



**India's most
diversified education
company**



CONTENTS

CORPORATE OVERVIEW

CEO's Message	02
Sector Overview	05
Our Presence	11
Financial Highlights	20
Geographical Presence	22
Our Brands and Key Initiatives	28
Products & Initiatives	58
Awards & Recognition	64
Corporate Information	67

MANAGEMENT REPORTS

Management Discussion and Analysis	68
Director's Report	84
Business Responsibility Report	110
Corporate Governance Report	124
Shareholders Information	137

STANDALONE FINANCIAL STATEMENTS

Independent Auditors Report	147
Balance Sheet	154
Statement of Profit and Loss	155
Statement of Cash Flow	157
Notes to Financial Statement	159

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors Report	203
Balance Sheet	210
Statement of Profit and Loss	211
Statement of Cash Flow	213
Notes to Financial Statement	215

NOTICE

268



“ CEO’s MESSAGE ”



Dear Stakeholders,

It gives me pleasure to present to you the 10th Annual Report of your company. The year 2019-2020 has been very promising for Zee Learn, over the past year your company has worked constantly towards its objectives and as a result grown significantly in numbers. However, towards the end of the financial year the world faced a serious unprecedented challenge in the form of COVID-19. During this pandemic, the plight of corporates, industries, educational institutes and common people were unimaginable. COVID-19 made people struggle for life, it showed no disparity between rich and poor. It was never thought that the world would come to standstill in

21st century, but the silver lining among this was that we valued humanity above all, it thought us to fight in order to survive.

The education industry was one of the most affected sector during this pandemic. As per UNESCO, these nationwide closures impacted over 60% of the world's student population. Most governments around the world had to temporarily close down the educational institutions in an attempt to contain the spread of the COVID-19 pandemic. The World Bank report mentions that the prolonged closure of schools due to the COVID-19 pandemic in India may have caused a loss of over USD 400 billion in the country's future earnings, besides substantial learning losses.

The pandemic pushed the education sector to innovate the learning process for children. It had to introduce various advances in the teaching space as it was impossible for students to visit schools, colleges and universities physically. While it was a huge task for majority of the education spaces, your company had the smoothest transition from classroom to the virtual screen, this was possible due the organisation's farsighted approach.

Pushing forward with times, Zee Learn has conceptualized and created viable Digital Education environments. These ecosystems are designed to improve outcomes with a granular approach using a pedagogically robust engine. The digital forays like Kidzee Learning App, Kidzee Tab, Robomate, R+ notebook, etc. give students an innovative learning option with an edge.

The efforts of your company have always been in providing quality education to its children and ignite the light of knowledge in the young minds. Our Blended Learning and Phygital approach has helped us create a unique interactive experience for the learners. The sustainable learning atmosphere created through quality learning and research has helped Zee Learn stay ahead of the curve.

Our COVID-19 Preparedness

During the pandemic, Zee Learn continued to engage with the stakeholders and the children through a series of digital tools and virtual engagement initiatives. These efforts were designed to ensure holistic development of the children and included a

Our Blended Learning and Phygital approach has helped us create a unique interactive experience for the learners. The sustainable learning atmosphere created through quality learning and research has helped Zee Learn stay ahead of the curve.

bouquet of curricular and co-curricular arrangement through multiple level engagement of Parent & Child. The company also ensured that the children receive counselling support at the safety of their homes.

For the Preschool network of more than 2000 centres- Kidzee, the teams reached out to parents through its Kidzee Learning App and Kidzee App which provided an immersive and engaging digital platform so that they experience the achievement of learning milestones for their children. Various national and region specific webinars were conducted on importance of early childcare and education to create awareness of age-appropriate child development and role of parents in child development, these sessions were attended by parents from across the nation.

Mount Litera Zee School introduced a browser based e-learning platform ePlus that creates virtual learning environment that can be accessed from any device and is a simple and effective tool to use. Apart from that the school already has Luminosity, an independently developed learning management system that has a unique mix of 2D and 3D content to make learning engaging and effective.

