

ANNUAL REPORT  
2014 - 15

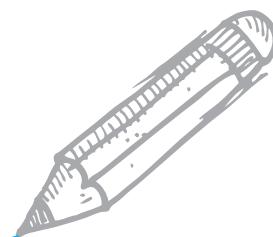


THE  
A TO ZEE  
OF EDUCATION





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## ABOUT ZEE LEARN

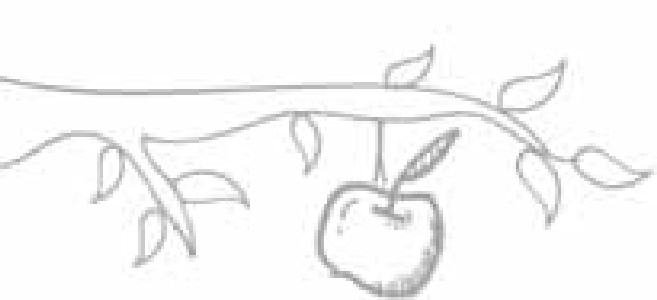
Zee Learn is India's leading company in the education segment with the fastest growing chain of K-12 schools and Asia's No 1 chain of pre-schools in its portfolio. Zee Learn acts as a consultant to local entrepreneurs who wish to setup K-12 schools, under its brand name Mount Litera Zee School and provides end to end Education management and Advisory services. Mount Litera Zee School is now the second largest chain of schools in the private-unaided category with over 89 schools in more than 75 cities and is also the fastest growing school chain in India.

Zee Learn also runs Asia's No. 1 chain of pre-schools, Kidzee with more than 1350+ pre-schools in 550 + cities. Kidzee is a pioneer in organized and standardized pre-schooling in the country. Kidzee has touched the lives of more than 400,000 children since its inception in 2003.

In the wake of the recent increase in disposable incomes in the country and rising awareness of global standards of education amongst parents, there is a demand for international standard pre-schools.

Today's youth is looking for vocational education outside the ambit of traditional higher education. Acknowledging this fact, Zee Learn has developed Zee Institute of Media Arts (ZIMA), a TV and Film training institute in Mumbai that offers diploma courses in Direction, Acting, Sound, Editing, Production and Cinematography. Another offering from the company, Zee Institute of Creative Art (ZICA) is the nation's first full-fledged Classical and Digital Animation Training Academy that trains youth in classical 2D and modern 3D animation in 15 cities across the country.





## BOARD OF DIRECTORS

**Subodh Kumar**  
*Chairman*

**Surjit Banga**  
*Independent  
Director*

**Dr. Manish  
Agarwal**  
*Independent  
Director*

**Himanshu  
Mody**  
*Non-Executive  
Director*

**Sangeeta  
Pandit**  
*Independent  
Director*

# SENIOR MANAGEMENT



**K V S Seshasai**  
*Chief Executive Officer*



**Umesh Pradhan**  
*Manager &  
Chief Financial Officer*



**Samir Raval**  
*Company Secretary*



**Abhinav Upadhyay**  
*Head - Marketing and Innovation*



**Sindu Aven**  
*Head - Academics*



**Vivek Bhanot**  
*Head - Strategic Acquisition Team*



**Sukhvinder Singh Bindra**  
*Business Head - Kidzee*



**Nitish Menon**  
*Business Head  
MLZS Partner Schools*



**Mayank Jain**  
*Business Head  
Managed Schools*



**Vikash Kar**  
*Head - Human Resources*



**Deepa George**  
*Head - Legal*



**Brijesh Jadia**  
*Head - Supply chain*



## CEO'S MESSAGE



When I spoke with you in the summer of 2014, Indian economy was on its way to resurgence largely due to the positive shift in sentiments associated with the political scenario in May 2014. Today, I can say that in the last financial year, the Indian economy has significantly improved in its growth-inflation dynamics. The government's continued focus on reforms is likely to transform India into a global investment destination providing an easy to do business environment. There is also a tremendous push by the government in the areas of education, skill building and technical education.

It is in this environment filled with optimism that I would like to speak to you about Zee Learn's financial performance. I am delighted to share that FY 14-15 has turned out to be the most promising year for your company. This is the first year of profitability for us at a PAT (profit after tax) level after 3 years of losses. During last year, Zee Learn was EBITDA positive but remained PAT negative. In FY 14-15, the company saw a complete turnaround with EBITDA margins growing from 8% in FY13-14 to 21% in FY14-15. These results are a culmination of an excellent team effort by the all the employees at Zee Learn to improve productivity, increase efficiencies and create a solid foundation for future growth and profitability.

We reported standalone net profit of ₹3.81 crore in Q4 of FY15 compared to a loss of ₹1.72 crore in Q4 of FY14. The revenue from operations for the quarter ending March 31,

2015 stood at ₹41.68 crore, against ₹39.04 crore for the corresponding quarter ending March 31, 2014, up by 6.8%. The standalone net profit stood at ₹9.62 crore for the year ended March 31, 2015 against the loss of ₹1.32 crore for the corresponding year ending March 31, 2014. Standalone Revenue from operations for the year ending March 31, 2015 stood at ₹121.58 crore as against ₹119.17 crore for the corresponding year ending March 31, 2014.

