

Tree House Education & Accessories Ltd.

Registered Office: 702, Morya House, 'C' Wing, Off. Link Road, Andheri (W), Mumbai - 400 053.
Tel.: 022 - 40492222 Fax : 022 - 40492207
CIN : L80101MH2006PLC163028



September 27, 2016

To,

BSE Limited

Phiroze Jeejeebhoy Tower

Dalal Street, Fort

Mumbai - 400 001

To,

**The National Stock
Exchange of India Ltd.**

Bandra (East)

Mumbai - 400 051

To,

MCX Stock Exchange Ltd.

Vibgyor Towers, 4th floor, Plot No
C 62, G - Block,
Opp. Trident Hotel, Bandra Kurla
Complex, Bandra (E),
Mumbai – 400 098, India.

Dear Sir/Madam,

Scrip Code: 533540 / TREEHOUSE

Sub: 10th Annual General Meeting (AGM) and voting results

This is to inform you that the 10th Annual General Meeting of the Company was held today at 9.00 a.m. at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058, and the business mentioned in the notice dated July 28, 2016 were transacted.

In this regards, please find enclosed the following:

1. Summary of proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I
2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – II.
3. Report of Scrutinizer dated June 18, 2016, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.
4. Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.



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The voting results along with the scrutinizer report dated September 26, 2016 is made available at the company's website.

This is for your information and records.

Thanking you,
Yours faithfully,
For Tree House Education and Accessories Limited

Mr. Rajesh Bhatia
Managing Director
DIN: 00074393



Encl: As above

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ANNEXURE I

Summary of proceedings of the 10th Annual General Meeting:

The 10th Annual General Meeting (AGM) of the Members of Tree House Education & Accessories Limited ('the Company') was held on Monday, September 26, 2016 at 9.00 A.M (IST) at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai – 400 058. Mr. Rajesh Bhatia introduced Chairman of the meeting, Board Members and other Dignitaries sitting on dais. Mr. Ram Kumar Gupta, chaired the meeting and welcomed all the Board Members, other dignitaries and members of the company. The requisite quorum being present, the Chairman called the meeting to order. All the directors of the Company attended the meeting. The Chairman delivered his speech.

The Chairman informed that the Company had provided the Members the facility to cast their vote electronically, on all resolutions set forth in the Notice. Members who were present at the AGM and had not cast their votes electronically were provided an opportunity to cast their votes at the end the meeting. It was further informed that there would be no voting by show of hands.

The Board of Directors had appointed M/s. Mihen Halani & Associates as the Scrutinizer to supervise the e - voting and as well as ballot voting process at the AGM in a fair and transparent manner.

The chairman then read out the business to be transacted at the Meeting. The following items of business, as per the Notice of AGM dated July 28, 2016, were transacted at the meeting.

1. Adoption of Financial Statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors ('the Board') and Auditors thereon.
2. Appointment of Mrs. Geeta Bhatia (Din 00074444) as a director liable to retire by rotation
3. Ratification of appointment of Statutory Auditors M/s. Agarwal & Associates
4. Appointment of Mr. Ram Kumar Gupta (DIN: 07356532) as an Independent Director
5. Appointment of Mr. Chanakya Dhanda (DIN: 02709047) as an Independent Director.
6. Appointment of M/s. Kishore Kumar Bhatia & Associates as Cost Auditors.

Clarifications were provided to the queries raised by the members.

Post the question-answer session, the Chairman thanked the Members present at the meeting and then concluded the meeting by authorising Mr. Mihen Halani to carry out the poll process and declare the voting results. He informed the members that the voting results will be made available at the website of the company and NSDL within 48 hours of the conclusion of meeting.

Post the conclusion of meeting, the scrutinizers report was received and accordingly all the resolutions as set out in the notice were declared as passed with requisite majority.



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The Chairman (or the Chairman authorised Mr. Mihen Halani to declare the results of voting.

This is for your information and records.

Thanking you,
Yours faithfully,
For Tree House Education and Accessories Limited

Mr. Rajesh Bhatia
Managing Director
DIN: 00074393

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ANNEXURE II

Outcome of Voting at Annual General Meeting (As per Regulation 44(3) of Listing Regulations)

Date of Annual General Meeting	26th September, 2016
Total Number of Shareholders on Cut-off Date i.e. 19th September, 2016	20712
Number Of Shareholders present in the meeting either in person or through proxy :	39
Promoters & Promoter Group:	2
Public:	37
Number of Shareholders attended the meeting through Video Conferencing :	
Promoters & Promoter Group:	N.A.
Public:	N.A.

Agenda-Wise

The mode of voting for all the resolutions was:

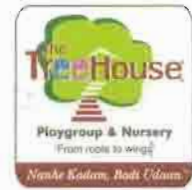
1. E-voting conducted between 23rd September, 2016 to 25th September, 2016; and
2. Poll conducted at the Meeting.

Given below is the resolution wise combined results of e-voting and poll.



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Tree House Education & Accessories Limited

Resolution Required : (Ordinary)		1 - 1) To receive, consider and adopt; a) The audited standalone Financial Statements of the company for the financial year ended 31st march, 2016, together with the reports of the directors and the auditors thereon; and b) The audited consolidated Financial Statements of the Company for the Financial Year ended 31st march ,2016, and the report of auditors thereon.						
Whether promoter/ promoter group are interested in the agenda/resolution?								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=[4]/[2]*100	[7]=[5]/[2]*100
Promoter and Promoter Group	E-Voting	8690069	0	0.0000	0	0	0.0000	0.0000
	Poll		7251336	83.4439	7251336	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		7251336	83.4439	7251336	0	100.0000	0.0000
Public Institutions	E-Voting	6119465	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	27501190	371302	1.3501	51185	320117	13.7853	86.2147
	Poll		521854	1.8976	521854	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		393156	3.2477	573039	320117	64.1589	35.8411
Total		42310724	8144492	19.2492	7824375	320117	96.0695	3.9305



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Tree House Education & Accessories Limited

Resolution Required : (Ordinary)			2 - 2)To appoint a director in place of Mrs. Geeta Bhatia(DIN00074444), who retires by rotation and being eligible offers herself for re-appointment.					
Whether promoter/ promoter group are interested in the agenda/resolution?								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\frac{[2]}{[1]}*100$	[4]	[5]	$[6]=\frac{[4]}{[2]}*100$	$[7]=\frac{[5]}{[2]}*100$
Promoter and Promoter Group	E-Voting	8690069	0	0.0000	0	0	0.0000	0.0000
	Poll		7251336	83.4439	7251336	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		7251336	83.4439	7251336	0	100.0000	0.0000
Public Institutions	E-Voting	6119465	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	27501190	371372	1.3504	11836	359536	3.1871	96.8129
	Poll		521854	1.8976	521854	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		893226	3.2480	533690	359536	59.7486	40.2514
Total		42310724	8144562	19.2494	7785026	359536	95.5856	4.4144



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Tree House Education & Accessories Limited

Resolution Required : (Ordinary)

3 - Ratification of appointment of Statutory Auditors.

Whether promoter/ promoter group are interested in the agenda/resolution?

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	8690069	0	0.0000	0	0	0.0000	0.0000
	Poll		7251336	83.4439	7251336	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		7251336	83.4439	7251336	0	100.0000	0.0000
Public Institutions	E-Voting	6119465	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	27501190	371372	1.3504	53370	318002	14.3710	85.6290
	Poll		521854	1.8976	521854	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		893226	3.2480	575224	318002	64.3985	35.6015
Total		42310724	8144562	19.2494	7826560	318002	96.0955	3.9045



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Tree House Education & Accessories Limited

Resolution Required : (Special)

4 - To approve the appointment of Mr. Ram Kumar Gupta as an Independent director

Whether promoter/ promoter group are interested in the agenda/resolution?

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	8690069	0	0.0000	0	0	0.0000	0.0000
	Poll		7251336	83.4439	7251336	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		7251336	83.4439	7251336	0	100.0000	0.0000
Public Institutions	E-Voting	6119465	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	27501190	371272	1.3500	50036	321236	13.4769	86.5231
	Poll		521854	1.8976	521854	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		893126	3.2476	571890	321236	64.0324	35.9676
Total		42310724	8144462	19.2492	7823226	321236	96.0558	3.9442



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Tree House Education & Accessories Limited

Resolution Required : (Special)		5 - To approve the appointment of Mr. Chanakya Dhanda as an Independent director						
Whether promoter/ promoter group are interested in the agenda/resolution?								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=([4]/[2])*100	[7]=([5]/[2])*100
Promoter and Promoter Group	E-Voting	8690069	0	0.0000	0	0	0.0000	0.0000
	Poll		7251336	83.4439	7251336	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		7251336	83.4439	7251336	0	100.0000	0.0000
Public Institutions	E-Voting	6119465	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	27501190	371272	1.3500	49951	321321	13.4540	86.5460
	Poll		521854	1.8976	521854	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		893126	3.2476	571805	321321	64.0229	35.9771
Total		42310724	8144462	19.2492	7823141	321321	96.0547	3.9453



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Tree House Education & Accessories Limited

Resolution Required : (Special)		6 - To approve the appointment & remuneration of the cost Auditors for the financial year ending March 31st, 2017						
Whether promoter/ promoter group are interested in the agenda/resolution?								
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	8690069	0	0.0000	0	0	0.0000	0.0000
	Poll		7251336	83.4439	7251336	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		7251336	83.4439	7251336	0	100.0000	0.0000
Public Institutions	E-Voting	6119465	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	27501190	371372	1.3504	177399	193973	47.7685	52.2315
	Poll		521854	1.8976	521854	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		893226	3.2480	699253	193973	78.2840	21.7160
Total		42310724	8144562	19.2494	7950589	193973	97.6184	2.3816

As per the consolidated results of e-voting and poll on item nos. 1 to 6 of the Notice of 10th AGM dated 28th July, 2016, all the resolutions are passed by **Requisite Majority**.



MIHEN HALANI & ASSOCIATES

Practicing Company Secretaries

32, First Floor, Shantinath Shopping Centre, Near Aditi Restaurant, S.V. Road, Malad (West),
Mumbai – 400 064, Tel No.: +91 84519 92333 Email: mihenhalani@gmail.com

FORM No. MGT-13

Report of Scrutinizer(s)

[Pursuant to Section 109 of the Companies Act, 2013 and Rule 21(2) of the Companies
(Management and Administration) Rules, 2014]

To,

The Chairman,

Tenth Annual General Meeting of Shareholders of **Tree House Education and Accessories Limited** held on Monday, 26th September, 2016 at 9.00 a.m. at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (West), Mumbai – 400 058, Maharashtra.

Dear Sir,

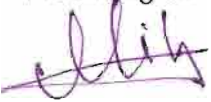
I, Mihen Halani, appointed as Scrutinizer for the purpose of the poll taken on the below mentioned resolutions at the 10th Annual General Meeting of Shareholders of **Tree House Education and Accessories Limited** held on Monday, 26th September, 2016 at 9.00 a.m. at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (West), Mumbai – 400 058, Maharashtra, submit our report as under:

- a) After the time fixed for closing of the poll by the Chairman, ballot box kept for polling was marked by identification mark placed on them.
- b) The sealed ballot box was subsequently opened in my presence and poll papers were diligently scrutinized. The poll papers were reconciled with the records maintained by the Company / Registrar and Transfer Agents of the Company (**M/s. Link Intime India Pvt Ltd**) and the authorizations / proxies lodged with the Company. The voters were also scrutinized for eliminating duplicate voting i.e. on e-voting as well as on poll.
- c) The poll papers, which were incomplete and/or which were otherwise found defective or the member had already done the voting through E voting platform have been treated as invalid and record for the same was maintained.
- d) The result of the Poll, marked as Annexure 'A' is attached to the report.



e) The consolidated result of Poll and E Voting, marked as Annexure 'B' is attached to the report.

For Mihen Halani & Associates
Practicing Company Secretary



Mihen Halani

Proprietor

ACS No: 32176

CP No. 12015



Date: 26th September, 2016

Place: Mumbai

Annexure 'A'

1. Resolution Item No. 1 : Ordinary Resolution

To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company as at 31st March, 2016, together with the Reports of the Auditors & Directors thereon.

i. Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
15	77,73,190	100

ii. Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

iii. Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
1	10

2. Resolution Item No. 2 : Ordinary Resolution

To appoint a Director in place of Mrs. Geeta Bhatia [DIN: 00074444], who retires by rotation, and being eligible, offers herself for re-appointment.

i. Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
15	77,73,190	100



ii. Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

iii. Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
1	10

3. Resolution Item No. 3 : Ordinary Resolution

Ratification in Appointment of Statutory Auditors, M/s. Agarwal & Associates, Chartered Accountants, (Firm Registration Number: 323210E).

i. Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
15	77,73,190	100

ii. Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

iii. Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
1	10

4. Resolution Item No. 4: Ordinary Resolution

To approve the appointment of Mr. Ram Kumar Gupta (DIN: 07356532) as an Independent Director.



i. Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
15	77,73,190	100

ii. Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

iii. Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
1	10

5. Resolution Item No. 5 : Ordinary Resolution

To approve the appointment of Mr. Chanakya Dhanda (DIN: 02709047) as an Independent Director.

i. Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
15	77,73,190	100

ii. Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

iii. Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
1	10



6. Resolution Item No. 6 : Ordinary Resolution

To approve the appointment and remuneration of the Cost Auditor, M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration Numbers 00294), for the financial year ending March 31, 2017

i. Voted in favour of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
15	77,73,190	100

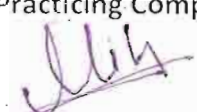
ii. Voted against the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
0	0	0

iii. Invalid votes :

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them
1	10

For Mihen Halani & Associates
Practicing Company Secretary


Mihen Halani
Proprietor
ACS No: 32176
CP No. 12015



Date: 26th September, 2016
Place: Mumbai

ANNEXURE 'B'

VOTING RESULTS FOR RESOLUTION NO 1

(i) Details of Valid Votes

Particular	Physical		E Voting		Grand Total	
	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights
Total Number of Shares	16	7773200	70	371302	86	8144502
Invalid Votes	1	10	0	0	1	10
Valid Votes	15	7773190	70	371302	85	8144492

(ii) Details of Percentage of Voting:

Details of Valid ballots	No. of Ballots and E Votes	No. of Equity Shares of the Nominal Value of Rs. 10 each (No. of Votes)	Percentage (%)
Assent	52	7824375	96.07
Dissent	33	320117	3.93
TOTAL	85	8144492	100



VOTING RESULTS FOR RESOLUTION NO 2

(i) Details of Valid Votes

Particular	Physical		E Voting		Grand Total	
	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights
Total Number of Shares	16	7773200	70	371372	86	8144572
Invalid Votes	1	10	0	0	1	10
Valid Votes	15	7773190	70	371372	85	8144562

(ii) Details of Percentage of Voting:

Details of Valid ballots	No. of Ballots and E Votes	No. of Equity Shares of the Nominal Value of Rs. 10 each (No. of Votes)	Percentage (%)
Assent	43	7785025	95.59
Dissent	42	359536	4.41
TOTAL	85	8144562	100



VOTING RESULTS FOR RESOLUTION NO 3

(i) Details of Valid Votes

Particular	Physical		E Voting		Grand Total	
	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights
Total Number of Shares	16	7773200	70	371372	86	8144572
Invalid Votes	1	10	0	0	1	10
Valid Votes	15	7773190	70	371372	85	8144562

(ii) Details of Percentage of Voting:

Details of Valid ballots	No. of Ballots and E Votes	No. of Equity Shares of the Nominal Value of Rs. 10 each (No. of Votes)	Percentage (%)
Assent	55	7826560	96.10
Dissent	30	318002	3.90
TOTAL	85	8144562	100



VOTING RESULTS FOR RESOLUTION NO 4

(i) Details of Valid Votes

Particular	Physical		E Voting		Grand Total	
	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights
Total Number of Shares.	16	7773200	69	371272	85	8144472
Invalid Votes	1	10	0	0	1	10
Valid Votes	15	7773190	69	371272	84	8144462

(ii) Details of Percentage of Voting:

Details of Valid ballots	No. of Ballots and E Votes	No. of Equity Shares of the Nominal Value of Rs. 10 each (No. of Votes)	Percentage (%)
Assent	51	7823225	96.05
Dissent	33	321235	3.95
TOTAL	84	8144462	100



VOTING RESULTS FOR RESOLUTION NO 5

(i) Details of Valid Votes

Particular	Physical		E Voting		Grand Total	
	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights
Total Number of Shares.	16	7773200	69	371272	85	8144472
Invalid Votes	1	10	0	0	1	10
Valid Votes	15	7773190	69	371272	84	8144462

(ii) Details of Percentage of Voting:

Details of Valid ballots	No. of Ballots and E Votes	No. of Equity Shares of the Nominal Value of Rs. 10 each (No. of Votes)	Percentage (%)
Assent	51	7823141	96.05
Dissent	33	321321	3.95
TOTAL	84	8144462	100



VOTING RESULTS FOR RESOLUTION NO 6


(i) Details of Valid Votes

Particular	Physical		E Voting		Grand Total	
	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights	Total Number of Shareholders	Total Voting Rights
Total Number of Shares.	16	7773200	70	371372	86	8144572
Invalid Votes	1	10	0	0	1	10
Valid Votes	15	7773190	70	371372	85	8144562

(ii) Details of Percentage of Voting:

Details of Valid ballots	No. of Ballots and E Votes	No. of Equity Shares of the Nominal Value of Rs. 10 each (No. of Votes)	Percentage (%)
Assent	54	7950589	97.62
Dissent	31	193973	2.38
TOTAL	85	8144562	100

For Mihen Halani & Associates
Practicing Company Secretary


Mihen Halani
Proprietor
ACS No: 32176
CP No. 12015



Date: 26th September, 2016
Place: Mumbai



The
TreeHouse[®]

Playgroup & Nursery

'From roots to wings'[®]

Nanhe Kadam, Badi Udaan.[™]

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BOARD OF DIRECTORS

- 1) **Mr. Ram Kumar Gupta**
DIN: 07356532
Chairman and Independent Director
Education: B.A and LLB
Experience:
 - 1977 to 1995: Practicing as an Advocate in Delhi at various Court including High Court;
 - 1995 to 2013: Joined as Judicial Member of Income Tax Appellate Tribunal, served at Allahabad, Jaipur, Delhi & Mumbai Benches.
 - 2013 to till date: Legal Advisor of various corporate & individuals.
- 2) **Mr. Rajesh Bhatia**
DIN: 00074393
Managing Director
Education: Bachelor of Engineering from MS University, Baroda
MBA from Pune University
Experience: 13 years of experience in the field of education
Oversees the organization's day-to-day operation
Association with Tree House
Associates with the Company since its inception
- 3) **Mrs. Geeta Bhatia**
DIN: 00074444
Non-executive Director
Education: Bachelor of Commerce Degree from Mumbai University
Experience: More than ten years of Experience in the education industry
Association with Tree House
Associates with the Company since its inception
- 4) **Mr. Chanakya Dhanda**
DIN: 02709047
Education: Bachelor of Business Administration (BBA) from International Management Institute of Brussels Post Graduate Diploma in Management (PGDM) from IIPM Mumbai.
Experience:
 - More than 10 years of collective experience in Telecommunication, Hospitality, Media, Textiles, Electronics, Renewable Energy & Financial Industries
 - Leadership Experiences and qualities resulting in better financial performance and enhanced systems for higher performance of the team.
- 5) ***Mr. Vishal Shah**
DIN: 01153074
Executive Director
Education: MMS from Narsee Monjee Institute of Management Studies
Bachelor of Commerce from Mumbai University
Key Role:
Oversees the Marketing Setting up of new centres
Identifying properties for expansions
Procurement Initiatives
Association with Tree House
Associated with the Company since its inception
* Resigned w.e.f. July 28, 2016
- 6) ***Mr. Parantap Dave**
DIN: 00019472
Independent Director
Education: Qualified Chartered Accountant
Experience: 28 years of experience in the field of finance, banking, accounts, audit, taxation & general management
* Resigned w.e.f. July 28, 2016
- 7) ****Mr. T. S. Sarangpani**
DIN: 01453050
Independent Director
Education: Bachelor of Engineering
MBA from the University of Madras
Experience:
Rich 36 years of Experience in the financial services industry
* Resigned w.e.f. June 2, 2016



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ram Kumar Gupta

Independent Director
(Appointed w.e.f. May 29, 2016)

Mr. Sanjaya Kulkarni

Independent Director
(Resigned w.e.f. February 4, 2016)

Mr. Rajesh Bhatia

Managing Director

Mr. Vishal Shah

Executive Director
(Resigned w.e.f. July 28, 2016)

Mrs. Geeta Bhatia

Non- Executive Director

Mr. Rishi Navani

Non-Executive Director
(Resigned w.e.f. December 3, 2015)

Mr. Ashu Garg

Non-Executive Director
(Resigned w.e.f. May 27, 2015)

Mr. T. S. Sarangpani

Independent Director
(Resigned w.e.f. June 2, 2016)

Mr. Parantap Dave

Independent Director
(Resigned w.e.f. July 28, 2016)

Mr. Chanakya Dhanda

Independent Director
(Appointed w.e.f. May 29, 2016)

CHIEF FINANCIAL OFFICER

Utsav Srivastava (upto August 04, 2015)
Sanjay H. Shah w.e.f. August 05, 2015

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Mr. Hardik Desai
(Resigned w.e.f. March 18, 2016)

INTERNAL AUDITOR

M/s. S.R. Divatia & Company
Chartered Accountants Mumbai

STATUTORY AUDITOR

M/s. Agarwal & Associates,
Chartered Accountants
Mumbai

BANKERS

Corporation Bank Ltd.
Kotak Mahindra Bank Ltd.
HDFC Bank Ltd.
Indian Bank Ltd.
ICICI Bank Ltd.
State Bank of India
Union Bank of India

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai - 400078

REGISTERED OFFICE

702, 'C', Morya House,
Off New Link Road,
Andheri (West), Mumbai 400053

WEBSITE

www.treehouseplaygroup.net

BOARD COMMITTEES

Audit Committee
Nomination & Remuneration Committee
Stakeholders Relationship Committee
Committee of Board
Compensation Committee
CSR Committee
Amalgamation Committee



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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED WILL BE HELD ON MONDAY, 26TH SEPTEMBER, 2016 AT 9:00 A.M. AT MAYOR HALL, ALL INDIA INSTITUTE OF LOCAL SELF GOVERNMENT, STHANIKRAJ BHAVAN, C.D. BARFIWALA MARG, JUHU LANE, ANDHERI (W), MUMBAI 400 058, TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

1. To receive, consider and adopt;
 - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of the Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Geeta Bhatia (DIN 00074444), who retires by rotation and being eligible, offers herself for re-appointment.
3. Ratification in Appointment of Statutory Auditors:

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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules and Regulations framed there under, as amended from time to time, pursuant to the resolution passed by the members at Ninth Annual General Meeting held on 25th September, 2015, the appointment of M/s. Agarwal & Associates., Chartered Accountants, (Firm Registration Number: 323210E) as Statutory Auditors of the Company to hold office until the conclusion the Fourteenth Annual General Meeting of the company to be held in financial year 2019-20, the consent of the members be and is hereby accorded to ratify the appointment at such remuneration and out-of-pocket expenses, as may be decided by the Audit Committee of the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be consider necessary, desirable or expedients to give effect to this resolution.”

SPECIAL BUSINESS:

4. To approve the appointment of Mr. Ram Kumar Gupta as an Independent Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Ram Kumar Gupta (DIN: 07356532), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 29, 2016 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ram Kumar Gupta as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a period up to May 28, 2021, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) and/or Company Secretary of the Company 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.”

5. To approve the appointment of Mr. Chanakya Dhanda as an Independent Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 149, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Chanakya Dhanda, (DIN: 02709047) who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 29, 2016 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Chanakya Dhanda as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a period up to May 28, 2021, not liable to retire by rotation.



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RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary 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 approve the appointment and remuneration of the Cost Auditor for the financial year ending March 31, 2016.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the Company hereby ratifies the remuneration of Rs. 75,000/- p.a. (Rupees Seventy Thousand only) payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration Numbers 00294), who are appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2016-17.”

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary 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.”

Date: July 28, 2016
Place: Mumbai

By order of the Board of Directors
For Tree House Education & Accessories Limited
Sd/-
Rajesh Bhatia
Managing Director
(DIN: 00074393)



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NOTES

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations, 2015) is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at the Annual General Meeting.

Members / Proxies / Authorised Representatives are requested to bring their attendance slip, duly filled in, for attending the Meeting.

In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote at the meeting.

3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of special business set out in notice, wherever applicable, is annexed hereto.
4. GREEN INITIATIVE: - SEBI & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment.

Members whose shareholding is in physical form are requested to immediately notify change in their address and bank account details, if any, to the Registrar and Transfer Agent of the Company, viz., Link Intime India Private limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, quoting their Folio Number(s).

5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts.



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6. Members are requested to address all correspondence, to the Registrar and Share Transfer Agent, Link Intime India Private Limited, C-13, Pannalal Silk Mill Compound., Bhandup (West), Mumbai 400 078.
7. Members who wish to claim their unclaimed dividend are requested to correspond with Registrar and Share Transfer Agent of the company. Members are requested to note that dividends not claimed within seven (7) years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
8. The Company is concerned about the environment and utilizes natural resources in a sustainable way, we request you to update your email address with your Depository Participant to enable us to send you the quarterly reports and other communications via email.
9. The copy of the Annual Report 2016 along with Notice of the Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy form is being send to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2016 along with Notice of Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the physical mode.
10. Members may also note that the Notice convening Annual General Meeting and Annual Report for the financial year 2015-16 will be available on the Company's website www.treehouseplaygroup.net in "Our Investors" section.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
12. Relevant documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of Annual General Meeting.
13. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the company as on the cut-of-date i.e. September 19, 2016.
14. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
15. Voting through electronic means
 - In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members the facility to exercise their right to vote at the 10th Annual General Meeting (AGM) by electronic means. The facility of casting votes by member using an electronic voting system from place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL) and the items of business as detailed in this Notices may be transected through remote e-voting.
 - The facility for voting through ballot paper shall be made available at AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitle to cast their vote again.
 - The remote e-voting period commences on September 23, 2016 at 10:00 a.m. and ends on September 25, 2016 at 5:00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 19, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.



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- The procedure to login to e-Voting website is given below:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - i. Open the attached PDF file “TREEHOUSE.pdf” giving your Client ID (in case you are holding shares in Demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the URL <https://www.evoting.nSDL.com/>
 - iii. Click on “Shareholder - Login”.
 - iv. Put User ID and password as initial password noted in step (1) above and Click Login.
 - v. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof.
 - vi. Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
 - vii. Select “EVEN” of Tree House Education & Accessories Limited.
 - viii. Now you are ready for “e-Voting” as “Cast Vote” page opens.
 - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
 - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote
 - xii. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail mihenhalani@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM:
 - i. Initial password is provided as below/at the bottom of Attendance Slip for the AGM.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. Please note that:
 - Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
 - Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz. ; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.
 - In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nSDL.com> or contact NSDL at the following Telephone No.: 022-2499 4600.
- 16. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- 17. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 18. The Register of Members and Share Transfer Books of the Company will remain close from, Wednesday, September 21, 2016 to Sunday, September 25, 2016 (both days inclusive).
- 19. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 19, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or call on toll free no.: 1800-222-990.
- 20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- 21. M/s Mihen Halani & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process and votes cast through Ballot Paper at the AGM in a fair and transparent manner.
- 22. Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 (SS-2):



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Name of the Director	**Mrs. Geeta Bhatia	Mr. Ram Kumar Gupta	Mr. Chanakya Dhanda
Age	43	63	31
Director Identification Number (DIN No.)	00074444	07356532	02709047
Date of Appointment on the Board	25.09.2015 (Re-appointed at 9 th AGM)	29.05.2016	29.05.2016
Qualifications	Mrs. Geeta Bhatia holds a Bachelor of Commerce degree from Mumbai University.	Mr. Ram Kumar Gupta is enrolled as Advocate with Bar Council of Delhi on 20.09.1977, having Membership / Certificate of Practice No. D/203/1977.	Mr. Chanakya Dhanda holds Bachelor of Business Administration (BBA) degree from International Management Institute of Brussels and also is Post Graduate Diploma in Management (PGDM) from IIPM Mumbai.
Expertise in specific functional area	Mrs. Geeta Bhatia has approximately eleven years of experience in the education industry. She has been awarded order of merit for Montessori education and has been honored by the Indian Council of Management Executives, Mumbai, as a Samajshri in recognition of services rendered to the public.	Mr. Ram Kumar Gupta has a rich experience of practicing as an Advocate in Delhi at various Courts including High Court from 1977 to 1995. From 1995 to 2013, Mr. Gupta, joined as a Judicial Member of Income Tax Appellate Tribunal and served across various parts of India at Allahabad, Jaipur, Delhi & Mumbai Benches. From 2013 till date, Mr. Gupta has been acting as a Legal Advisor to various Corporates & Individuals.	Mr. Chanakya Dhanda is a Management Graduate and a renowned entrepreneur in Mumbai with more than 10 years of collective experience in Telecommunication, Hospitality, Media, Textiles, Electronics, Renewable Energy & Financial industries. As a part of his entrepreneurial skills in telecommunications, he incorporated a software development & value added service company viz. He has leadership experiences and qualities resulting in better financial performance and enhanced systems for higher performance of the team. He is very popular in spearheading business growth strategies resulting in increased profitability. He possesses an ability to orchestrate multi-task levels of responsibility effectively. Mr. Dhanda has vast knowledge in Market Analysis, Insight & Forecasting, International Trend Forecasting, Macroeconomic Analysis, Public Policy Analysis, Pricing & Economic Model Development, Trading Strategy Integration, Team Leadership & Mentoring, New Employee Training, Global Market Reports & Commentary, Quantitative Data Summarization, Opportunity Identification, New Product Development.



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Number of shares held in the Company	35,65,000 Equity Shares (Independently) 13,90,833 Equity Shares (Jointly with Mr. Rajesh Bhatia)	Nil	Nil
Terms and Conditions	-	As per the resolution stated in the item no. 4	As per the resolution stated in the item no. 5
Justification for appointment of Independent Director	Not Applicable	Experience of Mr. Ram Kumar Gupta will be beneficial to the Company for its growth.	Experience of Mr. Chanakya Dhanda will be beneficial to the Company for its growth.
List of the directorships held in other listed entities	Nil	Om Metals Infra Project Limited	Energy Development Company Limited
Chairman / Member in the Committees of the Boards of companies in which he is Director	Chairman Nil Member Nil	Chairman Stack Holders Relationship Committee Member Audit Committee Nomination and Remuneration Committee	Chairman Nil Member Nil
Relationships between Directors inter-se	Wife of Mr. Rajesh Bhatia	None	None

For other details of the aforesaid directors, please refer to the Corporate Governance Report.

** The Board of Directors proposes the re-appointment of Mrs. Geeta Bhatia as Non-Executive Director and recommends the resolution as set out in Item Nos. 2 of the Notice for the approval of the members at the ensuing Annual General Meeting.

