in hand	0.11	0.15	0.07
Total (A)	1,597.43	1,339.62	698.03
b Other balances with banks			
Balances with banks -			
- In escrow account *	136.00	-	-
- In current accounts	3.39	-	-
- In deposits with banks having original maturity period upto twelve months #	135.91	230.61	302.83
- In deposits with banks having original maturity period of more than twelve months	1.22	4.08	1.54
	276.52	234.69	304.37
Disclosed under "Other non-current financial assets"	(1.22)	(4.08)	(1.54)
Total (B)	275.30	230.61	302.83
Total(A+B)	1,872.73	1,570.23	1,000.86

*represent amount deposited on account of open offer for MT Educare Limited (refer note 39)

#Pledged/Lien for Term Loan/debentures Nil (2017 - 103.39 ₹/lakhs, 2016 - 157 ₹/lakhs), Lien for Government authorities 0.50 ₹/lakhs (2017- 0.50 ₹/lakhs, 2016 - 0.50 ₹/lakhs) Lien for others 621.50 ₹/lakhs (2017- 111.50 ₹/lakhs, 2016 - 111.00 ₹/lakhs)

15 Equity share capital

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Authorised			
1,000,000,000 (2017-1,000,000,000), (2016-1,000,000,000) Equity Shares of ₹ 1/- each	10,000.00	10,000.00	10,000.00
	10,000.00	10,000.00	10,000.00
Issued, subscribed and paid up			
325,895,472 (2017-322,642,381), (2016-320,554,255) Equity Shares of ₹ 1/- each fully paid up	3,258.95	3,226.42	3,205.54
Total	3,258.95	3,226.42	3,205.54

a) Reconciliation of number of Equity shares and Share capital

	31 March 2018		31 March 2017		1 April 2016	
	Number of equity shares	₹ Lakhs	Number of equity shares	₹ Lakhs	Number of equity shares	₹ Lakhs
At the beginning of the year	322,642,381	3,226.42	320,554,255	3,205.54	320,001,097	3,200.01
Add : Allotted on exercise of Employee Stock Option	3,253,091	32.53	2,088,126	20.88	553,158	5.53
Outstanding at the end of the year	325,895,472	3,258.95	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, except 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. However holder of global depository receipts (GDR's) was unvested into underlying equity shares of the company w.e.f. 15 January 2018. 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 2018. Details of aggregate number of shares issued for consideration other than cash during the five years preceding 31 March 2018 is as under:

	31 March 2018	31 March 2017	1 April 2016
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	262,238,599	262,238,599	262,238,599

d) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the Shareholders	31 March 2018		31 March 2017	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Jayneer Capital Private Limited	77,975,375	23.93%	77,975,375	24.33%
Asian Satellite Broadcast Private Limited	63,052,512	19.35%	63,052,512	19.67%
Polus Global Fund	23,825,743	7.31%	-	0.00%
Moon Capital Trading Pte. Limited	20,955,327	6.43%	-	0.00%
Deutsche Bank Trust Company Americas	-	0.00%	27,509,770	8.58%
Swiss Finance Corporation (Mauritius) Limited	-	0.00%	25,589,415	7.93%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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 to the employees of the Company and its subsidiary viz Digital Ventures Private Limited as amended in board resolution dated 30 September 2016 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.

f) Summary of options granted under the Scheme

Name of the Shareholders	31 March 2018		31 March 2017	
	Average exercise price per share option ₹	Number of options	Average exercise price per share option ₹	Number of options
Opening balance	32.52	8,017,007	31.51	8,138,835
Granted during the year	42.28	1,312,254	34.09	2,304,214
Exercised during the year (Refer Note (i) below)	32.23	3,253,091	30.10	2,088,126
Forfeited during the year	32.64	381,450	32.81	337,916
- Non-vested options (Refer Note (ii) below)	-	-	-	-
- Vested options (Refer Note (iii) below)	-	-	-	-
Closing balance		5,694,720		8,017,007
Vested and exercisable		2,445,512		2,455,836

g) Expiry date and exercise prices of the share options outstanding at the end of the year :

Grant date	Expiry date	Exercise price ₹	Share options	
			31 March 2018	31 March 2017
Thursday, January 27, 2011	Saturday, January 27, 2018	26.05	-	6,150
Monday, January 30, 2012	Wednesday, January 30, 2019	14.50	7,725	35,563
Wednesday, October 09, 2013	Friday, October 09, 2020	20.85	66,886	140,590
Wednesday, April 02, 2014	Friday, April 02, 2021	27.55	-	-
Monday, September 29, 2014	Wednesday, September 29, 2021	35.25	533,386	850,510
Wednesday, October 28, 2015	Friday, October 28, 2022	31.80	2,322,490	4,776,980
Monday, July 25, 2016	Tuesday, July 25, 2023	31.40	50,000	50,000
Friday, September 30, 2016	Saturday, September 30, 2023	34.15	1,401,979	2,157,214
Monday, January 15, 2018	Wednesday, January 15, 2025	46.50	25,000	-
Monday, February 19, 2018	Wednesday, February 19, 2025	42.20	1,287,254	-
Total			5,694,720	8,017,007
Weighted average remaining contractual life of options outstanding at end of period			5.22	5.66

h) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	1 st Grant	2 nd Grant	3 rd Grant	4 th Grant	5 th Grant
Grant date	27/1/2011	30/1/2012	09/10/2013	02/04/2014	29/9/2014
Weighted average fair value of options granted ₹	23.82	6.89	7.98	400.48	13.3
Exercise price ₹	26.05	14.50	20.85	27.55	35.25
Share price at the grant date ₹	24.70	14.50	22.25	26.85	35.30
Expected volatility	41.56%	38.53%	36.90%	37.02%	38.82%
Risk free interest rate	6.89%	6.93%	7.01%	7.10%	7.15%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected life of the options (years)	0.66	0.92	1.72	1.92	2.25

Scheme	6 th Grant	7 th Grant	8 th Grant	9 th Grant	10 th Grant
Grant date	28/10/2015	25/7/2016	30/9/2016	15/1/2018	19/2/2018
Weighted average fair value of options granted ₹	3.03	200.24	4.80	922.16	15.15
Exercise price ₹	31.80	31.40	34.15	46.50	42.20
Share price at the grant date ₹	32.15	31.35	35.20	46.80	42.75
Expected volatility	38.87%	37.56%	35.81%	35.05%	35.05%
Risk free interest rate	7.21%	6.36%	6.38%	7.04%	7.04%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected life of the options (years)	2.79	2.57	2.75	3.3	3.4

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expense arising from share based payments transactions

(₹ Lakhs)

	31 March 2018	31 March 2017
Gross expense / (reversal) arising from share based payments	295.96	439.15
Less: Options granted/(forfeited) to/(from) employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Employee share based payment expense /(reversal) recognised in statement of profit and loss (Refer note 25)	295.96	439.15

Notes:

- (i) The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2018 was ₹ 32.23 (31 March 2017: ₹ 30.10).
- (ii) Forfeited on account of non-market performance vesting condition not achieved.
- (iii) Forfeited on account of employee resigned without exercising.

16 Other equity

(₹ Lakhs)

	31 March 2018	31 March 2017
Reserves and surplus		
Debenture redemption reserve		
As per last Balance sheet	406.25	-
Add: Transferred from statement of profit and loss account	406.25	406.25
	812.50	406.25
Securities premium		
As per last Balance sheet	11,097.30	10,299.06
Add: On issue of shares under Employee stock option plan	1,350.28	798.24
	12,447.58	11,097.30
Shared based payment reserve		
As per last Balance Sheet	562.79	314.28
Add: Options granted during the year	295.95	439.15
Transfer to Securities Premium on allotment of shares	(335.70)	(190.64)
	523.04	562.79
General reserve		
As per last Balance Sheet	13,971.80	13,971.80
	13,971.80	13,971.80
Retained earnings		
Opening balance	369.29	(2,683.40)
Add : Profit for the year	4,576.02	3,644.29
Re-measurement gain /(losses) on defined benefit plans	16.33	11.69
Income tax impact thereon	(5.65)	(4.05)

(₹ Lakhs)

	31 March 2018	31 March 2017
Less :Appropriations		
Transferred to Debenture redemption reserve	(406.25)	(406.25)
Dividend on Equity shares	(162.17)	(160.35)
Tax on dividend on Equity shares	(33.02)	(32.64)
	4,354.55	369.29
Total	32,109.47	26,407.43

- 1) Debenture redemption reserve is created out of the profits which is available for payment of dividend for the purpose of redemption of debentures.
- 2) Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- 3) Share Based Payment Reserve is related to share options granted by the Company to its employee under its employee share option plan.
- 4) General reserve is used from time to time transfer profits from retained earnings for appropriation purposes. General reserve includes ₹/Lakhs 8,881.25 (2017-8,881.25) (2016-8,881.25) pursuant to the scheme of Amalgamation, sanctioned by the Hon'ble High Court of Bombay and shall not be used for the purpose of declaring dividend.
- 5) Retained earnings represent the accumulated earnings net of losses if any, made by the Company over the years.

17 Borrowings

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Debentures	8,516.89	7,840.89	7,164.89	-	-	-
Intercompany deposits - Unsecured	-	-	-	1,299.61	1,167.35	2,560.92
[(Including interest ₹/lakhs 132.25, (2017-196.44), (2016-128.92)]						
Total	8,516.89	7,840.89	7,164.89	1,299.61	1,167.35	2,560.92
b. Others - Secured						
Term loan from banks	2,681.11	2,574.55	3,605.84	828.04	1,097.61	1,085.11
Less: Amount disclosed under the head "Other financial liabilities" (Refer Note 18b)				(828.04)	(1,097.61)	(1,085.11)
Total	2,681.11	2,574.55	3,605.84	-	-	-
Grand Total	11,198.00	10,415.44	10,770.73	1,299.61	1,167.35	2,560.92

(i) Debentures

650 (2017-650), (2016-650) 10.40% Rated, Unlisted, Secured, Redeemable Non- Convertible Debentures of ₹ 10.00 Lakhs 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 July 8, 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.

(ii) Intercompany deposits - Unsecured

The loan carries Interest @12.5% p.a and is repayable on demand.

(iii) Term loans from banks

- a) Term loan from bank Nil (2017-₹/lakhs 3,640.00) (2016- ₹/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. The same has been repaid during the year
- b) Term loan from bank 3,500.00 ₹/lakhs (2017-₹/lakhs Nil) (2016- ₹/lakhs Nil) is secured by way of first ranking charge over movable assets including current assets, loans and advances with minimum coverage of 1.25x for entire tenure of the facility which includes charge on the accounts that receive cash from franchisee/revenue of the Company Plus DSRA equivalent to 1 months interest to be maintained upfront and one immediate installment to maintained one month prior to its schedule payment. The loan carries interest of 9.4% and its repayable 12 quarterly installments beginning from financial year 2018-19.

18 Financial liabilities

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
a Trade payables						
Trade payables				800.84	1,241.11	920.59
(A)	-	-	-	800.84	1,241.11	920.59
b Other financial liabilities						
Current maturities of long-term borrowings	-	-	-	828.04	1,097.61	1,085.11
Deposits received - Customers	10.00	10.00	10.00	2.00	2.00	2.00
Deposits received - Others	252.04	-	-			
Financial guarantee obligation	348.23	391.76	860.67			
Employee benefits payable				22.96	81.40	10.00
Unclaimed dividend	-	-	-	3.39	-	-
Book overdraft	-	-	-	65.55	739.47	-
Other payables	-	-	-	2,189.93	1,786.88	1,250.83
(B)	610.27	401.76	870.67	3,111.87	3,707.36	2,347.94
Total (A+B)	610.27	401.76	870.67	3,912.71	4,948.47	3,268.53

For transactions relating to related party payables refer Note 44

Trade payables are non-interest bearing and the credit term the for same is generally in the range of 0-90 days.

19 Provisions

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits						
- Gratuity	106.65	106.33	96.51	12.55	13.47	10.25
- Leave benefits	49.10	46.36	47.84	15.23	14.91	5.08
Others						
- Provision for litigation	-	-	-	65.00	65.00	27.13
Total	155.75	152.69	144.35	92.78	93.38	42.46

20 Other liabilities

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Unearned revenue	94.07	92.20	81.77	1,503.62	1,367.69	1,369.55
Advances received from customers	-	-	-	1,145.00	1,475.72	1,182.60
Statutory dues payable	-	-	-	294.24	183.71	96.30
Deferred deposit	5,245.63	-	-	-	-	-
Total	5,339.70	92.20	81.77	2,942.86	3,027.12	2,648.45

21 Current tax liabilities

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Provision for taxation (net of advances)	205.77	444.89	34.96
Total	205.77	444.89	34.96

22 Revenue from operations

(₹ Lakhs)

	31 March 2018	31 March 2017
Services		
- Course fees/Royalty	6,049.71	5,433.13
- Franchisee fees	1,341.99	1,649.03
- Others	32.07	38.03
Sales - Educational goods and equipments	11,177.24	8,866.24
Other operating revenue	33.24	61.61
Total	18,634.25	16,048.04

23 Other income

(₹ Lakhs)

	31 March 2018	31 March 2017
Dividend income from		
- Mutual funds	16.09	47.49
- Preference shares - Subsidiary company	0.01	0.01
Premium on redemption of Preference shares	140.00	140.00
Liabilities / excess provision written back	37.90	27.82
Total	194.00	215.32
Financial guarantee fees	96.00	75.00
Interest income from		
- Debentures - Wholly owned subsidiary	1.43	1.43
- Intercompany deposit - Wholly owned subsidiary	1,186.95	459.37
- Intercompany deposit - Others	-	7.71
- Bank deposits	13.38	25.34
- Unwinding of discount of deposit / Financial guarantee obligation	71.87	492.44
- Others	4.55	49.07
Total	1,374.18	1,110.36
Grand Total	1,568.18	1,325.68

24 Operational cost

(₹ Lakhs)

	31 March 2018	31 March 2017
a) Educational goods and equipments		
Opening - Inventory	1,365.55	1,093.60
Add: Purchases	3,563.32	3,481.57
Less: Closing - Inventory	(934.14)	(1,365.55)
	3,994.73	3,209.62
b) Other educational operating expenses	512.21	328.15
Total (a) + (b)	4,506.94	3,537.77

25 Employee benefits expense

(₹ Lakhs)

	31 March 2018	31 March 2017
Salaries and allowances	2,369.57	2,359.88
Share based payment expense	295.96	439.15
Contribution to provident and other funds	86.15	81.97
Training and recruitment cost	70.71	29.07
Staff welfare expenses	50.69	28.55
Total	2,873.08	2,938.62

26 Finance costs

(₹ Lakhs)

	31 March 2018	31 March 2017
Interest on - Borrowings	1,230.99	1,425.39
- Deposit received	0.40	-
- Others	67.34	35.78
Other financial charges	37.41	2.34
Total	1,336.14	1,463.51

27 Depreciation and amortisation expense

(₹ Lakhs)

	31 March 2018	31 March 2017
Depreciation on property, plant and equipment	50.59	66.17
Amortisation of intangible assets	261.87	329.20
Total	312.46	395.37

28 Other expenses

(₹ Lakhs)

	31 March 2018	31 March 2017
Rent	301.63	292.43
Repairs and maintenance - others	256.75	239.01
Insurance	23.72	20.56
Rates and taxes	118.19	31.45
Electricity and water charges	43.13	36.49
Communication expenses	134.57	137.76
Printing and stationery	55.88	58.35
Travelling and conveyance expenses	601.93	562.03
Legal and professional charges	558.35	846.10
Payment to auditors (refer note 34)	21.72	26.70
Freight and packing charges	1,112.01	1,081.59
Directors sitting fees	6.20	11.60
Bad debts / advances written off	-	12.46
Loss on sale / discard of Property, plant and equipments	42.97	-
Provision for allowances for credit losses	123.85	75.19
Marketing, advertisement and publicity expenses	499.12	884.35
Inventory lost by Fire (refer note 37)	-	941.63
Corporate social responsibility expenditure	16.50	16.00
Miscellaneous expenses	120.65	230.89
Total	4,037.17	5,504.59

29 Tax expense

The major components of income tax for the year are as under:

(₹ Lakhs)

	31 March 2018	31 March 2017
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	2,578.81	765.26
Deferred tax charge / (benefit)	(18.19)	(446.69)
Mat credit entitlement - current period	-	(429.00)
Total	2,560.62	(110.43)
Effective tax rate	35.88	(3.12)

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2018 and 31 March 2017 is as follows:

(₹ Lakhs)

	31 March 2018	31 March 2017
Profit before tax	7,136.64	3,533.86
Income tax		
Statutory income tax rate of 34.608% (34.608%) on profit	2,469.85	1223.00
Undistributed earnings of subsidiaries		
Tax effect on non-deductible expenses	317.57	225.17
Additional allowances for tax purposes	(203.04)	(159.36)
other temporary difference	(18.19)	(446.69)
Adjustment of carry forward losses at special rate	-	(936.12)
Effect of exempt income and income tax at lower rates	(5.57)	(16.43)
Tax expense recognised in the statement of profit and loss	2,560.62	(110.43)

Deferred tax recognised in statement of other comprehensive income

	31 March 2018	31 March 2017
For the year ended 31 March		
Employee retirement benefits obligation	(5.65)	(4.05)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% for the year ended 31 March 2018.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 9.

The Company does not have any temporary differences in respect of unutilised tax losses as at 31 March 2018.

Deferred tax recognised in statement of profit and loss

	31 March 2018	31 March 2017
For the year ended 31 March		
Employee retirement benefits obligation	(6.50)	(66.71)
Depreciation and amortisation	31.18	(353.96)
Provision for doubtful debts	(42.87)	(26.02)
Mat credit entitlement	-	(429.00)
Total	(18.19)	(875.69)

(₹ Lakhs)

Reconciliation of deferred tax assets / (liabilities) net:	31 March 2018	31 March 2017
Opening balance	442.64	-
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	18.19	446.69
- Recognised in other comprehensive income	(5.65)	(4.05)
Total	455.18	442.64
MAT Credit entitlement	-	556.53
Total	455.18	999.17

30 Leases

A. Operating leases:

The Company has taken office, residential facilities and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee.

(₹ Lakhs)

	31 March 2018	31 March 2017
Lease rental charges for the year	436.43	396.89
Future lease rental obligation payable (under non-cancellable lease)		
Not later than one year	280.08	239.01
Later than one year but not later than five years	997.91	241.60
Later than five years	-	-

31a) Contingent liabilities

(₹ Lakhs)

	31 March 2018	31 March 2017	01 April 2016
a) Claims against the company not acknowledged as debts *	70.87	76.91	126.17
b) Disputed direct taxes [#]	-	16.51	16.51
c) Disputed indirect taxes	1,568.74	1,138.13	402.76
d) Corporate guarantee to wholly owned Subsidiary to the extent of loans availed/ outstanding ₹/lakhs 12,498.12 (2017 - 12,500.00), (2016 - 24,918.00)	15,000.00	15,000.00	26,788.00
e) Corporate guarantee to others to the extent of loans availed/ outstanding ₹/lakhs 15,275.00 (2017 - 14,000.00), (2016 - Nil)	16,000.00	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.

