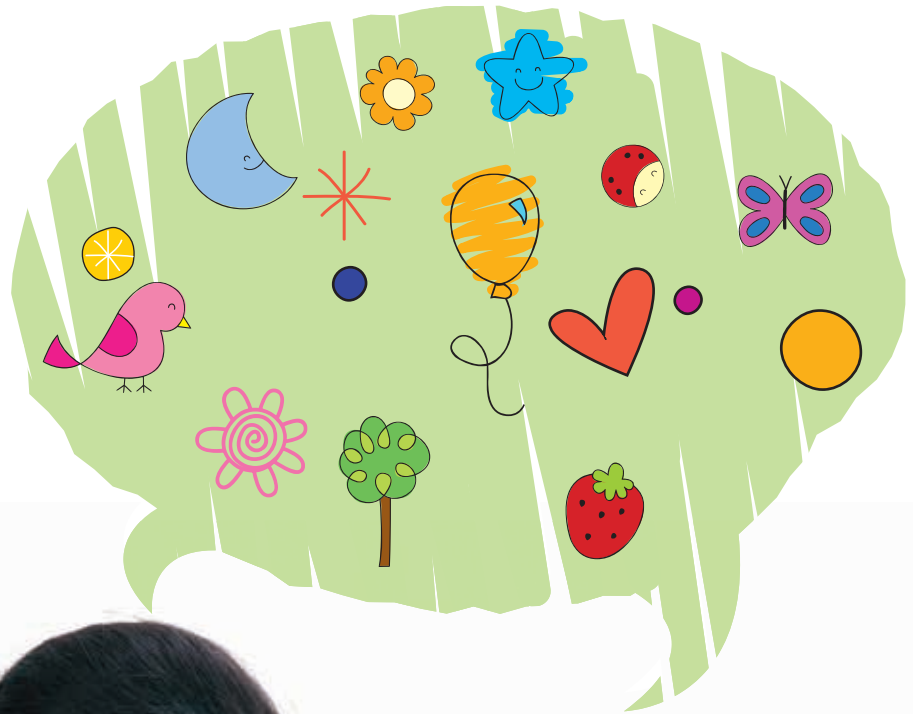




# Nurturing Tomorrow



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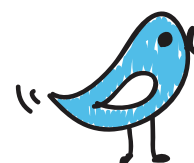
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Our endeavour at Tree House is to help young minds grow and develop. It is to provide them with an opportunity to nurture themselves better. In the pursuit of this goal, we have channelised our resources to spread across the country to its many towns and cities to where we continue to provide world-class education. We want to increase our accessibility and reach and envision ourselves becoming one of the top three global brands in pre-schooling and day-care.

We believe that childhood is a crucial period of an individual's development. The right guidance and academic training received at this age goes a long way in creating a nation where individuals are capable and effectively participate in the task of nation building.

It is this very overarching notion that has seen us working assiduously to facilitate our expansion planning

to nurture the future. We intend to create a vast network of pre-schools, day-care centres and pre-school centred brands. Our network across the length and breadth of the country now provides educational facilities to children in 88 cities. Our endeavour has been to grow along with the growth in the demand for pre-school facilities and expand in the segment. Research has shown that India's pre-school market will double by 2018 and we intend to stay ahead of this growth, while emerging leaders in the category.

As we expand the purview of our services, we aim to help create a better, brighter future for the nation. We intend to facilitate an outstanding story of growth for the nation, preparing it better for imminent challenges while nurturing a better tomorrow.