**Except Mr. Rajesh Bhatia and their relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the re-appointment of Mrs. Geeta Bhatia as a Non-Executive Director of the Company, except to the extent of their shareholding, if any, in the Company.

By order of the Board of Directors
For Tree House Education & Accessories Limited
Sd/-
Rajesh Bhatia
Managing Director
(DIN: 00074393)

Date: July 28, 2016
Place: Mumbai



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Annexure to Notice

Statement pursuant to Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

In respect of Item No. 4

The Board of Directors, at its meeting held on May 29, 2016, appointed Mr. Ram Kumar Gupta as an Additional Director of the Company with effect from May 29, 2016, pursuant to Section 161 of the Companies Act, 2013, read with Article 39 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Ram Kumar Gupta will hold office up to the date of this Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member, along with a deposit of 1,00,000/-, proposing the candidature of Mr. Ram Kumar Gupta for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Ram Kumar Gupta (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the resolution seeks the approval of members for the appointment of Mr. Ram Kumar Gupta as an Independent Director of the Company for a period up to May 28, 2021. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Ram Kumar Gupta, the Independent Director proposed to be appointed, fulfills the conditions specified under the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Ram Kumar Gupta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

None of the director, key managerial personnel or their relatives, except Mr. Ram Kumar Gupta, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

In respect of Item No. 5

The Board of Directors, at its meeting held on May 29, 2016, appointed Mr. Chanakya Dhanda as an Additional Director of the Company with effect from May 29, 2016, pursuant to Section 161 of the Companies Act, 2013, read with Article 39 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Chanakya Dhanda will hold office up to the date of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member, along with a deposit of 1,00,000/-, proposing the candidature of Mr. Chanakya Dhanda for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Chanakya Dhanda (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the resolution seeks the approval of members for the appointment of Mr. Chanakya Dhanda as an Independent Director of



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In the opinion of the Board, Mr. Chanakya Dhanda, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Chanakya Dhanda as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

None of the director, key managerial personnel or their relatives, except Mr. Chanakya Dhanda, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members

In respect of Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2017. Mentioned below is the detail of the Cost Auditor so appointed by the Board in the Company's Board Meeting held on July 28, 2016.

Name of the Cost Auditor	Audit fees (In Rs.)
M/s. Kishore Bhatia & Associates	Rs. 75,000/-

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 Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

By order of the Board of Directors
For **Tree House Education & Accessories Limited**
Sd/-
Rajesh Bhatia
Managing Director

Date: July 28, 2016
Place: Mumbai

Registered Office:
702, 'C' Wing, Morya House,
Off. New Link Road, Near Infinity Mall,
Andheri (W), Mumbai 400 053, Maharashtra, India



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Board's Report

Dear Members,

Your directors take great pleasure in presenting the Tenth Annual Report of our company and Company's Audited financials for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2016 is summarized below:

Particulars	Rs. In lacs	
	2015-16	2014-15
Total Revenue	21,942	21,460
Expenditures excluding depreciation		
Profit before Depreciation and Tax	5,978	11,155
Depreciation	4,483	2,682
Net Profit Before Tax	1,623	8,473
Provision for Tax	946	2,386
Profit after Tax	677	6,087
Appropriations:		
Proposed Dividend on equity Shares	Nil	846
Tax on Dividend	Nil	169
Balance Carried to Balance Sheet	677	5,072
Paid up Share Capital	4,231	4,231
Reserves & Surplus	61,239	60,241

**previous year figures have been regrouped / rearranged wherever necessary.*

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Company's performance has been muted and recorded a total Income of INR 21,942 lacs as against INR 21,460 lacs in the previous year registering a growth of 2.25%.

The profit after tax was lower by 88.87 % compared with the previous year. The profit after tax for the year under review was INR 677 lacs as against INR 6,087 lacs in the previous year.

Your Directors are reviewing the business growth aspects and putting efforts to improve profitability by closing down unprofitable or lagging pre-school centres. Also working on aggressively to reduce cost and run the business efficiently to deliver better performance.

During the year your Company has opened 116 self-operated pre-school centres and 2 franchisees of pre-schools. Also as part of restructuring 85 nos. of self-operated pre-school centres were closed down, thus effectively only 536 pre-school self-operated centres were operational as on 31st March 2016. The Company now operates in 96 cities on Pan India basis.

There are no significant and /or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of future operations of the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

Your company has two Joint Venture/Associate Companies viz., J T Infrastructure Private Limited and Mehta Tree House Infrastructure Private Limited.

The particulars of Joint Venture/ Associate Companies as on March 31, 2016 have been included in form MGT-9 which is part of this report.

Further, the report on the performance and financial position of each of the subsidiaries, associates and joint ventures and salient features of the financial statements in the prescribed Form AOC-1 is marked and annexed as "Annexure A" to this report.



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PERFORMANCE AND FINANCIAL POSITION OF JOINT VENTURE/ ASSOCIATE COMPANIES

As required by Accounting Standard-21 (AS-21) issued by the Institute of Chartered Accountants of India, the Company's consolidated financial statements included in this Annual Report incorporate the accounts of its Joint Venture/ Associate Companies being the consolidating entities. A summary of key financials of the Company's Joint Venture/ Associate Companies is also included in this report.

DIVIDEND

With a view to conserve the resources for future business requirements and expansion plans, your Directors are of view that the current year's profit ploughed back into the operations and hence no dividend recommended for the year under review.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st. March, 2016 was INR 423,107,240 (Indian Rupees Forty two crores, thirty one lacs, seven thousand two hundred and forty only) comprising of 42,310,724 Equity Shares of Rs. 10 /each. As on 31st. March, 2015 the Equity Share Capital of the Company was INR 423,107,240 and there has been no change in the share capital during the reporting period ended 31st. March, 2016.

INTERNAL FINANCIAL CONTROLS

The Board of directors has laid down internal financial controls to be followed by the Company for ensuring the orderly and efficient conduct of its business and the said internal financial controls are adequate and are operating effectively. Internal Audits are regularly carried out to review the internal financial controls and the Internal Audit Reports along with recommendations contained therein are reviewed by the Audit Committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Companies Act, 2013 requiring disclosure in the financial statements giving particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to your company since no transactions of such nature has been undertaken or entered into by your company.

BOARD AND BOARD COMMITTEES

The details of Board Meetings held during the year, attendance of the directors at the meetings and constitution of various Committees of the Board are included separately in the Corporate Governance Report.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposit under Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, in relation to the Audited Financial Statements for the Financial Year 2015-16, your Directors confirm that:

- The Financial Statements of the Company- Comprising of Balance sheetas at March, 31 2016 and the statement of Profit and Loss for year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departure have been made from the same;
- In the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed along with proper explanation relating to material departures;
- rectors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at March 31, 2016 and of the profits and loss of the company for financial year ended March 31, 2016.



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- d) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- e) Requisite internal financial controls laid down and that financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws in place and that such systems were adequate and operating effectively.



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DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Your Company's Board comprises of mix of executive and non-executive directors with considerable experience and expertise in various fields and business strategy. The details of the directors and their meetings held during the year have been given in the Corporate Governance Report, which forms part of this report.

The list of Directors & key managerial person of the Company as on March 31, 2016 are as follows:

1. Mr. Rajesh Bhatia (DIN: 00074393), Managing Director
2. Mr. Vishal Shah (DIN:01153074), Executive Director
3. Mrs. Geeta Bhatia (DIN: 00074444), Non-Executive Woman Director
4. Mr. T.S. Sarangpani (DIN: 01453050), Independent Director
5. Mr. Parantap Dave (DIN: 00019472), Independent Director
6. Mr. Sanjay Shah (PAN: AAVPS8852P), Chief Financial Officer (w.e.f. August 05, 2015)

a) Changes in Directors and Key Managerial Personnel:

Since the last report, the following changes took place in the Board of Directors and the Key Managerial Personnel of the Company:

1. Mr. Ashu Garg (DIN: 01980048) resigned as director of the company w.e.f. 27th May, 2015;
2. Mr. Rishi Mavani (DIN:01758427) resigned as director of the Company w.e.f. 3rd December, 2015;
3. Mr. Sanjaya Kulkarni (DIN: 00102575) resigned as director of the Company w.e.f. 4th February, 2016;
4. Mr. Sanjay Shah (PAN: AAVPS8852P) was appointed as Chief Financial Officer of the company w.e.f. 5th August, 2015 in place of Mr. Utsav Shrivastava (PAN: AQGPS7669M);
5. Mr. Ram Kumar Gupta (DIN: 07356532) and Mr. Chanakya Dhanda (DIN: 02709047) appointed as Independent Director of the Company w.e.f. 29th May, 2016.
6. Mr. T.S. Sarangpani (DIN: 01453050) resigned as director of the Company w.e.f. 2nd June, 2016
7. Mr. Vishal Shah (DIN: 01153074) and Mr. Parantap Dave (DIN: 00019472) resigned as director of the Company w.e.f. 28th July, 2016
8. Mr. Hardik Desai (PAN: ASEPD1731D) was appointed as Company Secretary of the Company w.e.f. 27th May, 2015 in place of Ms. Pooja Bhimjiyani (PAN: AQJPB2460J). Subsequently, Mr. Hardik Desai (PAN: ASEPD1731D) also resigned from the post of Company Secretary w.e.f. 18th March, 2016. Hence, company is in the process of finding suitable candidate for the post of Company Secretary.

Pursuant to provisions of section 152 of the Companies Act, 2013 and subject to Articles of Association, Mrs. Geeta Bhatia, Director of the Company is liable to retire by rotation at an ensuing Annual General Meeting and, being eligible has offered himself for re-appointment.

The Board has recommended for the same. Details about the directors being appointment / re-appointed are given in the Notice of the 10th Annual General Meeting being sent to the members along with the Annual Report.

b) Declaration by Independent Director(s)

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of section 149(6) of the Companies Act, 2013 and there is no change in the circumstances as on the date of this report which may affect their respective status as an independent director.

Furthermore, A brief profile of each of these Independent Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold Directorships and/or membership/chairmanship of Committees of the Board, as stipulated under specified regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 ("the listing regulation") is given in the Corporate Governance Report which is forming part of this Report. The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and prescribed regulation of the Listing regulation.



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Pursuant to the provision of Section 161 of the Companies Act, 2013, read with the relevant provision in the Articles of Association, Mr.Chanakya Dhanda and Mr. Ram Kumar Gupta were appointed as Additional Director's by the Board of Directors of the Company with effect from May, 29, 2016 and both of the directors shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing under Section 160 of the Companies Act, 2013 from a member proposing Mr.Chanakya Dhanda and Mr. Ram Kumar Gupta for appointment as Independent Director's respectively. A brief profile of Mr.Chanakya Dhanda and Mr. Ram Kumar Gupta, nature of their expertise in specific functional areas and names of the Companies in which they hold Directorships and/or membership/chairmanship of Committees of the Board, as stipulated under respective regulations of the Listing regulation is forming part of this Report.

c) Annual Evaluation of the Board

Evaluation of the directors is done on an annual basis. The process is led by the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, and effective functioning of the Board. The evaluation process also involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors and also considers the time spent by each of the directors, accomplishment of specific responsibilities and expertise, conflict of interest, integrity of director, active participation and contribution during discussions.

d) Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

e) Familiarisation Programme For Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Bank as well as with the nature of industry and business model of the company through various internal programmes and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time.

CORPORATE GOVERNANCE

In Compliance with the provisions of Regulation 34 of the Listing Regulation, a separate report on Corporate Governance along with the certificate from the Auditors on its compliance forms an integral part of this Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (MDAR)

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DISCLOSURES RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

Disclosure of the ratio to the remuneration of each director to the median employee's remuneration and other details required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as "**Annexure B**".

EMPLOYEE'S STOCK OPTION SCHEME

Details as required under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as required to be provided under the Securities and Exchange Board of Indian Guidelines as on March 31, 2015 are set out in "**Annexure C**".



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AUDITORS

a) Statutory Auditors

Your Company has appointed M/s Agarwal & Associates, Chartered Accountants, Mumbai (having firm registration number 323210E) in Ninth Annual General Meeting for a period of Five consecutive years subject to ratification by members at an every annual general meeting.

Your Company has received an eligibility certificate from M/s Agarwal & Associates, Chartered Accountants, Mumbai (having firm registration number 323210E), Statutory Auditors under Section 141 of the Companies Act, 2013, for ratification in their appointment. The Board discussed the same and directed to place the matter relating to ratification in their appointment by members at an ensuing Annual General Meeting.

Auditors Observations:

There are no qualifications, reservation or adverse remarks made by the statutory auditors in the audit report.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, has appointed Mihen Halani & Associates, Practicing Secretaries to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2016. The Secretarial Audit Report is annexed herewith as Annexure-D. The qualification's provided in the report are self explanatory.

The Board has also appointed Mihen Halani & Associates as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2016-17.

c) Cost Auditors

The Board of Directors had appointed M/s Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditors of your Company for the financial year 2015-16 to conduct the audit of the cost records of your Company.

Pursuant to Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Cost record and Audit) Rules, 2014, the Board of Directors of your Company has appointed M/s Kishore Bhatia & Associates, Cost Accountants as the Cost Auditor for the financial year 2016-17 on the recommendations made by the Audit committee. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would be not exceeding INR 75,000 (Rupees Seventy Five Thousand Only) excluding taxes and out of pocket expenses, if any. Your directors recommend approval of said remuneration to the Cost Auditors of the Company.

Your company has received consent from M/s Kishore Bhatia & Associates, Cost Accountants, to act as the Cost Auditor of your company for the financial year 2016-17 along with certificate confirming their Independence.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "**Annexure E**" to this report.

RELATED PARTY TRANSACTIONS

During the Financial Year 2015-16 your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, and Rules issued thereunder and clause 49 of the Listing Agreement or Regulation 23 of the Listing regulation. During the financial year 2015-16, there were no transactions with related parties which qualify as material transactions under the Listing Agreement and the listing regulation.

The details of the related party transactions as required under Accounting Standard-18 are set out in Note Nos. 2.28 to the standalone financial statements forming part of this Annual Report. The Policy on related party transactions may be accessed on the Company's website at a link:

https://www.nseprimeir.com/z_TreeHouse/pdffiles/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf



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VIGIL MECHANISM & WHISTLE BLOWER POLICY:

The Board has approved and adopted Vigil Mechanism that provides a formal mechanism for all Directors and employees of the Company to approach the Chairman of the Audit Committee of the Board and make protective disclosures about the unethical behavior, actual or suspected fraud. The Vigil Mechanism comprises the Whistle Blower Policy which requires every Director or employee to promptly report to the Management any actual or possible violation of the Code or any event wherein he or she becomes aware of that which could affect the business or reputation of the Company. Under the Policy, every Director or employee of the Company has an assured access to the Chairman of the Audit Committee.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by Board and is overseen by the Audit Committee of the Company on a continuous basis to identify, assess monitor and mitigate various risks to key business objectives.

INTERNAL CONTROL AND ITS ADEQUACY

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls are regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

CEO/CFO CERTIFICATION

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the certification by the Managing Director and Chief Financial Officer on the financial statements and Internal Controls relating to financial reporting has been obtained.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on February 06, 2015 approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014, on the recommendations of the CSR committee. The Corporate Social Responsibility Policy may be accessed on Company's website at a link: http://www.nseprimeir.com/z_TreeHouse/pdffiles/Treehouse_CorporateSocialResponsibilityPolicy_070215.pf

The initiatives undertaken by your Company during the financial year 2015-16 in CSR have been detailed in this Annual Report.

The Annual report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in "Annexure F" in this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it doesn't own any manufacturing facility.

However, the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The details of the Outgoing Foreign Exchange during the year under review are provided in Notes to the Financial Statements as at March 31, 2016. The members are requested to refer to the said Note No. 2.34 for details in this regard.



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HUMAN RESOURCES

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focussed people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of Seven years. Therefore there were no funds which were required to be transferred to investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. September 25, 2015), with Ministry of Corporate Affairs.

MISCELLANEOUS

- Your company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- Your Company did not allot any equity share as sweat equity shares. Therefore, no disclosures as required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014;
- During the year under report, no significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company’s operations in future.;
- There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.; and
- There were no material changes and commitments occurred between the end of financial year of the company affecting the financial position of the Company.

ACKNOWLEDGMENT

Your Directors take this opportunity to thank the government, regulatory bodies and shareholders for their consistent support and also place on record appreciation to the contribution made by Company’s staff and teachers at all levels, without whom the Company would not achieved the desired growth. The Directors also commend the continuing commitment and dedication of the employees at all levels which has been critical for the Company’s growth. The Directors look forward to their continued support in future.

For and on behalf of the Board
Tree House Education and Accessories Limited

Rajesh Bhatia
Managing Director

Geeta Bhatia
Director

Date: July 28, 2016
Place : Mumbai



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Annexure A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies/joint ventures

Part "A": Subsidiaries

1. Name of Subsidiaries : NA
2. Names of subsidiaries which are yet to commence operations: NA
3. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in Rupees)

Name of Associates / Joint Ventures	JT Infrastructure Private Limited (Joint Venture)	Mehta Tree House Infrastructure Private Limited (Joint Venture)
1. Latest audited Balance Sheet Date	Mar 31, 2016	Mar 31, 2016
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	99,80,000	10,00,000
Amount of Investment in Associates/Joint Venture	9,98,00,000	1,00,00,000
Extend of Holding %	50%	50%
3. Description of how there is significant influence	By virtue of shareholding	By virtue of shareholding
4. Reason why the associate/joint venture is not consolidated	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	18,87,67,553	1,99,33,566
6. Profit / (Loss) for the year		
i. Considered in Consolidation	(20,91,200)	(18,587)
! Not Considered in Consolidation	(20,91,200)	(18,587)

Notes:

1. Names of associates or joint ventures which are yet to commence operations:
Mehta Tree House Infrastructure Private Limited
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

Annexure B

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial year 2015-16 is as follows:

Name of Director	Total Remuneration (Rs.)	Ratio of remuneration of director to the median remuneration
Mr. Rajesh Bhatia	72,00,000	143.08
Mr. Vishal Shah	28,50,000	56.63
Mrs. Geeta Bhatia *	4,65,000	-
Mr. Sanjaya Kulkarni *	5,60,000	-
Mr. Parantap Priyakant Dave *	6,65,000	-
Mr. T. S. Sarangpani *	5,00,000	-

*Only sitting fees paid for attending board and committee meetings during the year.

Notes:

- The aforesaid details are calculated on the basis of remuneration for the financial year 2015-16.
- The remuneration to Directors includes sitting fees paid to them for the financial year 2015-16 and also includes perquisite of ESOP exercise in the remuneration to Mr. Vishal Shah.
- Median remuneration of the Company for all its employees is Rs. 50323/- for the financial year 2015-16.

B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2015-16 are as follows:

Name	Designation	Remuneration (Rs.)		Increase %
		2015-16	2014-2015	
Mr. Rajesh Bhatia	Managing Director	72,00,000	48,00,000	50.00
Mr. Vishal Shah	Director	28,50,000	2,66,26,485	-89.30
Mr. Utsav Shrivastava (till July 2015)	CFO	540,000	1,77,46,250	-100
Mr. Sanjay H Shah (w.e.f. August 2015)	CFO	22,92,000	-	100
Ms. Pooja Bhimjiyani	Company Secretary	Nil	344,764	-100
Mr. Hardik Desai (w.e.f. June, 2015)	Company Secretary	4,58,965	-	100
Mrs. Geeta Bhatia	Director	4,65,000	1,15,000	304.34
Mr. Sanjaya Kulkarni	Director	5,60,000	1,71,500	226.53
Mr. Parantap Priyakant Dave	Director	6,65,000	1,31,500	405.70
Mr. T. S. Sarangpani	Director	5,00,000	85,000	488.23

Notes:

- The remuneration to Directors is within the overall limits approved by the shareholders.

C. Percentage increase in the median remuneration of all employees in the financial year 2014-15:

	2015-16 (Rs.)	2014-2015 (Rs.)	Increase %
Median remuneration of all employee per annum	50323	56,203	-10.46



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D. Number of employees on the rolls of the Company as on March 31, 2016:

Employees	2015-2016	2014-2015
Corporate Office	116	102
Teaching Staff	2672	2,117
Total	2788	2,219

E. Explanation on the relationship between average increase in remuneration and Company Performance:

The increase in average remuneration of all employees in the financial year 2015-16 as compared to the financial year 2014-15 was 27%.

The key indices of Company's performance are:

	2015-2016 (In lacs)	2014-2015 (In lacs)	Growth %
Net Revenue from Operations	20,933	20,745	0.99
Profit Before Tax and Exceptional Items	1,495	8,373	-82.14
Profit After Tax	676	6,087	-88.89

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Your Company maintains a simple compensation structure which allows the employees to have flexibility in the way in which they realize their salaries.

Thus, there will be a positive correlation in the increase in remuneration of employees and your Company's performance; however, a perfect correlation will not be visible given the dependency on the other factors stated above.

F. Details of Share price and market capitalization:

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on March 31, 2016	As on March 31, 2015	Increase / (Decrease) in %
Price Earnings Ratio	47	25	89
Market Capitalisation (in lacs)	31,902.29	1,68,290.90	-81

Comparison of share price at the time of first public offer and market price of the share of 31st March, 2016:

Market price as on 31st March , 2016	Rs.75.40
Price at the time of initial public offer in Aug' 2011 (converted to price of each share for face value of Rs. 10/- each)	Rs. 135.00
% decrease of Market price over the price at the time of initial public offer	-44.15

Note:

1. Closing share price on National Stock Exchange of India Limited (NSE) has been used for the above tables.

G. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company

H. Affirmation:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration decided by Nomination and Remuneration Committee of your Company.

I Details of Employee Stock Option Plan 2010 (“ESOP 2010”)

The Company instituted the ESOP 2010 on October 29, 2010, pursuant to Shareholders’ and Board resolutions dated September 30, 2010 and October 29, 2010, respectively. The objective of ESOP 2010 was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of your Company.

The Company has granted 1,400,000 options convertible into 1,400,000 Equity Shares of face value Rs. 10/- each under ESOP 2010, which represents 6.19% of the pre-Issue paid-up equity capital of your Company. Your Company does not intend to make further grant of options under ESOP 2010. The following table sets forth the particulars of the options granted under ESOP 2010:

Particulars	Details
Total no. of stock options available under the Scheme	1,400,000
Exercise price	Rs. 71/- per option
Exercise period	upto 5 years
Total no. of stock options granted under the scheme	1,400,000
Stock options lapsed	18,500
Stock options vested but not exercised	500
Stock options exercised	1,381,500
Outstanding Stock options	Nil
Person wise details of options granted to:	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NIL
(iii) Identified employees who are granted options, during any one year exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant	Please see Note 2 below

Note 1: Details regarding options granted to the Directors and Key Management Personnel under ESOP 2010 are set forth below:

Name of Director / Key Management Personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Mr. Vishal Shah	1,300,000	1,300,000	NIL	249,077

Note 2: Employees who received a grant in any one year of options amounting to 1% or more of the options granted during the year under ESOP 2010:

Name of Employee	Total no. of options granted
Mr. Vishal Shah	1,300,000

II Details of Employee Stock Option Plan 2012 (“ESOP 2012”)

The Company instituted the ESOP 2012 on February 09, 2012, pursuant to Shareholders’ and Board resolutions dated February 02, 2012 and February 09, 2012 respectively. The objective of ESOP 2012 was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of your Company.

The Company has granted 400,000 options convertible into 400,000 Equity Shares of face value Rs. 10/- each under ESOP 2012, which represents 1.19% of the pre-Issue paid-up equity capital of your Company. Your Company does not intend to make further grant of options under ESOP 2012. The following table sets forth the particulars of the options granted under ESOP 2012:

Particulars	Details
Total no. of stock options available under the Scheme	400,000
Exercise price	Rs. 228/- per option
Exercise period	upto 5 years
Total no. of stock options granted under the scheme	400,000
Stock options lapsed	147,925
Stock options vested but not exercised	
Stock options exercised	148,100
Outstanding Stock options	103,975
Person wise details of options granted to:	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NIL
(iii) Identified employees who are granted options, during any one year exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant	NIL

Note 1: Details regarding options granted to the Directors and Key Management Personnel under ESOP 2012 are set forth below:

Name of Director / Key Management Personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Mr. Vishal Shah	168,200	83,150	85,050	249,077
Mr. Sanjaya Kulkarni	10,000	7,500	NIL	109,735
Mr. Parantap Dave	10,000	NIL	10,000	NIL
Mr. T. S. Sarangpani	10,000	7,500	2,500	25,000

Note:

- Mr. Sanjaya Kulkarni resigned as the Chairman and Independent Director on February 4, 2016. The Board Resolution in respect of which was passed at the Board Meeting convened on February 14, 2016.
- Mr. T. S. Sarangpani resigned from the Board of Directors of the Company on June 2, 2016. The Board Resolution in respect of which was passed at the Board Meeting convened on June 2, 2016.

III Details of Employee Stock Option Plan 2014 ("ESOP 2014")

The Company instituted the ESOP 2014 on September 11, 2014, consisting of 400,000 Equity Shares of Face Value of Rs. 10/- each. The objective of ESOP 2014 was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of your Company.

The Company has granted 400,000 options convertible into 400,000 Equity Shares of face value Rs. 10/- each under ESOP 2014, which represents 1.06% of the pre-Issue paid-up equity capital of your Company. Your Company does not intend to make further grant of options under ESOP 2014. The following table sets forth the particulars of the options granted under ESOP 2014:

Particulars	Details
Total no. of stock options available under the Scheme	4,00,000
Exercise price	Rs. 425.60/- per option
Exercise period	upto 5 years
Total no. of stock options granted under the scheme	400,000
Stock options lapsed	23,200
Stock options vested but not exercised	100,000
Stock options exercised	Nil
Outstanding Stock options	376,800
Person wise details of options granted to:	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NIL
(iii) Identified employees who are granted options, during any one year exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant	NIL



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Note 1: Details regarding options granted to the Directors and Key Management Personnel under ESOP 2014 are set forth below:

Name of Director / Key Management Personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Mr. Vishal Shah	300,000	NIL	300,000	249,077
Mr. Sanjay H. Shah	50,000	NIL	50,000	5,796

Note:

- 1) Mr. Sanjaya Kulkarni resigned as the Chairman and Independent Director on February 4, 2016. The Board Resolution in respect of which was passed at the Board Meeting convened on February 14, 2016.
- 2) Mr. T. S. Sarangpani resigned from the Board of Directors of the Company on June 2, 2016. The Board Resolution in respect of which was passed at the Board Meeting convened on June 2, 2016.



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Annexure D

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Tree House Education & Accessories Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tree House Education & Accessories 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 authorized 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 31st March, 2016 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 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) 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 Act, 1992 ('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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit Period)
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period)



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I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and MCX.
- iii. Labour Law to the extent of Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, Payment of Bonus Act, 1965, Payment of Gratuity Act, 1972 and Maternity Benefits Act, 1961

The Company is engaged in providing pre-schooling and day care facilities. The Company business can be categorized into following strategic business unit, namely

- a. Self-operated pre-schools
- b. School management services to K-12 schools
- c. Day care centre
- d. Pre-school franchising

As informed by management, there is no sector specific law applicable to the Company

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned except that the:

1. Prior approval of Board was not obtained in respect of investment in form of share application money in Mehta Treehouse Infrastructure Private Limited. However, this transaction was subsequently approved by the Board meeting in its meeting held on May 27, 2015. However, The Approval of Audit committee has not been availed for ratification of investment.
2. The Company had invested share application money in its Joint Venture namely Mehta Tree House Infrastructure Private Limited in March, 2015. However, no shares have been issued to the Company till date.
3. The Company has unutilised CSR amount for the period under review.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 during the audit period the company has;

- a. The shareholders have approved through postal ballot on October 1, 2015, creation of Charges on the properties of the Company, both present and future, in respect of borrowing under the provision of Sec 180 of Companies Act, 2013 upto limit of Rs. 200 Cr (Rupees Two hundred Crore Only)
- b. The Company has approved Scheme of Amalgamation of Tree House Education & Accessories Limited ("Transferor Company") with Zee Learn Limited ("Transferee Company") and their respective shareholders and creditors

**For Mihen Halani & Associates
Practising Company Secretary**

**Mihen Halani
Proprietor
CP No. 12015**

Date: May 29, 2016
Place: Mumbai



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APPENDIX A

To,
The Members
Tree House Education & Accessories Limited.

Our report of even date 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 process 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 process 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. Wherever 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 the management. Our examination was limited to the verification of procedure 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.