- b) The Company had entered into and executed third party warehousing arrangement for materials/ study materials with a service provider. There was a dispute with the service provider for the service and Company has 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 has taken custody of the study materials. The Company has filed a case in Honorable 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 Honorable High Court and obtained the custody of materials/study materials through court process, during March 2015. Further, the Company has 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

- a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/lakhs 31.05 (₹/lakhs 2017- 0.87) (₹/lakhs 2016 - 10.43)
- b) Non disposal undertaking for 51% shares held by the Company in Digital Ventures Private Limited for loan taken by subsidiary Company.

33 Managerial remuneration

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Executive Director and Manager, included in Note 25 "Employee benefits expense" is as under :

	(₹ Lakhs)	
	31 March 2018	31 March 2017
Salary and allowances	-	-
Contribution to provident fund	-	-
Perquisites (Refer note a and b below)	329.61	242.01
Total	329.61	242.01

Notes :

- a) Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOPs during the year.
- b) Mr. Umesh Pradhan, Chief Financial Officer, has been reappointed with effect from 1 April 2016, as Manager of the company without any remuneration. He draws salary from the company as the CFO and not as the Manager.

34 Payment to auditors

	(₹ Lakhs)	
	31 March 2018	31 March 2017
Audit fees (including limited review)	15.75	15.75
Tax audit fees	2.00	2.00
Tax representation	1.27	6.02
Certification and Others	2.70	2.93
Total	21.72	26.70

35 Micro, small and medium enterprises

The Company has due to one party related to Micro, Small and Medium enterprises as at 31 March 2018 i.e. ₹/lakhs 152.81 (2017-Nil) (2016-Nil), on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to Micro, Small and Medium enterprises during the year.

36 I. Disclosures as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

(a). Loan given to wholly owned Subsidiary company (Loanee) (₹ Lakhs)

	Balance as at *		Maximum amount outstanding during the year	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Digital Venture Private Limited	1,434.29	6,900.00	10,856.00	6,900.00
Academia Edificio Private Limited	1.00	0.51	1.00	0.51

*does not include interest accrued.

(b) The loanee has not made investments in the shares of the Company.

II. Information required under Section 186 (4) of the Companies Act, 2013

i) Loans given (₹ Lakhs)

Name of the party	31 March 2017	Given	Repaid	31 March 2018
Digital Ventures Private Limited	6,900.00	6,345.00	11,810.71	1,434.29
Academia Edificio Private Limited	0.51	0.49	-	1.00
	6,900.51	6,345.49	11,810.71	1,435.29

The loan has been given for general business purpose of the entity and carries interest @12.5% p.a. The above figures does not include interest accrued.

ii) Investments made

There are no other investments made other than those mentioned in Note 5 and Note 12

iii) Guarantees given (₹ Lakhs)

Name of the party	31 March 2018	31 March 2017
To secure obligations of wholly owned Subsidiary - Guarantees to Banks	15,000.00	15,000.00
To secure obligations of others - Guarantees to Banks	16,000.00	16,000.00
Total	31,000.00	31,000.00

iv) Securities given

The Company has given securities of ₹/lakhs 5406.51, (2017- 5406.51), (2016- 5406.51) for loan taken by wholly owned subsidiary.

- 37** 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 ₹/lakhs 1,416.61 got completely destroyed. As per the initial settlement of the claim by the insurance company, the difference in loss claimed and the actual claim determined amounting to ₹/lakhs 941.63 is shown in Statement of Profit and Loss during the previous year 31 March 2017. The claim recoverable of ₹/lakhs 474.98 has been recovered during the year.

38 Dividend

Dividend on equity shares is approved by the Board of Directors in their meeting held on 07 May 2018, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including DDT thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Final dividend on equity shares for the year ended on 2018: ₹ 0.1 per equity share (2017 : 0.1*) which aggregates to ₹/lakhs 392.25 (2017 - 388.18).

* Interim and final dividend

39 Acquisition

The company has kept ₹ 136 lakhs in MT Educare Escrow Account towards Open Offer shown under Note 14 "Cash and Bank Balance" under other balances with bank. The company transferred ₹ 20,000 lakhs on 27 March 2018 which is shown in the Note 7 "Other Financial Assets" for preferential allotment of 31,964,200 equity shares having face value of ₹ 10/- each at the price of ₹ 62.57/- each (including a premium of ₹ 52.57/-) for MT Educare Limited and these shares kept in escrow account. Pending proposed open offer, the company will not be able to exercise its voting rights in relation to the subscription shares. In view of this, as per Ind AS 28, the group has not done accounting of investment in MT Educare Limited as an associate.

40 Corporate social responsibility - (CSR)

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 16.50 (2017 - 16.00) for the year against which ₹/lakhs 16.50 (2017 - 16.00) has been spent on activities specified in Schedule VII of the Companies Act, 2013.

41 Segment information

The Company has presented segment information on the basis of the consolidated financial statements as permitted by Ind AS 108 - Operating Segments.

42 Earnings per share (EPS)

	31 March 2018	31 March 2017
Profit/ (Loss) after Tax (₹ lakhs)	4,576.02	3,644.29
Weighted Average number of equity shares for Basic EPS (in numbers)	324,530,519	320,838,268
Weighted Average number of equity shares for Diluted EPS (in numbers)	325,631,141	322,700,506
Face value of equity shares (₹)	1	1
Basic EPS (₹)	1.41	1.14
Diluted EPS (₹)	1.41	1.13

43 Employee Benefits

The Disclosures as per Ind AS 19 - Employee Benefits is as follows:

A Defined Contribution Plans

Contribution to provident and other funds is recognised as an expense in Note 25 "Employee benefit expenses" of the Statement of Profit and Loss

B 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)

I. Expenses recognised during the year	31 March 2018	31 March 2017	31 March 2016
	Gratuity (Non Funded)		
1 Current Service Cost	36.89	30.54	30.22
2 Interest Cost	7.22	7.99	7.28
3 Past Service cost	-	-	-
Total Expenses	44.11	38.53	37.50
II. Amount recognised in other comprehensive income (OCI)	31 March 2018	31 March 2017	31 March 2016
1 Opening amount recognised in OCI	(11.69)	-	-
2 Remeasurement during the period due to experience adjustments			
- Changes in financial assumptions	(4.76)	11.33	-
- Changes in experience charges	(11.57)	(23.02)	-
3 Closing amount recognised in OCI	(28.02)	(11.69)	-
III. Net (Asset) / Liability recognised in the Balance Sheet as at	31 March 2018	31 March 2017	31 March 2016
1 Present value of defined benefit obligation (DBO)	119.20	119.80	106.76
2 Net (Asset) / Liability	(119.20)	(119.80)	(106.76)
IV. Reconciliation of Net (Asset) / Liability recognised in the Balance Sheet as at	31 March 2018	31 March 2017	31 March 2016
1 Net (Asset) / Liability at the beginning of year	119.80	106.76	104.60
2 Expense as per I above	44.11	38.53	26.94
3 Other comprehensive income as per II above	(16.33)	(11.69)	-
4 Benefits paid	(28.38)	(13.80)	(24.78)
Net (Asset) / Liability at the end of the year	119.20	119.80	106.76
V. The following payments are expected to defined benefit plan in future years :	31 March 2018		
1 Expected benefits for year 1	12.55		
2 Expected benefits for year 2 to year 5	150.34		
3 Expected benefits beyond year 5	177.32		

VI. Actuarial Assumptions	31 March 2018	31 March 2017	31 March 2016
1 Discount rate	7.30%	6.84%	8.00%
2 Expected rate of salary increase	6.00%	6.00%	6.00%
3 Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

VII. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points

(₹ Lakhs)

	Discount Rate	Salary Escalation rate
Impact of increase in 100 bps on DBO	109.85	129.52
Impact of decrease in 100 bps on DBO	129.97	110.09

Notes:

- The current service cost recognised as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
 - The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.
- Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

C Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the projected unit credit method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.

44 Related party transactions

(i) List of parties where control exists

Subsidiary company-wholly owned

Digital Ventures Private Limited

Academia Edificio Private Limited (Incorporated on 14 January 2016)

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, Direct Media Distribution Ventures Private Limited, Diligent Media Corporation Limited, Digital Satellite Holdings Private Limited, Essel Business Excellence Services Private Limited, Pan India Network Infravest Private Limited, Taleem Research Foundation, Pri-Media Services Private Limited, Zee Entertainment Enterprises Limited, Dr Subhash Chandra Foundation, Essel Infra Projects Private Limited, Essel Corporate Resources Private Limited.

Transactions with related parties

(₹ Lakhs)

	31 March 2018	31 March 2017
A) Transactions with related parties		
Short- term borrowings	1,500.00	950.00
Other related parties		
Asian Satellite Broadcast Private Limited	1,500.00	950.00
Repayment of Short- term borrowings	1,500.00	2,540.00
Other related parties		
Asian Satellite Broadcast Private Limited	1,500.00	2,540.00
Interest expense	146.95	218.27
Other related parties		
Asian Satellite Broadcast Private Limited	146.95	218.27
Loans, advances and deposits given	6,345.49	6,178.28
Subsidiary company		
Digital Ventures Private Limited	6,345.00	6,178.02
Academia Edificio Private Limited	0.49	0.26
Loans, advances and deposits given repaid	11,810.71	1,439.02
Subsidiary company		
Digital Ventures Private Limited	11,810.71	1,439.02
Repayment of investment in compulsorily convertible debentures	3,000.00	-
Subsidiary company		
Digital Ventures Private Limited	3,000.00	-
Investment in equity share capital	-	0.10
Subsidiary company		
Academia Edificio Private Limited	-	-
Liberium Global Resources Private Limited	-	0.10
Sales and services	-	2.93
Subsidiary company		
Digital Ventures Private Limited	-	2.93
Sale of fixed assets	-	0.13
Other related parties		
EsseL Business Excellence Services Private Limited	-	0.13

(₹ Lakhs)

	31 March 2018	31 March 2017
Other income	1,328.39	600.81
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	1.43
Interest on intercorporate deposits		
Subsidiary company		
Digital Ventures Private Limited	1,186.88	459.34
Academia Edificio Private Limited	0.07	0.03
Deposit received	252.04	-
Other related parties		
Taleem Research Foundation	252.04	-
Purchase of material	6.54	140.03
Other related parties		
Pri-Media Services Private Limited	6.54	140.03
Purchase of Services	620.08	245.98
Other related parties		
Pan India Network Infravest Private Limited	13.09	12.37
Zee Entertainment Enterprises Limited	50.86	65.44
Diligent Media Corporation Limited.	178.23	0.92
Dr Subhash Chandra Foundation	16.50	16.00
Essel Infra Projects Private Limited	23.71	-
Essel Corporate Resources Private Limited	65.35	-
Essel Business Excellence Services Private Limited	272.34	151.25
Reimbursement of expenses	65.76	0.09
Subsidiary company		
Liberium Global Resources Private Limited	65.76	0.09
Other related parties		
Taleem Research Foundation	-	-

(₹ Lakhs)

B) Balances outstanding as at	31 March 2018	31 March 2017
Short- term borrowings	1,299.61	1,167.35
Other related parties		
Asian Satellite Broadcast Private Limited	1,299.61	1,167.35
Investment	31,499.82	34,498.54
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	11,326.62	14,325.34
Equity shares of Academia Edificio Priavte Limited	0.10	0.10
Equity shares of Liberium Global Resources Private Limited	0.10	0.10
Loans, advances and deposits given	1,505.52	6,963.39
Subsidiary company		
Digital Ventures Private Limited	1,434.29	6,900.00
Academia Edificio Priavte Limited	1.00	0.51
Liberium Global Resources Private Limited	-	0.09
Other related parties		
Essel Business Excellence Services Private Limited	70.23	62.79
Other assets	584.95	902.97
Subsidiary company		
Digital Ventures Private Limited		
- Premium on redemption of Preference Shares	583.00	443.00
- Dividend receivable on Preference shares	0.01	0.01
- Interest receivable	1.83	459.93
Academia Edificio Private Limited		
-Interest receivable	0.11	0.03
Deposit received	252.04	-
Other related parties		
Taleem Research Foundation	252.04	-
Advance from customer	1.15	1.15
Other related parties		
Zee Entertainment Enterprises Limited	1.15	1.15

(₹ Lakhs)

B) Balances outstanding as at	31 March 2018	31 March 2017
Trade payables	-	6.39
Other related parties		
Pri-Media Services Private Limited	-	6.39
Other payables	71.32	59.04
Subsidiary company		
Liberium Global Resources Private Limited	-	0.10
Other related parties		
Pan India Network Infravest Private Limited	0.01	2.72
Diligent Media Corporation Limited	3.12	-
Zee Entertainment Enterprises Limited	11.38	42.02
Essel Infra Projects Private Limited	23.71	-
Essel Business Excellence Services Private Limited	33.10	14.20
Guarantees given	15,000.00	15,000.00
Subsidiary company		
Digital Ventures Private Limited	15,000.00	15,000.00
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 33

2) During the year, 28,77,597 stock options exercise by Executive Director of the company.

3) Figures considered based on Ind AS financials of the company.

45 Financial instruments

(i) Financial risk management objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade advances, deposits and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and other financial instruments.

1) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term loan from banks. compulsorily convertible Debentures and Intercompany deposits carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the company.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(₹ Lakhs)

	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2018	+ 50 / - 50	17.55
As on 31 March 2017	+ 50 / - 50	18.36

2) Foreign currency risk

The Company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that Company. The management has taken a position not to hedge this currency risk.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

The following table sets forth information relating to foreign currency exposure:

(₹ Lakhs)

Currency	Assets as at			Liabilities as at		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
United States Dollar (USD)	-	-	-	-	150.00	-

Foreign Currency sensitivity analysis

The following table demonstrates the sensitivity to a 10% increase / decrease in foreign currencies with all other variable held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date.

(₹ Lakhs)

Currency	Sensitivity analysis			
	31 March 2018		31 March 2017	
	₹ decrease by 10%	₹ increase by 10%	₹ decrease by 10%	₹ increase by 10%
United States Dollar (USD)	-	-	15.00	(15.00)

3) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank. The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Trade Receivables (Unsecured)			
Over six months	751.30	653.17	406.14
Less than six months	212.00	351.33	372.89
Total	963.30	1,004.50	779.03

(₹ Lakhs)

	31 March 2018	31 March 2017
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	75.19	-
Add :- Provided during the year	123.85	75.19
Less :- Reversal during the year	-	-
Balance as at	199.04	75.19
Net Trade receivable	764.26	929.31

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units and non convertible debentures.

b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018

(₹ Lakhs)

	Less than 1 year	between 2 to 5 year	beyond 5 years
Financial Liabilities			
Trade payable and other financial liabilities	3912.72	-	610.27
Borrowings*	1,299.61	11,198.00	-
Total	5,212.33	11,198.00	610.27

*Current maturities of borrowings aggregating ₹/lakhs 828.04 from part of other financial liabilities hence the same is not consider separately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017

(₹ Lakhs)

	Less than 1 year	between 2 to 5 years	Beyond 5 years
Financial Liabilities			
Trade payable and other financial liabilities	4,948.47	-	401.76
Borrowings*	1,167.35	10,415.44	-
Total	6,115.82	10,415.44	401.76

*Current maturities of borrowings aggregating ₹/lakhs 1097.61 from part of other financial liabilities hence the same is not consider separately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2016

(₹ Lakhs)

	Less than 1 year	between 2 to 5 years	Beyond 5 years
Financial Liabilities			
Trade payable and other financial liabilities	3,268.53	-	870.67
Borrowings*	2,560.92	10,770.73	-
Total	5,829.45	10,770.73	870.67

* Current maturities of borrowings aggregating ₹/lakhs 1085.11 from part of other financial liabilities hence the same is not consider separately in borrowings.

(ii) Capital management

For the purpose of the Company' s capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Gross Debt (inclusive long term and short term debt) *	12,497.61	11,582.79	13,331.65
Less: Cash and cash equivalents and Other Bank Balances	(1,872.73)	(1,570.23)	(1,000.86)
Net Debt	10,624.88	10,012.56	12,330.79
Total Equity	35,368.42	29,633.85	25,107.27
Total Capital	45,993.30	39,646.41	37,438.06
Gearing ratio	23.10%	25.25%	32.94%

* does not include current maturities of borrowings.

(iii) Categories of financial instruments and fair value thereof

(₹ Lakhs)

Particulars	31 March, 2018		31 March, 2017		1 April, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets						
i) Measured at amortised cost						
Trade Receivables	764.26	764.26	929.31	929.31	779.03	779.03
Cash and cash equivalents and bank balances	1,872.73	1,872.73	1,570.23	1,570.23	1,000.86	1,000.86
Non-Current Investments	22,788.49	22,788.49	25,787.21	25,787.21	25,787.92	25,787.92
Other financial assets	20,994.22	20,994.22	1,216.86	1,216.86	2,338.40	2,338.40
Loans	1,437.23	1,437.23	7,360.44	7,360.44	2,207.77	2,207.77
ii) Measured at Fair value through profit and loss account						
Non-Current Investments	0.05	0.05	0.05	0.05	0.05	0.05
Current Investment	10,849.45	10,849.45	10,202.52	10,202.52	10,525.22	10,525.22
B) Financial liabilities						
i) Measured at amortised cost						
Trade payables	800.84	800.84	1,241.11	1,241.11	920.59	920.59
Borrowings (Non current)	11,198.00	11,198.00	10,415.44	10,415.44	10,770.73	10,770.73
Borrowings (Current)	1,299.61	1,299.61	1,167.35	1,167.35	2,560.92	2,560.92
Other Financial Liabilities	3,722.14	3,722.14	4,109.12	4,109.12	3,218.61	3,218.61

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

(iv) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2018

(₹ Lakhs)

Financial assets	Fair Value as at			Fair Value Hierarchy	Valuation Technique(s) & key inputs used
	31 March 2018	31 March 2017	01 April 2016		
Investment in Mutual funds	1,277.45	630.52	953.22	Level 1	Quoted in an active market
Total	1,277.45	630.52	953.22		

Investments measured at fair value are tabulated above. All other financial assets and liabilities at fair value are in Level 1 of fair value hierarchy.

The fair values of the financial assets and financial liabilities included in the level 1 categories above have been determined in accordance with quoted in active market

46 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ Lakhs)

	31 March 2017	Cash Inflows	Cash outflows	Non Cash Changes		31 March 2018
				Interest Accrued	Other Charges	
Long Term Borrowings (Including Current maturities)	10415.44	782.56	1230.99	(1230.99)	-	11,198.00
Short Term Borrowings	2264.96	-	(137.31)	-	-	2,127.65
(For Bank, Financial Institution and intercorporate deposits etc.)						-
Dividend paid (including dividend tax)	192.99	-	191.80	-	3.39	388.18

47 First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first, the Company has prepared in accordance with Ind AS. For the period up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ended 31 March 2018, together with comparative data as at and for the year ended 31 March, 2017, as described in the summary of significant accounting policies. In preparing its financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition. The notes explain the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April, 2016 and the financial statements as at and for the year ended 31 March 2017.

1 Exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost option

The Company has opted to continue with the carrying value for all of its Property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date.

b) Business Combination

The Company has elected to apply Ind AS 103 Business Combinations prospectively from 1 April, 2016.

c) Investments in equity instruments

An entity may make an irrevocable election at initial recognition of a financial asset to present subsequent changes in the fair value of an investment in an equity instrument in profit and loss or other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'Fair value through profit and loss or other comprehensive income'.