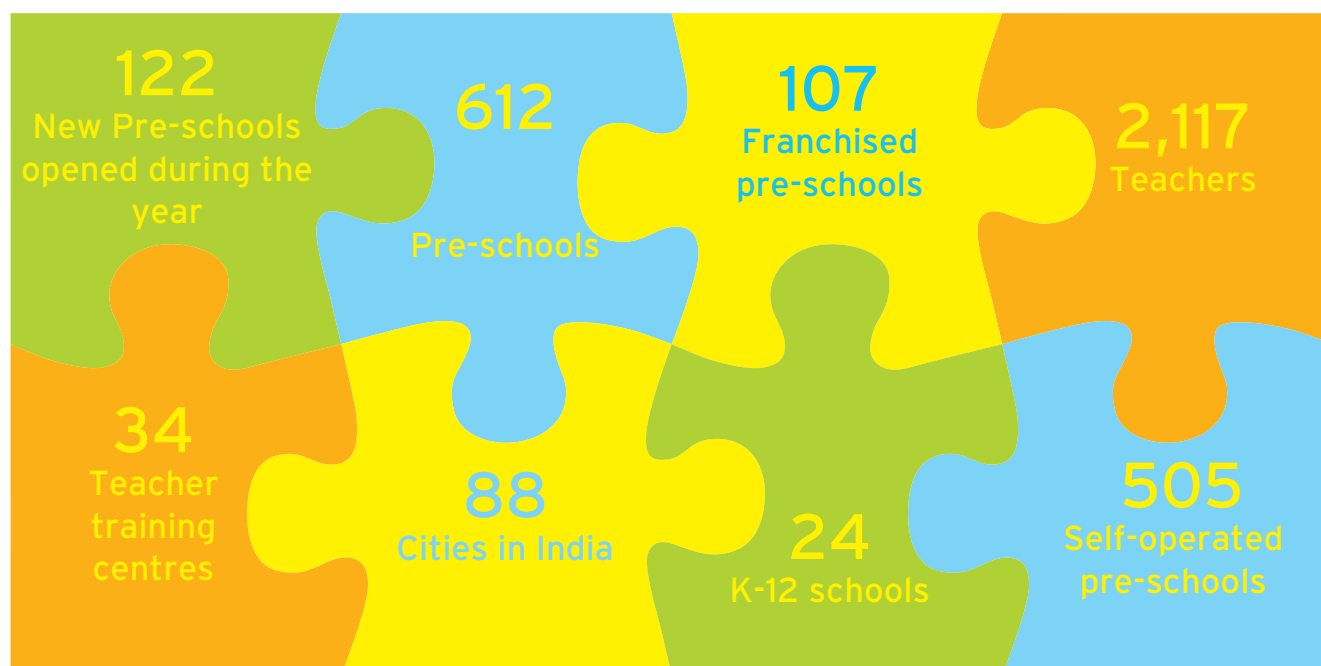


## TREE HOUSE AT A GLANCE



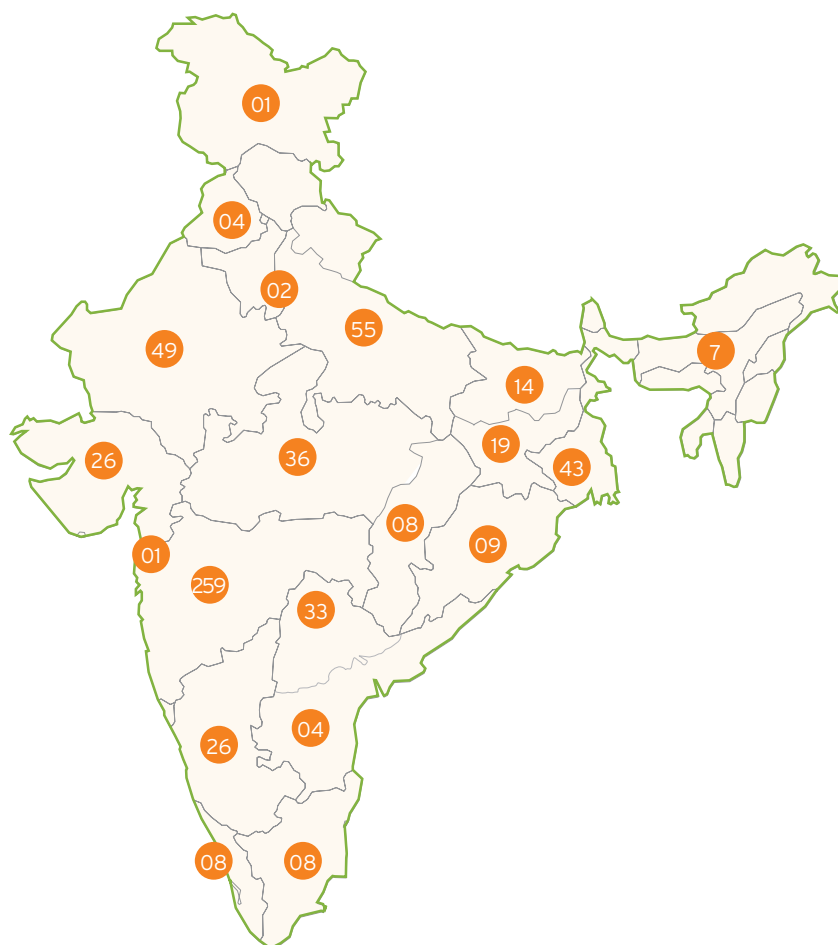
**T**ree House Education and Accessories is a leading Company that caters to pre-schooling and day-care facilities on a self-operated basis. Our services cater to the fast-expanding need of world-class education amongst children brought about by higher incomes and rising income levels and aspirations.