For Mihen Halani & Associates
Practicing Company Secretary
Mihen Halani
Proprietor
CP No. 12015

Date: 29/05/2016
Place: Mumbai



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Annexure E

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
 As on the financial year ended on 31st March, 2016

of

TREE HOUSE EDUCATION & ACCESSORIES LIMITED
 [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
 (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L80101MH2006PLC163028
ii.	Registration Date	10/07/2006
iii.	Name of the Company	Tree House Education & Accessories Limited
iv.	Category / Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered Office and contact details	702 C, Morya House, Off New Link Road, Andheri (W), Mumbai 400 053. Phone:- 022-40492222. Fax:- 022-26736905 Email ID:- treehouseplaygroup@gmail.com
vi.	Whether listed company	Yes
vii.	Name, Address and contact details of Registrar & Transfer Agents (RTA)	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai 400078 Phone:- +91 22 25963838 Fax:- +91 22 25946969 Email ID:- 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 Product/ service*	% to total turnover of the company
1.	Pre-primary Education Services	851	84.12%
2.	Education support services	855	15.88%

* As per National Industrial Classification - Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	JT Infrastructure Private Limited Registered Address: 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai - 400053, Maharashtra	U70102 MH2007PTC 167078	Associate	50%	2(6)
2.	Mehta Tree House Infrastructure Private Limited Registered Address: 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai - 400053, Maharashtra	U70101 MH2014PTC 258921	Associate	50%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Particulars	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	1,25,86,328	0	1,25,86,328	27.41	86,90,069	0	86,90,069	20.53	-6.88
(b) Central Govt	0	0	0	0.00	0	0	0	-	-
(c) State Govt (s)	0	0	0	0.00	0	0	0	-	-
(d) Bodies Corp.	0	0	0	0.00	0	0	0	-	-
(e) Banks / FI	0	0	0	0.00	0	0	0	-	-
(f) Any Other....	0	0	0	0.00	0	0	0	-	-
Sub-total (A) (1):-	1,25,86,328	0	1,25,86,328	27.41	86,90,069	0	86,90,069	20.53	-6.88
(2) Foreign									
(a) NRIs – Individuals	0	0	0	0	0	0	0	0	-
(b) Other – Individuals	0	0	0	0	0	0	0	0	-
(c) Bodies Corp.	0	0	0	0	0	0	0	0	-
(d) Banks / FI	0	0	0	0	0	0	0	0	-
(e) Any Other....	0	0	0	0	0	0	0	0	-
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,25,86,328	0	1,25,86,328	27.41	86,90,069	0	86,90,069	20.53	-6.88
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	682940	0	682940	1.61	297	0	0	0.0007	-1.60993
(b) Banks / FI	23,820	0	23,820	0.06	0	0	0	0.00	-0.06
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	-
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	-
(e) Venture Capital Funds	1024937	0	1024937	2.42	10,24,937	0	10,24,937	2.42	-
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(g) FIs	8217941	0	8217941	19.42	98,04,624	0	98,04,624	23.17	3.75
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	-
Sub-total (B)(1):-	9949638	0	9949638	23.52	10829858	0	10829858	25.60	2.08
2. Non-Institutions									
(a) Bodies Corp.	3818490	0	3818490	9.02	0	0	0	00.0	-9.02
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) individual shareholders holding nominal share capital upto 2 Lakh (Rs. 1 lakh)*	1562828	20003	1582831	3.74	4452624	0	4452624	10.52	6.78
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh (Rs. 1 lakh)	1262917	0	1262917	2.98	3669758	0	3669758	8.67	5.69
© Foreign portfolio Investor (Corporate)	1312972	0	1312972	3.10	0	0	0	0	-3.10
(d) Any Others				0.00					
(i) non Resident Indians (Repat)	70948	0	70948	0.17	376234	0	376234	0.88	0.71
(ii) Non Resident Indians (Non Repat)	71770	0	71770	0.17	211223	0	211223	0.50	0.33
(iii) Foreign Companies	10753575	0	10753575	25.42	42,38,486	0	42,38,486	10.02	-15.4
(iv) Clearing Member	120601	0	120601	0.29	479127	0	479127	1.13	0.84
(v) Directors / Relatives	498379	0	498379	1.18	274077	0	274077	0.65	-0.53
(vi) Trusts	282275	0	282275	0.67	270400	0	270400	0.64	-0.03
(vii) Any Other	0	0	0	00.0	8818868	0	88,18,868	20.85	20.85
Sub -total (B)(2):-	19754755	20003	19774758	46.74	22790797	0	22790797	53.87	7.13
Total Public Shareholding (B)=(B)(1)+(B)(2)	29704393	20003	29724396	70.25	33620655	0	33620655	79.46	9.21
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	42290721	20003	42310724	100	42310724	0	42310724	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change In shareholding during the year
		No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the	
1	Mr. Rajesh Bhatia	3,582,595	8.47	3,686,336	8.71	0.25
2	Ms. Geeta Bhatia	6,035,000	14.26	3,565,000	8.43	-5.84
3	Mr. Girdhari Bhatia jointly with Ms. Kavita Bhatia	47,900	0.11	47,900	0.11	0.00
4	Mr Rajesh Bhatia jointly with Ms. Geeta Bhatia	2,920,833	6.90	1,390,833	3.29	-3.62

(iii) Change in Promoters' Shareholding

Sr. No.	For Each of the Promoters	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
1	Mr. Rajesh Bhatia (Managing Director, Key Managerial Person and Promoter)				
	At the beginning of the year	3,582,595	8.47	3,582,595	8.47
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				

09.04.2015	Market Purchase	4,000	0.01	3,586,595	8.48
20.04.2015	Market Purchase	1,076	0.01	3,587,671	8.48
22.04.2015	Market Purchase	482	0.01	3,588,153	8.48
22.04.2015	Market Purchase	1,000	0.02	3,589,153	8.48
28.04.2015	Market Purchase	7,707	0.01	3,596,860	8.50
28.04.2015	Market Purchase	2,293	0.01	3,599,153	8.51
06.05.2015	Market Purchase	2,767	0.01	3,601,920	8.51
06.05.2015	Market Purchase	1,733	0.01	3,603,653	8.52
07.05.2015	Market Purchase	1,313	0.01	3,604,966	8.52
07.05.2015	Market Purchase	370	0.01	3,605,336	8.52
08.05.2015	Market Purchase	3,000	0.01	3,608,336	8.53
08.05.2015	Market Purchase	3,000	0.01	3,611,336	8.54
29.09.2015	Market Purchase	46,000	0.11	3,657,336	8.64
30.09.2015	Market Purchase	13,782	0.03	3,671,118	8.68
30.09.2015	Market Purchase	5,218	0.01	3,676,336	8.69
07.10.2015	Market Purchase	10,000	0.02	3,686,336	8.71
At the End of the year		3,686,336	8.71	3,686,336	8.71
2	Mrs. Geeta Bhatia (Non Executive Director)				
At the beginning of the year		6,035,000	14.26	6,035,000	14.26
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
03.12.2015	Market Sale	(2,470,000)	-5.84	3,565,000	8.43

	At the End of the year	3,565,000	8.43	3,565,000	8.43
3	Mr. Rajesh Bhatia Joint Holding with Mrs. Geeta Bhatia				
	At the beginning of the year	2,920,833	6.90	2,920,833	6.90
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	02.12.2015 Market Sale	(1,530,000)	-3.62	1,390,833	3.29
	At the End of the year	1,390,833	3.29	1,390,833	3.29
4	Mr. Girdhari Bhatia Joint Holding with Kavita Bhatia				
	At the beginning of the year	47,900	0.11	47,900	0.11
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the End of the year	47,900	0.11	47,900	0.11

IV. Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRS and ADRS):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTIONS	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	FC VI INDIA VENTURE MAURITIUS LTD	2898001	6.8493			2898001	6.8493
	Transfer			28 Aug 2015	(336)	2897665	6.8485
	AT THE END OF THE YEAR					2897665	6.8485
2	BAJAJ HOLDINGS	2075000	4.9042			2075000	4.9042

	AND INVESTMENT LTD						
	Transfer			26 Jun 2015	305882	2380882	5.6271
	Transfer			30 Jun 2015	50000	2430882	5.7453
	AT THE END OF THE YEAR					2430882	5.7453
3	RELIGARE FINVEST LTD	923	0.0022			923	0.0022
	Transfer			04 Dec 2015	1000	1923	0.0045
	Transfer			18 Dec 2015	(1000)	923	0.0022
	Transfer			15 Jan 2016	172	1095	0.0026
	Transfer			12 Feb 2016	492905	494000	1.1676
	Transfer			04 Mar 2016	647757	1141757	2.6985
	Transfer			11 Mar 2016	200000	1341757	3.1712
	Transfer			25 Mar 2016	(77757)	1264000	2.9874
	Transfer			31 Mar 2016	532400	1796400	4.2457
	AT THE END OF THE YEAR					1796400	4.2457
4	POLUS GLOBAL FUND	0	0.0000			0	0.0000
	Transfer			26 Feb 2016	1726403	1726403	4.0803
	AT THE END OF THE YEAR					1726403	4.0803
5	SWEDBANK ROBUR GLOBAL EMERGING MARKETS	750000	1.7726			750000	1.7726
	Transfer			10 Apr 2015	50000	800000	1.8908
	Transfer			09 Oct 2015	50000	850000	2.0089
	Transfer			23 Oct 2015	50000	900000	2.1271
	Transfer			06 Nov 2015	44170	944170	2.2315
	Transfer			13 Nov 2015	5830	950000	2.2453
	Transfer			20 Nov 2015	50000	1000000	2.3635
	Transfer			04 Dec 2015	117547	1117547	2.6413
	Transfer			11 Dec 2015	282453	1400000	3.3089
	Transfer			25 Dec 2015	50000	1450000	3.4270
	Transfer			29 Jan 2016	50000	1500000	3.5452
	Transfer			19 Feb 2016	100000	1600000	3.7815

	AT THE END OF THE YEAR					1600000	3.7815
6	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.P.	1069782	2.5284			1069782	2.5284
	Transfer			29 May 2015	65658	1135440	2.6836
	Transfer			05 Jun 2015	251356	1386796	3.2776
	AT THE END OF THE YEAR					1386796	3.2776
7	ON MAURITIUS	1340821	3.1690			1340821	3.1690
	AT THE END OF THE YEAR					1340821	3.1690
8	MORGAN STANLEY ASIA (SINGAPOR E) PTE.	413014	0.9761			413014	0.9761
	Transfer			10 Apr 2015	3300	416314	0.9839
	Transfer			05 Jun 2015	400	416714	0.9849
	Transfer			14 Aug 2015	(3700)	413014	0.9761
	Transfer			04 Dec 2015	240043	653057	1.5435
	Transfer			11 Dec 2015	84428	737485	1.7430
	Transfer			18 Dec 2015	572	738057	1.7444
	Transfer			25 Dec 2015	16887	754944	1.7843
	Transfer			31 Dec 2015	(82862)	672082	1.5884
	Transfer			22 Jan 2016	177076	849158	2.0070
	Transfer			29 Jan 2016	78012	927170	2.1913
	Transfer			05 Feb 2016	46796	973966	2.3019
	Transfer			12 Feb 2016	65000	1038966	2.4556
	Transfer			19 Feb 2016	100000	1138966	2.6919
	Transfer			26 Feb 2016	48566	1187532	2.8067
	Transfer			04 Mar 2016	26434	1213966	2.8692
	Transfer			18 Mar 2016	29631	1243597	2.9392
	Transfer			25 Mar 2016	20369	1263966	2.9873
	Transfer			31 Mar 2016	45430	1309396	3.0947
	AT THE END OF					1309396	3.0947

	THE YEAR						
9	ARCH FINANCE LIMITED	0	0.0000			0	0.0000
	Transfer			11 Dec 2015	2070000	2070000	4.8924
	Transfer			18 Dec 2015	2731	2072731	4.8988
	Transfer			25 Dec 2015	100	2072831	4.8991
	Transfer			31 Dec 2015	(1044110)	1028721	2.4313
	Transfer			08 Jan 2016	200279	1229000	2.9047
	Transfer			12 Feb 2016	100000	1329000	3.1410
	Transfer			19 Feb 2016	(100000)	1229000	2.9047
	Transfer			18 Mar 2016	(200000)	1029000	2.4320
	Transfer			25 Mar 2016	425000	1454000	3.4365
	Transfer			31 Mar 2016	(168000)	1286000	3.0394
	AT THE END OF THE YEAR					1286000	3.0394
10	ADITYA BIRLA PRIVATE EQUITY SUNRISE FUND	1024937	2.4224			1024937	2.4224
	AT THE END OF THE YEAR					1024937	2.4224

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	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
1	Mr. Rajesh Bhatia (Managing Director and Key Managerial Person)				
	At the beginning of the year	3,582,595	8.47	3,582,595	8.47

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
09.04.2015	Market Purchase	4,000	0.01	3,586,595	8.48
20.04.2015	Market Purchase	1,076	0.01	3,587,671	8.48
22.04.2015	Market Purchase	482	0.01	3,588,153	8.48
22.04.2015	Market Purchase	1,000	0.01	3,589,153	8.48
28.04.2015	Market Purchase	7,707	0.02	3,596,860	8.50
28.04.2015	Market Purchase	2,293	0.01	3,599,153	8.51
06.05.2015	Market Purchase	2,767	0.01	3,601,920	8.51
06.05.2015	Market Purchase	1,733	0.01	3,603,653	8.52
07.05.2015	Market Purchase	1,313	0.01	3,604,966	8.52
07.05.2015	Market Purchase	370	0.01	3,605,336	8.52
08.05.2015	Market Purchase	3,000	0.01	3,608,336	8.53
08.05.2015	Market Purchase	3,000	0.01	3,611,336	8.54
29.09.2015	Market Purchase	46,000	0.11	3,657,336	8.64
30.09.2015	Market Purchase	13,782	0.03	3,671,118	8.68
30.09.2015	Market Purchase	5,218	0.01	3,676,336	8.69
07.10.2015	Market Purchase	10,000	0.02	3,686,336	8.71
At the End of the year		3,686,336	8.71	3,686,336	8.71
2	Mrs. Geeta Bhatia (Non Executive Director)				
At the beginning of the year		6,035,000	14.26	6,035,000	14.26
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
03.12.2015	Market Sale	(2,470,000)	-5.84	3,565,000	8.43
At the End of the year		3,565,000	8.43	3,565,000	8.43
3	Mr. Vishal Shah (Executive Director)				
At the beginning of the year		485,077	1.15	485,077	1.15
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					

	25.06.2015	Market Sale	(49,822)	-0.12	435,255	1.03
	25.06.2015	Market Sale	(178)	-0.01	435,077	1.03
	27.11.2015	Market Sale	(136,000)	-0.32	299,077	0.71
	29.12.2015	Market Sale	(6,000)	-0.01	293,077	0.69
	29.12.2015	Market Sale	(19,000)	-0.04	274,077	0.65
	30.12.2015	Market Sale	(2,500)	-0.01	271,577	0.64
	30.12.2015	Market Sale	(7,500)	-0.02	264,077	0.62
	31.12.2015	Market Sale	(1,200)	-0.01	262,877	0.62
	31.12.2015	Market Sale	(8,800)	-0.02	254,077	0.60
	01.01.2016	Market Sale	(118)	-0.01	253,959	0.60
	01.01.2016	Market Sale	(4,882)	-0.01	249,077	0.59
	At the End of the year		249,077	0.59	249,077	0.59
4	Mr. Sanjaya Kulkarni (Independent Director) (Date of Cessation: 04.02.2016)					
	At the beginning of the year		97,235	0.23	97,235	0.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	06.11.2015	ESOP 2012 Allotment	2,500	0.01	99,735	0.24
	24.11.2015	Market Purchase	5,000	0.01	104,735	0.25
	27.11.2015	Market Purchase	5,000	0.01	109,735	0.26
	As on February 4, 2016		109,735	0.26	109,735	0.26
5	Mr. T. S. Sarangpani (Independent Director)					
	At the beginning of the year		45000	0.11	45000	0.11

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	03.08.2015	ESOP 2012 Allotment	2,500	0.01	47,500	0.11
	19.10.2015	ESOP 2012 Allotment	2,500	0.01	50,000	0.12
	08.03.2016	Market Sale	(20,000)	(0.05)	30,000	0.07
	18.03.2016	Market Sale	(5,000)	(0.01)	25,000	0.06
	At the End of the year		25,000	0.06	25,000	0.06
6	Mr. Parantap Dave (Independent Director)					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	At the End of the year		-	-	-	-
7	Mr. Rishi Navani (Nominee Director) (Date of Cessation: 04.12.2015)					
	At the beginning of the year		66,715	0.16	66,715	0.16
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	As on December 4, 2015		66,715	0.16	66,715	0.16
8	Mr. AshuGarg (Nominee Director) (Date of Cessation: 27.05.2015)					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	As on May 27, 2015		-	-	-	-

9

Mr. UtsavShrivastava (CFO) (Date of Cessation: 05.08.2015)

At the beginning of the year		109,399	0.26	109,399	0.26
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
07.04.2015	Market Sale	(1,105)	-0.01	108,294	0.26
07.04.2015	Market Sale	(2,495)	-0.01	105,799	0.25
08.04.2015	Market Sale	(3,000)	-0.01	102,799	0.24
08.04.2015	Market Sale	(5,949)	-0.01	96,850	0.23
11.05.2015	Market Sale	(1,854)	-0.01	94,996	0.22
11.05.2015	Market Sale	(962)	-0.01	94,034	0.22
12.05.2015	Market Sale	(1,224)	-0.01	92,810	0.22
12.05.2015	Market Sale	(5,215)	-0.01	87,595	0.21
13.05.2015	Market Sale	(1,805)	-0.01	85,790	0.20
13.05.2015	Market Sale	(3,240)	-0.01	82,550	0.20
15.06.2015	Market Sale	(1,416)	-0.01	81,134	0.19
15.06.2015	Market Sale	(4,346)	-0.01	76,788	0.18
18.06.2015	Market Sale	(6,688)	-0.02	70,100	0.17
26.06.2015	Market Sale	(2,500)	-0.01	67,600	0.16
26.06.2015	Market Sale	(2,947)	-0.01	64,653	0.15
29.06.2015	Market Sale	(193)	-0.01	64,460	0.15
29.06.2015	Market Sale	(4,201)	-0.01	60,259	0.14
30.06.2015	Market Sale	(2,000)	-0.01	58,259	0.14

	30.06.2015	Market Sale	(4,159)	-0.01	54,100	0.13
	01.07.2015	Market Sale	(314)	-0.01	53,786	0.13
	01.07.2015	Market Sale	(2,686)	-0.01	51,100	0.12
	As on August 5, 2015		51,100	0.12	51,100	0.12
10	Ms. PoojaBhimjiyani (Company Secretary & Compliance Officer) (Date of Cessation: 27.05.2015)					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	As on May 27, 2015		-	-	-	-
11	Mr. Hardik Desai (Company Secretary & Compliance Officer) (Date of Appointment: 27.05.2015) (Date of Cessation: 18.03.2016)					
	At the beginning of the year		40	0.01	40	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	As on March 18, 2016		40	0.01	40	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2015-16				
i) Principal Amount	1,058,210,561	-	-	1,058,210,561
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,031,863	-	-	1,031,863
TOTAL (I+II+III)	1,059,242,424	-	-	1,059,242,424
Change in Indebtedness during the financial year 2015-16				
i) Addition	480,000,000	-	-	480,000,000
ii) Reduction	(549,081,001)	-	-	(549,081,001)
Net Change	(69,081,001)	-	-	(69,081,001)
Indebtedness at the end of the financial year 2015-16				
i) Principal Amount	989,129,560	-	-	989,129,560
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,148,786	-	-	3,148,786
TOTAL (I+II+III)	992,278,346	-	-	992,278,346

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Rajesh Bhatia	Vishal Shah	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,200,000	2,850,000	10,050,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others Specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	7,200,000	2,850,000	10,050,000
	Ceiling as per the Act			

B. Remuneration to other directors:

Sr.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Sanjay kulkarni	Prantap Dave	T S Sarangpani	Geeta Bhatia	
1	Independent Directors					
	• Fee for attending board / committee meetings	560,000	665,000	500,000	-	1,725,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total	560,000	665,000	500,000	-	1,725,000
2	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	465,000	465,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total	-	-	-	465,000	465,000
4	Total (B)=(1+2)	560,000	665,000	500,000	465,000	2,190,000
	Total Managerial Remuneration					
	Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

Sr .No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Rajesh Bhatia	Vishal Shah	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	7,200,000	2,850,000	10,050,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others Specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	7,200,000	2,850,000	10,050,000
	Ceiling as per the Act			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding Fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding	Section 269 of the Companies Act, 1956 or Section 196 of the Companies Act, 2013	Holding the Position of MD without being Re-appointed	Rs. 2,00,000	CLB	NA
B. DIRECTORS					
Penalty					
Punishment					
Compounding		Holding the Position of MD without being Re-appointed	Rs.1,00,000 for Managing Director & Rs. 50,000 per director who were in default at the time of non compliance	CLB	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

REPORT ON CSR ACTIVITIES/ INITIATIVES [Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy

The Board of Directors at its meeting held on November 14, 2014 approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee has identified the following thrust areas around which your Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

- (i) The function, Global Champs, one of the CSR activities in TREE HOUSE has been fulfilling the company's CSR commitment, for the past one year. Global Champs has focused on projects relating to Education and Environment as detailed as follow:
- (ii) Johar Health Maintenance Organization has multiple primary healthcare centers along with mobile medical van and ambulances in Hazaribagh and Ramgarh districts. The Mobile Medical Vans will provide free primary medical care and health awareness workshop (along with medicines) to the poor and needy in the remote rural areas, covering approximately 25000 patients annually. Funding operation of one Mobile Van for One year is Rs. 27,00,000/-.

Global Champs Existing Projects:

Following projects are the existing and current CSR activities being handled through the Global Champs Function:

a. Education and Empowerment of children: Creating a better tomorrow

With special emphasis on projects which focus on Education of underprivileged children, girls and upliftment of rural sports for children. Global Champs believes in working in areas that can create long-term impact on the society. Therefore focusing on 'projects in education, girl child and rural sports for children', have been chosen considering the impact they have in creating more empowering opportunities, building a better society, and nation building at large.

b. Project Green: For a cleaner, greener tomorrow

Project green will focus on adopting environment friendly measures and initiatives in every activity and process at TREE HOUSE.

- (iii) TREE HOUSE shall promote CSR activities / Projects in the field of:
 - A) Promotion of Education: including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently-abled and livelihood enhancement projects; with special emphasis on the education of the girl child;
 - B) Health, Safety and Environment: ensuring healthy and environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water.
 - C) Women Empowerment: developing skills through appropriate training, encourage capacity building to enhance income opportunities for the female staffs.
- (iv) TREE HOUSE may also undertake other CSR activities in line with Schedule VII including contributions towards Swach Bharat Kosh.
- (v) The CSR activities shall be undertaken in locations within India. TREE HOUSE shall give preference to the local areas and the areas around which TREE HOUSE operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities. However, TREE HOUSE has a multi-state presence and hence may be guided by the requirements of the specific CSR activity/program in determining the locations within India.
http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf



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The composition of the CSR Committee

Name of the member of the committee	Nature of Directorship
Mr. Ram Kumar Gupta (Chairman)	Independent Director
Mr. Rajesh Bhatia	Executive managing Director
Mr. T. S. Sarangpani	Non-executive Director

Average Net Profit of the company for last 3 financial years: Rs. 65,29,91,461/-

Prescribed CSR expenditure (2% of amount): Rs. 1,30,59,829/-

Details of CSR activities/projects undertaken during the year:

- Total amount to be spent for the financial year: - Rs. 61,06,517/-
- Amount un-spent, if any: - 69,53,312/-
- Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr	CSR project/ activity identified	Sector in which the Project is covered	Location where the project undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Direct expenditure on project/ programme	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency*
1	Global Champ	Education	Dharavi (Mumbai, Maharastra)	1,03,59,829/-	34,06,517/-	34,06,517/-	Direct
2	Johar Health Maintenance	Health Maintenance	Hazaribagh and Ramgarh (Jharkhand)	27,00,000/-	27,00,000/-	27,00,000/-	Direct

* The company spends money directly which is monitored by the CSR committee of the company and there is no direct implementing agency

- During the year the company has incurred Rs. 61.06 Lacs as against in previous year it was Rs. 30 Lacs on CSR activities. This being the second year, your company has taken steps in the right direction and going forward is committed to actively engage with the said CSR projects and programs and incur the expenditure in accordance with section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.
- The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

SD/-

Managing Director

SD/-

Chairman of CSR Committee

Place: Mumbai
Date: July 28, 2016.



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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

Unless indicated otherwise, the following discussion of our financial condition and results of operations is based on the audited financial statements for our Company for Fiscal ended as on 31st. March 2016, including annexures, schedules, and notes thereto and the report thereon appearing in this Annual Financial Statements are prepared in accordance with the Companies Act and Indian GAAP, in each case, to comply with the Accounting Standards and the relevant provisions of the Companies Act 2013.

OVERVIEW

We believe we are one of the leading providers of educational services in India. We are the largest player in terms of self-operated pre-schools in India (Source: CRISIL Report - December 2014).. As of March 31 2016, we had 636 pre-schools across 96 cities in India operating under the brand names of "Tree House", "Brainwork" and "Global Champs". As of March 31 2016, we had 536 pre-schools which were self-operated pre-schools, and 100 pre-schools were operated through our franchisees. Our pre-schools serve students, primarily in the age group of 1.5 to 6 years. We have also branched into providing educational services to K-12 schools and as of March 31, 2016, we provided such services to 18 K-12 schools on exclusive basis and 6 k-12 School on non-exclusive basis, across 3 States in India.

In our pre-schools, we offer standardized services and teaching methodologies. We offer playgroup, nursery, junior kindergarten and Senior kindergarten courses. We also offer vacation camps, hobby classes, day care facilities and teacher training course at some of our self-operated pre-schools. As of March 31, 2016, we have a team of more than 2,000 teachers at our self-operated pre-schools. We provide continuous training to all our pre-school teachers on teaching methodologies and early child care, to keep abreast with the changes in teaching methods and student needs. Our pre-school network is largely concentrated in the states of Maharashtra, Gujarat, Karnataka, Rajasthan, West Bengal and Andhra Pradesh.

We provide a wide variety of educational services to K-12 schools which include, designing curriculum and providing teaching aids, supplying methods for imparting education, organising extra-curricular activities for students and teacher training. As on March 31, 2016 we provided educational services to 18 K-12 schools on exclusive basis and 6 k-12 School on non-exclusive basis, across 3 States in India.

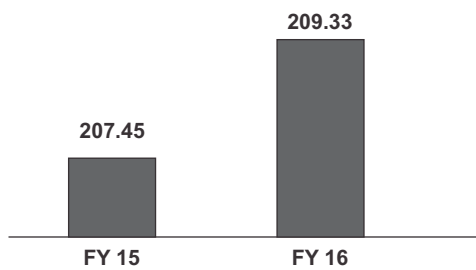
Company's Strengths:

- The Brand is owned by the company and hence, there's no royalty sharing – this is an attribute that consolidates its positioning and increase its competitive advantages in the market. This enables it to increase its earnings per centres based on a self-operating model.
- The company possesses advantage of scale - this enables it to leverage its operative costs and ad spends more efficiently, thus allowing it to break even with lower students per centre. More student enrolments also bring about higher EBITDA margins.
- The company is able to attract a superior talent pool of teachers by giving them the advantage of working directly with it.
- The company is able to turn in positive free cash flow with low earning fluctuation and higher return on Capital (ROC).

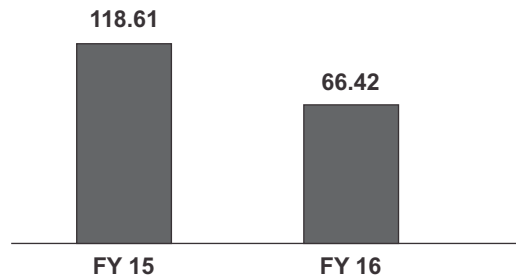
Highlights for 2015-16 FINANCIAL PERFORMANCE

The Company achieved another year of excellent performance, emerging winner with respect to all key financial parameters, consolidating and lending confidence to its strategy of creating multiple drivers of growth. Its overarching philosophy of continuously improving the quality of education at the pre-school level has helped it outshine competitors and resulted in profit.

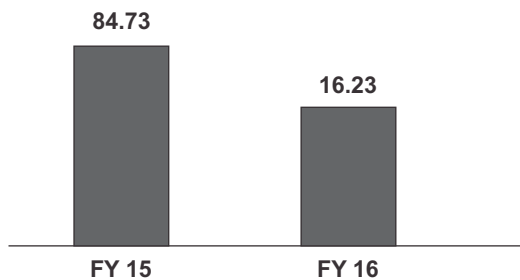
Revenue (INR CR)



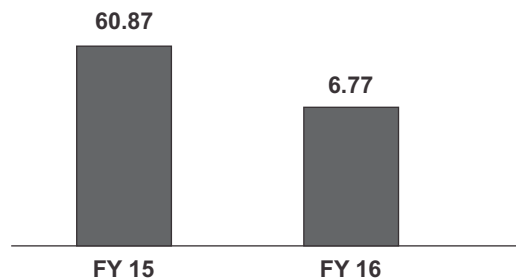
Operational EBITDA (INR CR)



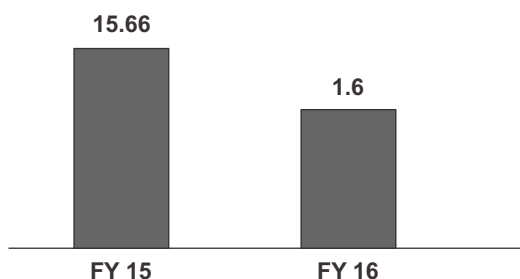
Profit before Tax (INR CR)



Profit after Tax (INR CR)



Earnings per Share



Our Company has been awarded as Best PE/VC-backed Education Company for the year 2013 by VC Circle Awards and our brand Tree House has acknowledged as India's most trusted brand in the pre-school category in TRA's (formerly Trust Research Advisory) report titled 'India's Most Trusted Educational Institutes - 2014'.



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FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Regulatory framework governing educational institutes, including pre-schools

We are engaged in operating pre-schools and providing educational services to K-12 schools. For our pre-schools, we accept admissions throughout the year and charge fees for our courses on a lumpsum and/or on installment basis. For providing educational services to K-12 schools, we charge an annual service fee to K-12 school operators for every student or for courses conducted by the K-12 schools, subject to a minimum amount payable by the K-12 school operators to us.

[Certain state governments have introduced legislations to regulate collection of fees by the educational institutes. In some such cases, the fee is to be determined in consultation with the parent-teacher associations while in certain cases the state government appoints a committee to determine the fee. The legislations also provide the factors based on which the fees are to be determined. Such factors include the location of the school, infrastructure made available to the students for qualitative education, educational standards as the state government or competent authority may prescribe, expenditure on administration and maintenance, excess fund generated from non-resident Indians, qualified teaching and non-teaching staff expenditure incurred on the students over total income of the educational institute.]

As a result, in states where such legislations are applicable an increase in the fees to be charged by us will be subject to the consultative process with the parent-teacher association or approval from any authority or third party.

Number of schools

Our financial performance is affected by the number of pre-schools and K-12 schools to where we provide educational services. For the Twelve months period ended March 31, 2016 and for Fiscal 2015 and 2014, the total number of pre-schools and K-12 schools are as:

Particulars	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014
Self-operated pre-school	542	505	386
Franchise pre-school	94	107	104
K-12 schools	18	24	24

Competition in pre-school and K-12 businesses

We operate in a competitive business environment. Although our agreements for franchisee operated pre-schools and for educational services to K-12 schools help us in deciding price for our services for a certain number of years at a time, on renewal of such contracts, growing competition may force us to reduce the prices of our services for such renewal of the agreements, as well as when bidding for new business. If the number of pre-schools in India increases, we may face competition from other pre-schools on various factors including fees. Since parents are usually sensitive towards rise in tuition fees, we may be forced to benchmark our fees as per the market standards. Our inability to align our fees as per the market standards, may reduce our revenues and profit margins and/or decrease our market share. Any failure to keep abreast with the latest trends in the industry may adversely affect the cost, competitiveness and the ability of our Company to develop newer generation programs.

Further, since we operate in competitive service industry which requires employees with specialized service skills, there is always a demand for such employees in the industry and in order to retain them, there is always a pressure on the costs which have to be borne by us.

Comments on the Performance for Fiscal Year ended 31st. March 2016

In light of certain reasons as explained below the performance of the company is muted than as compared to that of the previous year.

Weak consumer sentiment.

- Due to current economic conditions, the consumer spends are weak & sluggish.
- Bad monsoon and drought conditions in most of the states in India have worsened the situation further.
- Food price inflation has led to changing consumption and spending patterns of consumers to large extent.
- Overall enrolments and fees payout by enrolled students has been affected.
- Considering the above situation, Company has supported parents by giving fees waiver, discounts



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Impact on current year financials

- The above mentioned issues resulted in Revenue getting affected during last two quarters
- Since we were unable to recover fees from some parents as explained above, as a prudent conservative practice, Company has decided to take adequate provisions for the same during the year.
- Company has decided to close certain non-profitable centers which were not performing and were contributing negatively. Company has taken accelerated depreciation / impairment on account of closure of the non-profitable centers.
- The company has also opened few new centers across various core locations. As these centers are new, the same will take time to mature and start contributing positive. The seeding costs of these centers were substantial and the same has also caused reduction in profits for the year.