The Company has accordingly designated certain equity instruments as at 1 April 2016 as fair value through profit and loss or other comprehensive income.

2 Exceptions

The following are the mandatory exceptions that have been applied in accordance with Ind AS 101 in preparing financial statements:

a) Estimates

The estimates at 1 April, 2016 and at 31 March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences, if any, in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

i. Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present amounts in accordance with Ind AS reflects conditions as at the transition date and as on 31 March 2016.

b) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

The Company has classified financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3 Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- a Balance Sheet and equity Reconciliation
- b Profit and Loss and Other comprehensive income reconciliation
- c Adjustment to Statement of Cash Flows
- d Total equity reconciliation
- e Total comprehensive income reconciliation

a Effect of Ind AS adoption on Balance Sheet

(₹ Lakhs)

	Note	Balance sheet as on 1 April 2016			Balance sheet as on 31 March 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	3 (a)	154.30	-	154.30	114.48	-	114.48
(b) Capital work-in-progress	3 (a)	28.92	-	28.92	28.92	-	28.92
(c) Investment property	3 (b)	5.85	-	5.85	5.85	-	5.85
(d) Intangible assets	4	282.72	-	282.72	515.01	-	515.01
(e) Intangible assets under development	4	498.66	-	498.66	6.44	-	6.44
(f) Financial assets							
(i) Investments	5	24,927.30	860.67	25,787.97	24,926.58	860.67	25,787.26
(ii) Loans	6	-	-	-	7,359.93	-	7,359.93
(iii) Other financial assets	7	369.41	(92.95)	276.46	322.79	(69.43)	253.36
(g) Income tax assets (net)	8	338.61	-	338.61	7.28	-	7.28
(h) Deferred tax assets (net)	9	120.00	-	120.00	999.17	-	999.17
(i) Other non-current assets	10	20.06	65.46	85.52	20.44	49.10	69.54
Total non-current assets		26,745.83	833.18	27,579.01	34,306.89	840.34	35,147.24
Current assets							
(a) Inventories	11	1,093.60	-	1,093.60	1,365.55	-	1,365.55
(b) Financial assets							
(i) Investments	12	10,525.22	-	10,525.22	10,202.52	-	10,202.52
(ii) Trade receivables	13	779.03	-	779.03	929.31	-	929.31
(iii) Cash and cash equivalents	14(a)	698.03	-	698.03	1,339.62	-	1,339.62
(iv) Bank balances other than (iii) above	14(b)	302.83	-	302.83	230.61	-	230.61
(v) Loans	6	2,207.77	-	2,207.77	0.51	-	0.51
(vi) Other financial assets	7	2,061.94	-	2,061.94	963.50	-	963.50
(c) Other current assets	10	256.16	26.52	282.68	181.93	16.36	198.29
Total current assets		17,924.58	26.52	17,951.10	15,213.55	16.36	15,229.91
Total assets		44,670.41	859.70	45,530.11	49,520.44	856.70	50,377.15

(₹ Lakhs)

		Balance sheet as on 1 April 2016			Balance sheet as on 31 March 2017		
	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	15	3,205.54	-	3,205.54	3,226.42	-	3,226.42
(b) Other equity	16	21,868.54	33.19	21,901.73	25,917.03	490.40	26,407.43
Total equity		25,074.08	33.19	25,107.27	29,143.45	490.40	29,633.85
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	17	10,804.89	(34.16)	10,770.73	10,440.89	(25.45)	10,415.44
(ii) Other financial liabilities	18 (b)	10.00	860.67	870.67	10.00	391.76	401.76
(b) Provisions	19	144.35	-	144.35	152.69	-	152.69
(c) Other liabilities	20	81.77	-	81.77	92.20	-	92.20
Total non-current liabilities		11,041.01	826.51	11,867.52	10,695.78	366.31	11,062.09
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	17	2,560.92	-	2,560.92	1,167.35	-	1,167.35
(ii) Trade payables	18 (a)	920.59	-	920.59	1,241.11	-	1,241.11
(iii) Other financial liabilities	18 (b)	2,347.94	-	2,347.94	3,707.36	-	3,707.36
(b) Other current liabilities	20	2,648.45	-	2,648.45	3,027.12	-	3,027.12
(c) Provisions	19	42.46	-	42.46	93.38	-	93.38
(d) Current tax liabilities (net)	21	34.96	-	34.96	444.89	-	444.89
Total current liabilities		8,555.32	-	8,555.32	9,681.21	-	9,681.21
Total liabilities		19,596.33	826.51	20,422.84	20,376.99	366.31	20,743.30
Total equity and liabilities		44,670.41	859.70	45,530.11	49,520.44	856.71	50,377.15

b Effect of Ind AS adoption on Total Comprehensive Income

(₹ Lakhs)

	Note	For the year ended 31 March 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue				
Revenue from operations	22	16,048.04	-	16,048.04
Other income	23	833.24	492.44	1,325.68
Total Revenue		16,881.28	492.44	17,373.72
Expenses				
Operational cost	24	3,537.77	-	3,537.77
Employee benefits expense	25	2,487.80	450.82	2,938.62
Finance costs	26	1,454.77	8.74	1,463.51
Depreciation and amortisation expense	27	395.37	-	395.37
Other expenses	28	5,478.07	26.52	5,504.59
Total Expenses		13,353.78	486.08	13,839.86
Profit before tax		3,527.50	6.36	3,533.86
Less : Tax expense				
Current tax - current year		765.26	-	765.26
Deferred tax benefit including MAT credit entitlement		(871.64)	(4.05)	(875.69)
Profit for the year (A)		3,633.88	10.41	3,644.29
Other comprehensive income				
A. Items that will not be reclassified to profit or loss				
(i) Re-measurement of defined benefit obligation		-	11.69	11.69
(ii) Income tax relating to items that will not be reclassified to the profit or loss		-	(4.05)	(4.05)
Total other comprehensive income (B)		-	7.64	7.64
Total comprehensive income for the year (A+B)		3,633.88	18.05	3,651.93

c Statement of Cash Flow

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

d Reconciliations of equity and total comprehensive income reported under previous GAAP to equity under Ind AS

Reconciliations of total equity as at 31 March 2017 and 1 April 2016

(₹ Lakhs)

	Note	31 March 2017	1 April 2016
Equity as per previous Indian GAAP		29,143.46	25,074.08
a) Recognition of Share based payment reserve	I	753.43	314.28
b) Discounting of deposit given	II	(3.97)	(0.97)
c) Financial guarantee obligation	III	468.92	-
d) Amortisation of ancillary cost of loan	IV	25.44	34.16
e) Fair valuation of ESOP	I	(753.43)	(314.28)
f) Deferred Tax Asset/(Liability) on Ind AS adjustments	V I	-	-
Equity as per Ind AS		29,633.85	25,107.27

e Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ Lakhs)

	Notes	31 March 2017
I Net profit as per previous Indian GAAP		3,633.88
a) Discounting of deposit	II	(3.00)
b) Financial guarantee obligation	III	468.92
c) Amortisation of ancillary cost of loan	IV	(8.71)
d) Fair valuation of ESOP	I	(439.16)
e) Remeasurement (gains)/losses on defined benefit plan	V	(11.69)
f) Deferred Tax impact on Ind AS adjustments	VI	4.05
II Profit after tax as per Ind AS		3,644.29
III Other comprehensive income		
a) Remeasurement (gains)/losses on defined benefit plan	V	11.69
b) Deferred Tax Asset/(Liability) on Ind AS adjustments	VI	(4.05)
IV Other Comprehensive income as per Ind AS		7.64
V Total Comprehensive income as per Ind AS (III + IV)		3,651.93

Explanations for reconciliation of Balance Sheet and Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

I Share Based Payments

Under Indian GAAP, the company recognised only the intrinsic value for the long-term incentive plan as an expense. As per Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

II Deposits

Under Indian GAAP, the company accounted for deposits received / given at transaction value. As Per Ind AS, the company has discounted the lease deposit to consider wherever the fair value is different from the the market.

III Financial guarantee obligation

The Company has issued the financial guarantee on behalf of its subsidiaries for the borrowings taken by them. The company has recognised financial guarantee obligation at fair value with corresponding debit as investment in subsidiary. Subsequently guarantee obligation is amortised as other income.

IV Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were charged to statement of profit and loss. Under Ind AS, borrowings are recorded initially at fair value less transaction cost and are subsequently measured at amortised cost as per Effective Interest Rate (EIR) method.

V Remeasurements of defined benefit plans

Under the Indian GAAP, remeasurements i.e. actuarial gains and losses on the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS-19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to statement of profit and loss.

VI Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Indian GAAP and Ind AS.

48 Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

Independent Auditor's Report

To
The Members of
Zee Learn Limited

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS 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 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

2. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 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 have been used for the purpose of preparation of the consolidated Ind AS 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 Ind AS 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 consolidated Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 subparagraph 5 below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS 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 at 31 March, 2018 and their consolidated profit, consolidated total comprehensive profit, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

5. Other Matter

- a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 67,326.52 lakhs as at 31 March 2018, total revenues of ₹ 8,480.64 lakhs, total net profit after tax of ₹ 352.26 lakhs, total comprehensive income of ₹ 353.28 lakhs and net cash outflows of ₹ 409.11 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial

statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- b) Our opinion on the consolidated Ind AS 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 reports of the other auditors and the financial statements certified by the Management.
- c) The comparative financial information of the Group for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1 April, 2016 included in these consolidated Ind AS financial statements, are based on previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March, 2017 and 31 March, 2016 dated 25 April, 2017 and 13 May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements and have been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

6. Report on Other Legal and Regulatory Requirements

- 1. 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 subsidiaries incorporated in India, 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 Ind AS financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated Ind AS balance sheet, the consolidated Ind AS statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement

with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 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 Ind AS 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;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India;

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date: 7 May 2018

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) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Zee Learn Limited on the consolidated Ind AS financial statements for the year ended 31 March 2018

We have audited the internal financial controls over financial reporting of Zee Learn Limited ("the Company" or "the Holding Company"), and its subsidiaries, incorporated in India as of 31 March, 2018, in conjunction with our audit of the consolidated Ind AS 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 subsidiaries incorporated in India, are 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 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 Companies Act, 2013.

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 and the audit evidence obtained by the other auditors of the subsidiaries, incorporated in India, in terms of their reports referred to in the 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 subsidiaries 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 2018, 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries incorporated in India, is based on corresponding reports of the auditors of such companies 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

Place: Mumbai

Date: 7 May 2018

Consolidated Balance Sheet

As at 31 March 2018

(₹ Lakhs)

	Note	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3 (a)	186.52	111.65	154.29
(b) Capital work-in-progress	3 (a)	4.98	28.92	28.92
(c) Investment property	3 (b)	15,512.30	11,158.59	9,748.25
(d) Investment property under development	3 (b)	35,795.04	39,203.33	38,014.47
(e) Intangible assets	4	2,154.31	1,661.60	1,480.53
(f) Intangible assets under development	4	8,424.99	9,246.44	9,738.66
(g) Financial assets				
(i) Investments	5	0.05	0.05	0.05
(ii) Other financial assets	6	20,694.66	791.58	951.50
(h) Income tax assets (net)	7	931.06	602.55	758.63
(i) Deferred tax assets (net)	8	472.43	1,001.52	120.00
(j) Other non-current assets	9	1,568.79	1,241.73	1,197.88
Total non-current assets		85,745.13	65,047.96	62,193.18
Current assets				
(a) Inventories	10	934.14	1,365.55	1,093.60
(b) Financial assets				
(i) Investments	11	1,388.76	630.52	953.22
(ii) Trade receivables	12	1,507.04	4,983.62	2,975.73
(iii) Cash and cash equivalents	13 (a)	2,160.94	1,494.00	883.24
(iv) Bank balances other than (iii) above	13 (b)	275.30	230.61	302.83
(v) Loans	14	778.16	120.01	-
(vi) Other financial assets	6	318.78	520.49	1,759.02
(c) Other current assets	9	612.71	212.74	307.80
Total current assets		7,975.83	9,557.54	8,275.44
Total assets		93,720.96	74,605.50	70,468.62
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	3,258.95	3,226.42	3,205.54
(b) Other equity	16	32,080.16	26,025.23	21,812.43
Total equity		35,339.11	29,251.65	25,017.97
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	22,885.00	22,727.94	35,183.70
(ii) Other financial liabilities	18 (b)	1,188.76	2,807.75	10.00
(b) Deferred tax liabilities (net)	19	-	-	4.20
(c) Provisions	20	160.24	155.11	148.55
(d) Other liabilities	21	24,025.96	9,035.31	81.77
Total non-current liabilities		48,259.96	34,726.11	35,428.22
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	1,299.61	1,167.35	2,560.92
(ii) Trade payables	18 (a)	800.84	1,241.11	920.59
(iii) Other financial liabilities	18 (b)	4,180.66	4,412.97	3,594.80
(b) Other current liabilities	21	3,540.02	3,267.48	2,868.26
(c) Provisions	20	94.99	93.94	42.90
(d) Current tax liabilities (net)	22	205.77	444.89	34.96
Total current liabilities		10,121.89	10,627.74	10,022.43
Total liabilities		58,381.85	45,353.85	45,450.65
Total equity and liabilities		93,720.96	74,605.50	70,468.62

Notes forming part of the financial statements

1-52

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**
Chartered Accountants
FRN - 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman

Umesh Pradhan
Chief Financial Officer

Sangeeta Pandit
Director

Bhautesh Shah
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

(₹ Lakhs)

	Note	31 March 2018	31 March 2017
Revenue			
Revenue from operations	23	26,883.87	18,048.79
Other income	24	370.22	378.87
Total revenue		27,254.09	18,427.66
Expenses			
Operational cost	25	4,506.94	3,537.77
Employee benefits expense	26	7,879.28	2,938.62
Finance costs	27	1,910.75	2,071.58
Depreciation and amortisation expense	28	1,111.93	979.56
Other expenses	29	4,289.56	5,659.16
Total expenses		19,698.46	15,186.69
Profit before tax		7,555.63	3,240.97
Less : Tax expense			
Current tax - current year		2,660.80	771.82
Deferred tax benefit including MAT credit entitlement		(33.08)	(882.25)
Profit for the year	(A)	4,927.91	3,351.40
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Re-measurement of defined benefit obligation		17.35	11.69
(ii) Income tax relating to items that will not be reclassified to the profit or loss		(5.65)	(4.05)
Total other comprehensive income	(B)	11.70	7.64
Total comprehensive income for the year	(A+B)	4,939.61	3,359.04
Earnings per equity share (face value ₹ 1 each)	42		
Basic		1.52	1.04
Diluted		1.51	1.04

Notes forming part of the financial statements

1-52

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**
Chartered Accountants
FRN - 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman

Umesh Pradhan
Chief Financial Officer

Sangeeta Pandit
Director

Bhautesh Shah
Company Secretary

Statement of Changes in Equity

for the year ended 31 March 2018

A. Equity share capital	Note	(₹ Lakhs)
As at 1 April 2016		3,205.54
Changes in equity share capital	15 a	20.88
As at 31 March 2017		3,226.42
Changes in equity share capital	15 a	32.53
As at 31 March 2018		3,258.95

B. Other equity (₹ Lakhs)

	Reserves and surplus					Total other equity
	Debtur redemption reserve	Share based payment reserve	General reserves	Securities Premium	Retained earnings	
As at 1 April 2016	-	314.28	13,971.80	10,299.06	(2,772.71)	21,812.43
Profit for the year	-	-	-	-	3,351.40	3,351.40
Other comprehensive income (refer note 16)	-	-	-	-	7.64	7.64
Total comprehensive income for the year	-	-	-	-	3,359.04	3,359.04
	-	314.28	13,971.80	10,299.06	586.33	25,171.47
Debtur Redemption Reserve	406.25	-	-	-	(406.25)	-
Final Equity Dividend	-	-	-	-	(160.35)	(160.35)
Tax on Final Equity Dividend	-	-	-	-	(32.64)	(32.64)
On Issue of shares under Employees stock option plan	-	(190.64)	-	798.24	-	607.60
Share based payments (refer note 16)	-	439.15	-	-	-	439.15
As at 31 March 2017	406.25	562.79	13,971.80	11,097.30	(12.91)	26,025.23
Profit for the year	-	-	-	-	4,927.91	4,927.91
Other comprehensive income (refer note 16)	-	-	-	-	11.70	11.70
Total comprehensive income for the year	-	-	-	-	4,939.61	4,939.61
	406.25	562.79	13,971.80	11,097.30	4,926.70	30,964.84
Debtur Redemption Reserve	406.25	-	-	-	(406.25)	-
Final Equity Dividend	-	-	-	-	(162.17)	(162.17)
Tax on Final Equity Dividend	-	-	-	-	(33.02)	(33.02)
On Issue of shares under Employees stock option plan	-	(335.73)	-	1,350.28	-	1,014.55
Shared based payments (refer note 16)	-	295.96	-	-	-	295.96
	406.25	(39.77)	-	1,350.28	(601.44)	1,115.32
As at 31 March 2018	812.50	523.02	13,971.80	12,447.58	4,325.26	32,080.16

Notes forming part of the financial statements

1-52

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**
Chartered Accountants
FRN - 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place : Mumbai
Date : 7 May 2018

Himanshu Mody
Chairman

Umesh Pradhan
Chief Financial Officer

Sangeeta Pandit
Director

Bhautesh Shah
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 March 2018

(₹ Lakhs)

	31 March 2018	31 March 2017
A. Cash flow from operating activities		
Profit before tax	7,555.63	3,240.97
Adjustments for :		
Depreciation and amortisation expense	1,111.93	979.56
Liabilities / excess provision written back	(37.90)	(27.82)
Loss on sale / impairment / discard of property, plant and equipment / intangibles / capital work-in-progress (net)	42.97	-
Interest expense	1,910.75	2,071.58
Provision for doubtful debts	123.85	75.19
Provision (benefit) of deferred taxes	11.30	456.87
Dividend income	(17.40)	(47.49)
Interest income	(122.92)	(153.55)
Operating profit before working capital changes	10,578.21	6,595.31
Adjustments for :		
(Increase) / Decrease in inventories	431.41	(271.95)
(Increase) / Decrease in trade and other receivables	3,252.86	(695.94)
Increase / (Decrease) in trade and other payables	13,269.16	13,895.37
Cash generated from operations	27,531.64	19,522.79
Direct taxes paid (net)	(2,671.91)	(653.70)
Net cash flow from operating activities (A)	24,859.73	18,869.09
B. Cash flow from investing activities		
Purchase of property, plant and equipment / intangible assets / investment property / capital work-in-progress	(1,312.17)	(1,551.12)
Sale of property, plant and equipment / intangible assets	(40.14)	2.95
Purchase of current investments	(758.25)	-
Sale of current investments	-	322.70
Amount given towards share allotment	(20,000.00)	
Increase / (Decrease) in bank deposits	(44.69)	72.22
Investments in bank deposit having original maturity period of more than twelve months	(29.98)	133.80
Loans repaid by others (net)	(658.14)	(120.01)
Dividend received	17.40	47.49
Interest received	87.60	145.56
Net cash flow from investing activities (B)	(22,738.37)	(946.41)

Consolidated Cash Flow Statement

for the year ended 31 March 2018

(₹ Lakhs)

	31 March 2018	31 March 2017
C. Cash flow from financing activities		
Proceeds from issue of shares	1,382.81	1,067.62
Proceeds from long-term borrowings	295.77	(1,756.05)
Repayment of long-term borrowings	(951.91)	(13,522.78)
Dividend paid (including dividend tax)	(191.81)	(192.98)
Contribution from minority shareholders	-	-
Interest paid	(1,989.28)	(2,907.73)
Net cash flow from / (used in) financing activities (C)	(1,454.42)	(17,311.92)
Net cash flow during the year (A+B+C)	666.94	610.76
Cash and cash equivalents at the beginning of the year	1,494.00	883.24
Net cash and cash equivalents at the end of the year	2,160.94	1,494.00
Add : Balances earmarked	275.30	230.61
Cash and bank balances at the end of the year	2,436.24	1,724.61

Notes:

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

As per our attached report of even date

For and on behalf of the board

For **MGB & Co LLP**

Chartered Accountants

FRN - 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : 7 May 2018

Himanshu Mody

Chairman

Sangeeta Pandit

Director

Umesh Pradhan

Chief Financial Officer

Bhautesh Shah

Company Secretary

Notes forming part of the Consolidated Financial Statements

1 A Corporate Information

Zee Learn Limited ("the Company") was incorporated in State of Maharashtra on 04 January, 2010. The Company along with its subsidiaries ("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 also in the business of providing and servicing school infrastructure on long-term lease agreements and training, manpower and other related activities.