We currently have a presence in as many as 88 cities across the length and breadth of the nation. We endeavour to cater to India's growth story and its rapidly increasing population that is on the constant lookout for better opportunities of education. We have presence in diverse markets, including Tier I and II cities, and intend to penetrate into new, untapped markets quickly and effectively. Today, we are the largest self operated pre-school chain in India.





## OUR NETWORK



STATE	NO OF PRE-SCHOOLS
JAMMU & KASHMIR	01
PUNJAB	04
RAJASTHAN	49
DELHI	02
UTTAR PRADESH	55
BIHAR	14
ASSAM	07
MADHYA PRADESH	36
CHHATTISGARH	08
JHARKHAND	19
WEST BENGAL	43
ORISSA	09
GUJARAT	26
DAMAN & DIU	01
MAHARASHTRA	259
TELANGANA	33
ANDHRA PRADESH	04
KARNATAKA	26
TAMIL NADU	08
KERALA	08

## AWARDS & RECOGNITION

- Tree House acknowledged as India's Most Trusted Brand in the Pre-School category in a 2014-15 study conducted by TRA (formerly Trust Research Advisory)
- Among top 500 most valuable companies in India - Business Today (2014)



## SERVICES



Our business model largely comprises self-operated pre-schools and franchise schools. Our service offerings consist of the following:

- Playgroup
- Nursery
- Junior KG
- Senior KG
- Day Care Services
- Teacher Training Course
- Summer Camp
- Hobby/ Activity Class

### COURSES OFFERED

Our courses broadly cater to children of one to eight years and consist of the following:

#### 1

#### PLAYGROUP

This is the first stage of pre-school and makes for the transition of the child from home to a new environment that becomes a consistent part of his or her day. At Tree House, it is our endeavour to make this transition easy for children.

#### AGE GROUP

1.5 years to 2.5 years

#### SKILLS

Fun activities are conducted to impart and build skills of language, math, gross and fine motor skills, and social, emotional, aesthetic and creative

abilities. Value education also forms a crucial part of the education offerings in our playgroups.

#### FOCUS AREAS

- Communicating with others
- Building cognitive power
- Making new friends
- Nurturing creativity

#### 2

#### NURSERY

Nursery marks a phasing into formal schooling and starts preparing the child for learning in an environment that nurtures his abilities and future potentialities.

**AGE GROUP**

2.5 years to 3.5 years

**SKILLS**

Our Nursery Programme is devised to equip children with skills that they will require for higher learning. The programme teaches them the workings of letters, concepts of math and everyday social skills. All elements of the programme facilitate pre-kindergarten learning. Value education forms a crucial aspect of this. Other key areas and skill sets comprise language, writing, reading, math, gross and fine motor, social, emotional, and environmental awareness. Other abilities developed are cognitive - conceptual and mathematical, sensory and general knowledge, and aesthetics and creative.

**FOCUS AREAS:**

- Communication skills
- Development of cognitive abilities
- Nurturing creativity
- Building social skills

**3****JUNIOR KG**

This stage of schooling helps children communicate better with others in a class, and explore and constantly learn about their surroundings.

**AGE GROUP**

3.5 years to 4.5 years

**SKILLS**

Skills developed at this stage are value education, those of language, reading, writing, math, general knowledge, environmental studies, science, and Hindi. Other abilities honed are emotional and cognitive skills, and creative and aesthetic expression.