Steps taken to improve the performance of the company

- To ensure that the operating margins are on the expected lines centers which came up for renewal are being merged/rationalized in large metros to ensure better operational efficiency, lower rental and center operating costs.
- Going Forward the Company will continue with its exercise to evaluate the operations of its current centers very closely and wherever and if required necessary, will take appropriate call of closing down such centers, which are operating on losses/not generating enough cash flow. Company would constantly monitor loss making center to reduce burden on its operations and financials and to ensure better performance of the company in future.
- Looking at the strategic locations of the new centers, the company is confident that going forward they will start making positive contributions
- Further in order to support the current and future operations of the Company, we had a close look at the organization structure and manpower size and have started taking appropriate steps in order to align the same. We have already started re-negotiating the vendor agreements, salaries of top management, marketing spends, office lease, etc and reduction of major cost in these heads has already started in order to improve the margins of the company going forward. Company would keep on evaluating the costs of the company on continuous basis and will take appropriate steps from time to time.

Assets light focus: Franchising

- Company has already started focusing on increasing its franchisee network. We strongly believe that expanding through the asset light mode/ franchise mode would be better for the company going forward. However, Company will continue to open its self-run new centers at strategically good locations in future as well.

While the Company has been impacted by these provisions, write-offs and losses, it has gained consumer goodwill and brand loyalty. We are confident that all the above actions will ensure that in the subsequent quarters, company should see stronger and profitable performance.

Relationships with franchisee and K-12 school operators

The success of our business and results of our operations are dependent on our relationships with K-12 school operators who avail our educational services and franchisees of our franchisee operated pre-schools. Financial performance and health of these K-12 school operators and franchisees can also directly affect our financial results.

Brand recognition

We believe that our brand is associated with providing quality education at affordable cost and that our future success will be significantly influenced by continued investment in our brands. Brand recognition plays an important role in running our business. The recognition and acceptance of our brand through focused and consistent branding and marketing initiatives, among students, parents and companies has significant contribution to the success of our business and is critical to our ability to increase enrolments and revenues, increase penetration of our offerings in existing markets and expansion into new markets.

Any impairment of our reputation or erosion of our brand may impact our business and growth prospects.

Implementation of our business strategies

We plan to continue to expand our brand and product portfolios and our service and distribution networks in India in the near future, both organically and inorganically via strategic acquisitions. In taking these and any other such expansion initiatives, the Company faces risks and uncertainties, including:



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- (i) funding anticipated to be deployed towards the cost of the project may not become available in a timely manner or at all;
- (ii) cost overruns could adversely affect the Company's operating results;
- (iii) we may face difficulties in recruiting, training and retaining sufficient skilled technical, marketing and management personnel; and
- (iv) we may be unable to manage parents' and students' expectations.

While we have successfully implemented expansion projects in the past, any delay in implementing expansion strategies can affect our reputation, business, results of operations and financial condition.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are policies that are important for both the portrayal of our financial condition and results of operations and which require management's most subjective judgments. In order to provide an understanding about our management's judgment about the most appropriate accounting policy to be followed for complex transactions and future events, we have identified certain accounting policies as significant accounting policies. While all aspects of our financial statements and accounting policies should be understood in assessing our current and expected financial condition and results of operations, we believe that the following significant accounting policies warrant additional attention:

1. Significant Accounting Policies

1.1 Corporate Information

Tree House Education & Accessories Ltd is a public company domiciled in India and incorporated on July 10, 2006 under the provisions of the companies Act 1956. The company's principal business is providing education and related services including leasing of education infrastructure.

1.2 Basis of preparation and summary of significant Accounting policies

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting and, are in accordance with generally accepted accounting principles in India [INDIAN GAAP], and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) rules, 2006 which continue to apply under Section 133 of the Companies Act 2013, ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 1956, the extent applicable and guidelines issued by the Securities and exchange Board of India (SEBI). The accounting policies have been consistently applied by the company.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act , 2013. Based on the nature of the activity carried out by the company and period between the procurement and realisation in cash and cash equivalents, the company has ascertained its operating cycle to be 12 months for the purpose of current –non-current classification of assets and liabilities.

1.3 Use of estimates :

The preparation of financial statements in conformity with India GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets including intangibles, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

1.4 Change in Accounting Estimates:

Accounting Estimates involve management's judgment of expected future benefits and obligations relating to assets and liabilities (and associated expense and income) based on information that best reflects the conditions and circumstances that exist at the reporting date . Therefore, carrying amounts of assets and liabilities and any associated expense and gains are adjusted in the period of change in estimate. The policy for the writing off the Bad debts has been revised for the Pre School Debtors from 0% to 50% and accordingly an amount of INR 22.46 crs. has been charged to profit and loss account, thus current assets has been adjusted accordingly.

1.5 Provisions and contingencies :

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. 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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.6 Tangible Fixed assets & Intangibles:

I) Tangible Assets

(a) Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation, amortisation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to their present location and condition for their intended use.

(b) Capital Work-in Progress and Capital Advances: Cost of Assets not ready for intended use as on balance sheet date, is shown as Capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long term Loans and Advances.

II) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

- Cost incurred for acquiring brands are capitalised and amortized on a straight-line basis over a period of not more than ten years, being the estimated useful life.
- Goodwill arising from acquisition of business is amortized over the expected useful life, not exceeding ten years.
- Business Commercial Rights i.e. "School facilitation service rights" acquired from various Trusts/Societies are capitalized and amortized on a straight line basis over the agreement period.

1.7 Depreciation and Amortization :

(a) Depreciation on tangible fixed assets is provided on pro-rata basis, using straight line method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act 2013.

(b). The estimated useful life of tangible fixed assets is mentioned below:

Assets Head	Years
Tangible Fixed Assets	
Building (Other than factory building)	60
Furniture and fittings	8
Office Equipment	5
Electrical equipment	10
Teaching aid and equipment	5
Computers/Laptops	3
Vehicles	8

c) Leasehold improvements are amortized over the primary lease periods.

1.8 Impairment of Assets

The carrying amount of assets, other than inventories is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use determined based on the present value of estimated future cash flows. All impairment losses are recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.9 Revenue Recognition

1.9.1 Income from Services

Revenue is recognized on rendering of services and is recognized when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers' acknowledgment of services received. In respect of non-refundable fees for consultancy services rendered to franchisee for setting up of its operations, the rendering of service generally coincides with signing of the franchisee service agreement.

1.9.2 Royalty income

Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee or as per the agreement.

1.9.3 Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.9.4 Sale of goods

The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch /delivery to the customer.

1.9.5 Dividend

Dividend income is recognized when the right to receive payment is established.

1.10 Inventories

Inventories consist of book kits and other student activity materials. Inventory is valued at lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis.

1.11 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments were made are classified as current investments. All other investments are classified as long term investments.

Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made when the decline is other than temporary in nature.

Current investments are stated at lower of cost and market value determined on an individual investment basis.

1.12 Expenditure during construction period

Expenditure directly relating to construction activity of a new center is capitalized. Indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent it directly relates to construction or is incidental thereto. Other indirect expenditure incurred during the construction activity is charged to Statement of Profit and Loss.

1.13 Foreign currency transactions

(a) Initial recognition:

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(b) Measurement of foreign currency items at the Balance Sheet date: Foreign currency monetary items restated or retranslated at the closing exchange rates. Non-Monetary items are reported at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are recognized in the Statement of Profit and Loss.

1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying asset are capitalized as part of the cost of such asset up to the date of such asset being ready for its intended use. Other borrowing costs are treated as revenue expenditure.

1.15 Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership during the lease term, are classified as operating leases. Lease rentals in respect of assets taken under an operating lease are charged to the Statement of Profit and Loss on straight line basis over the initial period of the lease.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Expenses, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage, etc. are recognised immediately in the Statement of Profit and Loss.

1.16 Taxes on income

Tax expense comprises of both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain/virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

1.17 Employee benefits

Provident fund:

Company's contributions paid / payable to provident fund authorities are recognised in the Statement of Profit and Loss of the year when the contribution to the fund is due.

Gratuity:

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of the gratuity is present value of the defined benefit obligation at the Balance Sheet date less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains or losses and past service cost. The defined benefit obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arise.

Compensated absences

The employees of the Company are entitled to compensate absences which are non-accumulating in nature. Expenses on non-accumulating compensated absences are recognized in the year in which the absence occurs.

1.18 Share issue expenses

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by section 52 of the Companies Act 2013. In case of insufficient balances in the Securities Premium Account, unadjusted share issue expenses are amortized over a period of 5 years. In case there arises a securities premium balance subsequently, unadjusted share issue expenses would not be amortized but will be adjusted against the Securities Premium Account.

1.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.21 Employee Stock Option Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expenses is amortized over the vesting period of the option on a straight line basis.

1.22 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

1.23 Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash flow statements comprise Cash and Cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

Quantitative and qualitative disclosures about market risk

Market risk is the risk of loss related to adverse changes in market prices, including commodities risk, credit risk and interest rate risk. We are exposed to interest risks in the normal course of our business.

Commodities Risk

We are exposed to price fluctuations on account of development of infrastructure for education complexes. Any unusual increase in the price of the materials will require us to pass the increased cost to consumer which may lead to a drop in demand of our products.

Credit Risk

We are exposed to credit risk from K-12 school operators and franchisees, since we charge them for our services on periodic basis. Credit risk is the risk of loss that may occur from the failure of a trust or a franchisee to abide by the terms of conditions of their contract with us, principally the failure to make required payments on amounts due to us. In order to mitigate the risk from K-12 school operators, we normally enter into long term contracts with K-12 school operators for providing educational services. However, these factors may result in increases in our short-term borrowings.

Interest Rate Risk

Our lenders reserve the right to revise the rate of interest and thus we are exposed to market risk as a result of changes in interest rates. As of Fiscal 2016, our total indebtedness consisted of Rs. [986] million with maturities ranging up to 3 year. We undertake debt obligations in the ordinary course of business including financing capital expenditures and working capital needs. Increases in interest rates increase the cost of new debt and the interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Inflation

In recent years, India has not experienced significant inflation and accordingly inflation has not had any material impact on our business and results of operations. While the Central Government initiates several economic measures from time to time to curb inflation, it is unclear whether such measures will have the desired effect.



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REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

I. Company's Philosophy on Corporate Governance:

At Tree House Education & Accessories Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partner in our success and we remain committed to maximizing stakeholders' value.

Your Company believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders. It is a reflection of the company's culture, policies, relationship with stakeholders, commitment to values and ethical business conduct.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

Your Company has complied with all the regulations stipulated by Securities Exchange Board of India (SEBI) in the Listing Agreement(s).

GOVERNANCE FRAMEWORK

Your Company's Governance structure consists of Board of Directors, its Committees and the Management.

Board Leadership:

- Your Company has a well-balanced Board of Directors with members from diverse backgrounds, who have years of experience and expertise in various fields;
- Out of 5 members on the Board, 2 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence;
- 3 out of 5 members are Non-Executive Directors;
- The Managing Director is responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors;
- The Board over the period of years, has created a culture of leadership to provide long term vision and policy approach to improve performance and quality of governance in your Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

Board Committees:

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Compensation Committee, Committee of Board, Capital Raising Committee (QIP Committee), Internal Complaint Committee, Complaint Management Committee and Amalgamation Committee. These Committee members meet at such frequency as is necessary to address the responsibilities and tasks assigned to them.

Managing Director:

The Managing Director is responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.

II. BOARD OF DIRECTORS:

i. Composition of Board:

Your Company has a broad based Board of Directors with composition of Non-Executive, Executive and Independent Director in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as the Companies Act, 2013. Your Company also has a woman Director which brings diversity on the Board.



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The composition of Board of Directors as on March 31, 2016 is as follow:

Category	No. of Directors
Non-Executive/Independent Directors	2
Non-Executive Directors	1
Executive Director	2

Company Secretary of the Company is the Secretary of all Board and Board Committee meetings.

ii. Number of Board Meetings:

- During the financial year ended March 31, 2016, seven (7) meetings of the Board of Directors were held. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held

May 27, 2015	December 4, 2015
August 5, 2015	December 23, 2015
August 20, 2015	February 14, 2016
November 8, 2015	

All the Directors have informed the Company periodically about their Directorship and Membership in the Board / Committees of the Board of other companies. As per disclosure received, none of the Directors is a Director in more than ten (10) Public Limited Companies. Further, none of the Director acts as a member of more than ten (10) committees or acts as a chairman of more than five (5) committees across all Public Limited Companies in which they are Director.

- The details of nature of directorships, relationship inter-se, number of directorships, Committee chairmanships/ memberships held by them in other public companies and shareholding are detailed below as on March 31, 2016:

Name of the Director	Category	Relationship with each other	Attendance at meeting during FY 2015-16		No. of Directorship(s) (*)	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies (**)		No. of Shares held
			Board	AGM		Chairman	Member	
Mr. Rajesh Bhatia	Executive Director/ Promoter (Managing Director)	Spouse of Geeta Bhatia	7	Yes	-	-	-	3,686,336
Mrs. Geeta Bhatia	Non-Executive Director/ Promoter	Spouse of Rajesh Bhatia	7	Yes	-	-	-	3,565,000
Mr. Vishal Shah	Executive Director	***	7	Yes	-	-	-	249,077
Mr. Parantap Dave #####	Non-Executive Director/ Independent	***	7	Yes	3	-	2	-
Mr. Rishi Navani #	Non-Executive Director/ Nominee	***	4	No	2	-	-	66,715
Mr. Sanjaya Kulkarni ##	Non-Executive Director/ Independent (Chairman)	***	6	Yes	5	1	3	109,735
Mr. T. S. Sarangpani ###	Non-Executive Director/ Independent	***	7	Yes	-	-	-	25,000

*Excludes directorship in Tree House Education & Accessories Limited. Also excludes directorship in private limited companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorships.

**For the purpose of considering the limit of committee memberships and chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of public limited companies have been considered.

***No inter – se relationship with any of the Directors of the Company.

Mr. Rishi Navani submitted his resignation to the Board of Directors of the Company on December 3, 2015, the Board Resolution for which was passed in the meeting of the Board duly convened on December 4, 2015.

Mr. Sanjaya Kulkarni submitted his resignation to the Board of Directors of the Company on February 4, 2016, the Board Resolution for which was passed in the meeting of the Board duly convened on February 14, 2016.

Mr. T. S. Sarangpani submitted his resignation to the Board of Directors of the Company on June 2, 2016, the Board Resolution for which was passed in the meeting of the Board duly convened on June 2, 2016.

Mr. Parantap Dave submitted his resignation to the Board of Directors of the Company on July 28, 2016, the Board Resolution for which was passed in the meeting of the Board duly convened on July 28, 2016.

Note: In the above table, only individual holding is mentioned and 1,390,833 equity shares of the Company jointly held by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia is not mentioned in above table. Details of the Directorships, Committee Chairmanships and the Committee Memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2016, are given below:-

Details of the Directorship, Committee Chairmanship & the Committee Membership in other Companies (exclude private limited Company, foreign Companies and section 8 Companies held by the Directors March 31, 2016, are given below:

Sr No.	Name of the Director	Other Directorship #	Committee Positions ##	
			Chairman	Member
1.	Mr. Sanjaya Kulkarni, Chairman *	<ul style="list-style-type: none"> ➤ Time Technoplast Limited ➤ Agro Tech Foods Limited ➤ TPL Plastech Limited ➤ NED Energy Limited ➤ Aspire Home Finance Corporation Limited 	<u>Audit Committee</u> <ul style="list-style-type: none"> ➤ TPL Plastech Limited 	<u>Audit Committee</u> <ul style="list-style-type: none"> ➤ Agro Tech Foods Limited ➤ Time Technoplast Limited <u>Stakeholder Relationship Committee</u> <ul style="list-style-type: none"> ➤ Agro Tech Foods Limited
2.	Mr. Parantap Dave	<ul style="list-style-type: none"> ➤ MAS Services Limited ➤ Sarla Performance Fibers Limited ➤ Abans Enterprises Limited 	-	<u>Audit Committee</u> <ul style="list-style-type: none"> ➤ Sarla Performance Fibers Limited <u>Stakeholder Relationship Committee</u> <ul style="list-style-type: none"> Sarla Performance Fibers Limited
3.	Mr. Rishi Navani **	<ul style="list-style-type: none"> ➤ Siesta Hospitality Services Limited. ➤ Five Star Business Credits Limited. 	-	-

Includes Directorships of Public Limited Companies other than Tree House Education & Accessories Limited.

Includes only Audit Committee and Stakeholders' Relationship Committee of Public limited Companies (whether Listed or not) other than Tree House Education & Accessories Limited.

*Mr. Sanjaya Kulkarni submitted his resignation to the Board of Directors of the Company on February 4, 2016, the Board Resolution for which was passed in the meeting of the Board duly convened on February 14, 2016.

** Mr. Rishi Navani submitted his resignation to the Board of Directors of the Company on December 3, 2015, the Board Resolution for which was passed in the meeting of the Board duly convened on December 4, 2015.

Directors are appointed or re-appointed with the approval of the shareholders. Apart from the directors appointed for a specific term and the independent directors of the Company, all the directors are liable to retire by rotation unless otherwise specifically approved by the shareholders.



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iv. Board Meeting, Agenda and Procedure:

- The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the board.
- The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, Board also meets as and when necessary to address specific issues concerning the business of your company.
- The Board meetings are governed by well-designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.
- The Companies Act, 2013 read with the relevant rules issued thereunder, now facilitate conducting meetings of Board and its Committees through permitted audio-visual means or video conferencing. Accordingly, during the year, the Board members were, in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, provided with an option to participate at Board Meetings through video conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video-conferencing.
- The proceedings of each meeting of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

v. Familiarisation Programme:

Independent Directors are familiarized 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 programmes at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarization programmes have been hosted on the website of the Company and can be assessed on the link: http://www.nseprimeir.com/z_TreeHouse/pdffiles/TREEHOUSE_Policy_FAMILIARIZATION_PROGRAMME_ID.pdf

vi. Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on February 14, 2016, without the attendance of Non-Independent Directors and members of the management.

vii. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for the Board of Directors and Senior Management (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is hosted on the website of the Company www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CodeofConduct_011014.pdf.

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.



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viii. Directors' Profile:

A brief resume of Directors, nature of their expertise in specific functional areas and names of the companies in which they hold Directorships, Memberships/ Chairmanships of the Board Committees, and shareholding in the Company are provided in this Report.

Mr. Rajesh Bhatia

Mr. Rajesh Bhatia is the Managing Director of your Company. He holds a bachelor of engineering degree in computer science from MS University, Baroda and Masters of Business Administration in marketing management from Pune University. Mr. Bhatia has approximately eleven years of experience in the education industry. He has been associated with your Company since its inception. He oversees the day to day operations of your Company.

Other Directorship of Mr. Rajesh Bhatia is as follows:

Sr.	Name of the Firm/company	Nature of Interest
1.	Khemi Investments And Consultancy Private Limited	Director
2.	Madhav Education And Research Institute India Private Limited	Director
3.	Rage Shares And Stocks Private Limited	Director
4.	JT Infrastructure Private Limited	Director
5.	Mehta Tree House Infrastructure Private Limited	Director

Mr. Vishal Shah

Mr. Vishal Shah is an executive Director of your Company. He holds Bachelor of Commerce degree from Mumbai University and Masters of Business Administration in Finance from Narsee Monjee Institute of Management Studies, Mumbai. Mr. Shah has approximately eleven years of experience in the education industry. He worked with Apple Finance Limited as trainee in 1994-1996. In 1996, he joined Indsec Securities and Finance Limited as an assistant vice president. He has been associated with this Company since its inception in 2006. He oversees the marketing and administration department of the Company. His responsibilities include marketing, setting up of new centers, identifying properties for expansion, appointing franchisees and procurement.

Other Directorship of Mr. Vishal Shah is as follows:

Sr.	Name of the Firm/company	Nature Of Interest
1.	Dhiranand Engineers Pvt Ltd	Director
2.	JT Infrastructure Private Limited	Director
3.	Kusters Calico Machinery Private Limited	Director
4.	Mehta Tree House Infrastruture Private Limited	Director

Mrs. Geeta Bhatia

Mrs. Geeta Bhatia is a non-executive Director of your Company. She holds a Bachelor of Commerce degree from Mumbai University. Mrs. Bhatia has approximately eleven years of experience in the education industry. She has been awarded order of merit for Montessori education and has been honored by the Indian Council of Management Executives, Mumbai as a samajshri in recognition of services rendered to the public.

Other Directorship of Mrs. Geeta Bhatia is as follows:

Sr.	Name of the Firm / company	Nature Of Interest
1.	Khemi Investments And Consultancy Private Limited	Director
2.	Madhav Education And Research Institute India Private Limited	Director
3.	Rage Shares And Stocks Private Limited	Director
4.	JT Infrastructure Private Limited	Director
5.	Mehta Tree House Infrastructure Private Limited	Director



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Mr. Parantap Dave

Mr. Parantap Dave is an Independent Director of your Company. He holds a Bachelor of Commerce degree and is a Chartered Accountant. Mr. Dave has twenty-nine years of experience in the field of finance, banking, accounts, audit, taxation, legal, project and general management and commercial matters. Mr. Dave started his career on guiding individuals and corporates on managing their investible surplus on the capital market. This endeavor as further extended to include transacting for placement of commercial paper, advising clients on the initial public offering process, and wealth management. The resultant exposure to various business segments metamorphosed into a bouquet consulting firm, Argent Advisors, which provides corporate advisory to small and medium enterprises on strategy from incubation to initial public offering, from concept to capital, from vision to valuation.

Mr. Dave enables business entities in securing funds, both in form of venture capital/ private equity and public equity.

Other Directorship of Mr. Parantap Dave is as follows:

Sr.	Name of the Firm/company	Nature Of Interest
1.	Dhanipa Management Services Pvt Ltd	Director
2.	Spectrum International Private Limited	Director
3.	Mas Services Ltd	Director
4.	Sajeev Agri Private Limited	Director
5.	Capvital Advisors Private Limited	Director
6.	Sankalp Siddhi Corporate Advisory Private Limited	Director
7.	Sarla Performance Fibers Limited	Director
8.	Abans Enterprises Limited	Director

Mr. Parantap Dave submitted his resignation to the Board of Directors of the Company on July 28, 2016, the Board Resolution for which was passed in the meeting of the Board duly convened on July 28, 2016.

Mr. T.S. Sarangpani

Mr. T.S. Sarangpani is an Independent Director of your Company. He holds a bachelor of engineering degree and masters of business administration from the University of Madras. Mr. Sarangpani has approximately 35 years of experience in the financial services industry. He started his career with ICICI Bank Limited. After spending seven years with them in the project finance area, he moved to the manufacturing industry where he worked at International Instruments, Bangalore and Nuchem Plastics, New Delhi. Since 1990, Mr. Sarangpani was associated with the financial services industry in areas such as venture capital, setting funds for international investors and investing in India and investment banking with emphasis in corporate finance. During this period, he was associated with the 20th Century Venture Capital; TAIB Bank in Bahrain, West Merchant Bank at London, and WestLB, a Germany based commercial bank. Currently he is director in your Company only. Mr. T.S. Sarangpani holds no Directorship in any other company.

Mr. T. S. Sarangpani submitted his resignation to the Board of Directors of the Company on June 2, 2016, the Board Resolution for which was duly passed at the duly convened meeting of the Board on June 2, 2016.

Mr. Ram Kumar Gupta

Mr. Ram Kumar Gupta is appointed as an Additional Director of your Company w.e.f. May 29, 2016. He is enrolled as Advocate with Bar Council of Delhi on 20.09.1977, having Membership / Certificate of Practice No. D/203/1977.

Mr. Ram Kumar Gupta has a rich experience of practicing as an Advocate in Delhi at various Courts including High Court from 1977 to 1995.

From 1995 to 2013, Mr. Gupta, joined as a Judicial Member of Income Tax Appellate Tribunal and served across various parts of India at Allahabad, Jaipur, Delhi & Mumbai Benches.

From 2013 till date, Mr. Gupta has been acting as a Legal Advisor to various Corporates & Individuals.



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Mr. Chanakya Dhanda

Mr. Chanakya Dhanda is appointed as an Additional Director of your Company w.e.f. May 29, 2016. He Chanakya Dhanda holds Bachelor of Business Administration (BBA) degree from International Management Institute of Brussels and also is Post Graduate Diploma in Management (PGDM) from IIPM Mumbai.

Mr. Chanakya Dhanda is a Management Graduate and a renowned entrepreneur in Mumbai with more than 10 years of collective experience in Telecommunication, Hospitality, Media, Textiles, Electronics, Renewable Energy & Financial industries. As a part of his entrepreneurial skills in telecommunications, he incorporated a software development & value added service company viz. He has leadership experiences and qualities resulting in better financial performance and enhanced systems for higher performance of the team. He is very popular in spearheading business growth strategies resulting in increased profitability. He possesses an ability to orchestrate multi-task levels of responsibility effectively. Mr. Dhanda has vast knowledge in Market Analysis, Insight & Forecasting, International Trend Forecasting, Macroeconomic Analysis, Public Policy Analysis, Pricing & Economic Model Development, Trading Strategy Integration, Team Leadership & Mentoring, New Employee Training, Global Market Reports & Commentary, Quantitative Data Summarization, Opportunity Identification, New Product Development.

ix. Support and Role of Company Secretary

Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. Company Secretary acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

III. BOARD COMMITTEES:

With a view to have a more focused attention on business and for better governance with accountability, the Board has constituted various committees of directors. Some of the Committees of the Board were reconstituted, renamed and terms of reference were revised to align with the provisions of Companies Act, 2013 and new Listing Regulations, 2015. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The minutes of Committee meetings are tabled at the Board meetings and the Chairperson of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees.

i. Audit Committee :

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises two Non-Executive Directors and one Executive Director who are well versed with financial matters and corporate laws.

- a. The Audit Committee met five times in the financial year ended March 31, 2016 on 27.05.2015, 05.08.2015, 08.11.2015, 23.12.2015 and 14.02.2016. The necessary quorum was present for all the meetings.
- b. The composition of the Committee during financial year ended March 31, 2016 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2016	
			Held	Attended
Mr.Sanjaya Kulkarni#	Independent, Non-Executive	Chairman	4	4
Mr. Parantap Dave	Independent, Non-Executive	Member	5	5
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	5	5
Mr. T. S. Sarangpani##	Independent, Non-Executive	Chairman	1	1



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Mr. Sanjaya Kulkarni, chaired 4 out of 5 Audit Committee Meetings of the Company, as he ceased to be a Chairman of the said Committee by virtue of his resignation as Director / Chairman of the Company w.e.f February 4, 2016, in respect of which a Board Resolution was passed at the Board Meeting convened on February 14, 2016.

##Mr. T. S. Sarangpani was unanimously appointed as the Chairman of the Audit Committee Meeting by the board members at the Company's Board Meeting held on February 14, 2016.

Mr. T. S. Sarangpani ceased to be a Director on the Board of a Company by virtue of his resignation on June 2, 2016, the resolution for which was passed in a meeting of the board convened on June 2, 2016. Along, Mr. T. S. Sarangpani ceased to be a member of the Audit Committee.

Mr. Ram Kumar Gupta was appointed as a Chairman on the Board of the Company as well as the Chairman of Audit Committee by virtue of Board Resolution passed to that effect in the Board Meeting convened on June 2, 2016.

c. Terms of Reference:

The terms of reference of the Audit Committee covering the matters specified under Clause 49 of the Listing Agreement / Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Nomination and Remuneration Committee:

- The Nomination and Remuneration Committee met thrice in the financial year ended March 31, 2016 on 27.05.2015, 05.08.2015 & 14.02.2016
- The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of meetings held and attended by the members of the Committee during the financial year ended March 31, 2016:

Name	Category	Position	Number of meetings during the year ended March 31, 2016	
			Held	Attended
Mr. Sanjaya Kulkarni #	Independent, Non-Executive	Chairman	2	2
Mr. Parantap Dave ##	Independent, Non-Executive	Member	3	3
Mrs. Geeta Bhatia	Non- Independent, Non-Executive	Member	3	3
Mr. T.S. Sarangpani####	Independent, Non-Executive	Member #	3	3

Mr. Sanjaya Kulkarni, chaired 2 out of 3 Nomination & Remuneration Committee Meetings of the Company, as he ceased to be a Chairman of the said Committee by virtue of his resignation as Director / Chairman of the Company w.e.f February 4, 2016,, in respect of which a Board Resolution was passed at the Board Meeting convened on February 14, 2016.

Mr. Parantap Dave, was unanimously appointed as the Chairman of the Nomination & Remuneration Committee Meeting by the board members at the Company's Board Meeting held on February 14, 2016.

- * Pursuant to section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, nomination and remuneration committee must fulfill below mentioned points:
- the committee shall comprise of at least three directors ;
 - all directors of the committee shall be non-executive directors;
 - at least fifty percent of the directors shall be independent directors.

Mr. Sanjaya Kulkarni, who was part of the Nomination & Remuneration Committee of the company, resigned with effect from February 4, 2015 thereby ceasing to be member of the said committee, it is not going to lead to non-compliance of the provisions of Companies Act, 2013 & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Thus, there is no requirement to appoint a new member to the nomination & remuneration committee in place of Mr. Sanjaya Kulkarni.

Mr. T. S. Sarangpani ceased to be a Director on the Board of a Company by virtue of his resignation on June 2, 2016, the resolution for which was passed in a meeting of the board convened on June 2, 2016. Along, Mr. T. S. Sarangpani ceased to be a member of the Nomination & Remuneration Committee.

Mr. Ram Kumar Gupta was appointed as a member of the Nomination & Remuneration Committee by virtue of Board Resolution passed to that effect in the Board Meeting convened on June 2, 2016.

c. Terms of Reference:

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement / Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015. The terms of reference of the Committee are broadly as under:

- To 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;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a 'Remuneration Policy', relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Directors on the Board of Company;
- To devise a policy on Board diversity;
- Any other matter as the Nomination and Remuneration Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

d. Performance Evaluation Criteria for Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of performance evaluation criteria including their role and responsibilities, expertise, skills, leadership qualities, understanding of business, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls.

e. Remuneration & Sitting fees:

Pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with provisions of Article 41 of the Articles of Association of the Company, the sitting fees be paid to the Directors of the Company for attending meeting of the Board of Directors and any other Committee Meetings of the Company. Such sitting fees for attending meeting of the Board of Directors and any other Committee Meetings held thereof shall be payable w.e.f. April 1, 2015."

