

Zee Learn Limited swing to Net Profit for FY15; reports Rs. 96.23 mn net profit

Mumbai, 27th May, 2015: Zee Learn Limited, a leading player in core education, today reported standalone net profit of Rs. 38.14 mn for the quarter ended March 31, 2015 as against a loss of (Rs. 17.29 mn) for the corresponding quarter ending March 31, 2014. Revenue from operations for the quarter ending March 31, 2015 stood at Rs. 416.87 mn, up against Rs. 390.41 mn for the corresponding quarter ending March 31, 2014. EBITDA from operations for the quarter ending March 31, 2015 stood at Rs. 71.86 mn, up against Rs. 24.83 mn for the corresponding quarter ending March 31, 2014. The Board of Directors, in its meeting held today, approved and took on record the financial results of Zee Learn Ltd. for the fourth quarter ended March 31, 2015.

Standalone Net profit stood at Rs. 96.23 mn for the year ended March 31, 2015 against the loss of (Rs. 13.27 mn) for the corresponding year ending March 31, 2014. Standalone Revenue from operations for the year ending March 31, 2015 stood at Rs. 1,215.83 mn, up against Rs. 1,191.75 mn for the corresponding year ending March 31, 2014. EBITDA from operations for the year ending March 31, 2015 stood at Rs. 249.39 mn, up against Rs. 103.67 mn for the corresponding quarter ending March 31, 2014.

Consolidated Net profit stood at Rs. 98.93 mn for the year ended March 31, 2015 against the loss of (Rs. 19.38) mn for the corresponding year ending March 31, 2014. Consolidated Revenue from operations for the year ending March 31, 2015 stood at Rs. 1,277.83 mn, up against Rs. 1,213.19 mn for the corresponding year ending March 31, 2014. EBITDA from operations for the year ending March 31, 2015 stood at Rs. 306.08 mn, up against Rs.121.51 mn for the corresponding quarter ending March 31, 2014.

Standalone Financial Highlights

Rs in Mn

Particulars	Q4 FY15	Q4 FY14	Growth	FY15	FY14	Growth
Revenue from Operation	416.87	390.41	6.80%	1,215.83	1,191.75	2.00%
Operating EBITDA	71.86	24.83	189.40%	249.39	103.67	140.60%
Operating EBITDA (%)	17%	6%		21%	9%	
Other Income	18.18	4.78	280.33%	47.34	31.81	48.80%
Reported EBITDA	90.04	29.61	204.09%	296.73	135.48	119.00%
Finance Cost	35.16	30.67	14.60%	132.48	82.33	60.90%
Depreciation	16.74	16.24	3.10%	68.02	66.42	2.40%
PBT	38.14	(17.29)		96.23	(13.27)	
Net Profit	38.14	(17.29)		96.23	(13.27)	

Commenting on the performance, **Mr. K.V.S.Seshasai, CEO, Zee Learn Ltd** said, "We have delivered on our promise of profitability throughout the year. The Company has shown significant growth in

profit after tax, both for the current quarter and for the 12 month period. The improved performance is a result of increase in enrollments in Kidzee centers by 18% and by 38% in MLZS during the FY15 vis-à-vis FY14. For the first time, the company added more than 500 pre-school franchisee partners. Our top line growth looks muted on account of transferring the operations of servicing educational content of Television channel ZeeQ to its group company, Zee Entertainment Enterprises Ltd and due to planned de-growth in non-core businesses”.

Commenting on the Education sector in India, Mr. Sai said “the Indian education sector is poised at a crucial stage in its growth. India’s demographic advantage of having a large population of youth, coupled with low gross enrolment ratios, presents a huge opportunity to education sector players. At the same time, the growth of the Indian economy and upward movement of income levels is boosting spend on Education, which already account’s for the second-highest share of wallet for middle-class households. Zee Learn Ltd with its PAN India presence in Pre-Schools and K-12 schools is all poised to leverage its position to take advantage of the changing dynamics of this sector. Zee Learn is all set to provide quality education in line with the new government’s vision of making India a knowledge superpower by equipping the students with necessary skills and knowledge”.