Zee Institute of Creative Arts (ZICA) since the beginning of lockdown started delivering online lectures through E- studio web application and ZICA mobile app and introduced a chat box feature within its application for students to chat with the faculty members in case of any doubts and queries. In order to maintain the engagement with the students during this lockdown period both ZICA and Zee Institute of Media Arts (ZIMA) had announced short

film competition under 2D, 3D and Live action categories for its students.

MT Educare, our subsidiary in the test prep and supplementary education utilized their new age educational tools like Robomate and R+ notebook to meet the learning needs of the students during the pandemic. Liberium our another subsidiary continues to focus on the training and manpower segments and is adopting itself as per the evolving industry requirements.

Educational Quality in school education is among the top priorities at Zee Learn as it focuses on the development of 21st century learners. Zee Learn took an initiative to make provisions for various training programmes for teachers and principals to enhance their understanding of curriculum and delivery modules to have effective classroom transactions. During the pandemic your company conducted virtual sessions for network capability building through its education management specialist and subject matter experts for the teachers and stakeholders.

Your company has been an employer of choice in the industry. The recognition as Great Place to Work for in the year 2019-2020 and consistently being listed as the "Dream Companies to Work For" by WHRD is a testimony to the 'Human-Centred' approach followed by your company. During the pandemic your organization was committed to safeguarding its representatives and their families and adopted practises to ensure their wellbeing.

During this financial year your company was also recognised as the "Most Desired Brand in Education" under the Diversified category by the Trust Research Advisory (TRA). Kidzee was awarded as the National Early Child playschool chain of the year 2020 at the 10th Annual Education awards in February 2020. In franchising world Mount Litera Zee School was awarded as the Franchiser of the year 2019 by Franchise India. Our vocational entity Zee Institute of Media Arts was featured in the Academic Insight magazine in the "Maharashtra's top 20 Educational Institute" edition. These awards and recognitions are the testimony of our endeavour in making Zee Learn India's most loved education brand.

Amidst the ongoing pandemic, the Government of India approved the much awaited and needed educational reform: National Education Policy 2020. After 34 years, the nation updated its education policy with a vision of making India a global knowledge superpower. The policy envisions an education system rooted in Indian ethos, that contributes directly to transforming India, sustainably into an equitable and vibrant knowledge society, by providing high-quality education to all.

We believe that the new reforms will help grow great individuals equipped of rational thought and action, possessing compassion and empathy, courage and resilience, scientific temper and creative

The Government's commitment towards the sector ensures steady growth and presents great investment opportunity driven by the country's favourable demographics.

philosophy and continued to keep it at the center of its efforts. These are truly testing times, but I am confident that we can overcome this together by being aware and responsible.

Your company's vision for the future is to continue its efforts in contributing to India's socio economic growth story as the leading education company. The company will continue to strive hard to propel sustainable growth and is committed to its purpose of improving human capital through quality education and development.

As we navigate through these tough times, I would like to express my heartfelt gratitude and sincere thanks for your continuous support throughout.

Thank you.

Vikash Kumar Kar

Executive & Whole-Time Director and CEO, Zee Learn Limited.

imagination, with sound ethical moorings and values.

By putting education in the front seat at the Union Budget 2020-2021, The Government has given a right push to the sector in India. Recognising the need for augmenting resources in the sector, the Indian Government has increased the allocation for the education sector by 5 percent to Rs 99,311.52 crore in FY21. The Government's commitment towards the sector ensures steady growth and presents great investment opportunity driven by the country's favourable demographics.

During the year we have seen good growth across all our business segments. Though the outbreak of COVID-19 in mid of March'20 marked an unprecedented disruption, the operating margins on the full year basis improved on the backdrop of strong performances during FY20. The EBITDA increased 6.77% at Rs. 168.39 Cr in FY20 against Rs 157.71 Cr in FY19. The EBITDA % to Operating Revenue also increased to 32.71 % in FY20 from 30.49 % in FY19. The total revenue of your company also increased 1.3% from 549.25 Cr in FY19 to 556.38 Cr in FY20. Despite significant challenges, Zee Learn team demonstrated the strength of its operating fundamentals by taking the torch of learning forward without disruption for its network that spans across the nation.

We remain highly focused on cash flows and liquidity management and are confident that our broad portfolio of products/ services with our ability to execute our commitments would help us navigate through the current economic uncertainties.