The sitting fees payable for attending the Board and Committee Meetings are as followed:

Sr.No.	Name of the Meeting	Sitting Fees to be paid per meeting (in Rs.)
1.	Board Meeting	60,000/-
2.	Audit Committee Meeting	40,000/-
3.	Stakeholders Relationship Committee	5,000/-
4.	Nomination and Remuneration Committee	5,000/-
5.	Corporate Social Responsibility Committee	5,000/-
6.	Compensation Committee	5,000/-
7.	Committee of Board	5,000/-
8.	Amalgamation Committee	5,000/-

f. Details of remuneration & sitting fees:

- Sitting fees to Non-Executive Directors: Non- Executive Directors are paid only sitting fees for attending meeting. Details of sitting fees paid to non-executive Director are as follows:

Name of Directors (FY 2015-16) (In Rs.)	Sitting Fees
Mr. Sanjaya Kulkarni #	5,60,000
Mr. Parantap Dave	6,65,000
Mr. TS Sarangpani**	5,00,000
Mrs. Geeta Bhatia	4,65,000



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Mr. Sanjaya Kulkarni was paid Sitting Fees for all the Meetings of the Board and Committee Meetings attended by him in person up to the time of his office as director in the company i.e. February 4, 2016.

*Mr. Rishi Navani, was not paid any sitting fees. He ceased to be nominee director of the company by virtue of his acceptance of resignation by the Board at the Board Meeting convened on December 4, 2016.

**Mr. T S Sarangpani was paid Sitting Fees for all the Meetings of the Board and Committee Meetings attended by him in person up to the time of his office as director in the company i.e. June 2, 2016.

Note:

- Mrs. Geeta Bhatia, Non-Executive Director of the Company holds 3,565,000 equity Shares of the Company independently and 1,390,833 equity shares of the Company Jointly with Mr. Rajesh Bhatia as on March 31, 2016.
- Please refer Annexure C to Directors Report for "Employee Stock Option 2010" and Employee Stock Option 2012"
- Remuneration paid to Managing Director, Executive Director and other employees of the Company for the financial year ended March 31, 2016:

Name	Category	Remuneration (In Rs.)
Mr. Rajesh Bhatia	Managing Director	72,00,000 per annum
Mr. Vishal Shah	Executive Director	28,50,000 per annum

Note:

- Appointment, terms, conditions and payment of remuneration to the Managing Director is governed by the resolution(s) passed by the Nomination and Remuneration Committee, Board of Directors and Members of the Company and approval from the Government of India, Ministry of Corporate Affairs, if necessary.
- Mr. Rajesh Bhatia, Managing Director is holding 3,686,336 equity shares of the Company independently and 1,390,833 equity shares of the Company jointly with Mrs. Geeta Bhatia as on March 31, 2016.
- Mr. Vishal Shah, Director of the Company is holding 245,045 equity shares of the Company independently and 4,032 equity shares of the Company jointly as on March 31, 2016
- Please refer Annexure C to Directors Report for "Employee Stock Option 2010" and Employee Stock Option 2012"

iii. Stakeholders' Relationship Committee:

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met Four times in the financial year ended March 31, 2016 on 27.05.2015, 05.08.2015, 08.11.2015 and 14.02.2016. The necessary quorum was present for all the meetings.
- The composition of the Stakeholders' Relationship Committee during financial year ended March 31, 2015 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2016	
			Held	Attended
Mr. Parantap Dave ##	Independent, Non-Executive	Chairman	4	4
Mr. T. S. Sarangpani ###	Independent, Non-Executive	Member	4	4
Mr. Sanjaya Kulkarni#	Independent, Non-Executive	Member	3	3
Mrs. Geeta Bhatia	Non-Independent, Non-Executive	Member	4	4
Mr. Vishal Shah	Non-Independent, Executive	Member #	4	2



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Mr. Sanjaya Kulkarni, ceased to be a member of Stakeholders' Relationship Committee by virtue of his resignation as Director / Chairman of the Company w.e.f February 4, 2016.

Pursuant to section 178 (5) of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 stakeholder's relationship committee must fulfill below mentioned points:

- **Chairman of this committee shall be a non-executive director.**
Mr. Sanjaya Kulkarni, who was part of the Stakeholders' Relationship Committee of the company, resigned with effect from February 4, 2015 thereby ceasing to be member of the said committee, it is not going to lead to non-compliance of the provisions of Companies Act, 2013 & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Mr. Parantap Dave, was unanimously appointed as the Chairman of the Nomination & Remuneration Committee Meeting by the board members at the Company's Board Meeting held on February 14, 2016.

Mr. T. S. Sarangpani ceased to be a Director on the Board of a Company by virtue of his resignation on June 2, 2016, the resolution for which was passed in a meeting of the board convened on June 2, 2016. Along, Mr. T. S. Sarangpani ceased to be a member of the Stakeholders' Relationship Committee.

Mr. Ram Kumar Gupta was appointed as a member of the Stakeholders' Relationship Committee by virtue of Board Resolution passed to that effect in the Board Meeting convened on June 2, 2016.

- c. The terms of reference of the Committee includes to look into the redressal of grievances of shareholders, resolve their grievances including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declaration of dividends.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was NIL. As on March 31, 2016 there are NIL complaints pending with the Company.

- d. Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2016 are as follows:

No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending at the end of the year	Nil

- e. The Company has also adopted Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has designated Company Secretary as the Compliance Officer of the Company.

iv. **Corporate Social Responsibility (CSR) Committee:**

Corporate Social Responsibility was constituted pursuant to section 135 of the Companies Act, 2013, by the Board of Directors of the Company

a. **The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:**

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
 - To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
 - To monitor the CSR policy of the Company from time to time;
 - Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
- b. The Committee met once in financial year ended March 31, 2016 on 08.11.2015. The necessary quorum was present for the meeting.
- c. The composition of the Committee during the financial year ended March 31, 2016, the details of meetings held and attended by the members are as under:



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Name	Category	Position	Number of meetings during the year ended March 31, 2016	
			Held	Attended
Mr. Sanjaya Kulkarni*	Independent, Non-Executive	Chairman	1	1
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	1	1
Mr. T. S. Sarangpani	Independent, Non-Executive	Member	1	1
Mr. Parantap Dave #	Independent, Non-Executive	Member	-	-

* Mr. Sanjaya Kulkarni has resigned from the Board of Company w.e.f. February 4, 2016, along with he ceased to be member of Corporate Social Responsibility Committee.

#Mr. Parantap Dave was appointed as a member of Corporate Social Responsibility Committee by Board of Directors at Board Meeting dated February 14, 2016.

Mr. T. S. Sarangpani ceased to be a Director on the Board of a Company by virtue of his resignation on June 2, 2016, the resolution for which was passed in a meeting of the board convened on June 2, 2016. Along, Mr. T. S. Sarangpani ceased to be a member of the Corporate Social Responsibility Committee.

Mr. Ram Kumar Gupta was appointed as a member of the Corporate Social Responsibility Committee by virtue of Board Resolution passed to that effect in the Board Meeting convened on June 2, 2016.

The CSR Policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure F to the Directors Report. The CSR policy is posted on the website of the Company:
http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf

v. Amalgamation Committee

The Board of Directors at its Meeting held on December 4, 2015, passed a board resolution for constituting Amalgamation Committee for the purpose of specifically looking into finalization of the proposed consolidation with Zee Learn Limited and ensure that necessary steps are taken in carrying out the said corporate action.

The Amalgamation Committee met twice in financial year ended March 31, 2016 on 23.12.2015 & 04.02.2016. The composition of the Amalgamation Committee during the financial year ended March 31, 2016, the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings during the year ended March 31, 2016	
			Held	Attended
Mr. Rajesh Bhatia	Non-Independent, Executive	Chairman	2	2
Mr. Sanjaya Kulkarni #	Independent, Non-Executive	Member	1	1
Mr. T. S. Sarangpani###	Independent, Non-Executive	Member	2	2
Mr. Vishal Shah ##	Non-Independent, Executive	Member	-	-



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Mr. Sanjaya Kulkarni has resigned from the Board of Company w.e.f. February 4, 2016, along with ceased to be member of Amalgamation Committee.

Mr. Vishal Shah was appointed as a member of the Amalgamation Committee by virtue of Board Resolution passed to that effect in the Board Meeting convened on February 14, 2016.

Mr. T. S. Sarangpani ceased to be a Director on the Board of a Company by virtue of his resignation on June 2, 2016, the resolution for which was passed in a meeting of the board convened on June 2, 2016. Along, Mr. T. S. Sarangpani ceased to be a member of the Amalgamation Committee.

* Mr. Ram Kumar Gupta was appointed as a member of the Amalgamation Committee by virtue of Board Resolution passed to that effect in the Board Meeting convened on June 2, 2016.

vi. **Committee of Board:**

The Committee of Board was constituted to facilitate the operational decisions within the broad frame work laid down by the Board.

a. The Committee met thrice in financial year ended March 31, 2016 on 09.05.2015 and 06.07.2015. The necessary quorum was present for all the meetings.

b. The composition of the Committee during the financial year ended March 31, 2016, the details of meetings held and attended by the members are as under:

Name	Category (Director)	Position	Number of meetings during the year ended March 31, 2016	
			Held	Attended
Mr. Sanjaya Kulkarni *	Independent, Non-Executive	Chairman	2	2
Mr. Parantap Dave	Independent, Non-Executive	Member	2	2
Mrs. Geeta Bhatia	Non-Executive	Member	2	2
Mr. Rajesh Bhatia #	Non-Independent, Executive	Member	-	-

* Mr. Sanjaya Kulkarni has resigned from the Board of Company w.e.f. February 4, 2016, along with ceased to be member of Committee of Board.

Mr. Rajesh Bhatia was appointed as a member of the Committee of Board by virtue of Board Resolution passed to that effect in the Board Meeting convened on February 14, 2016.

c. **Powers of the Committee of Board:**

- Chairman of Committee holds the right to invite any specific person if the matter involves specific understanding and inputs.
- Approval of New Bank Account Opening.
- Approval for New Loan Applications to Banks.
- Approval for Application for conversion of warrants into equity shares.
- Any other matter as committee members deem fit from time to time but it does not include the resolution which required Board approval.

vii. **Compensation Committee**

The Compensation Committee was constituted pursuant to the provisions of the Companies Act, 1956 and any other applicable provisions under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999.

a. The composition of the Committee during the financial year ended March 31, 2015, the details of meetings held and attended by the members are as under:

Name	Category (Director)	Position	Number of meetings during the year ended March 31, 2016	
			Held	Attended
Mr. Sanjaya Kulkarni *	Independent, Non-Executive	Chairman	-	-
Mr. Parantap Dave	Independent, Non-Executive	Member	-	-
Mrs. Geeta Bhatia	Non-Executive	Member	-	-
Mr. T. S. Sarangpani #	Independent, Non-Executive	Member	-	-

* Mr. Sanjaya Kulkarni has resigned from the Board of Company w.e.f. February 4, 2016, along with he ceased to be member of Compensation Committee.

#Mr. T. S. Sarangpani was appointed as member of Compensation Committee by Board of Directors at Board meeting dated February 14, 2016.

Mr. T. S. Sarangpani has resigned from the Board of Company w.e.f. June 2, 2016, along with he ceased to be member of Compensation Committee.

Mr. Ram Kumar Gupta was appointed as member of Compensation Committee by Board of Directors at Board meeting dated June 2, 2016.

b. **The Terms of reference and powers of Committee are as follows:**

- Prepare and recommend Board of Directors ESOP Scheme, trust deed.
- Determine the number of Options to be granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- Determine the Vesting and/or Lock-in period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- Determine the Employees eligible for participation in the Plan.
- Determine the performance parameters for Grant of Options granted to an Employee, under the Plan.
- Lay down the conditions under which Options granted to or Vested in Employees may lapse in case of termination of employment for misconduct, etc.
- Determine the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period.
- Specify time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure, and Corporate Action etc.
- Provide for the right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- Lay down the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise including but not limited to procedure and mode of recovering Fringe Benefit Tax (FBT).
- Lay down the procedure for cashless Exercise of Options, if any.
- Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the Employer Company.
- Frame suitable rules, policies and systems to ensure that there is no violation of:
 - SEBI (Insider Trading) Regulations, 1992, and
 - SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- Exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Plan.



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IV. MD/CFO CERTIFICATION:

The Managing Director (MD) and Chief Financial Officer (CFO) of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchanges(s). The annual Compliance Certificate given by Managing Director and Chief Financial Officer is published in Annual Report.

V. GENERAL BODY MEETINGS:

I Annual General Meeting (AGM):

The location, time and venue of the last three Annual General Meetings were as under:

Meeting	Date and Time Venue	Special resolutions passed
9 th Annual General Meetings	September 25, 2015; 10.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution was passed.
8 th Annual General Meetings	September 6, 2014; 10.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	To approve amendment of Articles of Association of the Company
7 th Annual General Meetings	September 7, 2013; 10.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution was passed.

ii. Postal Ballot:

During the financial year ended March 31, 2016, the Company has passed the following resolutions by postal ballot:

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favor of the resolution		Votes against the resolution	
			No. of Votes	% to total votes	No. of Votes	% to total votes
1.	01.10.2015	Special Resolution for Creation of Charges on the moveable and immoveable properties of the Company, both present and future, in respect of borrowing	27,137,757	99.99%	200	0.01%

In the Postal Ballot conducted for matters mentioned above, pursuant to clause 35B of the Listing Agreement, the Company had also offered e-voting facility, through NSDL platform, as an alternate, to enable the shareholders to cast their votes electronically instead of dispatching Postal Ballot Form.

The Company had appointed Mr. Mihen Halani, Practicing Company Secretary, as Scrutinizer to conduct the Postal Ballot processes in a fair and transparent manner.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.



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VI. DISCLOSURES:

i. Related Party Transaction:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements. Please refer Note No. 2.30 of the financial statement for related party statement. The CSR Policy is posted on the website of the Company:

http://www.nseprimeir.com/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf

There are no materially significant related party transactions that may have potential conflict with the interests of company at large.

ii. Your Company has complied with all the requirements of the Stock Exchanges(s) and Securities Exchange Board of India (SEBI) on matters related to Capital Markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

iii. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company believes in conducting its business and working with all its stakeholders in an ethical and lawful manner by adopting highest standards of professionalism, integrity, honesty and ethical behavior.

Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against employee.

In accordance with Listing Agreement / SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, your Company has adopted Whistle Blower Policy and Vigil Mechanism with object to provide its employees and a mechanism whereby concern can be raised with Complaint Management Committee. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Audit Committee of the Board of Directors of the Company. Whistle Blower Policy is available on company website http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_Revised_14022016.pdf

iv. Code of Conduct for Prevention of Insider Trading:

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to Unpublished Price Sensitive Information relating to the Company.

A policy on Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders is available on company's website:

http://www.nseprimeir.com/z_TreeHouse/pdf-files/CODE_OF_CONDUCT_INSIDER_TRADING.pdf

v. Prevention of Sexual Harassment at Workplace:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees(permanent, contractual, temporary, trainees)are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

Policy on Prevention of Sexual Harassment at Workplace is available on company's website:

http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Sexual%20Harrasment%20Policy_Revised_14022016.pdf

vi. Risk Management Policy -

The Audit Committee is empowered to take the necessary steps for mitigating risk for which Risk Management Policy was framed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

a. Terms of reference of such Policy are stated as below:

- To approve structures, analyze risks and benefits, seek independent opinion with regard to structure or views.
- Reviewing and approving risk related disclosures.
- Responsible for day to day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting.
- Providing updates to the Board on enterprise risks and action taken.

Ensure compliance with policies and procedures laid down by the Company for specific business units.

- Maintenance and development of a supportive culture, in relation to the management of risk appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
- Advising Board on all high level risk matters.
- To review the effectiveness of the internal control system and risk management framework in relation to the achievement of business objectives.
- Reporting risk events and incidents in a timely manner.

vii. Materiality Policy

Regulation 30 requires listed entities to frame a policy for determination of 'materiality' based on the criteria specified in the Regulation and disclosure to the Stock Exchanges.

Accordingly, this policy for determination of 'material' events or information, was approved at the Board Meeting of the Company held on December 23, 2015 and will come into effect from December 1, 2015.

The Policy for Determination of Material events or information is available on company's website:

http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Policy_on_Materiality_SEBI_LODR_Reg_2015.pdf

viii. Archival Policy

The Listing Regulations mandates listed entities to formulate a Policy for preservation and archiving of documents pursuant to Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is in this context that the Document Retention and Archival Policy ("Policy") is being framed and implemented.

Objectives of the Policy:

The objective of this Policy is to classify the documents in two categories i.e.

- (i) documents which need to be preserved permanently &
- (ii) documents which need to be preserved for a specific period of time.

The Archival Policy of the Company is available on company's website:

http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Archival_Policy_SEBI_LODR_Reg_2015.pdf

ix. Policy on Material Subsidiary

The objective of this policy is to determine Material Subsidiaries of the Company and to provide a governance framework for such Material Subsidiaries. The policy is framed in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

As on date of formulating this policy, the Company has no subsidiaries and there is no immediate applicability. However, the policy is devised in order to cater to the needs of the company in future when the Company would own Subsidiaries.

The Policy on Material Subsidiary is available on company's website.

http://www.nseprimeir.com/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsiary_ies_.pdf



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x. Details of compliance with mandatory and non-mandatory requirements of this clause 49 of Listing Agreement / Listing Regulations 2015.

a. Your Company has complied with all the mandatory requirements of Clause 49 of Listing Agreement / Listing Regulations 2015.

b. **COMPLIANCE WITH NON MANDATORY REQUIREMENT UNDER CLAUSE 49 OF LISTING AGREEMENT / LISTING REGULATIONS 2015:**

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement / Listing Regulations 2015 with Stock Exchanges is provided below:

i. **The Board of Directors:**

The Non-Executive Chairman has a separate office in his own capacity and the Company has not reimbursed anything in monetary term to him for maintenance of his office. The Company has adopted its own Guidelines for composition of the Board of Directors, Committees of the Board and Retirement Age of Directors, which take into account the provisions of the Listing Agreement, the Companies Act, 2013, Companies Act, 2013 and other applicable laws.

ii. **Shareholder Rights**

In addition to publishing its quarterly results in English and Marathi newspaper having wide circulation, the Company uploads its quarterly results and shareholding pattern and corporate governance reports and all other disclosures submitted to stock exchanges on its website www.treehouseplaygroup.net.

iii. **Audit qualifications**

Company may move towards a regime of unqualified financial statements.

iv. **Separate posts of Chairman and Managing Director**

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.

v. **Reporting of Internal Auditor**

The Internal auditor directly report to the Audit Committee.

VII. **MEANS OF COMMUNICATION:**

I **Quarterly/Half Yearly/Annual results:**

The quarterly, half-yearly and annual financial results of the Company are regularly submitted to the Stock Exchanges where the shares of the Company are listed pursuant to the provision of the Listing Agreement/ Listing Regulations 2015 and are published in the newspapers i.e. "Free Press Journal" (English daily newspapers) and "Navshakti" (Marathi regional language newspapers) and are displayed on website (www.treehouseplaygroup.net).

ii. **Website and News Releases:**

A separate dedicated section 'Investors' on the Company's website given information on various announcements made by the Company, stock quote, Annual Report, Quarterly/Half yearly/Nine monthly and Annual financial results along with applicable policies of the Company. The Company's official news release and presentations are also available on the Company's website www.treehouseplaygroup.net.

iii. **Stock Exchange:**

Your Company makes timely disclosures of necessary information to BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules and regulations issued by SEBI.



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iv. NEAPS (NSE Electronic Application Processing System):

A NEAP is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

v. BSE Corporate Compliance & Listing Centre:

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.

VIII. GENERAL INFORMATION TO SHAREHOLDERS

1. Annual General Meeting (AGM):

Date	September 26, 2016
Day	Monday
Time	9:00 a.m.
Venue	Mayor hall, All India Institute of local self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (w), Mumbai 400 058

2. Financial Year:

Financial Year - 1st April, 2015 to 31st March, 2016

3. Financial Calendar:

The Company follows the period of 1st April, 2016 to 31st March, 2017, as the Financial Year.

First quarterly results	On or before August 14, 2016
Second quarterly / Half yearly results	On or before November 14, 2016
Third quarterly results	On or before February 14, 2017
Annual results for the year ending on March 31, 2017	On or before May 30, 2017
Newspaper where the results are published	Free Press Journal, Navshakti
Website where the financial results, shareholding pattern, annual report etc. are uploaded	www.nseindia.com www.mcxindia.com, www.bseindia.com,

4. Date of Book Closure:

Wednesday, September 21, 2016 to Sunday, September 25, 2016 (both days inclusive).

5. Listing on Stock Exchange:

The Equity Shares of the Company are listed on:

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor, Plot No. C/1
G-Block, BandraKurla Complex
Bandra (E), Mumbai 400 051

Metropolitan Stock Exchange of India Limited (MCX-SX)

Vibgyor Towers, 4th floor, Plot No. C/62
G-Block, Off. Trident Hotel, Bandra Kurla Complex
Bandra (East), Mumbai 400 051

The Company has paid annual listing fees to the stock exchanges for the financial year 2015-16 and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to NSDL & CDSL.

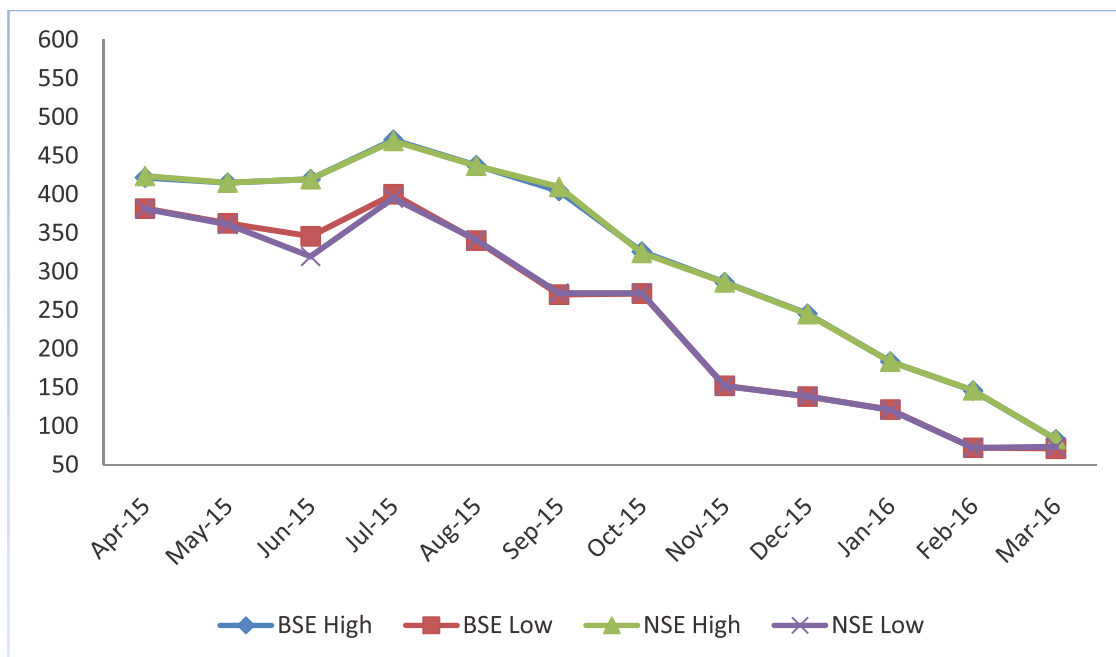
6. Stock Codes:

Stock Exchange	Code
BSE	533540
NSE	TREEHOUSE
MCX-SX	TREEHOUSE
Demat ISIN Numbers in NSDL and CDSL	INE040M01013
CIN	L80101MH2006PLC163028

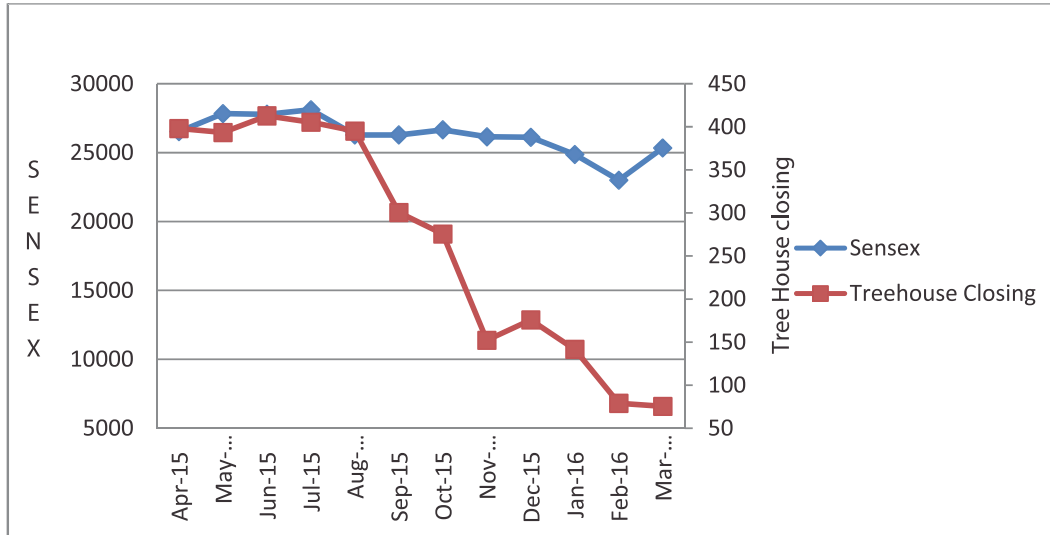
7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2016 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange (Face Value of Rs. 10/- Per Share)			National Stock Exchange (Face Value of Rs. 10/- Per Share)		
	High	Low	Volume	High	Low	Volume
April 2015	421.50	381.55	93,149	423.65	381.10	485,991
May 2015	414.95	362.40	195,511	415.00	361.10	484,248
June 2015	419.50	345.55	1,042,144	419.45	319.50	1,977,404
July 2015	470.40	400.00	201,511	469.00	395.00	888,740
August 2015	437.50	340.00	171,710	436.85	341.00	644,523
September 2015	404.20	270.10	177,676	409.50	272.15	1,000,020
October 2015	325.80	271.50	255,788	324.00	272.10	2,183,773
November 2015	286.10	152.10	618,394	285.90	151.75	4,012,213
December 2015	245.35	138.10	7,727,515	244.80	138.30	14,722,444
January 2016	183.35	121.35	8,142,604	183.25	120.60	3,990,347
February 2016	145.80	71.90	4,936,035	146.25	71.80	12,476,617
March 2016	82.70	70.80	1,930,209	82.90	73.15	5,614,581



8. Performance in comparison to Bombay Stock Exchange Limited SENSEX



9. Registrar and Share Transfer Agents:

M/s. Link Intime (India) Private Limited
 C-13, Pannalal Silk Mills Compound
 Lal Bahadur Shastri Road, Bhandup (W)
 Mumbai 400 078
 Tel. No: 022 - 2594 6970 / 022 - 2594 6960 / 022 - 6171 5400
 Fax: 022 - 2594 6969
 Email ID: rnt.helpdesk@linkintime.co.in

10. Investor's Complaints to be addressed to: Registrar and Share Transfer Agents at the above mentioned addresses.

11. Share Transfer System:

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (RTA). The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Regulation 40(9) & 40(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

12. Distribution of Shareholding as on March 31, 2016 is as under:

Shareholding of Nominal Value of Rs. 10/- per share	Shareholders		Face Value of Rs. 10/- per Share	
	Numbers	% of total	Share Amount (Rs.)	% of total
1 – 5000	13203	85.6337	15,649,330	3.6987
5001 – 10000	1047	6.7908	8,031,360	1.8982
10001 – 20000	535	3.4700	7,944,280	1.8776
20001 – 30000	169	1.0961	4,341,970	1.0262
30001 – 40000	84	0.5448	3,040,090	0.7185
40001 – 50000	60	0.3892	2,799,800	0.6617
50001 – 100000	139	0.9015	10,114,150	2.3904
100001 – Above	181	1.1740	371,186,260	87.7286

13. Dematerialization of Shares and Liquidity:

About 99.95% of total equity share capital is held in Dematerialized (Demat) form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2016.

The break-up of Equity shares held in physical and Demat form as on March 31, 2016 is given below:

Particulars	Shares	% of total shares
Physical Shares (i)	20,004	0.05
Demat Shares		
NSDL	35,389,543	83.64
CDSL	6,901,177	16.31
Demat Shares (Total) (ii)	42,290,720	99.95
Total (i + ii)	4,23,10,724	100

For any assistance in converting physical shares in electronic form, investors may approach Registrar and Share Transfer Agents at the above mentioned addresses.

14. Compliance Officer:

Mr. Hardik Desai
Company Secretary & Compliance Officer (w.e.f. May 27, 2015 to March 18, 2016)

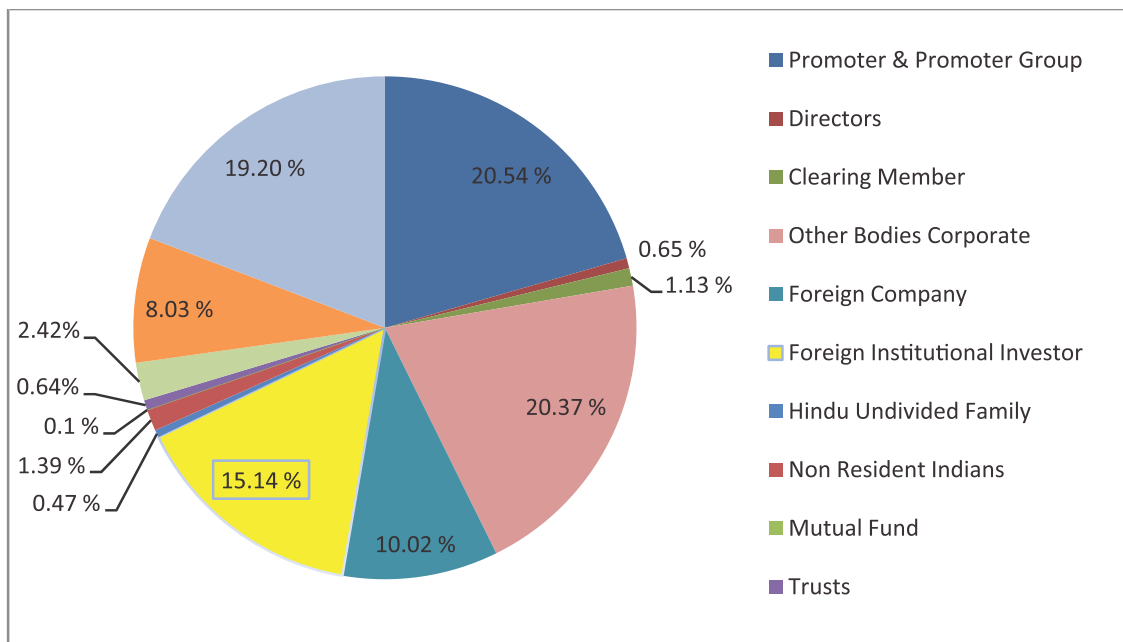
15. Bank Details for electronic shareholding:

Members are requested to notify their Depository Participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts, including MICR codes of their banks, to their Dps.