Standalone Financial performance of core business sans ZeeQ is tabulated hereunder:

Rs in Mn

Particulars	Q4 FY15	Q4 FY14	Growth	FY15	FY14	Growth
Revenue from Operation	416.87	324.63	28.40%	1,165.58	1,009.17	15.50%
Operating EBITDA	71.86	22.06	225.70%	243.52	77.94	212.40%
Operating EBITDA (%)	17%	7%		21%	8%	
Other Income	18.18	4.78	280.33%	47.34	31.81	48.80%
Reported EBITDA	90.04	26.84	235.47%	290.85	109.75	165.00%
Finance Cost	35.16	30.67	14.60%	132.48	82.33	60.90%
Depreciation	16.74	16.24	3.10%	68.02	66.42	2.40%
PBT	38.14	(20.06)		90.35	(38.99)	
Net Profit	38.14	(20.06)	-	90.35	(38.99)	

Operating Highlights

- Preschool signup up by 26% in Q4FY15 vis-a vis Q4FY14 and 31% in 12M FY15 vis-a vis 12M FY14
- Growth in enrollments of 18% in 12M FY15 vis-a vis 12M FY14 in its pre schools operation
- Growth in enrollments of 38% in 12M FY15 vis-a vis 12M FY14 in its K-12 schools operation

- Growth in revenue from operation (Sans ZeeQ operation) is by 28.40% over same quarter last year and by 15.50% over 12M last year
- Operating EBITDA margins (Sans ZeeQ operation) up from 7% in Q4FY14 to 17% in Q4FY15 and from 8% in 12M FY14 to 21% in 12M FY15
- Net profits (Sans ZeeQ operation) for the Q4FY15 stands at Rs. 38.14 mn vis-à-vis loss of (Rs. 20.06) mn in Q4FY14.
- Net profits (Sans ZeeQ operation) for the 12M FY15 stands at Rs. 90.35 mn vis-à-vis a loss of (Rs. 38.99) mn in 12M FY14.

Zee Learn Limited

Zee Learn Limited is the educational division of Essel Group. Listed on National Stock Exchange (NSE) & Bombay Stock Exchange (BSE), it is one of the leading education companies in India. As a significant player in Core Education, Zee Learn is set to ride on an increasing demand for quality education and development with the fastest growing chain of preschools & K-12 schools.

For additional information, please contact:

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Mr. Sidhartha Acharya: sidhartha.acharya@zeelearn.com



ZEE LEARN LIMITED

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Audited Standalone Financial Results for the year ended 31st March, 2015

Audited Standalone Statement of Assets and Liabilities as at 31st March, 2015

Sr. No.	Particulars	(₹ in Lacs)				
		Quarter ended 31st March 2015	Quarter ended 31st Dec. 2014	Quarter ended 31st March 2014	Year ended 31st March 2015	Year ended 31st March 2014
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from operations	4,168.72	1,983.75	3,904.12	12,158.25	11,917.54
	Total Income from operations	4,168.72	1,983.75	3,904.12	12,158.25	11,917.54
2	Expenditure					
a)	Purchase of education goods and television content	1,584.94	1,166.43	1,577.75	3,941.35	4,357.10
b)	(Increase)/decrease in stock-in-trade	(466.80)	(905.91)	(292.18)	(816.93)	(884.19)
c)	Operating Cost	125.47	75.30	127.02	319.77	369.37
d)	Employee benefits expense	605.07	633.30	804.80	2,495.13	3,126.85
e)	Depreciation and amortisation expenses	167.40	150.51	162.37	680.21	684.16
f)	Marketing, advertisement and publicity expenses	860.25	140.05	827.14	1,405.26	1,370.84
g)	Other expenses	741.23	431.66	811.26	2,319.75	2,540.85
	Total Expenses	3,617.56	1,691.34	3,818.16	10,344.54	11,544.98
3	Profit/(Loss) from operations before other income, finance costs and tax	551.16	292.41	85.96	1,813.71	372.56
4	Other income	181.84	136.11	47.80	473.39	318.09
5	Profit/(Loss) before finance costs and tax	733.00	428.52	133.76	2,287.10	690.65
6	Finance costs	351.55	319.05	306.70	1,324.84	823.30
7	Profit/(Loss) before tax	381.45	109.47	(172.94)	962.26	(132.65)
8	Tax Expenses	-	-	-	-	-
9	Net Profit/(Loss) after tax	381.45	109.47	(172.94)	962.26	(132.65)
10	Paid up Equity Share Capital (Face Value ₹ 1/- per share)	3,200.01	3,199.29	3,193.32	3,200.01	3,193.32
	Reserves excluding Revaluation Reserves	-	-	-	20,244.06	19,203.24
	Earning Per Share - Basic & Diluted (₹)	0.12	0.03	(0.05)	0.30	(0.04)
A	Particulars of shareholding					
1	Public Shareholding					
	- Number of shares	12,27,08,218	12,26,36,067	12,20,38,765	12,27,08,218	12,20,38,765
	- Percentage of Shareholding	38.35%	38.33%	38.22%	38.35%	38.22%
2	Promoters and promoter group shareholding	19,72,92,879	19,72,92,879	19,72,92,879	19,72,92,879	19,72,92,879
a)	Pledged / Encumbered					
	- Number of shares	11,82,52,033	12,65,47,033	10,05,95,000	11,82,52,033	10,05,95,000
	- % of shares (as a % of the total shareholding of promoters/group)	59.94%	64.14%	50.99%	59.94%	50.99%
	- % of shares (as a % of the total share capital of the company)	36.95%	39.56%	31.50%	36.95%	31.50%
b)	Non-encumbered					
	- Number of shares	7,90,40,846	7,07,45,846	9,66,97,879	7,90,40,846	9,66,97,879
	- % of shares (as a % of the total shareholding of promoters/group)	40.06%	35.86%	49.01%	40.06%	49.01%
	- % of shares (as a % of the total share capital of the company)	24.70%	22.11%	30.28%	24.70%	30.28%
B	Investor Complaints					
	Pending at the beginning of the quarter	-	-	-	-	-
	Received during the quarter	-	-	-	-	-
	Disposed of during the quarter	-	-	-	-	-
	Remaining unresolved at the end of the quarter	-	-	-	-	-