The consolidated financial statements (hereinafter referred to as "financial statements") of the Group for the year ended 31 March 2018, were authorised for issue by the Audit Committee and by the Board of Directors at their meeting held on 7 May 2018.

B Basis of preparation of Consolidated Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and guidelines issued by Securities and Exchange Board of India (SEBI).

These financial statements for the year ended 31 March, 2018 are the first financials with comparatives, prepared under Ind AS.

For all previous periods including the year ended 31 March 2017, the Group had prepared its financial statements in accordance with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounts) Rules, 2016 and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') and guidelines issued by the Securities and Exchange Board of India (SEBI) used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2016 being the date of transition to Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that

are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

Reconciliations and descriptions of the effect of the transition has been summarised in note 49.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated. Zero '0' denotes amount less than ₹ 1,000/-

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

C Principles of consolidation and equity accounting

The consolidated financial statements incorporate the financial statements of Zee Learn Limited and entities controlled by Zee Learn Limited.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The consolidated financial statements incorporate the financial statements of the group, its subsidiaries (as listed in the table below).

Notes forming part of the Consolidated Financial Statements

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Principal place of business
Direct Subsidiaries		
Digital Ventures Private Limited	100(100)	India
Academia Edificio Private Limited	100(100)	India
Liberium Global Resources Private Limited	100(100)	India

2 Significant Accounting Policies

a Property, plant and equipment

- (i) Property, plant and equipment 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 asset to its working condition for the intended use.
- (ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

b Investment property

Investment property is land held for capital appreciation. Investment property is measured initially at cost including purchase price. It is measured and carried at cost.

c Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

d Depreciation / amortisation on property, plant and equipment / intangible assets

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

- (i) Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- (ii) Leasehold Improvements are amortised over the period of Lease.
- (iii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

e Impairment of Property, plant and equipment / intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset.

An impairment loss for an individual asset or cash generating unit are reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the statement of profit and loss.

f Derecognition of property, plant and equipment / intangibles / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

g Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified

Notes forming part of the Consolidated Financial Statements

as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

h Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

i Inventories

Educational goods and equipments are valued at lower of cost or estimated net realisable 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.

j Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent measurement

(A) Financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at Fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

(B) Debt instrument

(a) Amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

(b) Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

(c) Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates

Notes forming part of the Consolidated Financial Statements

a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(C) Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Group's right to receive payment is established.

Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with IND AS 27 on "Separate Financial Statements". Refer note 5 for list of investments.

(iii) Derecognition of financial assets

A financial asset is derecognised only when

- i) The Group has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(iv) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities and equity instruments

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(v) Financial liabilities-Subsequent measurement

- a) Financial liabilities measured at amortised cost

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

- b) Financial liabilities measured at fair value through profit and loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognised in other income or finance costs in the statement of profit and loss.

- c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

Notes forming part of the Consolidated Financial Statements

of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

k Borrowings and borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method.

Borrowing costs 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.

l Provisions, contingent liabilities and contingent assets

The Group recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not

require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

m Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

- (i) Sales-
Educational goods and equipments and television content is recognised 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 recognised over the duration of the course.
 - b) Franchise fees is recognised 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 from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (iv) Dividend income is recognised when the Group's right to receive dividend is established.
- (v) Lease income is recognised as per agreed terms of lease agreements.

Notes forming part of the Consolidated Financial Statements

n Retirement and other employee benefits

- (i) The Group operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

- (ii) Other long term employee benefits:

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

- (iii) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The

Group recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

o Transactions in foreign currencies

- (i) The functional currency of the Group is Indian Rupees ("₹").

Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

- (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 period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

- (iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevalent at the date of the transaction.

p Accounting for taxes on income

Tax expense comprises of current and deferred tax.

(i) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively

Notes forming part of the Consolidated Financial Statements

enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except to the extent they relate to items are recognised in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

- (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 Group and the assets can be measured reliably.

q Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

r Share based payments

The Group recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

Short term employee benefits are expensed at the undiscounted amount in the statement of Profit and loss in the year the employee renders services

s Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable

assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

t Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

u Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

w Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

Notes forming part of the Consolidated Financial Statements

b Useful lives and residual values

The Group reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

c Impairment testing

- i Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.
- ii Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d Tax

- i The Group's tax charge is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
- ii Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.
- iii The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Group in which the deferred tax asset has been recognised.

When a distribution contract with an affiliate has expired and a new distribution contract has not been executed, revenues are based on estimated rates, giving consideration to factors including the previous contractual rates, inflation, current payments by the affiliate and the status of the negotiations on a new contract. When the new distribution contract terms are finalised, an adjustment to Subscription revenues is recorded, if necessary, to reflect the new terms.

e Fair value measurement

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

f Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate,

Notes forming part of the Consolidated Financial Statements

discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 26, 'Employee benefits'.

Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Indian Accounting Standard (Ind AS) 115 "Revenue from Contracts with Customers"; notifying amendments to Ind AS 12 "Income Taxes" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates". Ind AS 115, amendments to the Ind AS 12 and Ind AS 21 are applicable to the group w.e.f. 1 April 2018.

(i) Ind AS 115 "Revenue from Contracts with Customers"

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further this standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

(ii) Amendment to Ind AS

a) Ind AS 12 "Income Taxes"

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to

tax deductions. Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

b) Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendment to this Ind AS requires foreign currency consideration paid or received in advance of an item of asset, expense or income, resulting in recognition of a non-monetary prepayment asset or deferred income liability, to be recorded in the group's functional currency by applying the spot exchange rate on the date of transaction.

The date of transaction which is required to determine the spot exchange rate for translation of such items would be earlier of:

- the date of initial recognition of the non-monetary prepayment asset or deferred income liability, and
- the date on which the related item of asset, expense or income is recognised in the financial statements

If the transaction is recognised in stages, then a spot exchange rate for each transaction date would be applied to translate each part of the transaction.

The group is evaluating the disclosure requirements of these amendments and its effect on the financial statements.

Notes forming part of the Consolidated Financial Statements

3 (a) Property, plant and equipment

(₹ Lakhs)

Description of Assets	Furniture and Fixtures	Equipments	Computers	Leasehold Asset Improvements	Total
I. Deemed Cost as at 1 April, 2016	24.76	36.77	73.44	19.32	154.29
Additions	0.33	1.96	24.21	-	26.50
Disposals	-	-	5.36	-	5.36
At cost as at 31 March, 2017	25.09	38.73	92.29	19.32	175.43
Additions	2.69	76.14	50.94	38.66	168.43
Disposals	14.33	28.64	-	-	42.97
At cost as at 31 March, 2018	13.45	86.23	143.23	57.98	300.89
II. Depreciation upto 1 April, 2016	-	-	-	-	-
Depreciation charge for the year	4.66	18.68	28.43	14.41	66.18
Disposals	-	-	2.41	-	2.41
upto 31 March, 2017	4.66	18.68	26.02	14.41	63.77
Depreciation charge for the year	4.21	10.44	29.75	6.20	50.60
Disposals	-	-	-	-	-
upto 31 March, 2018	8.87	29.12	55.77	20.61	114.37
Net book value					
As at 31 March, 2018	4.58	57.11	87.46	37.37	186.52
As at 31 March, 2017	20.42	20.05	66.27	4.91	111.65
As at 1 April, 2016	24.76	36.77	73.44	19.32	154.29
Net book value					
		31 March 2018	31 March 2017	1 April 2016	
Property, plant and equipment		186.52	111.65	154.29	
Capital work-in-progress		4.98	28.92	28.92	

Notes forming part of the Consolidated Financial Statements

3 (b) Investment property

(₹ Lakhs)

Description of Assets	Freehold Land	Building	Furniture & Fixtures	Office Equipment	Computer	Total
I. Deemed Cost as at 1 April, 2016	648.16	8,264.32	447.44	285.73	102.60	9,748.25
Additions	-	1,765.62	79.18	68.96	27.14	1,940.90
Disposals	-	-	-	-	-	-
At cost as at 31 March, 2017	648.16	10,029.94	526.62	354.69	129.74	11,689.15
Additions	-	4,932.91	45.33	54.69	29.00	5,061.93
Disposals	-	-	-	-	-	-
At cost as at 31 March, 2018	648.16	14,962.85	571.95	409.38	158.74	16,751.08
II. Depreciation upto 1 April, 2016	-	-	-	-	-	-
Depreciation charge for the year	-	323.08	53.18	88.66	65.64	530.56
Disposals	-	-	-	-	-	-
upto 31 March, 2017	-	323.08	53.18	88.66	65.64	530.56
Depreciation charge for the year	-	500.07	68.11	101.80	38.24	708.22
Disposals	-	-	-	-	-	-
upto 31 March, 2018	-	823.15	121.29	190.46	103.88	1,238.78
Net book value						
As at 31 March, 2018	648.16	14,139.70	450.66	218.92	54.86	15,512.30
As at 31 March, 2017	648.16	9,706.86	473.44	266.03	64.10	11,158.59
As at 1 April, 2016	648.16	8,264.32	447.44	285.73	102.60	9,748.25
Fair Value						
As at 31 March, 2018	1,057.77	14,139.70	450.66	218.92	54.86	15,921.91
As at 31 March, 2017	1,026.66	9,706.86	473.44	266.03	64.10	11,537.09
As at 1 April, 2016	987.77	8,264.32	447.44	285.73	102.60	10,087.86
Net book value						
			31 March 2018	31 March 2017	1 April 2016	
Investment property			15,512.30	11,158.59	9,748.25	
Investment property under development			35,795.04	39,203.33	38,014.47	

- Acquired pursuant to the Composite Scheme of Arrangement, yet to be transferred in the name of the group and is mortgaged against the Secured Debentures.
- The fair value of the group's investment property has been arrived by the management on the basis of a appropriate ready reckoner value. The fair value measurement is categorised as Level 3.

Notes forming part of the Consolidated Financial Statements

4 Intangible assets

(₹ Lakhs)

Description of Assets	Content Development	Software	Development Rights	Total
I. Deemed Cost as at 1 April, 2016	237.25	45.47	1,197.81	1,480.53
Additions during the year	556.09	5.40	2.52	564.01
Disposals during the year	-	-	-	-
At cost as at 31 March, 2017	793.34	50.87	1,200.33	2,044.54
Additions during the year	5.82	-	840.00	845.82
Disposals during the year	-	-	-	-
At cost as at 31 March, 2018	799.16	50.87	2,040.33	2,890.36
II. Amortisation				
Amortisation for the year	297.93	31.27	53.73	382.93
Disposal	-	-	-	-
upto 31 March, 2017	297.93	31.27	53.73	382.93
Amortisation for the year	250.15	11.72	91.25	353.12
Disposal	-	-	-	-
upto 31 March, 2018	548.08	42.99	144.98	736.05
Net book value				
As at 31 March, 2018	251.08	7.88	1,895.35	2,154.31
As at 31 March, 2017	495.40	19.60	1,146.60	1,661.60
As at 1 April, 2016	237.25	45.47	1,197.81	1,480.53
Net book value		31 March 2018	31 March 2017	1 April 2016
Intangible Assets		2,154.31	1,661.60	1,480.53
Intangible Assets under Development		8,424.99	9,246.44	9,738.66

Notes forming part of the Consolidated Financial Statements

5 Non-current investments

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Investments carried at Fair value through profit and loss			
Others - Unquoted			
In National savings certificate	0.05	0.05	0.05
(Pledged with sales tax authorities)			
Total	0.05	0.05	0.05

(All the above securities are fully paid up)

	31 March 2018	31 March 2017	1 April 2016
Aggregate amount of unquoted investments	0.05	0.05	0.05

6 Other financial assets

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Deposit with banks having original maturity period of more than twelve months (refer note 13 b)	552.77	522.79	656.59	-	-	-
Advances (Unsecured and considered good)						
- Others	0.42	0.42	0.13	-	-	-
Amount given towards share allotment *	20,000.00	-	-	-	-	-
Deposits - unsecured and considered good						
- to related parties	-	62.79	56.14	70.23	-	-
- to others	141.47	205.58	238.64	248.55	45.51	191.40
Claims Receivable	-	-	-	-	474.98	1,416.61
Other Receivables	-	-	-	-	-	151.01
Total	20,694.66	791.58	951.50	318.78	520.49	1,759.02

* As per regulation 22(2A) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Subscription Shares i.e. 3,19,64,200 equity shares having face value of ₹ 10 each at a price of ₹ 62.57 (including a premium of ₹ 52.57/-) each of MT Educare Limited subscribed to by company on a preferential allotment basis has kept in an escrow account. The company shall not be able to exercise its voting rights in relation to the Subscription Shares until the completion of the proposed open offer.

7 Non-current tax assets (net)

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Balances with government authorities			
- Direct taxes	931.06	602.55	758.63
Total	931.06	602.55	758.63

Notes forming part of the Consolidated Financial Statements

8 Deferred tax assets (net)

The components of deferred tax balances are as under:

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets			
Employee retirement benefits obligation	78.41	62.67	-
Depreciation and amortisation	322.78	353.95	-
Allowance for credit losses	68.88	26.02	-
	470.07	442.64	-
Deferred tax liabilities			
Depreciation and amortisation	9.01	9.01	-
	461.06	433.63	-
Mat credit entitlement	11.37	567.89	120.00
Deferred tax assets (net)	472.43	1,001.52	120.00

9 Other assets

(₹ Lakhs)

	Non - Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Capital advances (unsecured)	411.50	113.74	53.91	-	-	-
Other loans and advances (unsecured)						
Other advances (unsecured)						
- Considered good	834.00	834.00	834.00	124.59	62.29	130.99
- Considered doubtful	33.71	33.71	33.71	-	-	-
	867.71	867.71	867.71	124.59	62.29	130.99
Less: Allowances for credit losses	(33.71)	(33.71)	(33.71)	-	-	-
	834.00	834.00	834.00	124.59	62.29	130.99
Prepaid expenses	249.57	274.99	290.97	429.28	107.09	86.63
Balance with government authorities						
- Advance indirect taxes	73.72	19.00	19.00	58.84	43.36	90.18
Total	1,568.79	1,241.73	1,197.88	612.71	212.74	307.80

10 Inventories

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Educational goods and equipments	934.14	1,365.55	1,093.60
Total	934.14	1,365.55	1,093.60

Notes forming part of the Consolidated Financial Statements

11 Current investments

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Investments carried at fair value through Profit and loss			
Mutual funds - Quoted (at face value of ₹ 1000 each)			
44,054, (2017- 63,011), (2016 - 45,062) units of Axis Liquid Fund - Direct Plan - Daily dividend reinvestment	440.97	630.52	450.91
160,101, (2017- Nil), (2016- Nil) units of ICICI Prudential Liquid Fund - Direct plan - Daily dividend	160.37	-	-
674,749, (2017- Nil), (2016- Nil) units of ICICI Prudential Money Market Fund - Direct plan - Daily dividend	676.11	-	-
Nil, (2017- Nil), (2016- 50,197) units of Reliance Liquidity fund direct daily plan Daily Dividend	-	-	502.31
11,117, (2017- Nil), (2016 - Nil) units of Axis Liquid Fund - Daily dividend reinvestment	111.31	-	-
Total	1,388.76	630.52	953.22
(All the above securities are fully paid up)			
Aggregate amount of quoted Investments and market value thereof	1,388.76	630.52	953.22

12 Trade receivables (unsecured)

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
- Considered good	1,507.04	4,983.62	2,975.73
- Considered doubtful	199.04	75.19	-
	1,706.08	5,058.81	2,975.73
Less: Allowances for credit losses	(199.04)	(75.19)	-
Total	1,507.04	4,983.62	2,975.73

For transactions relating to related party receivables, refer note 44.

Trade receivables are non-interest bearing and the credit period extended to them is 0-180 days.