16. Shareholding Pattern as on March 31, 2016:

The shareholding of different categories of the shareholders as on March 31, 2016 is given below:-

Sr. No.	Category of Shareholders	Total Shareholding	% of Shareholding
1.	Promoter & Promoter Group	8,690,069	20.5387
2.	Directors	274,077	0.6478
3.	Clearing Member	479,127	1.1324
4.	Other Bodies Corporate	8,620,632	20.3746
5.	Foreign Company	4,238,486	10.0175
6.	Foreign Institutional Investor	6,406,356	15.1412
7.	Hindu Undivided Family	198,236	0.4685
8.	Non Resident Indians	587,457	1.3884
9.	Mutual Fund	297	0.0007
10.	Trusts	270,400	0.6391
11.	Venture Funds / Private Equity Funds	1,024,937	2.4224
12.	Foreign Portfolio Investor (Corporate)	3,398,268	8.0317
13.	Public	8,122,382	19.1970
	TOTAL	42,310,724	100.0000



- 17. Registered Office:**
 C-702, Morya House,
 Off. New Link Road,
 Andheri (West),
 Mumbai 400053
- 18. Permanent Account Number (PAN):**
 Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.
- 19. Pending Investors' Grievances:**
 Any Member / Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.
- 20. Reconciliation of Share Capital Audit:**
 In keeping with the requirements of SEBI and the Stock Exchanges, a Secretarial Audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and a total issued and listed capital. The said audit confirms that the total issued/paid-up capital tallies with the total number of shares in physical form and the total number of dematerialize shares held with NSDL and CDSL.
- This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.
- 21. Half Yearly Certificates (Regulation 40):**
 The Company has obtained and filed with the stock exchanges, the half yearly certificates received from Mr. Mihen Halani, Practicing Company Secretary for due compliance with shares transfer formalities as required under Clause 47 of Listing Agreement / Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 22. Outstanding GDRs or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity:**
 The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2016.
- 23. Addresses for Correspondence**
 Investors Correspondence: M/s. Link Intime (India) Private Limited, C-13, Pannalal Silk Mills Compound Lal Bahadur Shastri Road, Bhandup (W), Mumbai 400 078, Tel. No: 022 - 2594 6970 / 022 - 2594 6960 / 022 - 6171 5400; Fax: 022 - 2594 6969; Email ID: rnt.helpdesk@linkintime.co.in



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24. **Any query on Annual Report:**

Tree House Education and Accessories Limited
Registered Office:
C-702, Morya House,
Off. New Link Road,
Andheri (W), Mumbai 400 053



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Certificate on Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Sub-Clause II (E) of Clause 49 of the Listing Agreement with the Stock Exchange(s), the Board members and the senior management personnel of the Company have confirmed compliance with the Code of conduct for the financial year ended March 31, 2016.

For and on behalf of the Board of Directors
Sd/-
Rajesh Bhatia
Managing Director

Place: Mumbai
Date: May 29, 2016

MD / CFO Certificate [Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To
The Board of Directors
Tree House Education & Accessories Limited
C/702, Morya House
Off. New Link Road
Andheri (West)
Mumbai 400 053

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

- (1) significant changes in internal control over financial reporting during the year;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

Sd/-
Rajesh Bhatia
Managing Director

Sd/-
Sanjay H. Shah
Chief Financial Officer

Date: May 29, 2016
Place: Mumbai



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Certificate on Compliance with the conditions of Corporate Governance

To the members of Tree House Education & Accessories Limited

We have examined the compliance of conditions of Corporate Governance by Tree House Education & Accessories Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016, and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
 3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
 4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
 5. 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 Agarwal & Associates
Chartered Accountants
(Firm Registration No. 323210E)

Naresh Agarwal
(Partner)
(Membership No. 063049)

Place: Mumbai
Date: July 28, 2016



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TREE HOUSE EDUCATION & ACCESSORIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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 and the order under Section 143(11) of the Act.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



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Emphasis of Matters

We draw attention to Note 1.4 to the financial statements which, describes the change in accounting policy with respect to bad debts of Pre-School debtors of the company has been changed from 0 to 50% for receivable more than 90 days.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
 - g) With respect to 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 company does not have any pending litigations which would impact its financial position.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the company.

For Agarwal & Associates
Chartered Accountants
(Firm Regn No: 323210E)

CA. Naresh Agarwal
(Partner)
(Membership No. 063049)

Place: Mumbai
Date: 29th May, 2016

Annexure "A" to Independent Auditor's Report

Statement referred to in paragraph 1 under the heading "Report and Other Legal Regulatory Requirements" of Auditor's Report on even date to the Members of **Tree House Education & Accessories Limited**.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration, the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ii. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification. However more detailed physical verification in respect to the fixed assets needs to be carried out in respect to centers which are getting closed in near future to assess the re-usability of these fixed assets.

The title deeds of immovable properties are held in the name of the Company.

- iii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- iv. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLPs or any other parties, during the year, covered in the register maintained u/s 189 of the Act. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- v. 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 Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vii. As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Act. In respect of the activities carried on by the company, pursuant to which an independent cost audit was carried out by a cost auditor appointed by the company and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, and Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable is given below :

Sl. No.	Nature of dues	Amount (Rs.)
1	Professional tax on employees	1,39,475/-
2	ESI	78,499/-
	Total	2,17,974/-

- b) According to the information and explanations given to us, there are no cases of non-deposit with the appropriate authorities of disputed dues of Income tax, Sales tax, Service tax, Custom duty, Excise duty, VAT.



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viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or government during the year. The company did not have any outstanding debentures at the end of the year.

ix. According to the information and explanations given to us, the Company has not raised monies raised by way of initial public offer, further public offer including debt instruments during the year. In our opinion and according to information and explanations given to us, the company has applied the term loans for the purposes for which they were obtained.

x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the company has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as specified in section 192 of the Act. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

xvi. In our opinion and as per the Balance sheet and Profit & Loss Account as on 31/03/2016, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For Agarwal & Associates
Chartered Accountants
(Firm Regn No: 323210E)**

**CA. Naresh Agarwal
(Partner)
(Membership No. 063049)**

**Place: Mumbai
Date: 29th May, 2016**



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Annexure “B” to the Independent Auditors’ Report on the Standalone Financial Statements of “TREE HOUSE EDUCATION & ACCESSORIES LIMITED”

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of “TREE HOUSE EDUCATION & ACCESSORIES LIMITED” (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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. 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 Companies Act, 2013.

AUDITORS’ 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 prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 payments of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.



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OPINION

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2016, 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.

**For Agarwal & Associates
Chartered Accountants
(Firm Regn No: 323210E)**

**CA. Naresh Agarwal
(Partner)
(Membership No. 063049)**

**Place: Mumbai
Date: 29th May, 2016**



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Tree House Education & Accessories Limited Standalone Balance Sheet as at March 31, 2016

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	423,107,240	423,107,240
(b) Reserves and surplus	2.2	6,123,854,363	6,024,138,278
(c) Money received against share warrants		-	-
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	531,742,655	411,179,815
(b) Deferred tax liabilities (Net)	2.4	22,505,459	4,235,648
(c) Long-term provisions	2.5	7,336,756	5,318,031
(3) Current Liabilities			
(a) Short-term borrowings	2.6	457,386,905	647,030,746
(b) Trade payables	2.7	100,852,877	71,985,472
- Due to MSME		-	-
- Due to other		-	-
(c) Other current liabilities	2.8	272,052,106	228,920,991
(d) Short-term provisions	2.9	1,798,627	216,103,076
Total		7,940,636,988	8,032,019,297
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.10	4,404,378,894	2,935,076,700
(ii) Intangible assets	2.10	239,256,401	274,869,085
(iii) Capital work-in-progress		35,801,122	237,151,230
(iv) Intangible assets under development	2.11	10,898,874	10,898,874
(b) Non-current investments	2.12	109,800,000	112,410,000
(d) Long term loans and advances	2.13	2,254,589,284	2,310,229,567
(2) Current assets			
(a) Inventories	2.14	43,279,029	52,116,190
(b) Trade receivables	2.15	571,111,372	415,044,991
(c) Cash and bank balances	2.16	221,247,066	1,613,750,626
(d) Short-term loans and advances	2.17	47,216,876	68,237,570
(e) Other current assets	2.18	3,058,071	2,234,464
Total		7,940,636,988	8,032,019,297

The Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

As per our report of even date

For **Agarwal & Associates.**

Chartered Accountants
Firm Registration No. 323210E
Membership No. 063049

Naresh Agarwal
Partner

Place: Mumbai
Date : May 29, 2016

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

T S Sarangpani
Chairman

Rajesh Bhatia
Managing Director

Vishal Shah
Director

Sanjay H Shah
Chief Financial Officer

Place: Mumbai
Date: May 29, 2016



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Tree House Education & Accessories Limited Standalone Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note No	Year ended March 31, 2016	Year ended March 31, 2015
I. Revenue from operations	2.20	2,093,282,659	2,074,457,412
II. Other Income	2.21	100,937,720	71,501,254
Total Revenue (I +II)		2,194,220,379	2,145,958,666
III. Expenses:			
Operating expenses	2.22	618,697,408	471,014,922
Employee benefit expenses	2.23	303,249,650	239,014,606
Financial costs	2.24	167,202,230	142,070,536
Depreciation and amortisation	2.10	448,323,346	268,206,893
Other expenses	2.25	507,243,958	178,328,847
Total Expenses		2,044,716,593	1,298,635,804
IV. Profit before exceptional items and tax		149,503,786	847,322,862
V. Exceptional Items			
Lease Rent Equalization Reversal (Note 1)		(32,192,511)	-
Property Advance Forfeited (Note 2)		45,000,000	-
VI. Profit before tax		162,311,275	847,322,862
VII. Tax expense:			
(1) Current tax		72,347,130	285,439,729
(2) Deferred tax		18,269,811	(46,845,143)
(3) Short / (Excess) provision of earlier years		4,019,029	-
VIII. Profit after tax		67,675,305	608,728,277
IX. Earning per equity share:			
(1) Basic		1.60	15.66
(2) Diluted		1.60	15.66

The Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

As per our report of even date

For Agarwal & Associates.

Chartered Accountants
Firm Registration No. 323210E
Membership No. 063049

Naresh Agarwal
Partner

Place: Mumbai
Date: May 29, 2016.

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

T S Sarangpani
Chairman

Rajesh Bhatia
Managing Director

Vishal Shah
Director

Sanjay H Shah
Chief Financial Officer

Place: Mumbai
Date: May 29, 2016.

Tree House Education & Accessories Limited Standalone Cash Flow Statement for the year ended March 31, 2016

	Period ended Mar 31, 2016	Year ended March 31, 2015
	Rs	Rs
A		
Cash flows from operating activities		
Profit before tax	162,311,275	837,322,862
Adjustments for:		
Depreciation / amortisation	448,323,346	268,206,893
Loss on sale of fixed assets	-	-
Finance charges	167,202,230	153,118,642
Advance Forfeited	(45,000,000)	(32,192,511)
Provision for Gratuity		
Provision for Bad Debts		
Net gain on sale of fixed assets	(2,863,399)	(31,457,398)
Loss by Flood	447,949	-
Interest on fixed deposits	(98,054,765)	(40,018,031)
Profit on sale of investment	-	-
Operating profit before working capital changes	632,366,635	1,154,980,457
Adjustments for:		
(Increase)/Decrease in inventories	8,837,161	4,119,828
Deposits given to K-12 Schools	(468,401,000)	(281,150,000)
Decrease/(Increase) in sundry debtors	(156,066,381)	(139,732,803)
(Increase)/Decrease in loans and advances	(19,292,976)	43,527,033
Increase in liabilities and provisions	88,893,108	24,387,692
Cash generated from operations	86,336,548	806,132,207
Income tax paid	(212,144,195)	(215,967,476)
Net cash generated from operating activities	(125,807,648)	590,164,731
B		
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(1,094,957,307)	(1,304,518,267)
Insurance claim received	1,714,916	-
Proceeds from Sale of Fixed Assets	45,000,000	180,700,000
Purchase of investments	2,610,000	2,390,000
Interest received	99,841,158	37,928,954
Net cash used in investing activities	(945,791,234)	(1,083,499,314)



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Tree House Education & Accessories Limited Standalone Cash Flow Statement for the year ended March 31, 2016

C	Cash flow from financing activities		
	Proceeds from issue of shares including securities premium	-	2,099,368,400
	Payment of Dividends	(84,621,448)	(55,755,105)
	Share issue expenses	-	(133,436,252)
	Repayment of term loan	-	(256,751,183)
	Proceeds from term loan	480,000,000	553,000,000
	Proceeds from working capital loan (net)	(549,081,001)	(64,343,697)
	Interest paid	(167,202,230)	(143,118,643)
	Net cash provided by financing activities	(320,904,679)	1,998,963,520
	Net increase in cash and cash equivalents during the year	(1,392,503,560)	1,505,628,937
	Cash and cash equivalents as at the beginning of the year	1,613,750,626	108,090,641
	Cash and cash equivalents as at the end of the year	221,247,066	1,613,719,578
	Cash and cash equivalents as at year end constitutes:		
	Cash in hand	318,100	55,757,002
	Balance in current account with banks	81,573,118	138,359,528
	Unpaid dividend account (refer Note 4)	37,148	31,048
	Fixed deposits with banks (refer Note 2)	139,318,700	1,419,572,000
		221,247,066	1,613,719,578

Notes:

- 1 The Cash Flow Statement has been prepared under Indirect Method as set out in Accounting Standard (AS) -3, 'Cash Flow Statements', as notified by Central Government under the Companies Act, 2013.
- 2 Cash and cash equivalents above includes fixed deposits of Rs. 135,000,000. (Previous Year Rs. 405,000,000) placed with a bank against working capital loan obtained from them.
- 3 Cash and cash equivalents above includes fixed deposits of Rs. 4,318,700/- (Previous Year Rs. 572,000) placed with a bank against which the bank has given a guarantee.
- 4 The company can utilise these balance only towards the settlement of unclaimed dividend.

As per our report of even date

For Agarwal & Associates.

Chartered Accountants
Firm Registration No. 323210E
Membership No. 063049

Naresh Agarwal
Partner

Place: Mumbai
Date: May 29, 2016.

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

T S Sarangpani
Chairman

Rajesh Bhatia
Managing Director

Vishal Shah
Director

Sanjay H Shah
Chief Financial Officer

Place: Mumbai
Date: May 29, 2016.

Notes to the Financial Statements, for the year ended March 31, 2016

1.1 Corporate Information

Tree House Education & Accessories Ltd is a public company domiciled in India and incorporated on July 10, 2006 under the provisions of the companies Act 1956. The company's principal business is providing education and related services including leasing of education infrastructure.

1.2 Basis of preparation and summary of significant Accounting policies

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting and, are in accordance with generally accepted accounting principles in India [INDIAN GAAP], and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) rules, 2006 which continue to apply under Section 133 of the Companies Act 2013, ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 1956, the extent applicable and guidelines issued by the Securities and exchange Board of India (SEBI). The accounting policies have been consistently applied by the company.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act , 2013. Based on the nature of the activity carried out by the company and period between the procurement and realisation in cash and cash equivalents, the company has ascertained its operating cycle to be 12 months for the purpose of current –non-current classification of assets and liabilities.

1.3 Use of estimates:

The preparation of financial statements in conformity with India GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets including intangibles, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

1.4 Change in Accounting Estimates:

Accounting Estimates involve management's judgment of expected future benefits and obligations relating to assets and liabilities (and associated expense and income) based on information that best reflects the conditions and circumstances that exist at the reporting date. Therefore, carrying amounts of assets and liabilities and any associated expense and gains are adjusted in the period of change in estimate. The policy for the writing off the Bad debts has been revised for the Pre School Debtors from 0% to 50% and accordingly an amount of INR 22.46 crs. has been charged to profit and loss account, thus current assets has been adjusted accordingly.

1.5 Provisions and contingencies :

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. 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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.6 Tangible Fixed assets & Intangibles:

I) Tangible Assets

- (a) Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation, amortisation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to their present location and condition for their intended use.
- (b) Capital Work-in Progress and Capital Advances : Cost of Assets not ready for intended use as on balance sheet date, is shown as Capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long term Loans and Advances.

II) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

- Cost incurred for acquiring brands are capitalised and amortized on a straight-line basis over a period of not more than ten years, being the estimated useful life.
- Goodwill arising from acquisition of business is amortized over the expected useful life, not exceeding ten years.
- Business Commercial Rights i.e. "School facilitation service rights" acquired from various Trusts/Societies are capitalized and amortized on a straight line basis over the agreement period.

1.7 Depreciation and Amortization : (a) Depreciation on tangible fixed assets is provided on pro-rata basis, using straight line method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act 2013.

(b) The estimated useful life of tangible fixed assets is mentioned below:

Assets Head	Years
Tangible Fixed Assets	
Building (Other than factory building)	60
Furniture and fittings	8
Office Equipment	5
Electrical equipment	10
Teaching aid and equipment	5
Computers/Laptops	3
Vehicles	8

c) Leasehold improvements are amortized over the primary lease periods.

1.8 Impairment of Assets

The carrying amount of assets, other than inventories is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use determined based on the present value of estimated future cash flows. All impairment losses are recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.9 Revenue Recognition

1.9.1 Income from Services

Revenue is recognized on rendering of services and is recognized when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers' acknowledgment of services received. In respect of non-refundable fees for consultancy services rendered to franchisee for setting up of its operations, the rendering of service generally coincides with signing of the franchisee service agreement.

1.9.2 Royalty income

Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee or as per the agreement.

1.9.3 Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.9.4 Sale of goods

The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch /delivery to the customer.

1.9.5 Dividend

Dividend income is recognized when the right to receive payment is established.

1.10 Inventories

Inventories consist of book kits and other student activity materials. Inventory is valued at lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis.

1.11 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments were made are classified as current investments. All other investments are classified as long term investments. **Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made when the decline is other than temporary in nature.**

Current investments are stated at lower of cost and market value determined on an individual investment basis.

1.12 Expenditure during construction period

Expenditure directly relating to construction activity of a new center is capitalized. Indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent it directly relates to construction or is incidental thereto. Other indirect expenditure incurred during the construction activity is charged to Statement of Profit and Loss.

1.13 Foreign currency transactions

(a) Initial recognition:

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(b) Measurement of foreign currency items at the Balance Sheet date: Foreign currency monetary items restated or retranslated at the closing exchange rates. Non-Monetary items are reported at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are recognized in the Statement of Profit and Loss.

1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying asset are capitalized as part of the cost of such asset up to the date of such asset being ready for its intended use. Other borrowing costs are treated as revenue expenditure.

1.15 Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership during the lease term, are classified as operating leases. Lease rentals in respect of assets taken under an operating lease are charged to the Statement of Profit and Loss on straight line basis over the initial period of the lease.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Expenses, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage, etc. are recognised immediately in the Statement of Profit and Loss.

1.16 Taxes on income

Tax expense comprises of both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain/virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

1.17 Employee benefits

Provident fund:

Company's contributions paid / payable to provident fund authorities are recognised in the Statement of Profit and Loss of the year when the contribution to the fund is due.

Gratuity:

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of the gratuity is present value of the defined benefit obligation at the Balance Sheet date less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains or losses and past service cost. The defined benefit obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arise.

Compensated absences

The employees of the Company are entitled to compensate absences which are non-accumulating in nature. Expenses on non-accumulating compensated absences are recognized in the year in which the absence occurs.

1.18 Share issue expenses

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by section 52 of the Companies Act 2013. In case of insufficient balances in the Securities Premium Account, unadjusted share issue expenses are amortized over a period of 5 years. In case there arises a securities premium balance subsequently, unadjusted share issue expenses would not be amortized but will be adjusted against the Securities Premium Account.

1.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.21 Employee Stock Option Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expenses is amortized over the vesting period of the option on a straight line basis.

1.22 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

1.23 Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash flow statements comprise Cash and Cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.



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2 Notes on Accounts for the Period ended March 31, 2016

The previous year's figures have been regrouped / reclassified, where ever necessary to conform to the current year's presentation. Amounts in the notes are presented in Indian Rupees (INR), except otherwise stated.

2.1 Share Capital

Particulars	As at	
	March 31, 2016	March 31, 2015
Equity Share Capital		
Authorised Share capital (45,000,000 (previous year: 45,000,000) equity shares of Rs.10 each)	450,000,000	450,000,000
Issued, subscribed & fully paid share capital (42,310,724 (previous year: 42,310,724) equity shares of Rs.10 each fully paid up)	423,107,240	423,107,240
Total	423,107,240	423,107,240

Terms / rights attached to equity shares

- a The Company has only one class of shares referred to as equity shares having par value of Rs. 10. Each holder of equity share is entitled to one vote per share. 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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of shares outstanding

Particulars	As at	
	March 31, 2016	March 31, 2015
Number of shares at the beginning of the year	42,310,724	37,170,070
Add: Shares issued during the years	-	5,140,654
Number of shares at the end of the year	42,310,724	42,310,724

Details of shareholder holding more than 5 % of the aggregating shares in the Company

(As per the records of the Company, including its register of member)

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% of holding	No. of shares	% of holding
M/s Matrix Partners India Investment Holdings, LLC	N.A.	N.A.	6,514,753	15.40%
Geeta Bhatia	3,565,000	8.43%	6,035,000	14.26%
FC VI India Venture Mauritius Ltd	2,897,665	6.85%	2,898,001	6.85%
Bajaj Holdings And Investment Ltd	2,430,882	5.74%	N.A.	N.A.
Rajesh Bhatia	3,686,336	8.71%	3,582,595	8.47%
Rajesh Bhatia and Geeta Bhatia Jointly	N.A.	N.A.	2,920,833	6.90%

2.2 Reserves and Surplus

Particulars	As at	
	March 31, 2016	March 31, 2015
Securities Premium Account		
Opening balance	4,602,815,570	2,655,167,082
Add: Received during the year	-	2,081,084,740
Less: Share issue expenses written off	-	133,436,252
Closing balance	4,602,815,570	4,602,815,570
General Reserve		
Opening balance	75,947,517	30,292,896
Add : Transferred during the year	-	45,654,621
Closing Balance	75,947,517	75,947,517
Profit and loss account		
Opening balance	1,345,375,191	918,482,624
Add : Rent Equaliser provision reversed last year now added	32,192,511	-
Add : Profit during the year	67,675,305	608,728,277
	1,445,243,007	1,527,210,901
Less : Appropriations		
Less: Additional depreciation (refer note no. 2.12)	-	1,555,018
Less : Dividend Provision pertaining to FY 2013-14	-	892,800
Less: Proposed dividend on equity shares (Dividend per share Rs Nil (Rs.2.00 previous year))	-	84,621,448
Less : DDT on Dividend Provision pertaining to FY 2013-14	151,731	-
Less: Dividend distribution tax on proposed dividend	-	16,919,312
Less: Rent Equaliser provision reversed last year now added	-	32,192,511
Less : Transfer to General reserves	-	45,654,621
Closing Balance	1,445,091,276	1,345,375,191
Total	6,123,854,363	6,024,138,278

2.3 Long-term borrowings

Particulars	As at	
	March 31, 2016	March 31, 2015
Secured *		
Term loans from bank	531,742,655	411,179,815
Total	531,742,655	411,179,815

An amount of Rs. 35,89,64,550 (previous year Rs. 22,65,37,556) of term loans which is repayable within 12 months from the date of balance sheet has been grouped under short term borrowings.

* Secured by mortgage of Land, building, hypothecation of movable assets, book debts both present and future of the company.

2.4 Deferred Tax Liability (Net)

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS - 22) – Accounting for Taxes on Income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at March 31, 2016 are as follows:

Particulars	As at	
	March 31, 2016	March 31, 2015
Deferred tax liability on:		
Depreciation and amortisation	29,235,465	14,516,087
Deferred tax assets on:		
Provision for rent equalisation income	1,783,642	2,974,255
Provision for gratuity	3,161,573	2,325,187
Others	1,784,790	4,980,997
Deferred tax liability (net)	22,505,459	4,235,648

2.5 Long-term provisions

Particulars	As at	
	March 31, 2016	March 31, 2015
Provision for employee benefits	7,336,756	5,318,031
Total	7,336,756	5,318,031

The following table sets out the status of the gratuity plan for the year ended March 31, 2016 in accordance with Accounting Standard 15, Employee Benefits (Revised).

The company has a defined benefit gratuity plan. Employee at retirement are eligible for benefit, which will be equal to 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days salary (last drawn salary) for each completed years of service. The scheme is unfunded.

2.6 Short-term borrowings

Particulars	As at	
	March 31, 2016	March 31, 2015
Secured *		
Loan repayable in next 12 months.	457,386,905	647,030,746
Total	457,386,905	647,030,746

* Secured by mortgage of Land & building, hypothecation of movable assets, book debts both present and future and fixed deposits to the extent of Rs. 135,000,000 placed with a bank against working capital loan obtained from them

2.7 Trade payables

Particulars	As at	
	March 31, 2016	March 31, 2015
Sundry creditors		
- Dues to micro, small and medium enterprises *	-	-
- Others	100,852,877	71,985,472
Total	100,852,877	71,985,472

* The company has during the year, not received from any of its suppliers any information regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 In the light of the above facts, management has decided that none of them are registered under the said Act and disclosure, if any relating to amount unpaid as at the year end along with the interest payable / paid has not been given.

2.8 Other current liabilities

Particulars	As at	
	March 31, 2016	March 31, 2015
Sundry creditors for services / expenses	105,447,372	39,974,848
Advance tuition fees received	151,459,589	168,222,793
Advance received against property	-	14,600,000
Withholding & other tax payables	11,959,210	5,060,438
Interest accrued but not due	3,148,787	1,031,863
Unclaimed Dividend	37,148	31,048
Total	272,052,106	228,920,991

2.9 Short-term provisions

Particulars	As at	
	March 31, 2016	March 31, 2015
Provision for employee benefits (refer note 2.7)	1,798,627	1,522,765
Proposed dividend	-	84,621,448
Tax on dividend	-	16,919,312
Provision for current tax (Net of Advances Rs 61,78,83,191/-)	-	113,039,551
Total	1,798,627	216,103,076

2.10 Fixed assets

(Amount in Rs)

Particulars	Gross block (at cost)		Depreciation and amortisation		Net block	
	As at April 1, 2015	As at March 31, 2016	As at April 1, 2015	Upto 31.03.2016	As at March 31, 2016	As at Mar 31, 2015
	As at April 1, 2015	As at March 31, 2016	As at April 1, 2015	Upto 31.03.2016	As at March 31, 2016	As at Mar 31, 2015
Tangible						
Freehold land	299,998,248	305,173,248	-	-	305,173,248	299,998,248
Building	664,088,556	653,002,692	12,303,609	10,416,710	620,588,678	641,524,243
Furniture and fittings	1,894,301,592	3,683,035,899	2,305,370	263,807,937	3,065,802,352	1,540,733,476
Office and other equipment	11,331,029	3,683,035,899	-	3,356,293	18,106,403	6,626,169
Electrical Equipment	27,611,928	26,167,555	566,750	3,141,487	18,515,075	21,089,812
Teaching aid and equipment	44,226,996	28,178,678	13,683,992	3,141,487	17,217,474	9,288,683
Computers	11,142,646	57,910,987	1,685,400	5,755,201	10,230,777	3,113,316
Leasehold Improvement	587,502,438	12,828,046	66,535,421	2,201,448	252,215,487	407,581,580
Vehicles	8,121,823	603,471,731	1,171,812	122,860,758	50,566,129	351,256,244
Intangibles						
Goodwill	19,520,992	19,520,992	-	1,170,828	-	5,122,163
Business Commercial rights *	290,064,534	290,064,534	-	1,952,099	-	6,718,115
Brands	77,774,015	77,774,015	-	7,469,349	-	236,921,480
Grand Total	3,935,684,797	1,895,912,323	65,175,108	429,909,510	51,275,643	4,643,635,306
Previous year	2,930,793,044	1,150,877,160	145,985,408	249,793,057	7,997,824	3,209,945,785

* The management, based on the review of future business plan with its one of the trust Vidya Bharati Sanshan for providing the curriculum supports rights has made changes in the Service Agreement for providing the services from exclusive to non-exclusive rights, and therefore has estimated the value in use / recoverable value of its business commercial rights of that trust to be lower than the carrying value and consequently recognised an impairment loss amounting to Rs. 18,413,836/- (previous year Rs.18,413,836/-).



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2.11 Intangibles under development

Particulars	As at	
	March 31, 2016	March 31, 2015
- Business commercial rights	10,898,874	10,898,874
Total	10,898,874	10,898,874

The Company has entered into an exclusive facilitation service agreement with various educational trusts in accordance with which the Company has exclusive rights for a period of 30 years to provide various facilitation services for schools/courses to be set up by these educational trusts. The Company has paid one time fixed fee to the educational trusts towards such exclusive rights. The fee paid is recognized as an intangible asset and accordingly capitalized as 'Business Commercial Rights' in the financial statements.

During financial year 2011-12 the terms of payment for these Business Commercial Rights has been modified with the 'one time fixed fees' being replaced with combination of 'one time fixed fee' and 'interest free refundable deposits'. The said deposit has been given under the agreement with the trust for securing exclusivity in rendering services to all the schools operated by the trust. Pursuant to the aforesaid arrangement the company has given a refundable interest free deposit aggregating to Rs.187 crores to these educational trusts. The Company is rendering services to most of the schools run by such educational trust. The aforesaid deposits have been classified as 'Security Deposits under the head "Long term Loans and Advances" of Note 2.13. The aforesaid deposit are good and shall be refunded on the expiry of the tenure or termination of the agreement.

2.12 Non-current investments

(Unquoted, at cost)

Particulars	As at	
	March 31, 2016	March 31, 2015
Trade investment		
(Long term, unquoted) (at cost)		
Investments in Equity shares of:		
- Joint Venture (JT Infrastructure Private Limited)		
- 9,980,000 (previous year: 9,980,000) equity shares of Rs. 10 each fully paid up	99,800,000	99,800,000
- Joint Venture (Mehta Treehouse Infrastructure Private Limited)		
- 1,000,000 (previous year: 1,000,000) equity shares of Rs. 10 each fully paid up	10,000,000	10,000,000
Investments in Share Application Money		
- Joint Venture (Mehta Treehouse Infrastructure Private Limited)	-	2,610,000
Total	109,800,000	112,410,000

2.13 Long Term Loans and Advances

(Unsecured, considered good)

Particulars	As at	
	March 31, 2016	March 31, 2015
Unsecured considered good		
Capital Advances	78,153,661	639,898,614
Security Deposits *	2,121,159,498	1,643,628,428
Other loans and advances	55,276,125	26,702,525
Total	2,254,589,284	2,310,229,567

* includes Rs 187cr refundable interest free deposits to educational trust

2.14 Inventories

(At lower of cost and net realisable value)

Particulars	As at	
	March 31, 2016	March 31, 2015
Stock in trade	43,279,029	52,116,190
Total	43,279,029	52,116,190

2.15 Trade receivables

Particulars	As at	
	March 31, 2016	March 31, 2015
Overdue for more than six months:		
Consider good	185,121,517	161,200,241
Consider Doubtful	5,157,161	14,650,300
Less: Provision for doubtful trade receivables	(5,157,161)	(14,650,300)
Other, Consider good	385,989,855	253,844,750
Total	571,111,372	415,044,991

2.16 Cash and Bank Balances

Particulars	As at	
	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Balances with banks		
In current accounts	12,347,188	82,784,675
Cheques in Hand	69,228,635	55,605,901
Cash on Hand	315,395	55,757,002
Other Bank Balances		
In Fixed deposits*	139,318,700	1,419,572,000
Unpaid dividend account #	37,148	31,048
Total	221,247,066	1,613,750,626

Note:

* Fixed deposits of Rs. 135,000,000 (previous year Rs. 405,000,000) placed with a bank against working capital loan obtained from them.