The safety of our children and stakeholders has always been paramount to us and even during these testing times, the company remained fully committed to "What's Right for the Child" (WRFC)

SECTOR OVERVIEW

On any given school day, over 1 billion children around the world head to class. (UNICEF)

INTRODUCTION:

Education is widely accepted to be a fundamental resource, both for individuals and societies, it in every sense is one of the vital factors of development. No nation can accomplish supportable financial advancement without considerable interest in human resources. Education enriches people's understanding of themselves and world. It improves the quality of their lives and leads to broad social benefits to individuals and society. Schooling raises individuals' efficiency and imagination and strengthen business venture and mechanical advances. In addition, it plays a very crucial role in securing economic and social progress and improving income distribution.

Universal high-quality education is the most ideal route forward for creating and augmenting a countries rich abilities and assets to benefit the individual, the general public, the nation, and the world.

EDUCATION MARKET IN INDIA:

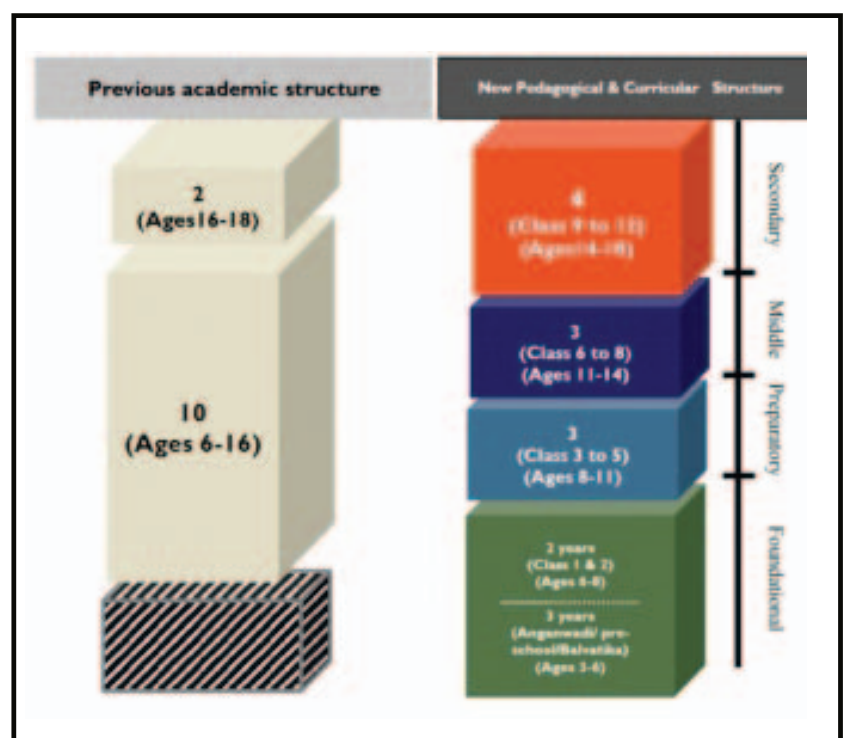
India is a rapidly changing country in which inclusive, high-quality education is of utmost importance for its future prosperity. The country is currently in a youth bulge phase. It has the largest youth population in the world—a veritable army of 600 million young people under the age of 25. The data on the official website of Department of School Education and Literacy India, shows that with over 1.5 million schools, more than 9.4 million teachers and 260 million students, India is home to the largest and most complex education system in the world.

Going ahead, India's education sector is poised for steady growth and presents a great investment opportunity driven by the country's favourable demographics.