Particulars	(₹ in Lacs)	
	As at 31st March 2015	As at 31st March 2014
	Audited	Audited
Equity and Liabilities		
Shareholder's Fund		
Share Capital	3,200.01	3,193.32
Reserves & Surplus	20,244.06	19,203.24
Non-Current Liabilities		
Long-Term Borrowings	4,680.00	8,596.00
Long-Term Provisions	147.22	144.46
Other Long Term Liabilities	29.60	71.39
Current Liabilities		
Short-term borrowings	2,936.91	-
Trade Payables	1,318.85	871.63
Other Current Liabilities	8,425.57	7,162.75
Short-Term Provisions	42.63	43.91
Total	41,024.85	39,286.70
Assets		
Non-Current Assets		
Fixed Assets		
(i) Tangible Assets	218.85	571.07
(ii) Intangible Assets	724.10	874.35
(iii) Intangible Assets under development	357.86	273.06
Non Current Investment	33,221.92	10,601.05
Long Term Loans and Advances	909.07	750.50
Other non-current assets	337.61	374.23
Current Assets		
Current Investments	377.14	10,035.93
Inventories	2,741.09	1,924.16
Trade Receivables	701.27	1,027.14
Cash and Bank Balances	692.59	1,411.60
Short-term loans and advances	262.77	11,309.73
Other current assets	180.58	133.88
Total	41,024.85	39,286.70

Audited Consolidated Financial Results for the year ended 31st March, 2015

Particulars	(₹ in Lacs)		
	Year Ended 31st March 2015	Year Ended 31st March 2014	
	Audited	Audited	
1	Income		
	Revenue from operations	12,778.33	12,131.91
	Total Income from operations	12,778.33	12,131.91
2	Expenditure		
a)	Purchase of education goods and television content	3,941.35	4,357.10
b)	(Increase)/decrease in stock-in-trade	(816.93)	(884.19)
c)	Operating Cost	319.77	369.37
d)	Employee benefits expense	2,487.72	3,126.85
e)	Depreciation and amortisation expenses	934.54	735.68
f)	Marketing, Advertisement and Publicity expenses	1,405.25	1,370.84
g)	Other expenses	2,370.33	2,576.83
	Total Expenses	10,652.03	11,652.48
3	Profit/(Loss) from operations before other income, finance costs and tax	2,126.30	479.43
4	Other income	383.51	301.56
5	Profit/(Loss) before finance costs and tax	2,509.81	780.99
6	Finance costs	1,520.44	974.81
7	Profit/(Loss) before tax	989.37	(193.82)
8	Tax Expenses	4.45	-
	Minimum Alternate Tax	(4.45)	-
9	Net Profit/(Loss) after tax	989.37	(193.82)
10	Paid up Equity Share Capital (Face Value ₹ 1/- per share)	3,200.01	3,193.32
	Reserves excluding Revaluation Reserve	20,187.13	19,119.20
	Earnings Per Share - Basic & Diluted (₹)	0.31	(0.06)