**FOCUS AREAS**

- Equipping children with future skills
- Facilitating smooth transition to formal schooling

**4****SENIOR KG**

This period prepares the pupil for formal education. It helps them work upon interpersonal skills and gain independence. It readies them for new challenges and experiences.

**AGE GROUP**

3.5 years to 4.5 years

**SKILLS**

Our courses offered develop skills that help children to interact with their peers and hone abilities of complex co-ordination. Children begin to better their abilities of language and writing, math, general knowledge, environmental studies, science, Hindi, value education, aesthetics, and creative thinking. They also improve upon their social, emotional and cognitive talents.

**FOCUS AREAS**

The programme introduces new concepts and themes to facilitate the imparting of knowledge. It also seeks to carefully guide, train and mould pupils in accordance with higher learning and its expectations.

**5****HOBBY/ ACTIVITY CLASS**

Select centres provide hobby classes and activity facilities.

**AGE GROUP**

3 years to 8 years

**SKILLS**

This programme is designed to encourage physical, emotional, social and mental growth of the child.

**FOCUS AREAS**

The programme's focus areas are art, drawing, craft, dramatics, dance, development of skills through project work, and activities to facilitate socio-cultural adaptation.

**6****TEACHER TRAINING COURSE****AGE GROUP**

18 years onwards

**SKILLS**

We offer teacher training classes at select centres. These aim at enabling teachers in the best teaching methods created by our experts. These facilities are available in select centres.

**AIM**

To help hone skills of teaching and impart knowledge of best practices.

**7****DAY CARE SERVICES****AGE GROUP**

1.5 years onwards

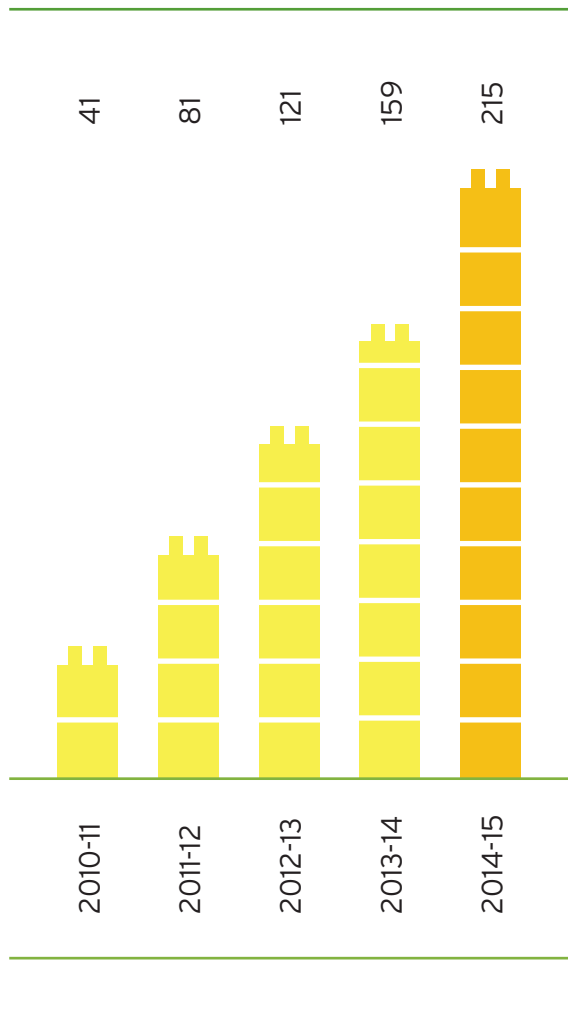
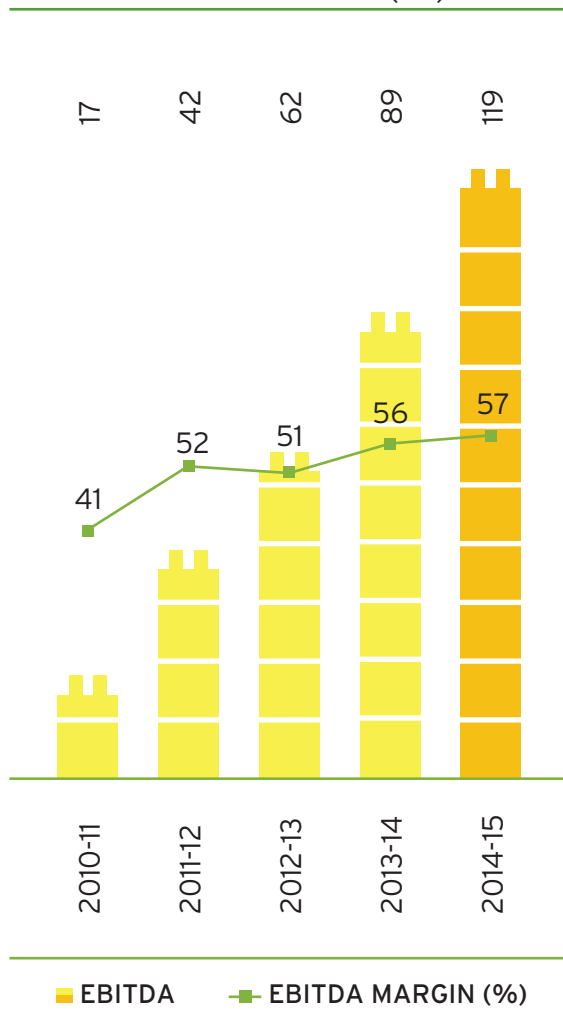
**SKILLS**