Notes forming part of the Consolidated Financial Statements

13 Cash and bank balances

(₹ Lakhs)

	Current		
	31 March 2018	31 March 2017	1 April 2016
a. Cash and cash equivalents			
Balances with banks -			
- In Current accounts #	2,160.77	769.19	883.16
Cheques in hand / remittance in transit	-	724.62	-
Cash in hand	0.17	0.19	0.08
	2,160.94	1,494.00	883.24
b. Other balances with banks			
Balances with banks			
- In escrow account *	136.00	-	-
- In current accounts	3.39	-	-
- In deposits with banks having original maturity period upto twelve months #	135.91	230.61	302.83
- In deposits with banks having original maturity period of more than twelve months	552.77	522.79	656.59
	828.07	753.40	959.42
Disclosed under "Other non-current financial assets"	(552.77)	(522.79)	(656.59)
	275.30	230.61	302.83
Total	2,436.24	1,724.61	1,186.07

* represent amount deposited on account of open offer for MT Educare Limited (refer note 39)

Pledged/Lien for Term Loan/debentures Nil (2017 - 103.39 ₹/lakhs, 2016 - 157 ₹/lakhs), Lien for Government authorities 0.50 ₹/lakhs (2017- 0.50 ₹/lakhs, 2016 - 0.50 ₹/lakhs) Lien for others 621.50 ₹/lakhs (2017- 111.50 ₹/lakhs, 2016 - 111.00 ₹/lakhs)

14 Loans

(₹ Lakhs)

	Current		
	31 March 2018	31 March 2017	1 April 2016
Unsecured loan given			
- to related parties	778.16	120.01	-
Total	778.16	120.01	-

15 Equity share capital

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Authorised			
1,000,000,000 (2017-1,000,000,000), (2016-1,000,000,000) Equity Shares of ₹ 1/- each	10,000.00	10,000.00	10,000.00
	10,000.00	10,000.00	10,000.00
Issued, subscribed and paid up			
325,895,472 (2017-322,642,381), (2016-320,554,255) Equity Shares of ₹ 1/- each fully paid up	3,258.95	3,226.42	3,205.54
Total	3,258.95	3,226.42	3,205.54

Notes forming part of the Consolidated Financial Statements

a) Reconciliation of number of Equity shares and Share capital

	31 March 2018		31 March 2017		1 April 2016	
	Number of equity shares	₹ Lakhs	Number of equity shares	₹ Lakhs	Number of equity shares	₹ Lakhs
At the beginning of the year	322,642,381	3,226.42	320,554,255	3,205.54	320,001,097	3,200.01
Add : Allotted on exercise of Employee Stock Option	3,253,091	32.53	2,088,126	20.88	553,158	5.53
Outstanding at the end of the year	325,895,472	3,258.95	322,642,381	3,226.42	320,554,255	3,205.54

b) Terms / rights attached to equity shares

The Group 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, except 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. However holder of global depository receipts (GDR's) was unvested into underlying equity shares of the group w.e.f. 15 January 2018. The group 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 group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The group has not issued any bonus shares or bought back equity shares during the five years preceding 31 March 2018. Details of aggregate number of shares issued for consideration other than cash during the five years preceding 31 March 2018 is as under:

	31 March 2018	31 March 2017	1 April 2016
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	262,238,599	262,238,599	262,238,599

d) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the Shareholders	31 March 2018		31 March 2017	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Jayneer Capital Private Limited	77,975,375	23.93%	77,975,375	24.33%
Asian Satellite Broadcast Private Limited	63,052,512	19.35%	63,052,512	19.67%
Polus Global Fund	23,825,743	7.31%	-	0.00%
Moon Capital Trading Pte. Limited	20,955,327	6.43%	-	0.00%
Deutsche Bank Trust Company Americas	-	0.00%	27,509,770	8.58%
Swiss Finance Corporation (Mauritius) Limited	-	0.00%	25,589,415	7.98%

As per the records of the group, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes forming part of the Consolidated Financial Statements

e) Employees Stock Option Scheme (ESOP)

The group 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 to the employees of the Company and its subsidiary viz Digital Ventures Private Limited as amended in board resolution dated 30 September 2016 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.

f) Summary of options granted under the Scheme

	31 March 2018		31 March 2017	
	Average exercise price per share option ₹	Number of options	Average exercise price per share option ₹	Number of options
Opening balance	32.52	8,017,007	31.51	8,138,835
Granted during the year	42.28	1,312,254	34.09	2,304,214
Exercised during the year (Refer Note (i) below)	32.23	3,253,091	30.10	2,088,126
Forfeited during the year	32.64	381,450	32.81	337,916
- Non-vested options (Refer Note (ii) below)	-	-	-	-
- Vested options (Refer Note (iii) below)	-	-	-	-
Closing balance		5,694,720		8,017,007
Vested and exercisable		2,445,512		2,455,836

g) Expiry date and exercise prices of the share options outstanding at the end of the year:

Grant date	Expiry date	Exercise price ₹	Share options	
			31 March 2018	31 March 2017
Thursday, January 27, 2011	Saturday, January 27, 2018	26.05	-	6,150
Monday, January 30, 2012	Wednesday, January 30, 2019	14.50	7,725	35,563
Wednesday, October 09, 2013	Friday, October 09, 2020	20.85	66,886	140,590
Wednesday, April 02, 2014	Friday, April 02, 2021	27.55	-	-
Monday, September 29, 2014	Wednesday, September 29, 2021	35.25	533,386	850,510
Wednesday, October 28, 2015	Friday, October 28, 2022	31.80	2,322,490	4,776,980
Monday, July 25, 2016	Tuesday, July 25, 2023	31.40	50,000	50,000
Friday, September 30, 2016	Saturday, September 30, 2023	34.15	1,401,979	2,157,214
Monday, January 15, 2018	Wednesday, January 15, 2025	46.50	25,000	-
Monday, February 19, 2018	Wednesday, February 19, 2025	42.20	1,287,254	-
Total			5,694,720	8,017,007
Weighted average remaining contractual life of options outstanding at end of period			5.22	5.66

Notes forming part of the Consolidated Financial Statements

h) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	1 st Grant	2 nd Grant	3 rd Grant	4 th Grant	5 th Grant
Grant date	27/1/2011	30/1/2012	09/10/2013	02/04/2014	29/9/2014
Weighted average fair value of options granted ₹	23.82	6.89	7.98	400.48	13.3
Exercise price ₹	26.05	14.50	20.85	27.55	35.25
Share price at the grant date ₹	24.70	14.50	22.25	26.85	35.30
Expected volatility	41.56%	38.53%	36.90%	37.02%	38.82%
Risk free interest rate	6.89%	6.93%	7.01%	7.10%	7.15%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected life of the options (years)	0.66	0.92	1.72	1.92	2.25

Scheme	6 th Grant	7 th Grant	8 th Grant	9 th Grant	10 th Grant
Grant date	28/10/2015	25/7/2016	30/9/2016	15/1/2018	19/2/2018
Weighted average fair value of options granted ₹	3.03	200.24	4.80	922.16	15.15
Exercise price ₹	31.80	31.40	34.15	46.50	42.20
Share price at the grant date ₹	32.15	31.35	35.20	46.80	42.75
Expected volatility	38.87%	37.56%	35.81%	35.05%	35.05%
Risk free interest rate	7.21%	6.36%	6.38%	7.04%	7.04%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected life of the options (years)	2.79	2.57	2.75	3.3	3.4

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expense arising from share based payments transactions

	31 March 2018	31 March 2017
Gross expense / (reversal) arising from share based payments	295.96	439.15
Less: Options granted/(forfeited) to/(from) employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Employee share based payment expense /(reversal) recognised in statement of profit and loss (Refer note 26)	295.96	439.15

Notes:

- The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2018 was ₹ 32.23 (31 March 2017: ₹ 30.10).
- Forfeited on account of non-market performance vesting condition not achieved.
- Forfeited on account of employee resigned without exercising.

Notes forming part of the Consolidated Financial Statements

16 Other equity

(₹ Lakhs)

	31 March 2018	31 March 2017
Reserves and surplus		
Debenture redemption reserve		
As per last Balance Sheet	406.25	-
Add: Transferred from Statement of Profit & Loss Account	406.25	406.25
	812.50	406.25
Securities premium		
As per last Balance Sheet	11,097.30	10,299.06
Add: On issue of Shares under Employee Stock Option Plan	1,350.28	798.24
	12,447.58	11,097.30
Shared based payment reserve		
As per last Balance Sheet	562.79	314.28
Add: Options granted during the year	295.96	439.15
Transfer to securities premium on allotment of shares	(335.73)	(190.64)
	523.02	562.79
General reserve		
As per last Balance Sheet	13,971.80	13,971.80
	13,971.80	13,971.80
Retained earnings		
Opening Balance	(12.91)	(2,772.71)
Add : Profit for the year	4,927.91	3,351.40
Remeasurement of defined benefit plans	17.35	11.69
Income tax impact thereon	(5.65)	(4.05)
Less :Appropriations		
Transferred to Debenture redemption reserve	(406.25)	(406.25)
Dividend on Equity shares	(162.17)	(160.35)
Tax on dividend on Equity shares	(33.02)	(32.64)
	4,325.26	(12.91)
Total	32,080.16	26,025.23

- 1) Debenture redemption reserve is created out of the profits which is available for payment of dividend for the purpose of redemption of debentures.
- 2) Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provision of Companies Act, 2013.
- 3) Share Based Payment Reserve is related to share options granted by the group to its employee under its employee share option plan.
- 4) General reserve is used from time to time transfer profits from retained earnings for appropriation purposes. General reserve includes ₹/Lakhs 8,881.25 (2017-8,881.25) (2016-8,881.25) pursuant to the scheme of Amalgamation, sanctioned by the Hon'ble High Court of Bombay and shall not be used for the purpose of declaring dividend.
- 5) Retained earnings represent the accumulated earnings net of losses if any, made by the group over the years.

Notes forming part of the Consolidated Financial Statements

17 Borrowings

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Debentures	8,516.89	7,840.89	7,164.89	-	-	-
Intercompany deposits - Unsecured	-	-	-	1,299.61	1,167.35	2,560.92
[(Including interest ₹/lakhs 132.25, (2017-196.44), (2016-128.92)]						
Total	8,516.89	7,840.89	7,164.89	1,299.61	1,167.35	2,560.92
b. Others - Secured						
Term loan from banks	14,368.11	14,887.05	28,018.81	1,552.24	1,388.72	1,751.21
Less: Amount disclosed under the head "Other financial liabilities" (Refer Note 18b)	-	-	-	(1,552.24)	(1,388.72)	(1,751.21)
Total	14,368.11	14,887.05	28,018.81	-	-	-
Grand Total	22,885.00	22,727.94	35,183.70	1,299.61	1,167.35	2,560.92

(i) Debentures

650 (2017-650), (2016-650) 10.40% Rated, Unlisted, Secured, Redeemable Non- Convertible Debentures of ₹ 10.00 Lakhs 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 July 8, 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.

(ii) Intercompany deposits - Unsecured

The loan carries Interest @12.5% p.a and is repayable on demand.

(iii) Term loans from banks

- Term loan from bank Nil (2017- ₹/lakhs 3640.00) (2016- ₹/lakhs 4680.00) is secured by first pari passu charge on all the movable assets (including current assets, loans and advances) of the group 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. The same has been repaid during the year.
- Term loan from bank 3500.00 ₹/lakhs (2017-₹/lakhs Nil) (2016- ₹/lakhs Nil) is secured by way of first ranking charge over movable assets including current assets, loans and advances with minimum coverage of 1.25x for entire tenure of the facility which includes charge on the accounts that receive cash from franchisee/revenue of the group Plus DSRA equivalent to 1 months interest to be maintained upfront and one immediate installment to maintained one month prior to its schedule payment. The loan carries interest of 9.4% and its repayable 12 quarterly installments beginning from financial year 2018-19.
- Term loan of 9850.00 ₹/lakhs (2017- ₹/lakhs 10,000.00), (2016- ₹/lakhs 10,000.00) for BKC schools project. The loan carries interest @ bank's base plus spread of 2.65% p.a viz., 12.90% p.a. The loan is repayable in 37 quarterly installments beginning from 4th year i.e FY 2018.
 - over all present and future immovable assets of the BKC School Project;
 - over all present and future movable and intangible assets of the Project;
 - the entire current assets of the BKC School Project, including first charge on all the escrow accounts and TRAs held by TALEEM and Company for the Project, as well as assignment of all insurance policies taken for the Project with the Bank as loss payee.
 - all present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the Company is party to including contractor guarantees, liquidated damages and all other contracts or letter of credit, guarantee, performance bond provided by any party to the Company;
 - registered mortgage of the lease hold land of the Project;

Notes forming part of the Consolidated Financial Statements

Collateral

- Corporate Guarantee from Zee Learn Limited;
- Pledge of 51% shares held by Zee Learn Limited in the company, subject to adherence to BR Act, to be held pari passu with RTL II (₹ 102.21 Cr).
- Post dated cheque for principal installments.

- d) Term loan of 2,462.00 ₹/lakhs (2017-₹/lakhs 2,500.00) (2016-₹/lakhs 2,500.00) for BKC schools Project. The loan carries interest @ bank's base plus spread rate of 1.75% p.a viz., 12.50% p.a. The loan is repayable in 37 quarterly installments beginning from 4th year i.e FY18.

Secured by first charge on:

- over all present and future immovable assets of the BKC School Project;
- over all present and future movable and intangible assets of the Project;
- the entire current assets of the BKC School Project, including first charge on all the escrow accounts and TRAs held by TALEEM and Company for the Project, as well as assignment of all insurance policies taken for the Project with the Bank as loss payee.
- all present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the Company is party to including contractor guarantees, liquidated damages and all other contracts or letter of credit, guarantee, performance bond provided by any party to the Company;
- registered mortgage of the lease hold land of the Project;

Collateral

- Corporate Guarantee from Zee Learn Limited;
- Pledge of 51% shares held by Zee Learn Limited in the company, subject to adherence to BR Act, to be held pari passu with RTL II (₹ 102.21 Cr).
- Post dated cheque for principal installments.

- e) Term loan from bank ₹ NIL (2017-₹ NIL), (2016-₹ 3,518.00) for two K-12 Schools. The loan carries interest @ bank's base rate plus spread rate of 3.5% viz., 12.50% p.a. The loan is repayable in 36 quarterly installments beginning from 4th year i.e FY 2015.

Secured by first charge on:

- over all present and future immovable assets of the Projects by way of mortgage;
- over all present and future movable and intangible assets of the Projects by way of hypothecation;
- the entire current assets of the Projects;
- all the escrow accounts held by the company for the Projects;
- by way of hypothecation in favor of lenders of all the present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the company;

Collateral

- pledge of shares in Zee Learn Limited to the extent of 30% of ₹ 406,700,000;
- Corporate Guarantee from Zee Learn Limited;
- non disposal undertaking for 51% shares held by Zee Learn Limited in the company.

- f) Term loan from bank ₹ NIL (2017-₹ NIL), (2016-₹ 8,900.00) for three K-12 schools and sports complex. The loan carries interest @ bank's base rate plus spread rate of 2.75% viz., 12.75% p.a. The loan is repayable in 36 quarterly installments beginning from 4th year i.e FY 2017.

Notes forming part of the Consolidated Financial Statements

Secured by first charge on:

- over all present and future immovable assets of the Project by way of mortgage;
- over all present and future movable and intangible assets of the Project by way of hypothecation;
- the entire current assets of the Project;
- all the escrow accounts held by the company for the Project;
- by way of hypothecation in favor of lenders of all the present and future rights, titles and interests of the Project from all contracts, insurances, documents, which the company is party to including contracts or letter of credit, guarantee, performance bond provided by any party to the company;

Collateral

- Corporate Guarantee from Zee Learn Limited;
- non disposal undertaking for 51% shares held by Zee Learn Limited in the company.

18 Financial liabilities

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
a. Trade payables						
Trade payables				800.84	1,241.11	920.59
(A)	-	-	-	800.84	1,241.11	920.59
b. Other financial liabilities						
Current maturities of long-term borrowings	-	-	-	1,552.24	1,388.72	1,751.21
Deposits received - Customers	10.00	10.00	10.00	2.00	2.00	2.00
Deposits received - Others	1,178.76	2,797.75	-	-	-	-
Creditors for capital expenditure	-	-	-	34.48	413.88	580.26
Employee benefits payable	-	-	-	22.96	81.40	10.00
Unclaimed dividend	-	-	-	3.39	-	-
Book overdraft	-	-	-	65.55	739.47	-
Other payables	-	-	-	2,500.04	1,787.50	1,251.33
(B)	1,188.76	2,807.75	10.00	4,180.66	4,412.97	3,594.80
Total (A+B)	1,188.76	2,807.75	10.00	4,981.50	5,654.08	4,515.39

For transactions relating to related party payables, refer note 44

Trade payable are non-interest bearing and the credit term the for same is generally in the range of 0-90 days.

19 Deferred tax liabilities

(₹ Lakhs)

	Non-Current		
	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities			
Depreciation	-	-	9.01
Mat credit entitlement			(4.81)
Total	-	-	4.20

Notes forming part of the Consolidated Financial Statements

20 Provisions

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits						
- Gratuity	109.70	108.15	99.35	12.75	13.67	10.55
- Leave benefits	50.54	46.96	49.20	17.24	15.27	5.22
Others						
- Provision for litigation	-	-	-	65.00	65.00	27.13
Total	160.24	155.11	148.55	94.99	93.94	42.90

21 Other liabilities

(₹ Lakhs)

	Non-Current			Current		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Unearned revenue	94.07	92.20	81.77	1,503.62	1,367.69	1,369.55
Deferred deposit	23,931.89	8,943.11	-	-	-	-
Advances received from customers	-	-	-	1,145.00	1,475.72	1,182.60
Statutory dues payable	-	-	-	683.56	419.34	309.38
Others	-	-	-	207.84	4.73	6.73
Total	24,025.96	9,035.31	81.77	3,540.02	3,267.48	2,868.26

22 Current tax liabilities

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Provision for taxation (net of advances)	205.77	444.89	34.96
Total	205.77	444.89	34.96

23 Revenue from operations

(₹ Lakhs)

	31 March 2018	31 March 2017
Services		
- Course fees/Royalty	6,049.71	5,433.13
- Franchisee fees	1,341.99	1,649.03
- Lease rental	2,956.88	2,003.67
- Manpower supply and reimbursement of expenses	5,277.37	-
- Onboarding/Recruitment charges	15.37	-
- Others	32.07	38.03
Sales - Educational goods and equipments	11,177.24	8,863.32
Other operating revenue	33.24	61.61
Total	26,883.87	18,048.79

Notes forming part of the Consolidated Financial Statements

24 Other income

(₹ Lakhs)

	31 March 2018	31 March 2017
Dividend income from		
- Mutual funds	17.40	47.49
Liabilities / excess provision written back	37.90	27.82
Total	55.30	75.31
Financial guarantee fees	192.00	150.00
Interest income from		
- Intercompany deposit - Others	-	7.71
- Bank deposits	88.88	72.23
- Unwinding of discount of deposit	28.34	23.54
- Others	5.70	50.08
Total	122.92	153.56
Grand Total	370.22	378.87

25 Operational cost

(₹ Lakhs)

	31 March 2018	31 March 2017
a) Educational goods and equipments		
Opening - Inventory	1,365.55	1,093.60
Add: Purchases	3,563.32	3,481.57
Less: Closing - Inventory	(934.14)	(1,365.55)
	3,994.73	3,209.62
b) Other educational operating expenses	512.21	328.15
Total (a) + (b)	4,506.94	3,537.77

26 Employee benefits expense

(₹ Lakhs)

	31 March 2018	31 March 2017
Salaries and allowances	6,876.08	2,359.88
Share based payment expense	295.96	439.15
Contribution to provident and other funds	382.06	81.97
Training and recruitment cost	70.72	29.06
Staff welfare expenses	254.46	28.56
Total	7,879.28	2,938.62

Notes forming part of the Consolidated Financial Statements

27 Finance costs

(₹ Lakhs)

	31 March 2018	31 March 2017
Interest on - Borrowings	339.48	1,867.98
- Deposit received	272.14	-
- Others	1,261.06	201.16
Other financial charges	38.07	2.44
Total	1,910.75	2,071.58

28 Depreciation and amortisation expense

(₹ Lakhs)

	31 March 2018	31 March 2017
Depreciation on property, plant and equipment	50.59	66.08
Depreciation on investment property	708.22	530.56
Amortisation of intangible assets	353.12	382.92
Total	1,111.93	979.56

29 Other expenses

(₹ Lakhs)

	31 March 2018	31 March 2017
Rent	401.36	370.36
Repairs and maintenance - others	256.75	239.01
Insurance	40.35	33.79
Rates and taxes	118.66	62.40
Electricity and water charges	43.13	36.49
Communication expenses	134.57	137.76
Printing and stationery	55.88	58.35
Travelling and conveyance expenses	701.08	565.56
Legal and professional charges	568.37	852.88
Payment to auditors (refer note 35)	28.27	31.10
Freight and packing charges	1,112.01	1,081.59
Directors sitting fees	7.50	12.80
Bad debts / advances written off	-	12.46
Loss on sale / discard of Property, plant and equipments	42.97	-
Provision for allowances for credit losses	123.85	75.19
Marketing, advertisement and publicity expenses	512.18	884.35
Inventory lost by fire (refer note 37)	-	941.63
Preliminary expenses written off	0.03	-
Corporate social responsibility expenditure	16.50	16.00
Miscellaneous expenses	126.10	247.44
Total	4,289.56	5,659.16

Notes forming part of the Consolidated Financial Statements

30 Tax expense

The major components of income tax for the year are as under:

(₹ Lakhs)

	31 March 2018	31 March 2017
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	2,660.80	771.82
Deferred tax charge / (benefit)	(33.08)	(446.69)
Mat credit entitlement - earlier year	-	(435.56)
Total	2,627.72	(110.43)
Effective tax rate	34.78	(3.41)

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at group's effective income tax rate for the year ended 31 March 2017 and 31 March 2016 is as follows:

(₹ Lakhs)

	31 March 2018	31 March 2017
Profit before tax	7,555.63	3,240.97
Income tax		
Statutory income tax rate of 34.608% (34.608%) on profit	2,614.85	1,121.64
Undistributed earnings of subsidiaries		
Tax effect on non-deductible expenses	585.00	592.87
Additional allowances for tax purposes	(835.96)	(606.38)
Other Temporary difference	(33.08)	(446.69)
Adjustment of carry forward losses at special rate	-	(936.12)
Effect of change in tax rate	302.94	180.68
Effect of exempt income and income tax at lower rates	(6.02)	(16.43)
Tax expense recognised in the statement of profit and loss	2,627.73	(110.43)

Deferred tax recognised in statement of other comprehensive income

	31 March 2018	31 March 2017
For the year ended		
Employee retirement benefits obligation	(5.65)	(4.05)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% for the year ended 31 March 2018.