* Fixed deposit of Rs. 4,318,700 (previous year Rs. 572,000) placed with a bank against which bank has given a guarantee.

The company can utilise these balance only towards the settlement of unclaimed dividend.

2.17 Short term loans and advances

Particulars	As at	
	March 31, 2016	March 31, 2015
Loans and advances to related parties (Unsecured and considered good)	-	-
Balances with government Authorities (Net of Provision Rs 58,64,86,808/-)	17,564,562	-
Others	29,652,315	68,237,570
Total	47,216,876	68,237,570

2.18 Other current Assets

Particulars	As at	
	March 31, 2016	March 31, 2015
Interest Accrued on fixed deposit	448,071	2,234,464
Share Application money	2,610,000	-
Total	3,058,071	2,234,464

2.19 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Particulars	As at	
	March 31, 2016	March 31, 2015
Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal	4,318,700	572,000
Total	4,318,700	572,000

2.20 Revenue from Operations

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Revenue from		
- Sale of education kits	55,377,449	15,411,358
- Sale of services		
Consultancy income	274,027,695	203,922,894
Income from early childhood education	1,722,673,879	1,793,790,218
Income from early childhood training course	12,617,428	13,475,777
Royalty income	9,696,629	19,526,907
- Other Operating Revenue		
Other operating income	395,770	699,770
Rent income from education infrastructure	18,493,808	27,630,488
Total	2,093,282,659	2,074,457,412

2.21 Other Income

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Interest income		
(tax deducted at source Rs.1,04,66,338/- (previous year Rs.4,121,321)	98,054,765	40,018,031
Profit on sale of fixed assets (Net)	2,863,399	31,457,398
Other non-operating income		
Other non-operating income	19,556	25,825
Total	100,937,720	71,501,254

2.22 Operating expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Rent (includes conducting charges and society maintenance)	375,906,612	319,361,718
Security charges	32,251,898	18,014,124
Training material and equipment consumed	112,722,452	80,150,322
Water, electricity and cleaning charges	44,137,256	26,425,030
Activity expenses	16,582,686	11,521,910
Other centre expenses	37,096,504	15,541,818
Total	618,697,408	471,014,922



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2.23 Employee Benefits Expense

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Salaries and wages	282,538,733	227,008,575
Contribution to provident and other funds	19,485,016	11,496,558
Staff welfare expenses	1,225,901	509,473
Total	303,249,650	239,014,606

2.24 Finance Costs

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Interest expenses	162,702,230	137,765,707
Finance charges	4,500,000	4,304,829
Total	167,202,230	142,070,536

2.25 Other Expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Advertisement and publicity expenses	152,222,334	101,857,024
Legal and professional fees	35,576,944	13,432,798
Office expenses	3,245,419	3,544,019
Rent, rates and taxes	6,513,734	5,269,477
Corporate social responsibility expenses (Refer note 2.33)	6,106,517	3,000,000
Insurance	1,349,990	1,262,772
Telephone and courier expenses	2,238,110	2,959,836
Auditors' remuneration (Refer note 2.31)	3,336,198	1,500,000
Brokerage and commission	7,769,912	4,883,796
Business promotion	1,024,829	484,531
Printing and stationery	1,132,294	1,310,669
Donation	168,001	2,000
Repairs and maintenance	1,768,241	1,472,676
Travelling and conveyance	14,822,894	12,428,121
Freight and delivery expenses	3,097,942	4,582,113
Provision for doubtful trade receivables	255,297,663	14,487,513
Director Sitting Fees	2,190,000	565,172
Miscellaneous expenses	9,382,938	5,286,330
Total	507,243,958	178,328,847

2.26 Expenditure During Construction Period

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Opening balance	-	4,511,250
Add : Incurred during the year	-	-
Less : allocated to fixed assets	-	4,511,250
Total	-	-

2.27 Segment information

The activities of the Company comprise of only one business segment i.e. " providing education and related services including leasing of education infrastructure". The company operates in only one.



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2.28 Related party disclosure

Information on related party transactions as required by Accounting Standard (AS - 18) on Related Party Disclosures for the year ended 31st March, 2016.

a) List of related party

i Key management personnel (KMP)

Key management personnel ('KMP') . Mr. Rajesh Bhatia - Managing Director
. Mr. Vishal Shah - Director

ii Relatives of key management personnel

Relatives of KMP Mrs. Geeta Bhatia - wife of Mr. Rajesh Bhatia

iii Joint Venture company

JT Infrastructure Private Limited
Mehta Treehouse Infrastructure Private Limited

iv. Entity over which there is a significant control

Tree House Foundation

b) Transactions undertaken / balances outstanding with related parties in the ordinary course of business

Transactions during the year

Particulars	Key management personnel ('KMP')		Relatives of KMP		Joint Venture		Entity over which there is a significant control	
	Year ended		Year ended		Year ended		Year ended	
	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015
Rent expense								
- Mr. Rajesh Bhatia	9,768,476	11,392,803						
- Mrs. Geeta Bhatia			9,768,476	11,392,803				
Remuneration								
- Mr. Vishal shah	2,850,000	1,800,000						
- Mr. Rajesh Bhatia	7,200,000	4,800,000						
Payment received against share warrants								
- Mr. Rajesh Bhatia & Geeta Bhatia Jointly	-	99,368,640						
Shares issued (Nos)								
- Mr. Rajesh Bhatia & Geeta Bhatia Jointly	-	595,200						
Investment								
- JT Infrastructure Private Limited					-	-		
- Mehta Treehouse Infrastructure Private Limited					-	12,610,000		
Corporate social responsibility expenses								
Tree House Foundation							3,406,517	3000000

c) Closing balances with related parties in the ordinary course of business

Particulars	Key management personnel ('KMP')		Relatives of KMP		Joint Venture	
	Year ended		Year ended		Year ended	
	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015
Rent expense						
- Mr. Rajesh Bhatia	1,301,958	-	-	-	-	-
- Mrs. Geeta Bhatia	-	-	1,301,957	-	-	-
Remuneration						
- Mr. Vishal shah	274,500	-	-	-	-	-
- Mr. Rajesh Bhatia	546,039	-	-	-	-	-
Investment						
- JT Infrastructure Private Limited					99,800,000	99,800,000
- Mehta Treehouse Infrastructure Private Limited					10,000,000	12,610,000

2.29 Leases

Pursuant to Accounting Standard (AS-19) - Leases, the following information is given

In case of assets taken on operating lease

The lease rent, amenities charges and Society maintainances recognized in the Statement of Profit and Loss during the year ended March 31, 2016 is Rs.37,12,15,398/- (previous year: Rs 31,50,76,702/-)

Obligation of the Company towards future lease payments

Particulars	As at	
	March 31, 2016	March 31, 2015
Not later than one year	355,973,888	283,214,262
Later than one year but not later than five years	640,303,310	513,928,477
later than five years	2,041,581	3,830,012

Significant leasing arrangements

1.1 The period of lease for the premises varies by location and ranges from 3 to 5 years.

1.2 Renewal of the lease at the end of the initial term is at mutual consent of both parties.

1.3 The Company has entered into lease conducting agreements with certain parties where the lease rentals are based on the revenue earned at the respective centers. The expected future lease payments cannot be estimated in respect of these lease conducting agreements and hence future liability in respect of the same have not been disclosed.

In case of assets given on operating lease

The lease rent income recognized in the Statement of Profit and Loss during the year ended March 31, 2016 is Rs.1,84,93,808/- (previous year: Rs 2,76,30,488/-)

Right of the Company towards future lease payments

Particulars	As at	
	March 31, 2016	March 31, 2015
Not later than one year	13,800,000	12,000,000
Later than one year but not later than five years	59,340,000	53,400,000
later than five years	259,194,967	290,934,967

Significant leasing arrangements

a) The period of lease for the premises is 19 years 11 month

b) The lease rent shall stand revised by addition of an amount equivalent to 15% at the end of every third year.

c) After the expiry of the said initial term of 19 years 11 months, the lessee has a sole option to renew the lease term.

2.30 Earning per share

Particulars	As at	
	March 31, 2016	March 31, 2015
Profit after tax	67,675,305	608,728,276
Weighted average number of shares outstanding (Basic)	42,310,724	38,880,842
Weighted average number of shares outstanding (Diluted)	42,310,724	38,880,842
Nominal value per share	10.00	10.00
Basic earnings per share	1.60	15.66
Diluted earnings per share	1.60	15.66

2.31 Auditors' Remuneration (Excluding service tax)

Particulars	As at	
	March 31, 2016	March 31, 2015
Statutory audit fees	2,150,000	1,300,000
Tax audit fees	125,000	200,000
Other services*	-	2,122,500
Total	2,275,000	3,622,500

*In the financial year 2014-15, other service includes Rs. 20,00,000 pertaining to certification services provided in relation to Qualified Institutional Placement which is adjusted against securities premium and Rs. 1,22,500 paid in relation to other certification services.



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2.32 Employee Stock Option Plans

2.32.1 For the financial year March 31, 2016 following schemes were in operation:

- 1) Treehouse Education Employees' Stock Option Plan, 2010 – ESOP A
- 2) Treehouse Education Employees' Stock Option Plan, 2012 – ESOP B
- 3) Treehouse Education Employees' Stock Option Plan, 2012 – ESOP C

Particulars	During the year ended 31 March, 2016		During the year ended 31 March, 2015	
	Options (numbers)	Weighted average exercise price per option	Options (numbers)	Weighted average exercise price per option
a Option outstanding at the beginning of the year:				
ESOP A	1,375	71.00	81,250.00	71.00
ESOP B	209,975	228.00	343,575.00	228.00
ESOP C	400,000	425.60	-	-
b Granted during the year:				
ESOP A	-	-	-	-
ESOP B	-	-	-	-
ESOP C	-	-	400,000	425.60
c Vested during the year:				
ESOP A	-	71.00	25,000	71.00
ESOP B	100,000	228.00	100,000	228.00
ESOP C	100,000	425.60	-	-
d Exercised during the year:				
ESOP A	875	71.00	79,750	71.00
ESOP B	10,875	228.00	92,350	228.00
ESOP C	-	425.60	-	-
e Lapsed during the year:				
ESOP A	500	71.00	125	71.00
ESOP B	95,125	228.00	41,250	228.00
ESOP C	23,200	425.60	-	-
f Option outstanding at the end of the year:				
ESOP A	-	71.00	1,375	71.00
ESOP B	103,975	228.00	209,975	228.00
ESOP C	376,800	425.60	-	-
g Option available for grant:				
ESOP A	18,500	71.00	18,000	71.00
ESOP B	147,925	228.00	52,800	228.00
ESOP C	23,200	425.60	-	-
h Money realized by exercise of option:				
ESOP A	62,125		5,662,250	
ESOP B	2,479,500		21,055,800	
ESOP C	-		-	

2.32.2 A description of the method and significant assumption used during the year to estimate the fair value of the option

The fair value of the ESOP used to compute proforma net income & earnings per equity share have been estimated on the dates of each grant using Black-Scholes model.

The various assumption considered in this model for the ESOP granted are as follows:

Particular	ESOP - A	ESOP - B	ESOP - B
Risk free interest rate	7.5% per annum	7.5% per annum	7.5% per annum
Expected life	2.10 years (weighted average option life)	3.5 years (weighted average option life)	4.5 years (weighted average option life)
Expected annual volatility of share	Nil*	40.3%	33.06%
Expected dividend yield	1% per annum	0.50% per annum	0.45% per annum

*The volatility was computed as nil, as the shares were not listed at the time of grant.

2.32.3 Had the compensation cost for the ESOP outstanding been determined based on the fair value approach, the net profit & earnings per share would have been as per the proforma amounts indicated below:

Particulars	As at	
	March 31, 2016	March 31, 2015
Profit after tax (as reported)	67,675,305	608,728,276
Add: ESOP cost using intrinsic value method	-	-
Less: ESOP cost using fair value method		
ESOP - A	-	43,050
ESOP - B	3,202,681	6,598,413
ESOP - C	7,994,790	-
Proforma profit after tax	56,477,834	602,086,813
Earnings per share		
Basic		
-As reported	1.60	15.66
-As Proforma	1.33	15.49
Diluted		
-As reported	1.60	15.66
-As Proforma	1.33	15.49

2.32.4 Weighted average exercise price and fair value of the options.	Particular	Weighted average	Fair value of the
		exercise prices per option	option
	ESOP – A	71.00	9.05
	ESOP – B	228.00	88.64
	ESOP – C	425.60	51.00

2.32.5 Details of options granted to Senior Managerial Personal.

ESOP Scheme	Name of the Employee	Option Granted	Option vested	Option Lapsed	Option Exercised	Balance
ESOP -A	Mr. Vishal Shah	1,300,000	1,300,000	Nil	1,300,000	-
ESOP -B	Mr. Vishal Shah	168,200	126,150	Nil	83,150	85,050
ESOP -C	Mr. Vishal Shah	300,000	75,000	Nil	0	300,000
ESOP -C	Mr. Saniav H Shah	50,000	12,500	Nil	0	50,000

2.32.6 Vesting schedule

Particular	ESOP - A	ESOP - B	ESOP - C
For option granted to Mr. Vishal Shah	12 months from the grant date-100%	12 months from the grant date-25%	12 months from the grant date-25%
For option granted to Mr Sanjay Shah (Only for ESOP - C)		24 months from the grant date-25%	24 months from the grant date-25%
		36 months from grant date -25%	36 months from grant date -25%
		48 months from grant date-25%	48 months from grant date-25%
For all other options	12 months from the grant date-25%	12 months from the grant date-25%	12 months from the grant date-25%
	24 months from the grant date-25%	24 months from the grant date-25%	24 months from the grant date-25%
	36 months from grant date -25%	36 months from grant date -25%	36 months from grant date -25%
	48 months from grant date-25%	48 months from grant date-25%	48 months from grant date-25%

2.32.7 The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at March 31, 2016 is as under

ESOP Scheme	Number of options	Exercise price	Expected remaining contractual life
ESOP -A	0	71.00	-
ESOP -B	1,00,000	228.00	6 months
ESOP -C	3,00,000	425.60	30 months

2.32.8 Notes related to ESOP plan 2010:

- The Compensation Committee has granted on 04th January, 2011 a total of 1,400,000 options convertible into 1,400,000 Equity Shares which represents 3.89% of the paid up share capital of the Company. The fair market value of Rs 71/- on the date of grant is also the exercise price of the Option.
- There is one employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
- The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is Rs.13,13,500/- (previous year Rs. 13,75,265.) which has been grouped under Loans and Advances.

Notes related to ESOP plan 2012:

- The Compensation Committee has granted on 06th September, 2012 a total of 4,00,000 options convertible into 4,00,000 Equity Shares which represents 1.11% of the paid up share capital of the Company. The fair market value of Rs 228/- on the date of grant is also the exercise price of the Option.
- There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
- The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is Rs. 5,39,62,625/- (previous year Rs. 5,82,00,860/-) which has been grouped under Loans and Advances.

Notes related to ESOP plan 2014:

- The Compensation Committee has granted on 11th September, 2014 a total of 4,00,000 options convertible into 4,00,000 Equity Shares which represents 1.06% of the paid up share capital of the Company. The fair market value of Rs 425.60/- on the date of grant is also the exercise price of the Option.
- There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
- The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is Rs. Nil/- (previous year Rs. Nil/-) which has been grouped under Loans and Advances.

2.33 Corporate social responsibility expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
A. Gross amount required to be spent by company during the year.	13,059,829	9,714,230
B. Amount spent during the year.	6,106,517	3,000,000
C. Related party transaction in relation to corporate social responsibility expenses.	3,406,517	3,000,000
D. Provision made during the year	-	-

2.34 Foreign Currency Expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Professional fees	-	5,173,026
Travel	499,381	480,509
Total	499,381	5,653,535



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Tree House Education & Accessories Limited (hereinafter referred to as "the Holding Company") and its jointly controlled entities together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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; 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 financial statements by the Board of Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 consolidated 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 financial statements.

We believe that the audit evidence obtained by us and by the other auditors 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 consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, the aforesaid consolidated 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 as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of two jointly controlled entities included in the Statement whose statements reflect Group's share of total assets (net) of Rs. 10,72,84,560/- as at 31st March, 2016, as well as Group's share of net loss of Rs. 21,09,788/- for the year then ended, as considered in the Statements. These financial statements have been reviewed 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 and disclosures included in respect of these jointly controlled entities, is based solely on the reports of such other auditors.



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EMPHASIS OF MATTER

We draw attention to Note 1.4 to the financial statements which, describes the change in accounting policy with respect to bad debts of Pre-School debtors of the company has been changed from 0 to 50% for receivable more than 90 days. Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, 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 financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its jointly controlled entities incorporated in India, none of the directors of these entities is disqualified as on March 31, 2016 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 Report in "Annexure A", which is based on the auditors' reports of the Holding company and jointly controlled entities incorporated in India.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group, its associates and jointly controlled entities, does not have any pending litigations which would impact its financial.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.
 - 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 subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Agarwal & Associates
Chartered Accountants
(Firm Registration No. 323210E)

Naresh Agarwal
(Partner)
(Membership No. 063049)

Place: Mumbai
Date: May 29th 2016



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Annexure “A”

To the Independent Auditors' Report on the Consolidated Financial Statements of
“TREE HOUSE EDUCATION & ACCESSORIES LIMITED”

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Tree House Education & Accessories Limited (hereinafter referred to as “the Holding Company”) and its jointly controlled entities together referred to as “the Group, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its jointly controlled entities all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors 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 Group'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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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



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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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and jointly controlled entities which are 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 March 31, 2016, based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 financial statements of 2 jointly controlled entities which are incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **Agarwal & Associates**
Chartered Accountants
(Firm Regn No: 323210E)

CA. Naresh Agarwal
(Partner)
(Membership No. 063049)

Place: Mumbai
Date: 29th May 2016



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Tree House Education & Accessories Limited

Consolidated Balance Sheet as at March 31, 2016

Particulars	Note No	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	423,107,240	423,107,240
(b) Reserves and surplus	2.2	6,118,392,203	6,020,785,905
(c) Share Application money pending allotment		12,720	1,150,000
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	531,742,655	411,179,815
(b) Deferred tax liabilities (Net)	2.4	22,505,459	4,235,648
(c) Long-term provisions	2.5	7,336,756	5,318,031
(3) Current Liabilities			
(a) Short-term borrowings	2.6	457,386,905	647,030,746
(b) Trade payables	2.7	100,852,877	71,985,472
- Due to MSME		-	-
- Due to other		-	-
(c) Other current liabilities	2.8	276,211,826	231,729,241
(d) Short-term provisions	2.9	1,830,627	216,117,576
Total		7,939,379,268	8,032,639,675
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.10	4,474,897,480	3,006,531,061
(ii) Intangible assets	2.10	239,256,401	274,869,085
(iii) Capital work-in-progress		35,801,122	237,151,230
(iv) Intangible assets under development	2.11	10,898,874	10,898,874
(b) Non-current investments	2.12	-	2,610,000
(d) Long term loans and advances	2.13	2,254,589,284	2,310,229,567
(2) Current assets			
(a) Inventories	2.14	43,279,029	52,116,190
(b) Trade receivables	2.15	571,561,373	415,294,991
(c) Cash and bank balances	2.16	221,292,885	1,618,612,523
(d) Short-term loans and advances	2.17	84,744,751	102,091,690
(e) Other current assets	2.18	3,058,071	2,234,464
Total		7,939,379,268	8,032,639,675

This is the Balance Sheet referred to in our report of even date

As per our report of even date
For **Agarwal & Associates.**

Chartered Accountants
Firm Registration No. 323210E
Membership No. 063049

Naresh Agarwal
Partner

Place: Mumbai
Date : May 29, 2016

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

T S Sarangpani
Chairman

Rajesh Bhatia
Managing Director

Vishal Shah
Director

Sanjay H Shah
Chief Financial Officer

Place: Mumbai
Date: May 29, 2016



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Tree House Education & Accessories Limited

Consolidated statement of Profit and Loss for the year ended 31st March 2016

Particulars	Note No	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
I. Revenue from operations	2.20	2,093,532,659	2,074,707,412
II. Other Income	2.21	100,937,720	71,501,254
Total Revenue (I +II)		2,194,470,379	2,146,208,666
III. Expenses:			
Operating expenses	2.22	618,697,408	471,077,136
Employee benefit expenses	2.23	303,249,650	239,014,606
Financial costs	2.24	167,203,643	142,071,503
Depreciation and amortisation	2.10	450,646,721	271,666,835
Other expenses	2.25	507,278,958	178,408,097
Total Expenses		2,047,076,380	1,302,238,176
IV. Profit before exceptional items and tax		147,393,999	843,970,490
V. Exceptional Items			
Lease Rent Equalization Reversal		(32,192,511)	-
Property Advance Forfeited		45,000,000	-
VI. Profit before tax		160,201,488	843,970,490
VII. Tax expense:			
(1) Current tax		72,347,130	285,439,729
(2) Deferred tax		18,269,811	(46,845,143)
(3) Short / (Excess) provision of earlier years		4,019,029	-
VIII. Profit after tax		65,565,518	605,375,904
X. Earning per equity share:			
(1) Basic		1.55	14.34
(2) Diluted		1.55	14.34

This is the Statement of Profit and Loss referred to in our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

As per our report of even date

For **Agarwal & Associates.**

Chartered Accountants

Firm Registration No. 323210E

Membership No. 063049

Naresh Agarwal

Partner

Place: Mumbai

Date : May 29, 2016

T S Sarangpani

Chairman

Vishal Shah

Director

Place: Mumbai

Date: May 29, 2016

Rajesh Bhatia

Managing Director

Sanjay H Shah

Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March 2016

Particulars	Period ended Mar 31, 2016	Year ended March 31, 2015
	Rs.	Rs.
A Cash flows from operating activities		
Profit before tax	160,201,488	843,970,490
Adjustments for:		
Depreciation / amortisation	450,646,721	271,666,835
Loss on sale of fixed assets	-	-
Finance charges	167,203,643	142,071,503
Advance Forfeited	45,000,000	(32,192,511)
Provision for Gratuity		
Provision for Bad Debts		
Net gain on sale of fixed assets	(2,863,399)	(31,457,398)
Loss by Flood	447,949	-
Interest on fixed deposits	(98,054,765)	(40,018,031)
Profit on sale of investment	-	-
Operating profit before working capital changes	722,581,636	1,154,040,888
Adjustments for:		
(Increase)/Decrease in inventories	8,837,161	4,119,828
Deposits given to K-12 Schools	(468,401,000)	(281,150,000)
Decrease/(Increase) in sundry debtors	(156,266,382)	(139,732,803)
(Increase)/Decrease in loans and advances	(19,406,234)	49,359,548
Increase in liabilities and provisions	64,695,288	24,387,692
Cash generated from operations	152,040,470	811,025,152
Income tax paid	(212,144,195)	(215,967,476)
Net cash generated from operating activities	(60,103,726)	595,057,676
B Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(1,165,475,894)	(1,304,518,267)
Insurance claim received	1,714,916	-
Proceeds from Sale of Fixed Assets	45,000,000	180,700,000
Purchase of investments	2,610,000	2,390,000
Interest received	99,841,158	37,928,954
Net cash used in investing activities	(1,016,309,821)	(1,083,499,313)

Consolidated Cash Flow Statement for the year ended 31st March 2016

Particulars	Period ended Mar 31, 2016	Year ended March 31, 2015
	Rs.	Rs.
C Cash flow from financing activities		
Proceeds from issue of shares including securities premium	-	2,099,368,400
Payment of Dividends	(84,621,448)	(55,755,105)
Share issue expenses	-	(133,436,252)
Repayment of term loan	-	(256,751,183)
Proceeds from term loan	480,000,000	553,000,000
Proceeds from working capital loan (net)	(549,081,001)	(64,343,697)
Interest paid	(167,203,643)	(143,118,643)
Net cash provided by financing activities	(320,906,092)	1,998,963,519
Net increase in cash and cash equivalents during the year	(1,397,319,638)	1,510,521,882
Cash and cash equivalents as at the beginning of the year	1,618,612,523	108,090,641
Cash and cash equivalents as at the end of the year	221,292,885	1,618,612,523
Cash and cash equivalents as at year end constitutes:		
Cash in hand	319,283	55,757,002
Balance in current account with banks	81,617,754	143,252,473
Unpaid dividend account (refer Note 4)	37,148	31,048
Fixed deposits with banks (refer Note 2)	139,318,700	1,419,572,000
	221,292,885	1,618,612,523

This is the Statement of Profit and Loss referred to in our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

As per our report of even date

For Agarwal & Associates.

Chartered Accountants

Firm Registration No. 323210E

Membership No. 063049

Naresh Agarwal

Partner

Place: Mumbai

Date : May 29, 2016

T S Sarangpani

Chairman

Vishal Shah

Director

Place: Mumbai

Date: May 29, 2016

Rajesh Bhatia

Managing Director

Sanjay H Shah

Chief Financial Officer



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Notes to the Consolidated Financial Statements, for the year ended March 31, 2016

1.1 Corporate Information

Tree House Education & Accessories Ltd is a public company domiciled in India and incorporated on July 10, 2006 under the provisions of the companies Act 1956. The company's principal business is providing education and related services including leasing of education infrastructure.

1.2 Basis of preparation and summary of significant Accounting policies

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting and, are in accordance with generally accepted accounting principles in India [INDIAN GAAP], and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) rules, 2006 which continue to apply under Section 133 of the Companies Act 2013, ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 1956, the extent applicable and guidelines issued by the Securities and exchange Board of India (SEBI). The accounting policies have been consistently applied by the company.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of the activity carried out by the company and period between the procurement and realisation in cash and cash equivalents, the company has ascertained its operating cycle to be 12 months for the purpose of current –non-current classification of assets and liabilities.

1.3 Use of estimates :

The preparation of financial statements in conformity with India GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets including intangibles, future obligations under employee retirement benefit plans, provision for doubtful debts and advances, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

1.4 Change in Accounting Estimates:

Accounting Estimates involve management's judgment of expected future benefits and obligations relating to assets and liabilities (and associated expense and income) based on information that best reflects the conditions and circumstances that exist at the reporting date. Therefore, carrying amounts of assets and liabilities and any associated expense and gains are adjusted in the period of change in estimate. The policy for the writing off the Bad debts has been revised for the Pre School Debtors from 0% to 50% and accordingly an amount of INR 22.46crs. has been charged to profit and loss account, thus current assets has been adjusted accordingly.

1.5 Provisions and contingencies :

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. 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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.6 Tangible Fixed assets & Intangibles:

I) Tangible Assets

(a) Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation, amortisation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to their present location and condition for their intended use.

(b) **Capital Work-in Progress and Capital Advances:** Cost of Assets not ready for intended use as on balance sheet date, is shown as Capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long term Loans and Advances.

II) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

- Cost incurred for acquiring brands are capitalised and amortized on a straight-line basis over a period of not more than ten years, being the estimated useful life.
- Goodwill arising from acquisition of business is amortized over the expected useful life, not exceeding ten years.
- Business Commercial Rights i.e. "School facilitation service rights" acquired from various Trusts/Societies are capitalized and amortized on a straight line basis over the agreement period.

1.7 Depreciation and Amortization:

(a) Depreciation on tangible fixed assets is provided on pro-rata basis, using straight line method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act 2013.

(b). The estimated useful life of tangible fixed assets is mentioned below:

Assets Head	Years
Tangible Fixed Assets	
Building (Other than factory building)	60
Furniture and fittings	8
Office Equipment	5
Electrical equipment	10
Teaching aid and equipment	5
Computers/Laptops	3
Vehicles	8

(c). Leasehold improvements are amortized over the primary lease periods.

1.8 Impairment of Assets

The carrying amount of assets, other than inventories is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use determined based on the present value of estimated future cash flows. All impairment losses are recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.9 Revenue Recognition

1.9.1 Income from Services

Revenue is recognized on rendering of services and is recognized when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers' acknowledgment of services received. In respect of non-refundable fees for consultancy services rendered to franchisee for



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setting up of its operations, the rendering of service generally coincides with signing of the franchisee service agreement.

1.9.2 Royalty income

Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee or as per the agreement.

1.9.3 Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.9.4 Sale of goods

The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch/delivery to the customer.

1.9.5 Dividend

Dividend income is recognized when the right to receive payment is established.

1.10 Inventories

Inventories consist of book kits and other student activity materials. Inventory is valued at lower of cost and net realizable value. Cost is determined on first in first out (FIFO) basis.

1.11 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments were made are classified as current investments. All other investments are classified as long term investments.

Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made when the decline is other than temporary in nature.

Current investments are stated at lower of cost and market value determined on an individual investment basis.

1.12 Expenditure during construction period

Expenditure directly relating to construction activity of a new center is capitalized. Indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent it directly relates to construction or is incidental thereto. Other indirect expenditure incurred during the construction activity is charged to Statement of Profit and Loss.

1.13 Foreign currency transactions

(a) Initial recognition:

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(b) Measurement of foreign currency items at the Balance Sheet date: Foreign currency monetary items restated or retranslate at the closing exchange rates. Non-Monetary items are reported at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are recognized in the Statement of Profit and Loss.

1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying asset are capitalized as part of the cost of such asset up to the date of such asset being ready for its intended use. Other borrowing costs are treated as revenue expenditure.

1.15 Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership during the lease term, are classified as operating leases. Lease rentals in respect of assets taken under an operating lease are charged to the Statement of Profit and Loss on straight line basis over the initial period of the lease.



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Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Expenses, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage, etc. are recognised immediately in the Statement of Profit and Loss.

1.16 Taxes on income

Tax expense comprises of both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain/virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

1.17 Employee benefits

Provident fund:

Company's contributions paid / payable to provident fund authorities are recognised in the Statement of Profit and Loss of the year when the contribution to the fund is due.

Gratuity:

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of the gratuity is present value of the defined benefit obligation at the Balance Sheet date less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains or losses and past service cost. The defined benefit obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arise.

Compensated absences

The employees of the Company are entitled to compensated absences which are non-accumulating in nature. Expenses on non-accumulating compensated absences are recognized in the year in which the absence occurs.