We offer day care services at select centres. Children get an opportunity to grow in an enriching environment, which boosts their self-esteem and makes them ready for the future.

## FINANCIAL HIGHLIGHTS



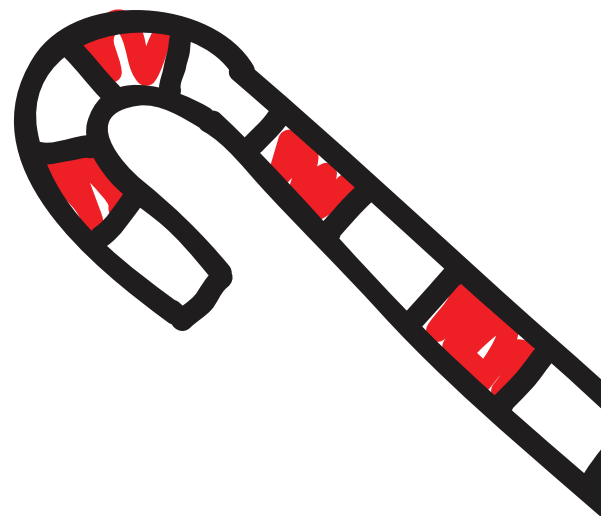
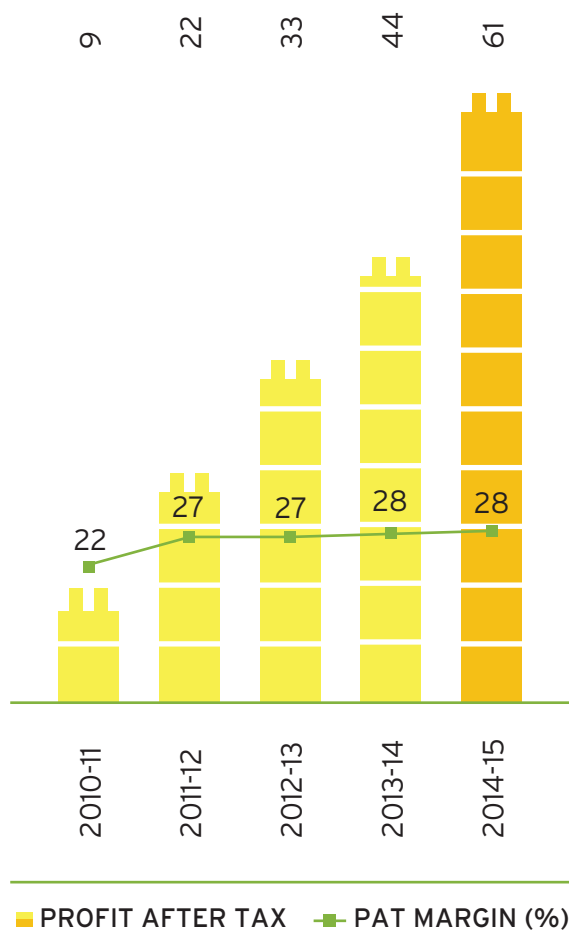
## REVENUE (₹ CRORES)