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 8.

The group does not have any temporary differences in respect of unutilised tax losses as at 31 March 2018.

Deferred tax recognised in statement of profit and loss

(₹ Lakhs)

	31 March 2018	31 March 2017
For the year ended		
Employee retirement benefits obligation	(21.39)	(66.72)
Depreciation and amortisation	31.17	(353.95)
Provision for doubtful debts	(42.86)	(26.02)
Mat credit entitlement	-	(435.56)
Total	(33.08)	(882.25)

Notes forming part of the Consolidated Financial Statements

(₹ Lakhs)

	31 March 2018	31 March 2017
Reconciliation of deferred tax assets / (liabilities) net:		
Opening balance	433.63	(9.01)
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	33.08	446.69
- Recognised in other comprehensive income	(5.65)	(4.05)
Total	461.06	433.63
Mat credit entitlement	11.37	567.89
Total	472.43	1,001.52

31 Leases

A. Operating leases taken by the group:

The group has taken office, residential facilities and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee.

(₹ Lakhs)

	31 March 2018	31 March 2017
Lease rental charges for the year	652.72	614.17
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	502.00	455.30
Later than one year but not later than five years	1,963.75	1,177.17
Later than five years	9,842.47	10,094.67

B. Operating leases granted by the group :

The group has given property under cancellable lease agreement that are renewable on a periodic basis at the option of both the Lessor and the Lessee.

Description of significant leasing arrangements	31 March 2018	31 March 2017
Rent income as per Statement of Profit & Loss	2,956.88	2,003.67
Gross carrying value of asset (Including premises in Investments)	19,582.81	13,680.87
Accumulated depreciation	2,181.02	1,381.55
Depreciation recognised in Statement of Profit & Loss	799.47	584.29
Impairment losses	-	-
	31 March 2018	31 March 2017
Lease rental Income for the year	2,417.00	1,696.21
Future Lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	2,437.15	2,417.00
Later than one year but not later than five years	10,867.88	10,103.88
Later than five years	105,497.17	108,698.33

Notes forming part of the Consolidated Financial Statements

32 a) Contingent liabilities

(₹ Lakhs)

	31 March 2018	31 March 2017	31 March 2016
a) Claims against the group not acknowledged as debts *	70.87	76.91	126.17
b) Disputed direct taxes #	579.19	734.83	1,001.98
c) Disputed indirect taxes	1,568.74	1,138.13	402.76
d) Corporate guarantee to others to the extent of loans availed/ outstanding ₹/lakhs 15,275.00 , (2017 - 14,000.00), (2016 - Nil)	16,000.00	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.

- b) The group had entered into and executed third party warehousing arrangement for materials/ study materials with a service provider. There was a dispute with the service provider for the service and group has 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 has taken custody of the study materials. The group has filed a case in Honorable High Court against the service provider in order to take the materials/ study materials through court process. Group was successful in getting a favorable order from Honorable High Court and obtained the custody of materials/study materials through court process, during March, 2015. Further, the group has filed a claim for damage and the matter is under arbitration.
- c) The group 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.

33 Capital and other commitments

- a) For standalone
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/lakhs 31.05 (₹/lakhs 2017- 0.87) (₹/lakhs 2016 - 10.43)
- b) For subsidiary
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/lakhs 4,816.41 (₹/lakhs 2017- 4,816.41) (₹/lakhs 2016 - 5,598.06)

34 Managerial remuneration

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Executive Director and Manager, included in Note 26 "Employee benefits expense" is as under :

(₹ Lakhs)

	31 March 2018	31 March 2017
Salary and allowances	-	-
Contribution to provident fund	-	-
Perquisites (Refer note a and b below)	329.61	242.01
Total	329.61	242.01

Notes :

- a) Executive Director remuneration constitutes only the value of perquisite calculated upon exercise of ESOPs during the year.
- b) Mr. Umesh Pradhan, Chief Financial Officer, has been reappointed with effect from 1 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 Consolidated Financial Statements

35 Payment to auditors

For standalone

(₹ Lakhs)

	31 March 2018	31 March 2017
Audit fees (including limited review)	15.75	15.75
Tax audit fees	2.00	2.00
Tax representation	1.27	6.02
Certification and Others	2.70	2.93
Total	21.72	26.70

For subsidiaries

(₹ Lakhs)

	31 March 2018	31 March 2017
Audit fees	5.40	3.40
Tax audit fees	1.15	1.00
Total	6.55	4.40

36 Micro, small and medium enterprises

The group has due to one party related to Micro, Small and Medium enterprises as at 31 March 2018 i.e. ₹/lakhs 152.81 (2017-Nil) (2016-Nil), on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

- 37** 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 ₹/lakhs 1,416.61 got completely destroyed. As per the initial settlement of the claim by the insurance company, the difference in loss claimed and the actual claim determined amounting to ₹/lakhs 941.63 is shown in Statement of Profit and Loss during the previous year 31 March 2017. The claim recoverable of ₹/lakhs 474.98 has been recovered during the year.

38 Dividend

Dividend on equity shares is approved by the Board of Directors in their meeting held on 07 May 2018, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including DDT thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Final dividend on equity shares for the year ended on 2018: ₹ 0.1 per equity share (2017 : 0.1*) which aggregates to ₹/lakhs 392.25 (2017 - 388.18)

*Interim and final dividend

39 Acquisitions

The company has kept ₹ 136.00 lakhs in MT Educare Escrow Account towards Open Offer shown under Note 13 "Cash and Bank Balance" under other balances with bank. The company transferred ₹ 20,000 lakhs on 27 March 2018 which is shown in the Note 6 "Other Financial Assets" for preferential allotment of 31,964,200 equity shares having face value of ₹ 10/- each at the price of ₹ 62.57/- each (including a premium of ₹ 52.57/-) for MT Educare Limited and these shares kept in escrow account. Pending proposed open offer, the company will not be able to exercise its voting rights in relation to the subscription shares. In view of this, as per Ind AS 28, the group has not done accounting of investment in MT Educare Limited as an associate.

40 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the group. The group is required to spend ₹/lakhs 16.50 (2017 - 16.00) for the year against which ₹/lakhs 16.50 (2017 - 16.00) has been spent on activities specified in Schedule VII of the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

41 Rent Expenses

During the year, the group has incurred total expenditure of ₹/lakhs 311.85 (2017- ₹/lakhs 287.52), (2016 - ₹/lakhs 248.60) on rent which ₹/lakhs 219.80 (2017- ₹/lakhs 217.28), (2016 - ₹/lakhs 202.10) has been transferred to CWIP. Classification of the expenditure in CWIP has been done since the projects are under construction and hence yet to be capitalised.

42 Earnings per share (EPS)

	31 March 2018	31 March 2017
Profit/ (Loss) after Tax (₹ lakhs)	4,927.91	3,351.40
Weighted Average number of equity shares for Basic EPS (in numbers)	324,530,519	320,838,268
Weighted Average number of equity shares for Diluted EPS (in numbers)	325,631,141	322,700,506
Face value of equity shares (₹)	1	1
Basic EPS (₹)	1.52	1.04
Diluted EPS (₹)	1.51	1.04

43. Employee Benefits

The Disclosures as per Ind AS 19 - Employee Benefits is as follows:

A Defined Contribution Plans

"Contribution to provident and other funds" is recognised as an expense in Note 26 "Employee benefit expenses" of the Statement of Profit and Loss.

B 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)

I. Expenses recognised during the year	31 March 2018	31 March 2017	31 March 2016
	Gratuity (Non Funded)		
1 Current Service Cost	38.99	31.32	31.10
2 Interest Cost	7.36	8.24	7.58
3 Past Service cost	-	-	-
Total Expenses	46.35	39.56	38.68
II. Amount recognised in other comprehensive income (OCI)	31 March 2018	31 March 2017	31 March 2016
1 Opening amount recognised in OCI	(13.84)	-	-
2 Remeasurement during the period due to			
- Changes in financial assumptions	(4.85)	11.53	-
- Changes in experience charges	(12.50)	(25.36)	-
3 Closing amount recognised in OCI	(31.18)	(13.84)	-

Notes forming part of the Consolidated Financial Statements

(₹ Lakhs)

III. Net (Asset) / Liability recognised in the Balance Sheet as at	31 March 2018	31 March 2017	31 March 2016
1 Present value of defined benefit obligation (DBO)	122.45	121.82	109.90
2 Net (Asset) / Liability	(122.45)	(121.82)	(109.90)

IV. Reconciliation of Net (Asset) / Liability recognised in the Balance Sheet as at	31 March 2018	31 March 2017	31 March 2016
1 Net (Asset) / Liability at the beginning of year	121.82	109.90	108.28
2 Expense as per I above	46.36	39.56	27.48
3 Other comprehensive income as per II above	(17.35)	(13.84)	-
4 Benefits paid	(28.38)	(13.80)	(24.77)
Net (Asset) / Liability at the end of the year	122.45	121.82	110.99

V. The following payments are expected to defined benefit plan in future years :	31 March 2018
1 Expected benefits for year 1	12.75
2 Expected benefits for year 2 to year 5	153.44
3 Expected benefits beyond year 5	181.62

VI. Actuarial Assumptions	31 March 2018	31 March 2017	31 March 2016
1 Discount rate	7.42%	6.84%	7.95%
2 Expected rate of salary increase	6.33%	6.00%	6.00%
3 Mortality	IAL (2006-08)	IAL (2006-08)	IAL (2006-08)

VII. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points

(₹ Lakhs)

	Discount Rate	Salary Escalation rate
Impact of increase in 100 bps on DBO	112.77	133.15
Impact of decrease in 100 bps on DBO	133.61	113.00

Notes:

- The current service cost recognised as an expense is included in Note 26 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes forming part of the Consolidated Financial Statements

C Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the projected unit credit method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 26 'Employee benefits expense'.

44 Related party transactions

(i) List of parties where control exists

Subsidiary company-wholly owned

Digital Ventures Private Limited

Academia Edificio Private Limited (Incorporated on 14 January 2016)

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, Direct Media Distribution Ventures Private Limited, Diligent Media Corporation Limited, Digital Satellite Holdings Private Limited, Essel Business Excellence Services Private Limited, Pan India Network Infravest Private Limited, Pri-Media Services Private Limited, Taleem Research Foundation, Zee Entertainment Enterprises Limited, Dr Subhash Chandra Foundation, Essel Infra Projects Private Limited, Essel Corporate Resources Private Limited, Pan India Infrastructures Private Limited, Zee Media Corporation Limited, Essel Finance Business Loans Limited, Essel Highways Limited, Living Entertainment Enterprise Private Limited.

Transactions with related parties

(₹ Lakhs)

	31 March 2018	31 March 2017
A) Transactions with related parties		
Short- term borrowings	1,500.00	950.00
Other related parties		
Asian Satellite Broadcast Private Limited	1,500.00	950.00
Repayment of Short- term borrowings	1,500.00	2,540.00
Other related parties		
Asian Satellite Broadcast Private Limited	1,500.00	2,540.00
Interest expense	146.95	218.27
Other related parties		
Asian Satellite Broadcast Private Limited	146.95	218.27
Sales and services	4,513.14	1,308.65
Other related parties		
Taleem Research Foundation	1,988.31	1,308.65
Essel Business Excellence Services Private Limited	70.26	-
Zee Media Corporation Limited	1,659.44	-
Essel Finance Business Loans Limited	72.62	-
Essel Highways Limited	13.50	-
Living Entertainment Enterprise Private Limited	117.67	-
Zee Entertainment Enterprises Limited	591.34	-

Notes forming part of the Consolidated Financial Statements

(₹ Lakhs)

	31 March 2018	31 March 2017
Sale of fixed assets	-	0.13
Other related parties		
Essel Business Excellence Services Private Limited	-	0.13
Purchase of material	6.54	140.03
Other related parties		
Pri-Media Services Private Limited	6.54	140.03
Purchase of Services	620.08	245.98
Other related parties		
Pan India Network Infravest Private Limited	13.09	12.37
Zee Entertainment Enterprises Limited	50.86	65.44
Diligent Media Corporation Limited.	178.23	0.92
Dr Subhash Chandra Foundation	16.50	16.00
Essel Infra Projects Private Limited	23.71	-
Essel Corporate Resources Private Limited	65.35	-
Essel Business Excellence Services Private Limited	272.34	151.25
Reimbursement of expenses	4,223.94	-
Other related parties		
Taleem Research Foundation	4,223.94	-
Purchase of fixed asset including capital work-in-progress	-	623.25
Other related parties		
Pan India Infrastructure Private Limited	-	623.25
Capital advance given	612.64	781.65
Other related parties		
Pan India Infrastructure Private Limited	612.64	781.65
Interest income	33.32	0.84
Other related parties		
Taleem Research Foundation	33.32	0.84
Unsecured loans given	903.00	120.00
Other related parties		
Taleem Research Foundation	903.00	120.00
Deposit received	252.04	-
Other related parties		
Taleem Research Foundation	252.04	-
Unsecured loans repaid	251.00	-
Other related parties		
Taleem Research Foundation	251.00	-

Notes forming part of the Consolidated Financial Statements

		(₹ Lakhs)	
		31 March 2018	31 March 2017
B) Balances outstanding as at 31 March			
Short- term borrowings		1,299.61	1,167.35
Other related parties			
Asian Satellite Broadcast Private Limited		1,299.61	1,167.35
Loans, advances and deposits given		1,147.12	527.03
Other related parties			
Pan India Infrastructure Private Limited		1,076.89	464.24
Essel Business Excellence Services Private Limited		70.23	62.79
Advance from customer		1.15	1.15
Other related parties			
Zee Entertainment Enterprises Limited		1.15	1.15
Trade receivables		1,327.65	2,805.08
Other related parties			
Taleem Research Foundation		1,254.77	2,805.08
Essel Business Excellence Services Private Limited		0.12	-
Zee Media Corporation Limited		2.58	-
Essel Finance Business Loans Limited		0.01	-
Essel Highways Limited		5.49	-
Zee Entertainment Enterprises limited		63.50	-
Living Entertainment Enterprise Private Limited		1.18	-
Deposit received		252.04	-
Other related parties			
Taleem Research Foundation		252.04	-
Trade payables		-	6.39

Notes forming part of the Consolidated Financial Statements

(₹ Lakhs)

	31 March 2018	31 March 2017
Other related parties		
Pri-Media Services Private Limited	-	6.39
Other payables	112.32	58.94
Other related parties		
Pan India Network Infravest Private Limited	0.01	2.72
Diligent Media Corporation Limited	3.12	-
Zee Entertainment Enterprises Limited	11.38	42.02
Essel Infra Projects Private Limited	23.71	-
Essel Business Excellence Services Private Limited	33.10	14.20
Zee Media Corporation Limited	41.00	-
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 34

2) During the year, 2877597 stock options exercise by Executive Director of the company.

3) Figures considered based on Ind AS financials of the Company.

45 Segment reporting

The Group follows Ind AS 108 "Operating Segment" 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 for education" which principally consists of constructing and leasing of properties for commercial use.
- 3 "Training Manpower and related activities" which principally provides services related to consultancy and advisory in areas of human resources, viz. manpower placement, recruitment, selection, business process and others.

There being no business outside India, the entire business is considered as a single geographic segment.

Notes forming part of the Consolidated Financial Statements

Primary segment disclosure - Business segment for the year ended 31 March 2018

(₹ Lakhs)

Particulars	31 March 2018	31 March 2017
Segment revenue		
- Educational services and related activities	18,634.25	16,045.12
- Construction and leasing (for education)	2,956.88	2,003.67
- Training, manpower and related activities	5,349.79	-
Total segment revenue	26,940.92	18,048.79
Less: Inter segment revenue	57.05	-
Net Sales / Income from operations	26,883.87	18,048.79
Segment results (Profit before tax and interest from ordinary activities)		
- Educational services and related activities	8,276.52	4,738.58
- Construction and leasing (for education)	617.94	195.18
- Training, manpower and related activities	201.70	(0.09)
Total segment results	9,096.16	4,933.67
Add / (Less) :		
Finance cost	(1,910.75)	(2,071.58)
Interest income	314.92	228.56
Unallocable	55.30	150.31
Total profit before tax from ordinary activities	7,555.63	3,240.97
Less : Tax expenses		
Current tax - current year	2,660.80	771.82
Deferred tax	(33.08)	(446.69)
MAT credit entitlement	-	(435.56)
Profit after tax	4,927.91	3,351.40
Capital employed (Segment assets less Segment liabilities)		
- Educational services and related activities	26,427.45	39,052.52
- Construction and leasing (for education)	43,261.58	46,898.65
- Training, manpower and related activities	253.95	0.01
- Unallocable (net)	(3,113.79)	(22,209.45)
Total capital employed in segments	66,829.19	63,741.73
Less: Inter segment eliminations	31,490.08	34,490.08
Total capital employed	35,339.11	29,251.65
Capital expenditure		
- Educational services and related activities	195.45	587.97
- Construction and leasing (for education)	1,116.72	963.15
- Training, manpower and related activities	-	-
	1,312.17	1551.12
Depreciation		
- Educational services and related activities	312.46	395.37
- Construction and leasing (for education)	799.47	584.19
- Training, manpower and related activities	-	-
	1,111.93	979.56

Notes forming part of the Consolidated Financial Statements

46 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. 1 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.