TRANSFORMATION IN THE INDIAN EDUCATION SPACE

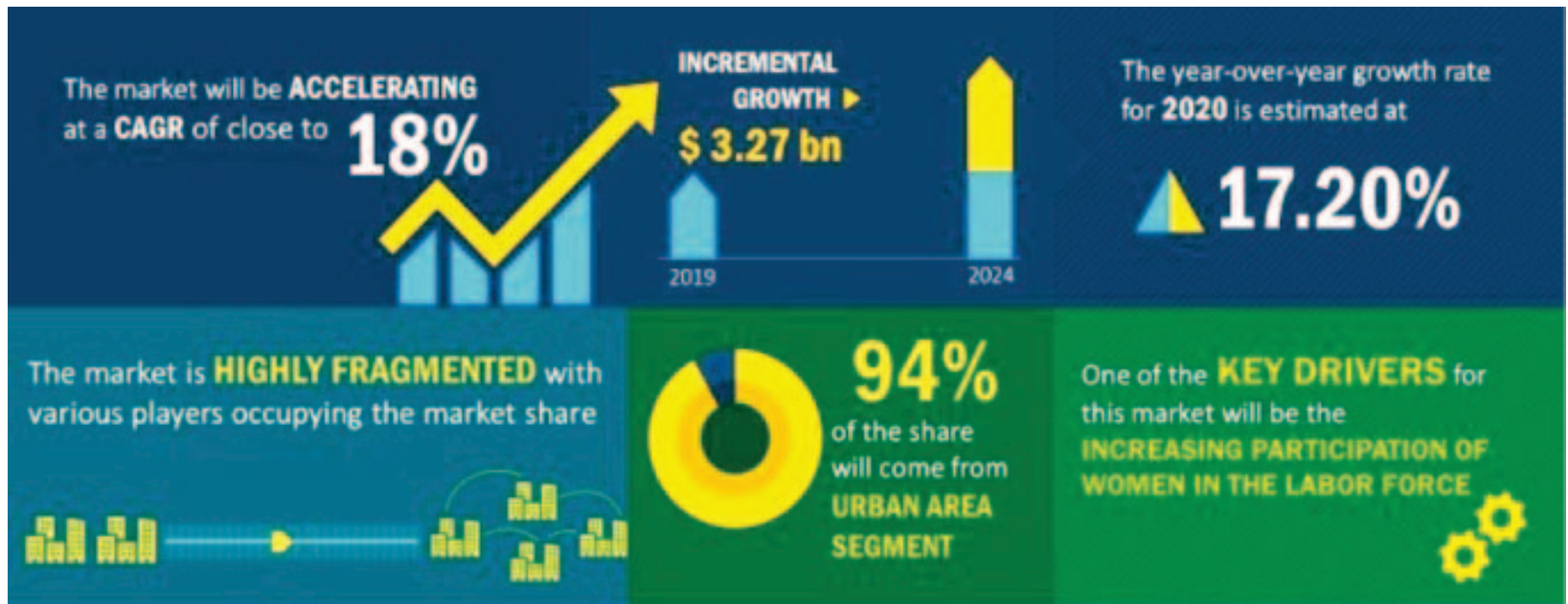
A pandemic and the world economy hitting the lowest this year makes us comprehend that our future generation will have to battle out a lot of challenges. In such desperate conditions, the National Education Policy (NEP) 2020 shows another way forward. For India to saddle its ever-developing segment profit, extremist changes were required in the formational stages and it tends to be seen that the National Education Policy 2020 does equity to it.

The NEP is seen as a positive step towards transformation of the Indian education sector. It stresses on the criticality of the early years to guarantee quality Early Childhood Care and Education (ECCE) for all kids between 3-6 years by 2025. Presently, quality ECCE is not available to most young children, particularly children from economically disadvantaged families. Investment in ECCE has the potential to give all young children such access, enabling all children to participate and flourish in the educational system throughout their lives. The new policy aims for universalisation of education from pre-school to secondary level with 100% Gross Enrolment Ratio in school education by 2030 and aims to raise Gross Enrolment Ratio in higher education to 50% by 2025.



PRESCHOOL SECTOR

The Indian preschool market is expected to witness a healthy growth in the forecast period of 2020-2024, growing at a CAGR of close to 18% aided by the shift away from traditional education practices and growing acceptance of experiential teaching. It is said that the employment rate of women, hectic work schedules of parents, rising nuclear families, increasing per capita incomes of the families, shift away from traditional teaching approaches, and the rising demand for high quality education for younger children will be the major drivers of the Indian preschool market.



Businesswire-Technavio preschool market in India 2020-2024

K-12 SECTOR

With around 1.8 million K-12 schools and a student base of 252 million the Indian school market is exhibiting strong growth. The segment is expected to grow positively on account of increasing number of private schools pursuing high demand for quality education.