Audited Consolidated Statement of Assets and Liabilities as at 31st March, 2015

Particulars	(₹ in Lacs)	
	As at 31st March 2015	As at 31st March 2014
	Audited	Audited
Equity and Liabilities		
Shareholder's Fund		
Share Capital	3,200.01	3,193.32
Reserves & Surplus	20,187.13	19,119.20
Non-Current Liabilities		
Long-Term Borrowings	29,597.50	28,232.74
Long-Term Provisions	152.02	146.98
Other Long Term liabilities	34.05	71.39
Deferred tax liability (net)	9.01	-
Current Liabilities		
Short-term borrowings	3,381.18	-
Trade Payables	1,318.85	871.63
Other Current Liabilities	10,377.25	9,278.26
Short-Term Provisions	43.14	44.21
Total	68,300.14	60,957.73
Assets		
Non-Current Assets		
Fixed Assets		
(i) Tangible Assets	7,698.23	3,063.96
(ii) Intangible Assets	1,744.08	874.35
(iii) Capital Work-in-progress	34,640.25	32,444.84
(iv) Intangible Assets under development	9,807.86	10,773.06
Non Current Investment	0.05	0.05
Long term Loans and Advances	6,891.36	6,773.10
Other non-current Assets	781.95	376.05
Current Assets		
Current Investment	377.14	463.93
Inventories	2,741.09	1,924.16
Trade Receivables	1,610.62	1,286.22
Cash and Bank Balances	1,500.24	1,696.14
Short-Term Loans and Advances	266.68	1,171.26
Other current Assets	180.59	110.60
Total	68,300.14	60,957.73

NOTES - Standalone

- The audited standalone financial results of the Company for the year ended 31st March, 2015 have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on 27th May, 2015.
- As the Company's business activity falls within a single primary business segment viz "Educational Services", the disclosure requirements of Accounting Standards (AS-17) "Segment Reporting" is not applicable.
- Figures of the quarter ended 31st March, 2015 and 31st March, 2014 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial year.
- The useful life of fixed assets has been revised in accordance with Schedule II of the Companies Act, 2013, which is applicable for accounting periods commencing on or after 1st April, 2014. Consequently, an amount of ₹ 43.74 lacs representing assets beyond their useful life as of 1st April 2014 has been charged to retained earnings. In other cases carrying amount has been depreciated/ amortized over the remaining useful life of the assets and effect on profit is not material.
- During the 4th quarter of FY 2014-15, the Company has issued and allotted 72,151 equity shares to eligible employees under the Employee Stock Option Scheme 2010.
- Previous period/years figures have been regrouped, wherever necessary.

NOTES - Consolidated

- The consolidated financial results of the company for the year ended 31st March, 2015 have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on 27th May, 2015.
- Previous period/years figures have been regrouped, wherever necessary.

For and on behalf of Board of Directors

Sd/-

Subodh Kumar
Chairman

Place : Mumbai

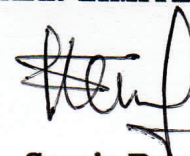
Date : 27th May, 2015

**Disclosure of Information as required under Clause 20 of the Listing Agreement
(Standalone Operations)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	(Amount in Rs.)	(Amount in Rs.)
Income		
Revenue from operations	1,215,825,234	1,191,753,849
Other Income	47,338,733	31,808,613
Total	1,263,163,967	1,223,562,462
Operating Profit	164,247,425	53,150,802
Depreciation / Amortization	68,021,063	66,415,834
Profit before tax	96,226,362	(13,265,032)
Profit after tax	96,226,362	(13,265,032)
Appropriations:		
Appropriation to General Reserve	-	-
Proposed Dividend	-	-
Tax on Dividend	-	-

Note: Audited Financial Results of the Company for the financial year ended March 31, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on May 27, 2015.

FOR ZEE LEARN LIMITED



Samir Raval

Company Secretary

Date: May 27, 2015

Independent Auditors' Report

To
The Board of Directors of
Zee Learn Limited

1. We have audited the accompanying Statement of Standalone Financial Results (the "Statement") of **Zee Learn Limited** ("the Company") for the year ended 31 March 2015, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement has been prepared by the Company on the basis of the related annual standalone financial statements for the year ended 31 March 2015, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual standalone financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 3 of the Statement regarding figures for the quarter ended 31 March, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (a) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and



- (b) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31 March 2015.
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoter and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part – II Select Information for the quarter and year ended 31 March 2015, from the details furnished by the Management and the Registrars respectively.

For **MGB & Co. LLP**
Chartered Accountants
Firm Registration Number 101169WW-100035


Sanjay Kothari
Partner



Membership Number 048215

Mumbai, 27 May, 2015

Independent Auditors' Report

To
The Board of Directors of
Zee Learn Limited

1. We have audited the accompanying Statement of Consolidated Financial Results (the "Statement") of **Zee Learn Limited** ("the Company"), its subsidiaries (the Company and its subsidiary constitute "the Group") for the year ended 31 March 2015, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared by the Company on the basis of the related annual consolidated financial statements for the year ended 31 March 2015, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Statement reflects the Group's share of Revenue from operations of Rs. 670.85 lacs and total assets of Rs. 60,661.01 lacs of subsidiary whose financial statements have been considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of such other auditors.



4. In our opinion and to the best of our information and according to the explanations given to us, on the basis stated in paragraph 3, the Statement:
- (a) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - (b) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31 March 2015.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number ~~101169W/W~~-100035


Sanjay Kothari
Partner



Membership Number 048215

Mumbai, 27 May 2015