47 Financial Instruments

i) Financial risk management objective and policies

The group's principal financial liabilities, comprise loans and borrowings, trade advances, deposits and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

The group is exposed to market risk, credit risk and liquidity risk. The group's management oversees the management of these risks.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and other financial instruments.

1) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term loan from banks. Compulsorily Convertible Debentures and Intercompany deposits carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the group.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(₹ Lakhs)

	Increase / decrease in basis points	Effect on Profit before tax
As on 31 March 2018	+ 50 / - 50	71.84
As on 31 March 2017	+ 50 / - 50	74.44

2) Foreign Currency risk

The group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The group analyses currency risk as to which balances outstanding in currency other than the functional currency of that group. The management has taken a position not to hedge this currency risk.

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

Notes forming part of the Consolidated Financial Statements

The following table sets forth information relating to foreign currency exposure:

(₹ Lakhs)

Currency	Assets as at			Liabilities as at		
	31 March 2018	31 March 2017	31 March 2016	31 March 2018	31 March 2017	31 March 2016
United States Dollar (USD)	-	-	-	-	150.00	-

Foreign Currency sensitivity analysis

The following table demonstrates the sensitivity to a 10% increase / decrease in foreign currencies with all other variable held constant. The below impact on the group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date.

(₹ Lakhs)

Currency	Sensitivity analysis			
	31 March 2018		31 March 2017	
	₹ decrease by 10%	₹ increase by 10%	₹ decrease by 10%	₹ increase by 10%
United States Dollar (USD)	-	-	15.00	(15.00)

3) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers, deposits and loans given, investments and balances at bank.

The group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Trade Receivables (Unsecured)			
Over six months	753.80	2,849.88	1,315.49
Less than six months	952.28	2,208.93	1,660.24
Total	1,706.08	5,058.81	2,975.73

	31 March 2018	31 March 2017
Movement in allowance for credit loss during the year was as follows :		
Opening Balance		-
Add :- Provided during the year	199.04	75.19
Less :- Reversal during the year	-	-
Balance as at	199.04	75.19
Net Trade receivable	1,507.04	4,983.62

Credit risk on cash and cash equivalents is limited as the group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units and non convertible debentures.

Notes forming part of the Consolidated Financial Statements

b) Liquidity risk

Liquidity risk refers to the risk that the group cannot meet its financial obligations. The group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018
(₹ Lakhs)

	Less than 1 year	Between 2 to 5 year	Beyond 5 years
Financial Liabilities			
Trade payable and other financial liabilities	4,981.50	-	1,188.76
Borrowings*	1,299.61	22,885.00	-
Total	6,281.11	22,885.00	1,188.76

* Current maturities of borrowings aggregating ₹/lakhs 1,552.24 from part of other financial liabilities hence the same is not consider separately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017
(₹ Lakhs)

	Less than 1 year	Between 2 to 5 year	Beyond 5 years
Financial Liabilities			
Trade payable and other financial liabilities	5,654.08	-	2,807.75
Borrowings*	1,167.35	22,727.94	-
Total	6,821.43	22,727.94	2,807.75

* Current maturities of borrowings aggregating ₹/lakhs 1,388.72 from part of other financial liabilities hence the same is not consider separately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2016
(₹ Lakhs)

	Less than 1 year	Between 2 to 5 year	Beyond 5 years
Financial Liabilities			
Trade payable and other financial liabilities	4,515.39	-	10.00
Borrowings*	2,560.92	35,183.70	-
Total	7,076.31	35,183.70	10.00

* Current maturities of borrowings aggregating ₹/lakhs 1,751.21 from part of other financial liabilities hence the same is not consider separately in borrowings.

ii) Capital Management

For the purpose of the group's capital management, capital includes issued capital and all other equity reserves. The group manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

Notes forming part of the Consolidated Financial Statements

The group monitors capital using gearing ratio, which is total debt divided by total capital plus debt

(₹ Lakhs)

	31 March 2018	31 March 2017	1 April 2016
Gross Debt (inclusive long term and short term debt)	24,184.61	23,895.29	37,744.62
Less: Cash and cash equivalents and Other Bank Balances	(2,436.25)	(1,724.62)	(1,186.07)
Net Debt	21,748.36	22,170.67	36,558.55
Total Equity	35,339.11	29,251.65	25,017.97
Total Capital	57,087.47	51,422.32	61,576.52
Gearing ratio	38.10%	43.11%	59.37%

* does not include current maturities of borrowings.

iii) Categories of financial instruments and fair value thereof

(₹ Lakhs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets						
i) Measured at amortised cost						
Trade Receivables	1,507.04	1,507.04	4,983.62	4,983.62	2,975.73	2,975.73
Cash and cash equivalents and bank balances	2,436.24	2,436.24	1,724.61	1,724.61	1,186.07	1,186.07
Non-Current Investments	-	-	-	-	-	-
Other financial assets	21,013.44	21,013.44	1,312.07	1,312.07	2,710.52	2,710.52
Loans	778.16	778.16	120.01	120.01	-	-
ii) Measured at Fair value through profit and loss account						
Non-Current Investments	0.05	0.05	0.05	0.05	0.05	0.05
Current Investment	1,388.76	1,388.76	630.52	630.52	953.22	953.22
B) Financial liabilities						
i) Measured at amortised cost						
Trade Payables	800.84	800.84	1,241.11	1,241.11	920.59	920.59
Borrowings (Non current)	22,885.00	22,885.00	22,727.94	22,727.94	35,183.70	35,183.70
Borrowings (Current)	1,299.61	1,299.61	1,167.35	1,167.35	2,560.92	2,560.92
Other Financial Liabilities	5,369.42	5,369.42	7,220.72	7,220.72	3,604.80	3,604.80

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

Notes forming part of the Consolidated Financial Statements

iv) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2018 (₹ Lakhs)

Financial assets	Fair Value as at			Fair Value Hierarchy	Valuation Technique(s) & key inputs used
	31 March 2018	31 March 2017	01 April 2016		
Investment in Mutual funds	1,388.76	630.52	953.22	Level 1	Quoted in an active market
Total	1,388.76	630.52	953.22		

Investments measured at fair value are tabulated above. All other financial assets and liabilities at fair value are in Level 1 of fair value hierarchy.

The fair values of the financial assets and financial liabilities included in the level 1 categories above have been determined in accordance with quoted in active market.

48 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ Lakhs)

	31 March 2017	Cash Inflows	Cash outflows	Non Cash Changes Interest Accrued	Other Charges	31 March 2018
Long Term Borrowings (Including Current maturities)	22,727.94	157.06	339.48	(339.48)		22,885.00
Short Term Borrowings	2,556.07		295.78			2,851.85
(For Bank, Financial Institution and intercorporate deposits etc.)						
Dividend paid (including dividend tax)	192.99	-	191.80	-	3.39	388.18

49 First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first, the group has prepared in accordance with Ind AS. For the period up to and including the year ended 31 March 2017, the group prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the group has prepared its financial statements to comply with Ind AS for the year ended 31 March 2018, together with comparative data as at and for the year ended 31 March, 2017, as described in the summary of significant accounting policies. In preparing its financial statements, the group's opening balance sheet was prepared as at 1 April 2016, the group's date of transition. The notes explains the principal adjustments made by the group in restating its Previous GAAP financial statements, including the balance sheet as at 1 April, 2016 and the financial statements as at and for the year ended 31 March 2017.

1 Exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied the following exemptions:

a) Deemed cost option

The group has opted to continue with the carrying value for all of its Property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date.

b) Business Combination

The group has elected to apply Ind AS 103 Business Combinations prospectively from 1 April, 2016.

Notes forming part of the Consolidated Financial Statements

c) **Investments in equity instruments**

An entity may make an irrevocable election at initial recognition of a financial asset to present subsequent changes in the fair value of an investment in an equity instrument in profit and loss or other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'Fair value through profit and loss or other comprehensive income'.

The group has accordingly designated certain equity instruments as at 1 April 2016 as fair value through profit and loss or other comprehensive income.

2 **Exceptions**

The following are the mandatory exceptions that have been applied in accordance with Ind AS 101 in preparing financial statements:

a) **Estimates**

The estimates at 1 April, 2016 and at 31 March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences, if any, in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

i. Impairment of financial assets based on expected credit loss model

The estimates used by the group to present amounts in accordance with Ind AS reflects conditions as at the transition date and as on 31 March 2016.

b) **Derecognition of financial assets and financial liabilities**

The group has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) **Classification and measurement of financial assets**

The group has classified financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3 **Reconciliations between Previous GAAP and Ind AS**

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- a Balance Sheet and equity Reconciliation
- b Profit and Loss and Other comprehensive income reconciliation
- c Adjustment to Statement of Cash Flows
- d Total equity reconciliation
- e Total comprehensive income reconciliation

Notes forming part of the Consolidated Financial Statements

a Effect of Ind AS adoption on Balance Sheet

(₹ Lakhs)

	Note	Balance sheet as on 1 April 2016			Balance sheet as on 31 March 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	3 (a)	154.29	-	154.29	111.65		111.65
(b) Capital work-in-progress	3 (a)	28.92	-	28.92	28.92		28.92
(c) Investment property	3 (b)	9,748.25	-	9,748.25	11,158.59		11,158.59
(d) Investment property under development	3 (b)	38,014.47		38,014.47	39,203.33		39,203.33
(e) Intangible assets	4	1,480.53		1,480.53	1,661.60		1,661.60
(f) Intangible assets under development	4	9,738.66		9,738.66	9,246.44		9,246.44
(g) Financial assets							
(i) Investments	5	0.05	-	0.05	0.05	-	0.05
(ii) Other financial assets	6	1,310.44	(358.94)	951.50	1,133.67	(342.09)	791.58
(h) Income tax assets (net)	7	758.63		758.63	602.55		602.55
(i) Deferred tax assets (net)	8	120.00		120.00	1,001.52		1,001.52
(j) Other non-current assets	9	907.97	289.91	1,197.88	968.20	273.53	1,241.73
Total non-current assets		62,262.21	(69.03)	62,193.18	65,116.52	(68.56)	65,047.96
Current assets							
(a) Inventories	10	1,093.60		1,093.60	1,365.55		1,365.55
(b) Financial assets							
(i) Investments	11	953.22		953.22	630.52		630.52
(ii) Trade receivables	12	2,975.73		2,975.73	4,983.62		4,983.62
(iii) Cash and cash equivalents	13 (a)	883.24		883.24	1,494.00		1,494.00
(iv) Bank balances other than (iii) above	13 (b)	302.83		302.83	230.61		230.61
(v) Loans	14	-		-	120.01		120.01
(vi) Other financial assets	6	1,759.02		1,759.02	520.49		520.49
(c) Other current assets	9	273.59	34.21	307.80	188.69	24.05	212.74
Total current assets		8,241.23	34.21	8,275.44	9,533.49	24.05	9,557.54
Total assets		70,503.44	(34.82)	70,468.62	74,650.01	(44.51)	74,605.50

Notes forming part of the Consolidated Financial Statements

(₹ Lakhs)

	Note	Balance sheet as on 1 April 2016			Balance sheet as on 31 March 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	15	3,205.54	-	3,205.54	3,226.42		3,226.42
(b) Other equity	16	21,813.08	(0.65)	21,812.43	25,892.85	132.38	26,025.23
Total equity		25,018.62	(0.65)	25,017.97	29,119.27	132.38	29,251.65
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	17	35,217.87	(34.17)	35,183.70	22,753.39	(25.45)	22,727.94
(ii) Other financial liabilities	18 (b)	10.00	-	10.00	11,902.27	(9,094.52)	2,807.75
(b) Deferred tax liabilities (net)	19	4.20		4.20	-		-
(c) Provisions	20	148.55	-	148.55	155.11		155.11
(d) Other liabilities	21	81.77		81.77	92.23	8,943.08	9,035.31
Total non-current liabilities		35,462.39	(34.17)	35,428.22	34,903.00	(176.89)	34,726.11
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	17	2,560.92		2,560.92	1,167.35		1,167.35
(ii) Trade payables	18 (a)	920.59		920.59	1,241.11		1,241.11
(iii) Other financial liabilities	18 (b)	3,594.80		3,594.80	4,412.97		4,412.97
(b) Other current liabilities	21	2,868.26	-	2,868.26	3,267.48		3,267.48
(c) Provisions	20	42.90		42.90	93.94		93.94
(d) Current tax liabilities (net)	22	34.96		34.96	444.89		444.89
Total current liabilities		10,022.43	-	10,022.43	10,627.74	-	10,627.74
Total liabilities		45,484.82	(34.17)	45,450.65	45,530.74	(176.89)	45,353.85
Total equity and liabilities		70,503.44	(34.82)	70,468.62	74,650.01	(44.51)	74,605.50

Notes forming part of the Consolidated Financial Statements

b Effect of Ind AS adoption on Total Comprehensive Income

(₹ Lakhs)

	Note	For the year ended 31 March 2017		Ind AS
		Previous GAAP	Effect of transition to Ind AS	
Revenue				
Revenue from operations	23	17,741.33	307.46	18,048.79
Other income	24	354.33	24.54	378.87
Total Revenue		18,095.66	332.00	18,427.66
Expenses				
Operational cost	25	3,537.77		3,537.77
Employee benefits expense	26	2,487.78	450.84	2,938.62
Finance costs	27	1,906.82	164.76	2,071.58
Depreciation and amortisation expense	28	979.56	-	979.56
Other expenses	29	5,624.94	34.22	5,659.16
Total Expenses		14,536.87	649.82	15,186.69
Profit before tax		3,558.79	(317.82)	3,240.97
Less : Tax expense				
Current tax - current year		771.82		771.82
Deferred tax benefit including MAT credit entitlement		(878.20)	(4.05)	(882.25)
Profit for the year	(A)	3,665.17	(313.77)	3,351.40
Other comprehensive income				
A. Items that will not be reclassified to profit or loss				
(i) Re-measurement of defined benefit obligation		-	11.69	11.69
(ii) Income tax relating to items that will not be reclassified to the profit or loss		-	(4.05)	(4.05)
Total other comprehensive income	(B)	-	7.64	7.64
Total comprehensive income for the year	(A+B)	3,665.17	(306.13)	3,359.04

c Statement of Cash Flow

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

d Reconciliations of equity and total comprehensive income reported under previous GAAP to equity under Ind AS

Reconciliations of total equity as at 31 March 2017 and 1 April 2016

(₹ Lakhs)

	Note	31 March 2017	1 April 2016
Equity as per previous Indian GAAP		29,119.27	25,018.62
a) Recognition of Share based payment reserve	I	753.43	314.28
b) Discounting of deposit	II	106.93	(34.81)
c) Financial guarantee obligation	III	-	-
d) Amortisation of ancillary cost of loan	IV	25.45	34.16
e) Fair valuation of ESOP	I	(753.43)	(314.28)
f) Deferred Tax Asset/(Liability) on Ind AS adjustments	VI		
Equity as per Ind AS		29,251.65	25,017.97

Notes forming part of the Consolidated Financial Statements

e Reconciliation of total comprehensive income for the year ended 31 March 2017 (₹ Lakhs)

	Notes	31 March 2017
I Net profit as per previous Indian GAAP		3,665.17
a) Discounting of deposit	II	141.74
b) Financial guarantee obligation	III	-
c) Amortisation of ancillary cost of loan	IV	(8.71)
d) Fair valuation of ESOP	I	(439.16)
e) Remeasurement (gains)/losses on defined benefit plan	V	(11.69)
f) Deferred Tax impact on Ind AS adjustments	VI	4.05
II Profit after tax as per Ind A S		3,351.40
III Other comprehensive income		
a) Remeasurement (gains)/losses on defined benefit plan	V	11.69
b) Deferred Tax Asset/(Liability) on Ind AS adjustments	VI	(4.05)
IV Other Comprehensive income as per Ind AS		7.64
V Total Comprehensive income as per Ind AS (III + IV)		3,359.04

Explanations for reconciliation of Balance Sheet and Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

I Share Based Payments

Under Indian GAAP, the group recognised only the intrinsic value for the long-term incentive plan as an expense. As per Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

II Deposits

Under Indian GAAP, the group accounted for deposits received / given at transaction value. As Per Ind AS, the group has discounted the lease deposit to consider wherever the fair value is different from the the market.

III Financial guarantee obligation

The group has issued the financial guarantee on behalf of its subsidiaries for the borrowings taken by them. The group has recognised financial guarantee obligation at fair value with corresponding debit as investment in subsidiary. Subsequently guarantee obligation is amortised as other income.

IV Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were charged to statement of profit and loss. Under Ind AS, borrowings are recorded initially at fair value less transaction cost and are subsequently measured at amortised cost as per Effective Interest Rate (EIR) method.

V Remeasurements of defined benefit plans

Under the Indian GAAP, remeasurements i.e. actuarial gains and losses on the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS-19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

VI Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Indian GAAP and Ind AS.

50 Additional Information as required by Schedule III of the Companies Act 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Shares in Other Comprehensive Income		Share in Profit or loss after other comprehensive income	
	% of consolidated net assets	Amount ₹ Lakhs	% of consolidated Profit	Amount	% of consolidated Profit	Amount ₹ Lakhs	% of consolidated Profit	Amount ₹ Lakhs
I Parent -								
Zee Learn Limited	100.08%	35,368.42	92.86%	4,576.02	91.28%	10.68	92.86%	4,586.70
II Subsidiary -								
Digital Ventures Private Limited	91.08%	32,186.51	4.39%	216.44	8.72%	1.02	4.40%	217.46
Academia Edificio Private Limited	0.00%	(0.90)	-0.01%	(0.37)	0.00%	-	-0.01%	(0.37)
Liberium Global Resources Private Limited	0.38%	135.83	2.76%	135.82	0.00%	-	2.75%	135.82

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

51 The consolidated financial statements (herewith referred to as "financial statements") of the group for the year ended 31 March 2018, were authorised for issue by board of directors at their meeting held on 7 May 2018.

52 Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

Notice

NOTICE is hereby given that the Eighth Annual General Meeting of the members of **Zee Learn Limited** will be held on Monday, the 24th day of September, 2018 at 11:30 a.m., at Ravindra Natya Mandir, P L Deshpande Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025, 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, 2018 including the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To declare dividend of ₹ 0.10 per Equity Share for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Himanshu Mody (DIN 00686830), 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 2018-19, 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 members hereby ratify and confirm the remuneration of ₹ 75,000/- (Rupees Seventy Five thousand) plus applicable taxes and reimbursement of out of pocket expenses payable to M/s Vaibhav P Joshi & Associates, Cost Accountants (Firm Registration No 101329) for conduct of audit of the cost records of the Company for the financial year ending March 31, 2019 as recommended by the Audit Committee and approved by the Board of Directors.