The School education in India has traditionally been characterised by overcrowding of classes and ineffective learning for students. However, as a result of infrastructure growth, increasing private and public investments and technological advancements, the school infrastructure in the country has witnessed significant growth with the mode of teaching also shifting to digital learning and smart class formats. This has assisted the students in improving their academic performance significantly and made teaching more effective.

Due to COVID-19 the industry saw accelerating shift to digital learning models. While the other sectors are slowly returning back to normalcy, the unlock of schools, colleges and universities look a distant dream. While the classroom lectures are no longer feasible, educational institutions had to innovate and enhance their digital capabilities for making the learning accessible during this time. The pandemic also brought the top ed-tech startups into the focus as they saw a massive surge in their demand.

As per the KPMG report on the Indian education sector it is indicated that the digital formats will be an integral part of educational institutions in the post COVID-19 world. While we embrace this new online model for education, it is crucial to be mindful of the gaps in the digital experience, especially for impressionable young minds that thrive on social learning. The human element in the process of education will, hopefully, continue to play an integral role as we tentatively explore our changed world.

VOCATIONAL EDUCATION / SKILL DEVELOPMENT:

Skill development is a significant driver that encourages a pattern of high profitability, expanded work openings, pay development and advancement. As compared to other developed and developing countries, India has a unique window of opportunity for another 20-25 years called the "demographic advantage". If India is able to skill its people with the requisite life skills, job skills or entrepreneurial skills in the years to come the demographic advantage can be converted into the dividend wherein those entering labour market or are already in the labour market contribute productively to economic growth both within and outside the country.

Tapping into this sector, your company strongly focuses on the area of visual effects, animation, journalism, cinematics and designing through its

flagship brands namely Zee Institute of Creative Art (ZICA), Zee Institute of Media Arts (ZIMA) and Zee Institute of Design Art (ZIDA). It also has good presence in the preschool teacher training program.

The Government of India too plans to develop an AVGC (Animation, Visual Effects, Gaming and Comic sector) Centre for Excellence along with the Industrial Design Centre of IIT Bombay. According to a Financial Express report it is projected that the industry is expected to expand at a CAGR of 13.5% over 2019-24 to reach around Rs 3,07,000 crore (\$ 43.93 billion) by 2024. Infact, within the M&E sector, the AVGC sector is growing even faster at around 29% while audio visual sector and services is one of the champion sectors identified by the Government of India growing almost at the rate of 25%.

TRAINING AND MANPOWER:

The changing technological landscape coupled with conducive government initiatives is facilitating the growth of the economy. Concurrently, the workforce landscape is also changing as per the evolving industry requirements. According to the United Nations Population Fund (UNFPA), in addition to growing the size of the job market by creating new opportunities, it is crucial for countries like India to ensure that their working-age groups are sufficiently equipped to seize these opportunities.

Studies show that the staffing industry had grown at a rate of 20-25% per year over the past five years. According to a report on the 'Impact of Key Reforms on Job Formalisation and Indian Flexi-Staffing Industry 2019' by ISF, this industry is expected to grow at 22.7 per cent to reach 6.1 million strong workforces by 2021. While COVID-19 has brought a setback to the staffing sector, it is expected that the sector will bounce back soon.

Increasing globalization, demographic changes, emerging technologies, regulatory framework and geopolitical scenario will significantly influence India's job landscape in the coming years. With initiatives such as Skill India or efforts in the direction of investing in infrastructural changes, ramping up of micro entrepreneurship models and boosting the start-up ecosystem, the Government of India is clearly laying out signs that it is up for re-inventing the business case for India.

TEST PREP AND TUTORING SECTOR

The Test Prep and Tutoring sector contributes to a significant share of informal education in India. The KPMG 2021 Online Education forecast the test preparation market in India to grow at a CAGR of 14% and is expected to be a USD 11 Billion market by 2021. It is also estimated that the Test Prep market will be the fastest growing category in online education for the next five years. This growth will be an outcome of high adoption of online channel amongst the students and an increase in the number of competitive exam aspirants.

THE PANDEMIC EFFECT