1.18 Share issue expenses

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by section 52 of the Companies Act 2013. In case of insufficient balances in the Securities Premium Account, unadjusted share issue expenses are amortized over a period of 5 years. In case there arises a securities premium balance subsequently, unadjusted share issue expenses would not be amortized but will be adjusted against the Securities Premium Account.

1.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders



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and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.21 Employee Stock Option Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expenses is amortized over the vesting period of the option on a straight line basis.

1.22 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

1.23 Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash flow statements comprise Cash and Cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

2 Notes on Accounts for the Period ended March 31, 2016

The previous year's figures have been regrouped / reclassified, where ever necessary to conform to the current year's presentation. Amounts in the notes are presented in Indian Rupees (INR), except otherwise stated.

2.1 Share Capital

Particulars	As at	
	March 31, 2016	March 31, 2015
Equity Share Capital		
Authorised Share capital (45,000,000 (previous year: 45,000,000) equity shares of Rs.10 each)	450,000,000	450,000,000
Issued, subscribed & fully paid share capital (42,310,724 (previous year: 42,310,724) equity shares of Rs.10 each fully paid up)	423,107,240	423,107,240
Total	423,107,240	423,107,240

Terms / rights attached to equity shares

- a The Company has only one class of shares referred to as equity shares having par value of Rs. 10. Each holder of equity share is entitled to one vote per share. 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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of shares outstanding

Particulars	As at	
	March 31, 2016	March 31, 2015
Number of shares at the beginning of the year	42,310,724	37,170,070
Add: Shares issued during the years	-	5,140,654
Number of shares at the end of the year	42,310,724	42,310,724

Details of shareholder holding more than 5 % of the aggregating shares in the Company

(As per the records of the Company, including its register of member)

Name of Shareholders	As at		As at	
	March 31, 2016		March 31, 2015	
	No. of shares	% of holding	No. of shares	% of holding
M/s Matrix Partners India Investment Holdings, LLC	N.A.	N.A.	6,514,753	15.40%
Geeta Bhatia	3,565,000	8.43%	6,035,000	14.26%
FC VI India Venture Mauritius Ltd	2,897,665	6.85%	2,898,001	6.85%
Bajaj Holdings And Investment Ltd	2,430,882	5.74%	N.A.	N.A.
Rajesh Bhatia	3,686,336	8.71%	3,582,595	8.47%
Rajesh Bhatia and Geeta Bhatia Jointly	N.A.	N.A.	2,920,833	6.90%

2.2 Reserves and Surplus

Particulars	As at	
	March 31, 2016	March 31, 2015
Securities Premium Account		
Opening balance	4,602,815,570	2,655,167,082
Add: Received during the year	-	2,081,084,740
Less: Share issue expenses written off	-	133,436,252
Closing balance	4,602,815,570	4,602,815,570
General Reserve		
Opening balance	75,947,517	30,292,896
Add : Transferred during the year	-	45,654,621
Closing Balance	75,947,517	75,947,517
Profit and loss account		
Opening balance	1,345,375,191	918,482,624
Add : Rent Equaliser provision reversed last year now added	32,192,511	-
Add : Profit during the year	62,213,145	605,375,905
	1,439,780,847	1,523,858,529
Less : Appropriations		
Less: Additional depreciation (refer note no. 2.12)	-	1,555,018
Less : Dividend Provision pertaining to FY 2013-14	-	892,800
Less: Proposed dividend on equity shares (Dividend per share Rs Nil (Rs.2.00 previous year))	-	84,621,448
Less : DDT on Dividend Provision pertaining to FY 2013-14	151,731	-
Less: Dividend distribution tax on proposed dividend	-	16,919,312
Less: Rent Equaliser provision reversed last year now added	-	32,192,511
Less : Transfer to General reserves*	-	45,654,621
Closing Balance	1,439,629,116	1,342,022,819
Total	6,118,392,203	6,020,785,905

2.3 Long-term borrowings

Particulars	As at	
	March 31, 2016	March 31, 2015
Secured *		
Term loans from bank	531,742,655	411,179,815
Total	531,742,655	411,179,815

An amount of Rs. 35,89,64,550 (previous year Rs. 22,65,37,556) of term loans which is repayable within 12 months from the date of balance sheet has been grouped under short term borrowings.

* Secured by mortgage of Land, building, hypothecation of movable assets, book debts both present and future of the company.

2.4 Deferred Tax Liability (Net)

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS - 22) – Accounting for Taxes on Income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at March 31, 2016 are as follows:

Particulars	As at	
	March 31, 2016	March 31, 2015
Deferred tax liability on:		
Depreciation and amortisation	29,235,465	14,516,087
Deferred tax assets on:		
Provision for rent equalisation income	1,783,642	2,974,255
Provision for gratuity	3,161,573	2,325,187
Others	1,784,790	4,980,997
Deferred tax liability (net)	22,505,459	4,235,648

2.5 Long-term provisions

Particulars	As at	
	March 31, 2016	March 31, 2015
Provision for employee benefits	7,336,756	5,318,031
Total	7,336,756	5,318,031

The following table sets out the status of the gratuity plan for the year ended March 31, 2016 in accordance with Accounting Standard 15, Employee Benefits (Revised).

The company has a defined benefit gratuity plan. Employee at retirement are eligible for benefit, which will be equal to 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days salary (last drawn salary) for each completed years of service. The scheme is unfunded.

2.6 Short-term borrowings

Particulars	As at	
	March 31, 2016	March 31, 2015
Secured *		
Loan repayable in next 12 months.	457,386,905	647,030,746
Total	457,386,905	647,030,746

* Secured by mortgage of Land & building, hypothecation of movable assets, book debts both present and future and fixed deposits to the extent of Rs. 135,000,000 placed with a bank against working capital loan obtained from them

2.7 Trade payables

Particulars	As at	
	March 31, 2016	March 31, 2015
Sundry creditors		
- Dues to micro, small and medium enterprises *	-	-
- Others	100,852,877	71,985,472
Total	100,852,877	71,985,472

* The company has during the year, not received from any of its suppliers any information regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 In the light of the above facts, management has decided that none of them are registered under the said Act and disclosure, if any relating to amount unpaid as at the year end along with the interest payable / paid has not been given.

2.8 Other current liabilities

Particulars	As at	
	March 31, 2016	March 31, 2015
Sundry creditors for services / expenses	109,607,092	42,783,098
Advance tuition fees received	151,459,589	168,222,793
Advance received against property	-	14,600,000
Withholding & other tax payables	11,959,210	5,060,438
Interest accrued but not due	3,148,787	1,031,863
Unclaimed Dividend	37,148	31,048
Total	276,211,826	231,729,241

2.9 Short-term provisions

Particulars	As at	
	March 31, 2016	March 31, 2015
Provision for employee benefits (refer note 2.7)	1,798,627	1,522,765
Proposed dividend	-	84,621,448
Tax on dividend	-	16,919,312
Other Provisions	32,000	14,500
Provision for current tax (Net of Advances Rs 61,78,83,191/-)	-	113,039,551
Total	1,830,627	216,117,576

Particulars	Gross block (at cost)				Depreciation and amortisation				Net block	
	As at April 1, 2015	Additions	Deletions/Transfer	As at March 31, 2016	As at April 1, 2015	Upto 31.03.2016	Impairment Loss *	Deletions/Transfer	As at March 31, 2016	As at Mar 31, 2015
Tangible										
Freehold land	324,515,748	6,562,600	-	331,078,348	-	-	-	-	331,078,348	324,515,748
Building	714,485,359	1,217,745	12,303,609	703,399,495	12,740,084	-	-	567,008	665,202,164	688,461,104
Furniture and fittings	1,894,301,592	1,791,039,677	2,305,370	3,683,035,899	263,807,937	-	-	142,506	3,065,802,352	1,540,733,476
Office and other equipment	11,331,029	14,836,526	-	26,167,555	3,356,293	-	-	-	18,106,403	6,626,169
Electrical Equipment	27,611,928	566,750	-	28,178,678	3,141,487	-	-	-	9,663,602	21,089,812
Teaching aid and equipment	44,226,996	13,683,992	-	57,910,987	5,755,201	-	-	-	40,693,514	9,288,683
Computers	11,142,646	1,685,400	-	12,828,046	2,201,448	-	-	-	10,230,777	3,113,316
Leasehold Improvement	587,502,438	66,535,421	50,566,129	603,471,731	122,860,758	-	-	50,566,129	252,215,487	407,581,580
Vehicles	8,121,823	1,171,812	-	9,293,635	1,170,828	-	-	-	4,171,472	5,121,179
Intangibles										
Goodwill	19,520,992	-	-	19,520,992	1,952,099	-	-	-	12,802,877	8,670,214
Business Commercial rights *	290,064,534	-	-	290,064,534	7,469,349	18,413,836	-	-	79,026,239	236,921,480
Brands	77,774,015	-	-	77,774,015	7,777,402	-	-	-	56,274,025	29,277,392
Grand Total	4,010,599,100	1,897,299,923	65,175,108	5,842,723,915	432,232,885	18,413,836	18,413,836	51,275,643	1,128,570,023	3,281,400,154
Previous year	2,930,793,044	1,225,791,463	145,985,408	4,010,599,099	253,252,999	18,413,836	18,413,836	7,997,824	3,281,400,146	2,468,373,138

* The management, based on the review of future business plan with its one of the trust Vidya Bharati Sanshan for providing the curriculum supports rights has made changes in the Service Agreement for providing the services from exclusive to non-exclusive rights, and therefore has estimated the value in use / recoverable value of its business commercial rights of that trust to be lower than the carrying value and consequently recognised an impairment loss amounting to Rs. 18,413,836/- (previous year Rs.18,413,836/-).



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2.11 Intangibles under development

Particulars	As at	
	March 31, 2016	March 31, 2015
- Business commercial rights	10,898,874	10,898,874
Total	10,898,874	10,898,874

The Company has entered into an exclusive facilitation service agreement with various educational trusts in accordance with which the Company has exclusive rights for a period of 30 years to provide various facilitation services for schools/courses to be set up by these educational trusts. The Company has paid one time fixed fee to the educational trusts towards such exclusive rights. The fee paid is recognized as an intangible asset and accordingly capitalized as 'Business Commercial Rights' in the financial statements.

During financial year 2011-12 the terms of payment for these Business Commercial Rights has been modified with the 'one time fixed fees' being replaced with combination of 'one time fixed fee' and 'interest free refundable deposits'. The said deposit has been given under the agreement with the trust for securing exclusivity in rendering services to all the schools operated by the trust. Pursuant to the aforesaid arrangement the company has given a refundable interest free deposit aggregating to Rs.187 crores to these educational trusts. The Company is rendering services to most of the schools run by such educational trust. The aforesaid deposits have been classified as 'Security Deposits under the head "Long term Loans and Advances" of Note 2.13. The aforesaid deposit are good and shall be refunded on the expiry of the tenure or termination of the agreement .

2.12 Non-current investments

(Unquoted, at cost)

Particulars	As at	
	March 31, 2016	March 31, 2015
Investments in Share Application Money		
- Joint Venture (MT Infrastructure Private Limited)	-	2,610,000
Total	-	2,610,000

2.13 Long Term Loans and Advances

(Unsecured, considered good)

Particulars	As at	
	March 31, 2016	March 31, 2015
Unsecured considered good		
Capital Advances	78,153,661	639,898,614
Security Deposits *	2,121,159,498	1,643,628,428
Other loans and advances	55,276,125	26,702,525
Total	2,254,589,284	2,310,229,567

* includes Rs 187cr refundable interest free deposits to educational trust.

2.14 Inventories

(At lower of cost and net realisable value)

Particulars	As at	
	March 31, 2016	March 31, 2015
Stock in trade	43,279,029	52,116,190
Total	43,279,029	52,116,190

2.15 Trade receivables

Particulars	As at	
	March 31, 2016	March 31, 2015
Overdue for more than six months:		
Consider good	185,571,518	161,450,241
Consider Doubtful	5,157,161	14,650,300
Less: Provision for doubtful trade receivables	(5,157,161)	(14,650,300)
Other, Consider good	385,989,855	253,844,750
Total	571,561,373	415,294,991

2.16 Cash and Bank Balances

Particulars	As at	
	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Balances with banks		
In current accounts	12,390,302	87,646,572
Cheques in Hand	69,228,635	55,605,901
Cash on Hand	318,100	55,757,002
Other Bank Balances		
In Fixed deposits*	139,318,700	1,419,572,000
Unpaid dividend account #	37,148	31,048
Total	221,292,885	1,618,612,523

Note:

- Fixed deposits of Rs. 135,000,000 (previous year Rs. 405,000,000) placed with a bank against working capital loan obtained from them.
- Fixed deposit of Rs. 4,318,700 (previous year Rs. 572,000) placed with a bank against which bank has given a guarantee.

The company can utilise these balance only towards the settlement of unclaimed dividend.

2.17 Short term loans and advances

(Unsecured, considered good)

Particulars	As at	
	March 31, 2016	March 31, 2015
Loans and advances to related parties (Unsecured and considered good)	-	-
Balances with government Authorities (Net of Provision Rs 58,64,86,808/-)	17,564,562	-
Others	67,180,190	102,091,690
Total	84,744,751	102,091,690

2.18 Other current Assets

Particulars	As at	
	March 31, 2016	March 31, 2015
Interest Accrued on fixed deposit	448,071	2,234,464
Share Application money	2,610,000	-
Total	3,058,071	2,234,464

2.19 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Particulars	As at	
	March 31, 2016	March 31, 2015
Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal	4,318,700	572,000
Total	4,318,700	572,000

2.20 Revenue from Operations

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Revenue from		
- Sale of education kits	55,377,449	15,411,358
- Sale of services		
Consultancy income	274,027,695	203,922,894
Income from early childhood education	1,722,673,879	1,793,790,218
Income from early childhood training course	12,617,428	13,475,777
Royalty income	9,696,629	19,526,907
- Other Operating Revenue		
Other operating income	645,770	949,770
Rent income from education infrastructure	18,493,808	27,630,488
Total	2,093,532,659	2,074,707,412

2.21 Other Income

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Interest income	98,054,765	40,018,031
(tax deducted at source Rs.1,04,66,338/- (previous year Rs.4,121,321)		
Profit on sale of fixed assets (Net)	2,863,399	31,457,398
Other non-operating income		
Other non-operating income	19,556	25,825
Total	100,937,720	71,501,254

2.22 Operating expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Rent (includes conducting charges and society maintenance)	375,906,612	319,361,718
Security charges	32,251,898	18,014,124
Training material and equipment consumed	112,722,452	80,212,536
Water, electricity and cleaning charges	44,137,256	26,425,030
Activity expenses	16,582,686	11,521,910
Other centre expenses	37,096,504	15,541,818
Total	618,697,408	471,077,136



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2.23 Employee Benefits Expense

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Salaries and wages	282,538,733	227,008,575
Contribution to provident and other funds	19,485,016	11,496,558
Staff welfare expenses	1,225,901	509,473
Total	303,249,650	239,014,606

2.24 Finance Costs

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Interest expenses	162,703,643	137,766,674
Finance charges	4,500,000	4,304,829
Total	167,203,643	142,071,503

2.25 Other Expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Advertisement and publicity expenses	152,222,334	101,857,024
Legal and professional fees	35,576,944	13,432,798
Office expenses	3,245,419	3,544,019
Rent, rates and taxes	6,513,734	5,269,477
Corporate social responsibility expenses (Refer note 2.33)	6,106,517	3,000,000
Insurance	1,349,990	1,262,772
Telephone and courier expenses	2,238,110	2,959,836
Auditors' remuneration (Refer note 2.31)	3,371,198	1,579,250
Brokerage and commission	7,769,912	4,883,796
Business promotion	1,024,829	484,531
Printing and stationery	1,132,294	1,310,669
Donation	168,001	2,000
Repairs and maintenance	1,768,241	1,472,676
Travelling and conveyance	14,822,894	12,428,121
Freight and delivery expenses	3,097,942	4,582,113
Provision for doubtful trade receivables	255,297,663	14,487,513
Director Sitting Fees	2,190,000	565,172
Miscellaneous expenses	9,382,938	5,286,330
Total	507,278,958	178,408,097

2.26 Expenditure During Construction Period

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Opening balance	-	4,511,250
Add : Incurred during the year	-	-
Less : allocated to fixed assets	-	4,511,250
Total	-	-

2.27 Segment information

The activities of the Company comprise of only one business segment i.e. " providing education and related services including leasing of education infrastructure". The company operates in only one.

2.28 Related party disclosure

Information on related party transactions as required by Accounting Standard (AS - 18) on Related Party Disclosures for the year ended 31st March, 2016.

a) List of related party

i Key management personnel (KMP)

Key management personnel ('KMP') . Mr. Rajesh Bhatia - Managing Director
. Mr. Vishal Shah - Director

ii Relatives of key management personnel

Relatives of KMP Mrs. Geeta Bhatia - wife of Mr. Rajesh Bhatia

iii Joint Venture company

JT Infrastructure Private Limited
Mehta Treehouse Infrastructure Private Limited

iv. Entity over which there is a significant control

Tree House Foundation

b) Transactions undertaken / balances outstanding with related parties in the ordinary course of business

Transactions during the year

Particulars	Key management personnel ('KMP')		Relatives of KMP		Joint Venture		Entity over which there is a significant control	
	Year ended		Year ended		Year ended		Year ended	
	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015
Rent expense								
- Mr. Rajesh Bhatia	9,768,476	11,392,803						
- Mrs. Geeta Bhatia			9,768,476	11,392,803				
Remuneration								
- Mr. Vishal shah	2,850,000	1,800,000						
- Mr. Rajesh Bhatia	7,200,000	4,800,000						
Payment received against share warrants								
- Mr. Rajesh Bhatia & Geeta Bhatia Jointly	-	99,368,640						
Shares issued (Nos)								
- Mr. Rajesh Bhatia & Geeta Bhatia Jointly	-	595,200						
Investment								
- JT Infrastructure Private Limited					-	-		
- Mehta Treehouse Infrastructure Private Limited					-	12,610,000		
Corporate social responsibility expenses								
Tree House Foundation							3,406,517	3000000

c) Closing balances with related parties in the ordinary course of business

Particulars	Key management personnel ('KMP')		Relatives of KMP		Joint Venture	
	Year ended		Year ended		Year ended	
	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015	Mar 31 2016	Mar 31 2015
Rent expense						
- Mr. Rajesh Bhatia	1,301,958	-	-	-	-	-
- Mrs. Geeta Bhatia	-	-	1,301,957	-	-	-
Remuneration						
- Mr. Vishal shah	274,500	-	-	-	-	-
- Mr. Rajesh Bhatia	546,039	-	-	-	-	-
Investment						
- JT Infrastructure Private Limited					99,800,000	99,800,000
- Mehta Treehouse Infrastructure Private Limited					10,000,000	12,610,000



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2.29 Leases

Pursuant to Accounting Standard (AS-19) - Leases, the following information is given

In case of assets taken on operating lease

The lease rent, amenities charges and Society maintainances recognized in the Statement of Profit and Loss during the year ended March 31, 2016 is Rs.37,12,15,398/- (previous year: Rs 31,50,76,702/-)

Obligation of the Company towards future lease payments

Particulars	As at	
	March 31, 2016	March 31, 2015
Not later than one year	355,973,888	283,214,262
Later than one year but not later than five years	640,303,310	513,928,477
later than five years	2,041,581	3,830,012

Significant leasing arrangements

1.1 The period of lease for the premises varies by location and ranges from 3 to 5 years.

1.2 Renewal of the lease at the end of the initial term is at mutual consent of both parties.

1.3 The Company has entered into lease conducting agreements with certain parties where the lease rentals are based on the revenue earned at the respective centers. The expected future lease payments cannot be estimated in respect of these lease conducting agreements and hence future liability in respect of the same have not been disclosed.

In case of assets given on operating lease

The lease rent income recognized in the Statement of Profit and Loss during the year ended March 31, 2016 is Rs.1,84,93,808/- (previous year: Rs 2,76,30,488/-)

Right of the Company towards future lease payments

Particulars	As at	
	March 31, 2016	March 31, 2015
Not later than one year	13,800,000	12,000,000
Later than one year but not later than five years	59,340,000	53,400,000
later than five years	259,194,967	290,934,967

Significant leasing arrangements

a) The period of lease for the premises is 19 years 11 month

b) The lease rent shall stand revised by addition of an amount equivalent to 15% at the end of every third year.

c) After the expiry of the said initial term of 19 years 11 months, the lessee has a sole option to renew the lease term.

2.30 Earnings per share

Particulars	As at	
	March 31, 2016	March 31, 2015
Profit after tax	67,675,305	608,728,276
Weighted average number of shares outstanding (Basic)	42,310,724	38,880,842
Weighted average number of shares outstanding (Diluted)	42,310,724	38,880,842
Nominal value per share	10.00	10.00
Basic earnings per share	1.60	15.66
Diluted earnings per share	1.60	15.66

2.31 Auditors' Remuneration

(Excluding service tax)

Particulars	As at	
	March 31, 2016	March 31, 2015
Statutory audit fees	2,185,000	1,329,250
Tax audit fees	125,000	200,000
Other services*	-	2,172,500
Total	2,310,000	3,622,500

*In the financial year 2014-15, other service includes Rs. 20,00,000 pertaining to certification services provided in relation to Qualified Institutional Placement which is adjusted against securities premium and Rs. 1,22,500 paid in relation to other certification services.

2.32 Employee Stock Option Plans

2.32.1 For the financial year March 31, 2016 following schemes were in operation:

- 1) Treehouse Education Employees' Stock Option Plan, 2010 – ESOP A
- 2) Treehouse Education Employees' Stock Option Plan, 2012 – ESOP B
- 3) Treehouse Education Employees' Stock Option Plan, 2012 – ESOP C

Particulars	During the year ended 31 March, 2016		During the year ended 31 March, 2015	
	Options (numbers)	Weighted average exercise price per option	Options (numbers)	Weighted average exercise price per option
a Option outstanding at the beginning of the year:				
ESOP A	1,375	71.00	81,250.00	71.00
ESOP B	209,975	228.00	343,575.00	228.00
ESOP C	400,000	425.60	-	-
b Granted during the year:				
ESOP A	-	-	-	-
ESOP B	-	-	-	-
ESOP C	-	-	400,000	425.60
c Vested during the year:				
ESOP A	-	71.00	25,000	71.00
ESOP B	100,000	228.00	100,000	228.00
ESOP C	100,000	425.60	-	-
d Exercised during the year:				
ESOP A	875	71.00	79,750	71.00
ESOP B	10,875	228.00	92,350	228.00
ESOP C	-	425.60	-	-
e Lapsed during the year:				
ESOP A	500	71.00	125	71.00
ESOP B	95,125	228.00	41,250	228.00
ESOP C	23,200	425.60	-	-
f Option outstanding at the end of the year:				
ESOP A	-	71.00	1,375	71.00
ESOP B	103,975	228.00	209,975	228.00
ESOP C	376,800	425.60	-	-
g Option available for grant:				
ESOP A	18,500	71.00	18,000	71.00
ESOP B	147,925	228.00	52,800	228.00
ESOP C	23,200	425.60	-	-
h Money realized by exercise of option:				
ESOP A	62,125		5,662,250	
ESOP B	2,479,500		21,055,800	
ESOP C	-		-	

2.32.2 A description of the method and significant assumption used during the year to estimate the fair value of the option

The fair value of the ESOP used to compute proforma net income & earnings per equity share have been estimated on the dates of each grant using Black-Scholes model.

The various assumption considered in this model for the ESOP granted are as follows:

Particular	ESOP - A	ESOP - B	ESOP - B
Risk free interest rate	7.5% per annum	7.5% per annum	7.5% per annum
Expected life	2.10 years (weighted average option life)	3.5 years (weighted average option life)	4.5 years (weighted average option life)
Expected annual volatility of share	Nil*	40.3%	33.06%
Expected dividend yield	1% per annum	0.50% per annum	0.45% per annum

*The volatility was computed as nil, as the shares were not listed at the time of grant.

2.32.3 Had the compensation cost for the ESOP outstanding been determined based on the fair value approach, the net profit & earnings per share would have been as per the proforma amounts indicated below:

Particulars	As at	
	March 31, 2016	March 31, 2015
Profit after tax (as reported)	67,675,305	608,728,276
Add: ESOP cost using intrinsic value method	-	-
Less: ESOP cost using fair value method		
ESOP - A	-	43,050
ESOP - B	3,202,681	6,598,413
ESOP - C	7,994,790	-
Proforma profit after tax	56,477,834	602,086,813
Earnings per share		
Basic		
-As reported	1.60	15.66
-As Proforma	1.33	15.49
Diluted		
-As reported	1.60	15.66
-As Proforma	1.33	15.49

2.32.4 Weighted average exercise price and fair value of the options.

Particular	Weighted average exercise prices per option	Fair value of the option
ESOP - A	71.00	9.05
ESOP - B	228.00	88.64
ESOP - C	425.60	51.00

2.32.5 Details of options granted to Senior Managerial Personal.

ESOP Scheme	Name of the Employee	Option Granted	Option vested	Option Lapsed	Option Exercised	Balance
ESOP -A	Mr. Vishal Shah	1,300,000	1,300,000	Nil	1,300,000	-
ESOP -B	Mr. Vishal Shah	168,200	126,150	Nil	83,150	85,050
ESOP -C	Mr. Vishal Shah	300,000	75,000	Nil	0	300,000
ESOP -C	Mr. Sanjay H Shah	50,000	12,500	Nil	0	50,000

2.32.6 Vesting schedule

Particular	ESOP - A	ESOP - B	ESOP - C
For option granted to Mr. Vishal Shah	12 months from the grant date-100%	12 months from the grant date-25%	12 months from the grant date-25%
For option granted to Mr Sanjay Shah (Only for ESOP - C)		24 months from the grant date-25%	24 months from the grant date-25%
		36 months from grant date -25%	36 months from grant date -25%
		48 months from grant date-25%	48 months from grant date-25%
For all other options	12 months from the grant date-25%	12 months from the grant date-25%	12 months from the grant date-25%
	24 months from the grant date-25%	24 months from the grant date-25%	24 months from the grant date-25%
	36 months from grant date -25%	36 months from grant date -25%	36 months from grant date -25%
	48 months from grant date-25%	48 months from grant date-25%	48 months from grant date-25%

2.32.7 The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at March 31, 2016 is as under

ESOP Scheme	Number of options	Exercise price	Expected remaining contractual life
ESOP -A	0	71.00	-
ESOP -B	1,00,000	228.00	6 months
ESOP -C	3,00,000	425.60	30 months

2.32.8 Notes related to ESOP plan 2010:

- The Compensation Committee has granted on 04th January, 2011 a total of 1,400,000 options convertible into 1,400,000 Equity Shares which represents 3.89% of the paid up share capital of the Company. The fair market value of Rs 71/- on the date of grant is also the exercise price of the Option.
- There is one employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
- The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is Rs.13,13,500/- (previous year Rs. 13,75,265.) which has been grouped under Loans and Advances.

Notes related to ESOP plan 2012:

- The Compensation Committee has granted on 06th September, 2012 a total of 4,00,000 options convertible into 4,00,000 Equity Shares which represents 1.11% of the paid up share capital of the Company. The fair market value of Rs 228/- on the date of grant is also the exercise price of the Option.
- There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
- The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is Rs. 5,39,62,625/- (previous year Rs. 5,82,00,860/-) which has been grouped under Loans and Advances.

Notes related to ESOP plan 2014:

- The Compensation Committee has granted on 11th September, 2014 a total of 4,00,000 options convertible into 4,00,000 Equity Shares which represents 1.06% of the paid up share capital of the Company. The fair market value of Rs 425.60/- on the date of grant is also the exercise price of the Option.
- There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
- The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
- The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is Rs. Nil/- (previous year Rs. Nil/-) which has been grouped under Loans and Advances.

2.33 Corporate social responsibility expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
A. Gross amount required to be spent by company during the year.	13,059,829	9,714,230
B. Amount spent during the year.	6,106,517	3,000,000
C. Related party transaction in relation to corporate social responsibility expenses.	3,406,517	3,000,000
D. Provision made during the year	-	-

2.34 Foreign Currency Expenses

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Professional fees	-	5,173,026
Travel	499,381	480,509
Total	499,381	5,653,535

Route Map





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10th Annual General Meeting - September 26, 2016 ATTENDANCE SLIP

Registered Folio no. / DP ID no. / Client ID no.	
Number of shares held	
Name and Address of the Shareholder / Proxy	

I hereby record my presence at the Tenth Annual General Meeting of TREE HOUSE EDUCATION & ACCESSORIES LIMITED held on Monday, September 26, 2016 at 09:00 a.m. at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.

Signature of the Shareholder / Proxy

Notes:

1. Shareholders attending the meeting in person or through proxy are requested to fill in the Attendance Slip and submit the same at the attendance verification counter at the entrance of Meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.
3. Electronic copy of the Annual Report for financial year 2015-16 along with Notice of the Annual General Meeting (AGM), attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hardcopy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for financial year 2015-16 along with Notice of the AGM, attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-Voting Information

The electronic voting particulars are set out below:

EVEN (E -Voting Event Number)	USER ID	PASSWORD

Please refer notice for instructions on e-voting.

E-voting facility is available during the following voting period

Commencement of E-voting	Conclusion of E-voting
Friday, September 23, 2016 at 10.00 a.m.	Sunday, September 25, 2016 till 5.00 p.m.



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Form No. MGT - 11 10th Annual General Meeting – September 26, 2016

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 of Member(s): _____
E-mail id: _____
Folio No. / Client ID: _____
DPID: _____

I/We, being the member(s) of TREE HOUSE EDUCATION & ACCESSORIES LIMITED, holding _____ Equity Shares 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 **Tenth Annual General Meeting** of the Company, to be held on Monday, September 26, 2016 at 09:00 a.m. at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri(W), Mumbai 400 058 and at any adjournment thereof in respect of such resolutions as are indicated below:



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Sr.N o.	Resolution	Vote (Optional see Note 1)		
		For	Against	Abstain
Ordinary Business				
1.	To receive, consider and adopt; a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 st March, 2016, together with the Reports of the Directors and the Auditors thereon; and b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 st March, 2016, and the Report of the Auditors thereon.			
2.	To appoint a Director in place of Mrs. Geeta Bhatia (DIN 00074444), who retires by rotation and being eligible, offers herself for re-appointment.			
3.	Ratification of Appointment of Statutory Auditors:			
Special Business				
4.	To approve the appointment of Mr. Ram Kumar Gupta as an Independent Director.			
5.	To approve the appointment of Mr. Chanakya Dhanda as an Independent Director.			
6.	To approve the appointment & remuneration of the Cost Auditors for the financial year ending March 31, 2017.			

Signed this _____ day of _____ 2016

Signature of the member

Affix
revenue
stamp of
not less
than Rs, 1

Signature of 1st proxy holder

Signature of 1st proxy holder

Signature of 1st proxy holder

Notes:

1. 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.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