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 a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and subject to the necessary registration, approvals, consents, permissions and sanctions required, if any from the Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

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

"RESOLVED THAT in partial modification of the resolution passed by the Members on December 18, 2015 vide postal ballot Notice dated October 25, 2015, Mr. Ajey Kumar, who was then designated as Executive Director of the Company be and is hereby re-designated / appointed as Managing Director with effect from October 1, 2018 till the end of the tenure of his earlier appointment viz. October 24, 2020 as per the revised terms and conditions of remuneration as mentioned in the resolution below, over and above his earlier terms and conditions.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to requisite regulatory approvals, if any, consent of the members be and is hereby accorded to the payment of such

remuneration as detailed herein below, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 of the Companies Act, 2013.

a) Basic Salary:

The Basic Salary of Mr. Ajey Kumar shall be ₹ 448500/- per month with the authority to the Board of Directors to determine any increments from time to time during the term of his appointment as per the recommendations of the Nomination and Remuneration Committee.

b) Allowances, Perquisites and other items:

In addition to the basic salary, Mr. Ajey Kumar shall be entitled to:

- i. Allowances as per rules of the Company including Personal Allowance, House Rent Allowance, Children Education Allowance etc. which in the aggregate shall not be exceeding ₹ 319813/- per month, with an authority to the Board of Directors to determine any increase from time to time as recommended by the Nomination and Remuneration Committee.
- ii. Perquisites as per rules of the Company including Club fees, Personnel accident, Medical insurance, Life insurance, company provided housing, meal & gift vouchers, use of chauffeur driven company car, company provided communication & IT equipment, telecommunication facilities at residence etc. He will also be entitled to travel, boarding and lodging for business purposes as per company's applicable rules. As Managing Director or otherwise, he shall be eligible to such number of stock options as may be granted and recommended by the Nomination and Remuneration Committee from time to time which will be over and above stock options already granted earlier. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost;
- iii. Other Perquisites, Allowances and Reimbursements like Books & periodicals, Entertainment, Car / Driver / Maintenance / related costs, Communication, Leave Travel, Medical reimbursement etc. as per the policy of the Company.

- iv. Company's contribution to Provident fund, Gratuity, Leave encashment, Superannuation etc. as per the rules of the Company; and
- iv. Variable Pay as approved by the Board based on the recommendation of the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT notwithstanding anything herein, when in any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Mr. Ajey Kumar, the remuneration ie. Salary, allowances, perquisites, reimbursements, stock options, retirement benefits, variable pay etc., as set out hereinabove, including any increments and variable pay as may be approved by the Board of Directors from time to time as minimum remuneration subject to the provisions of Schedule V if required.

RESOLVED FURTHER THAT subject to the provisions of Schedule V of the Companies Act, 2013, in the event of Mr. Ajey Kumar drawing remuneration as managerial person from two public limited companies, the total remuneration drawn from both the companies shall not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.

RESOLVED FURTHER THAT the Board of Directors or the Chief Financial Officer or the HR Head or the Company Secretary thereof be and are hereby authorised severally to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. 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 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other applicable regulatory provisions, approval of the members be and is hereby accorded to the Related Party Transaction(s), aggregate value whereof is estimated to exceed materiality threshold prescribed in Listing Regulations, entered into by the Company with Taleem Research Foundation, a trust and a Related Party as per Indian Accounting Standards, for providing Corporate Guarantee towards the term loan availed by Taleem Research Foundation from Yes Bank Limited and detailed in the explanatory statement.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof of the Company be and is hereby authorised to (i) finalise, from time to time, the terms of

the arrangements/agreements relating to the above material related party transactions, on an arms-length basis, including any renewals thereof, notwithstanding that the value of such current and future related party transactions may exceed the materiality threshold prescribed under Regulation 23 of Listing Regulations or any other regulatory requirements; and (ii) do all such acts, matters, deeds and things as may be deemed appropriate/necessary in the best interest of the Company in this regard."

Place: Mumbai
Date: August 9, 2018

By order of the Board
Bhautesh Shah
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 Share Transfer books of the Company will be closed from Monday, September 17, 2018 to Monday, September 24, 2018 (both days inclusive). Equity Dividend, if approved by Members at the Annual General Meeting will be paid on or after October 1, 2018 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), direct transfer 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 dematerialised 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, 2018, may send their queries at least seven days before the Annual General Meeting to the Company Secretary & Compliance Officer at the registered office of the Company or at email id investor_relations@zeelearn.com.
8. Electronic Copy of the Annual Report for 2017-18 is being sent to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication. For Members who have not registered their email address, physical copies of the Annual Report for 2017-18 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 C101, 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. Pursuant to SEBI circular dated April 20, 2018, members whose ledger folios having incomplete details with regard to PAN and Bank particulars are required to furnish the same to the Registrar and Share Transfer Agent / Company for registration in the folio. Such Members are requested to provide their PAN and Bank particulars to the Registrar and Share Transfer Agent / Company. Further, in respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be.
13. As per the provisions of the Companies Act, 2013, nomination facility is available to the members in respect of the shares held by them. Members holding shares in single name and physical form may send duly completed and signed nomination form to the Registrar and Share Transfer Agent. Members holding shares in dematerialised form may contact their respective Depository Participant/s.
14. 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 24, 2018.
15. **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 8th 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 21, 2018 at 9:00 a.m. and will end on September 23, 2018 at 5:00 p.m. During this period equity shareholder of the Company holding shares either in physical form or in dematerialised form as on the cut off date of September 17, 2018, 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.
16. 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.
17. 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.
18. The voting rights of Members either by way of remote evoting 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 17, 2018.
19. 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.
20. The Company has appointed Mrs. Mita Sanghavi, Practicing Company Secretary as Scrutiniser 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.
21. The Scrutiniser 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 evoting 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 scrutiniser'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.

22. The Results declared along with the Scrutiniser'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.
23. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Friday, September 21, 2018 at 9:00 a.m. and ends on Sunday, September 23, 2018 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Monday, September 17, 2018 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 scrutiniser 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 Vaibhav P. Joshi & Associates, Cost Accountants (Firm Registration No 101329) to conduct the audit of the cost records of the Company relating to its Education Services for the Financial Year ending March 31, 2019 on a remuneration of ₹ 75,000/- (Rupees Seventy Five thousand) plus applicable taxes and reimbursement of 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, 2019.

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 existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and new provisions have been added. In view of the same, the existing Articles of Association of the Company need to be re-aligned as per the provisions of the new Act. Given the number of changes, it is felt expedient to replace the existing Articles of Association with the new Articles of Association.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company. The draft Articles of Association are available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 am to 5:00 p.m upto the date of this Annual General Meeting and the same are also available on the Company website www.zeelearn.com and shall also be available for inspection at the AGM.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No.7

Based on recommendation of the Nomination & Remuneration Committee, the Board of Directors at the meeting held on October 25, 2015, had approved appointment of Mr. Ajey Kumar, as an Executive Director for a period of 5 years which was approved by the members of the Company vide Postal Ballot / e-voting process on December 18, 2015. As per the terms of his appointment he was eligible for grant of stock options from the Company as an Executive Director or otherwise but without any remuneration as of then.

Under the able guidance of Mr. Ajey Kumar, the Company has shown a commendable performance in term of jump in revenues of the Company from ₹ 1215.83 millions in FY15 to ₹ 1863.43 millions in FY18. The Company's profit (before tax) has grown manifold from ₹ 96.23 million in FY15 to ₹ 713.66 millions in FY18. The Company has also started new lines of synergistic businesses and has done acquisitions under the guidance of Mr Ajey Kumar thus opening new vistas for the Company's growth. In light of the stellar performance of the Company under his guidance and the need for more intensive guidance from him, it is proposed to re-designate / appoint him as Managing Director for the balance part of his tenure. Mr. Ajey Kumar based on the terms of his earlier appointment was eligible for stock options of the Company as an Executive Director or otherwise but no remuneration was then payable to him. In line with his increased inputs and efforts that are required in the Company and in order to remunerate him commensurate with his role, abilities and responsibilities the Board of Directors based on the recommendation of the Nomination and Remuneration Committee at its meeting held August 9, 2018 and subject to the requisite regulatory approvals including approval of members, have approved the re-designation / appointment of Mr. Ajey Kumar from Executive Director to Managing Director of the Company w.e.f October 1, 2018 till the end of the tenure of his appointment

viz. October 24, 2020 with remuneration as detailed in the Item No.7 of the Notice. Further, as a Managing Director or otherwise, he shall be eligible to such number of stock options as may be recommended by the Nomination and Remuneration Committee from time to time, over and above the stock options which have already been granted to him under the earlier grant/s as an Executive Director or otherwise.

The terms and remuneration as mentioned in the resolution may be altered and varied by the Board based on the recommendation of the Nomination and Remuneration Committee. While the Company's operations are profitable, the overall managerial remuneration including remuneration proposed to be paid to Mr. Ajey Kumar, may exceed the limits prescribed under Section 197 of the Companies Act, 2013. Further in the event of loss or inadequacy of profits in any financial year, the remuneration, ie. allowances, perquisites, reimbursements, stock options, retirement benefits, variable pay etc., as detailed in the resolution (with such increase as may be approved by the Board) will be payable as minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013.

However, since Mr. Ajey Kumar is a Professional director without any direct or indirect interest in the Capital of the Company as prescribed in the Companies Act, 2013 and/or its Subsidiary(ies) and further since Mr. Ajey Kumar is not related to any Directors or Promoters of the Company or its subsidiary(ies), the remuneration proposed to be paid to Mr. Ajey Kumar shall not require approval of the Central Government as per Clause B of Section II of Part II of Schedule V of the Companies Act, 2013. In this regard it may be noted that the Company has not committed any default in repayment of its debts or interest thereon.

Requisite details relating to the proposal as prescribed in Schedule V of the Companies Act, 2013 is mentioned herein:

General Information of the Company: Zee Learn Limited is India's leading company in the Education segment with the fastest growing chain of K-12 schools (MLZS - Mount Litera Zee Schools) and Asia's No 1 chain of Preschools (Kidzee) in its portfolio. The Company also operates in the Vocational segment through ZIMA – Zee Institute of Media Arts (for film and media training), ZICA – Zee Institute of Creative Arts (for animation and graphics courses) and ZITA - Zee Institute of Teaching Arts (for teacher's training courses). Through its various offerings Zee Learn Ltd. has over 2 Lakhs students in their schools across 700 plus cities.

Financial Performance of the Company: During FY 17-18, the Standalone operations of the Company cloaked revenue of ₹ 1863.43 million and the operations during the year resulted in Net Profit (before tax) of ₹ 713.66 million. Relevant financial details along with highlights and indicators of past and current performance of the Company forms part of the Audited Financial statements of the Company for FY 2017-18.

Information about Mr. Ajey Kumar:

Particulars	Information
DIN	02278096
Education Qualifications	B.E. (E&C) from Delhi College of Engineering and MBA from FMS, Delhi University.
Experience	Mr. Ajey Kumar is a senior professional who has global experience in Strategy, Business Leadership, Turnarounds and Startups. He has worked in reputed companies like HUL, Lupin, Ethypharm etc. and has expertise in areas like Consumer goods, Life Sciences, Wellness, Education, Services, Real Estate etc.

Considering the qualification and experience of Mr. Ajey Kumar and the remuneration drawn by the professionals with similar experience in other entities comparable to size and scale of operations of the Company, your Board feels that the proposed remuneration is fair, just and reasonable and therefore recommends the Special Resolution as set out respectively, in Item No. 7 for your approval.

Mr. Ajey Kumar holds 16,00,943 equity shares of the face value of ₹ 1/- each in the Company and is not related to other Directors or Key Managerial Personnel of the Company.

It is proposed to seek the Members' approval for the payment of above said remuneration to Mr. Ajey Kumar in his capacity as a Managing Director and making him eligible for getting further grants of stock options as a Managing Director or otherwise over and above the stock options granted to him earlier, in terms of the applicable provisions of the Act and the relevant Rules made thereunder. This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of re-designation / appointment of Mr. Ajey Kumar as the Managing Director of the Company.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Ajey Kumar (who is the subject of the proposed resolutions) is in any way concerned or interested in the resolutions detailed in Item No.7 of the Notice.

Item No.8

The Board at its meeting held on May 7, 2018 based on the recommendation of the Audit Committee approved the transaction pertaining to issue

of Corporate Guarantee to Taleem Research Foundation, a trust and a related party as per the Indian Accounting Standard, subject to the approval of Shareholders at the ensuing Annual General Meeting of the Company. Taleem Research Foundation had taken a term loan from YES Bank Limited towards payment of security deposit to the extent of ₹ 160,00,00,000 (Rupees One hundred sixty crores) towards usage of Brand name "Mount Litera School International" belonging to the Company and security deposit of ₹ 150,00,00,000 (Rupees one hundred fifty crores) to the subsidiary of the Company i.e Digital Ventures Pvt. Ltd. for the operation and management of the Mount Litera School International at BKC, Mumbai. As per the one of the conditions of the term loan extended to Taleem Research Foundation, a Corporate Guarantee is required to be given by the Company to Yes Bank Ltd. for the term loan facility extended to Taleem Research Foundation aggregating to ₹ 310,00,00,000 (Rupees Three hundred ten crores). Since the aggregate value whereof is estimated to exceed materiality threshold prescribed in Listing Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of the shareholders is required.

As per Listing Regulations, all related parties of the Company, including Promoters, entities forming part of Promoter Group, Directors, Key Managerial Personnel and their relatives shall not vote to approve this resolution.

Since the proposed related party transactions to be done by the Company with Taleem Research Foundation for providing Corporate Guarantee in lieu of the security deposit extended by Taleem Research Foundation would be beneficial to the Company by way of increased liquidity and strengthening its cash flow, your Board recommends the Ordinary resolution as set out in Item No. 8 of the Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution as detailed in Item No. 8 of the Notice.

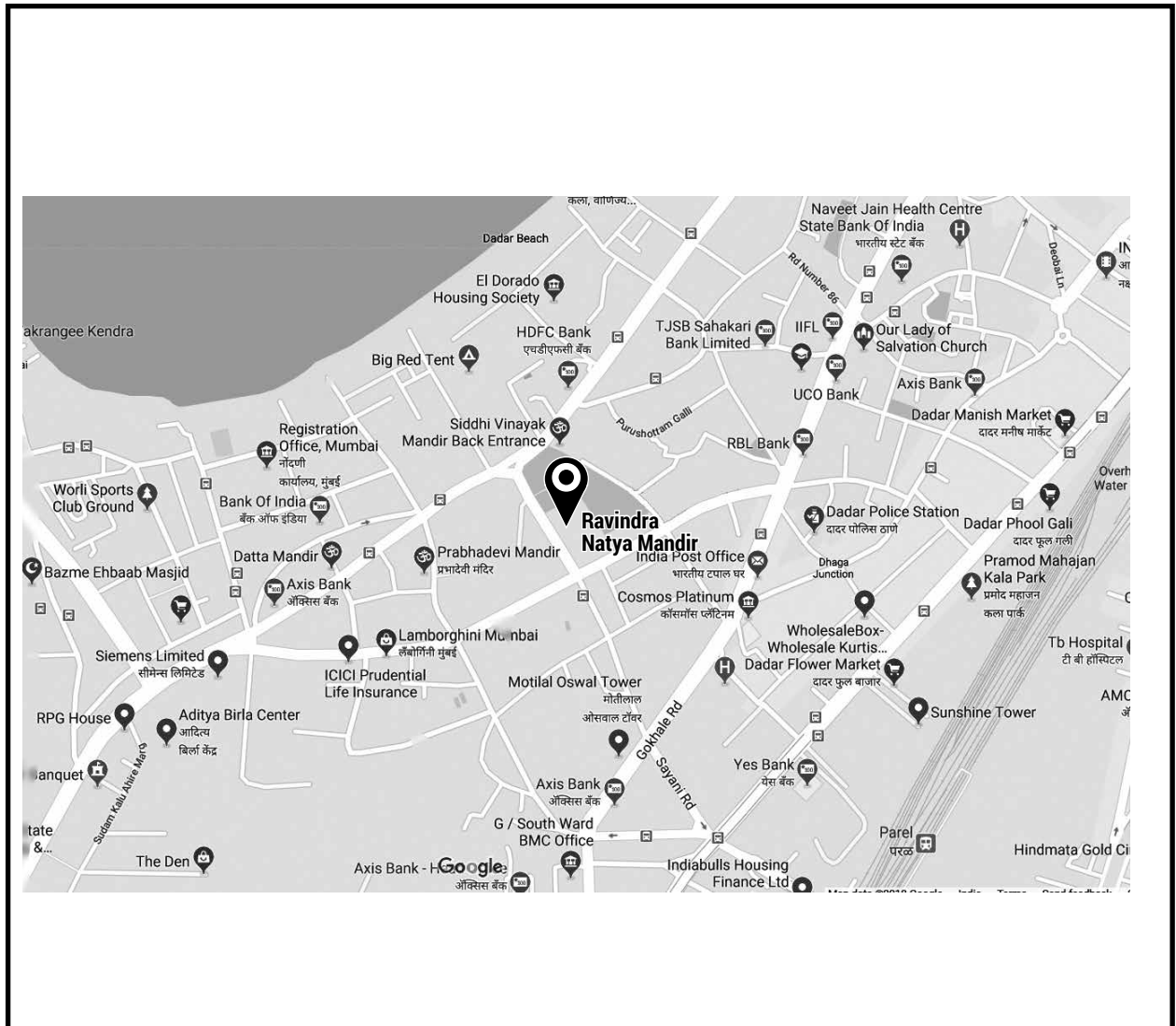
Place: Mumbai
Date: August 9, 2018

By order of the Board
Bhautesh Shah
Company Secretary

Registered Office:

Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018

Map of AGM Venue





ZEE LEARN LIMITED

Regd. Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Tel:-91-22-40343900 **Fax:-**91-22-24955974

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 Member(s):

Registered Address:

Email ID: **Folio No./DP ID-client 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 8th Annual General Meeting of the Company, to be held on Monday, September 24, 2018 at 11:30 a.m. at the Ravindra Natya Mandir, P. L. Deshpande Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025 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, 2018 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2.	Declare dividend of ₹ 0.10 per equity share for the financial year ended March 31, 2018.		
3.	Re-appointment of Mr. Himanshu Mody as a Director of the Company.		
4.	Appointment of Statutory Auditors		
5.	Ratification of remuneration of M/s Vaibhav P Joshi & Associates, Cost Auditors of the Company for the financial year 2018-19.		
6.	Alteration of Articles of Association in compliance with Companies Act, 2013		
7.	Re-designation / appointment of Mr. Ajey Kumar, Executive Director as the Managing Director of the Company and to confirm his terms of remuneration.		
8.	Material Related Party Transaction by the Company with Taleem Research Foundation as per Regulation 23 of SEBI (LODR) Regulations, 2015.		

Signed this day of 2018.

Signature of Shareholder Signature of Proxy holder

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.

Affix
Revenue
Stamp



ZEE LEARN LIMITED

Regd. Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Tel:-91-22-40343900 **Fax:-**91-22-24955974

CIN: L80301MH2010PLC198405 **Website:** www.zeelearn.com

ATTENDANCE SLIP

8th Annual General Meeting – September 24, 2018 at 11:30 a.m.

I/We hereby record my/our presence at the 8th Annual General Meeting of the Company at Ravindra Natya Mandir, P L Deshpande Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025, Monday, September 24, 2018 at 11.30 a.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 dematerialised form)

Zee Learn Limited
513/A, 5th Floor, Kohinoor City,
Kiorl Road, Off LBS Marg,
Kurla (West), Mumbai- 400 070.

P: +91 22 4034 3900
F; +91 22 2674 3422
Customer Support :
+91 93200 63100

Registered Office :
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai-400018.



THINK EDUCATION. THINK ZEE LEARN.



CIN: L80301MH2010PLC198405