The rise in profits was also due to an increase in enrollments in Kidzee (Pre-School) centers by 18% and in Mount Litera Zee Schools (K-12 schools) by 38%. Infact, this is the first time, your company signed more than 500 pre-school franchisee partners, compared to 300-320 in previous 3 financial years. The company's revenue from operation (Sans ZeeQ operation) grew by 28.40% in Q4 FY15 over same quarter last year and up by 15.5% in FY15 over FY14.

The growth of Indian economy and increase in disposable income is boosting spend on education. The overall spending on education accounts for second-highest share of wallet for middle-class households. Demographic advantage of having a large population of youth, coupled with low gross enrolment ratios, present a huge opportunity for organisations like us, operating in the education sector. Indian education sector clearly is poised at a crucial stage in its growth.

Zee Learn Ltd with its pan-India presence in Pre-Schools and K-12 schools aims 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.

Our Pre-School Business, Kidzee is regarded as a brand that has provided community not only with a high quality and best in class Pre-School pedagogy but also a formal face for the preschool industry. We are the leaders in this space and minutely worked on every aspect of Pre-Schooling business including defined curriculum, child safety protocols, age appropriate technology and a means of employment and entrepreneurship. As per the Brand Trust Report (2014-15), Kidzee has been voted amongst the 'MOST TRUSTED' Preschool Institutions. Our chain has now grown to over 1350 operating Pre-Schools across 550 cities in India. Kidzee is also a beacon of women empowerment with almost 80% of our franchise set-ups being owned by women. With continued support of our students, parents, education partners and employees, Kidzee is likely to grow 3 times of its current size in the next 5 years.

Our Mount Litera Zee Schools is now the second largest network of schools in the private-unaided category among K-12 Schools (Kindergarten to 12th grade). Mount Litera is recognized across the country for imparting the very best in academics. We now have 90 schools operating in 75 locations across the country. This year we have focused on providing education that extends beyond the conventional to activities touching the areas of art, culture and music. These activities also helps students build a healthy appreciation of our country's rich cultural heritage and legacy. To achieve the vision of 100% literacy across the country, we foresee a strong demand for quality schools and well defined curriculum. We will seek to fulfil this demand by adding 12-15 Mount Litera Zee Schools every year.

Early childhood care and K-12 education space is of utmost importance to us. We have embarked on specific modules, programs and engagement sessions to spread awareness and an in-depth understanding of these subjects. We have covered the length and breadth of the country with numerous seminars, road shows, mall activations program and direct engagement with parents. We have also converted our schools into a hub of social activation for stakeholders concerned. Your company is working towards achieving the

thought leadership position in early childhood care and K-12 education space.

India's transition to a knowledge-based economy requires a new generation of educated and skilled people. With this fact in mind, the central government has been focusing on promoting skill building and technical education in India. Our two offerings in this space, Zee Institute of Creative Arts (ZICA) and Zee Institute of Media Arts (ZIMA) cater to today's youths' vocational requirements. Keeping in mind the recent push from our Government, we are also looking at newer opportunities in skill building and vocational education space.

The focus for the current year is to strengthen our brands even further through innovative marketing, leveraging digital platform, increase our profitability through operating efficiencies and fiscal prudence, and drive significant increases in partner, parent and student satisfaction, while continuing to expand geographically and increasing our market penetration.

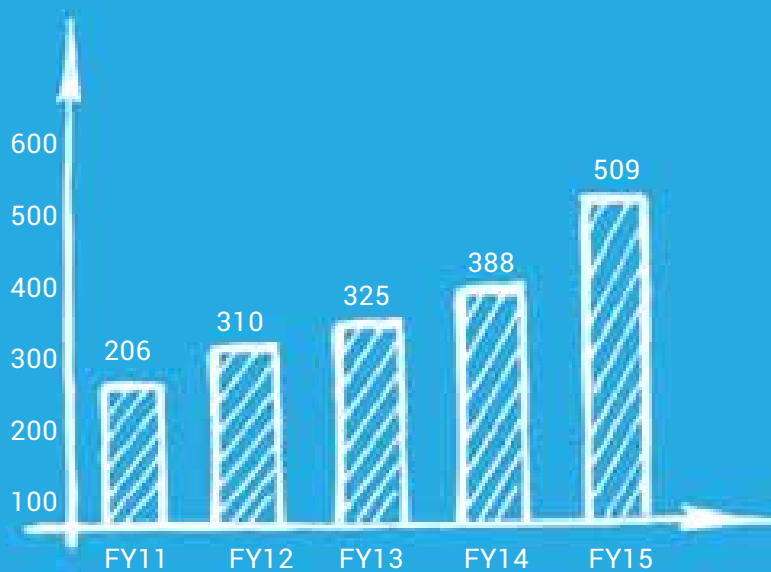
Going forward, we will also evaluate new growth areas, for your organisation like teacher training, e-learning, test preparations and education process outsourcing, with a vision of becoming a organisation with a 360 degree presence in all sectors of the education industry.

I believe your organisation is poised to become the benchmark in the education sector both intellectually and financially. I look forward to your continued support to help create an organisation that all of us will be proud of in the coming years.

*Best Regards,*

**Seshasai KVS**  
**Chief Executive Officer**  
**Zee Learn Ltd.**

# HIGHLIGHTS



**KIDZEE SIGN UPS**

**KIDZEE ENROLMENTS**