EBITDA (₹ CRORES) &  
EBITDA MARGIN (%)

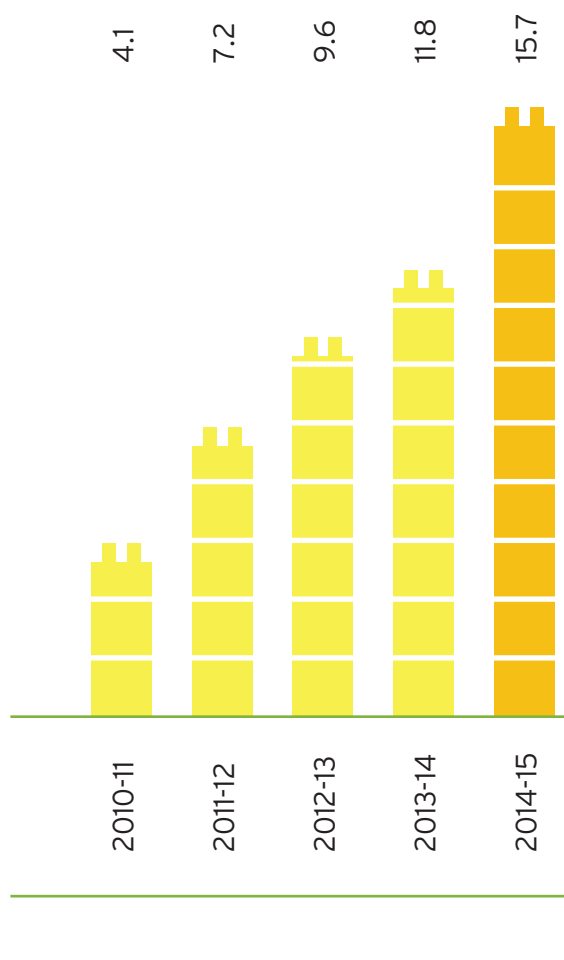




### PROFIT AFTER TAX (₹ CRORES) & PAT MARGIN (%)



### EARNINGS PER SHARE (₹)



## CHAIRMAN'S COMMUNIQUE



Our product offerings comprising high quality and best-in-class curricula, trained teachers, and affordable pricing are now accepted by parents as the gold standard in branded schooling.



### Dear Stakeholders,

It is my privilege to present the ninth Annual Report of Tree House Education & Accessories Limited.

During 2014-15, our Company was able to maintain its impeccable track record of continued revenue and profit growth. The numbers are quite significant when one considers the contraction in spending by the average Indian retail consumer.

Our Company is present in two large segments of the education sector. We run India's and Asia's largest self-operated pre-school chain which is present in 88 cities across the country. We also provide school management services to 24 K-12 schools in three states in India. Our product offerings comprising high quality and best-in-class curricula, trained teachers, and affordable pricing are now accepted by parents as the gold standard in branded schooling. The future looks promising for us owing to the rapid increase in the demand for pre-school facilities. Our dedicated workforce, innovative student kits, and world-class training given to our staff are our growth drivers.

The combined effort of the entire Tree House team is reflected in our annual results. Revenue from Operation for 2014-15 was ₹ 207.45 crores up 31.60% on a y-o-y basis. Our Profit after Tax grew by 38.65% to ₹ 60.88 crores. We opened 122 pre-schools during the year, taking the total number of pre-schools to 612 as on March 31, 2015.

In addition to our outstanding financial performance, I would also like to highlight other notable achievements made during the year. These are enlisted below:

- The Company has launched day care services at several of its pre-school facilities. The initial response from parents was encouraging and the Company believes that this service will contribute meaningfully in the future. The Company has entered into tie-ups with large employers in the IT, ITES, banking and consulting space to provide these services to the employees of these organisations.
- Lessons in the pre-schools are now being delivered on Android tablets for Junior KG and Senior KG (4 - 6 year olds) children from the current session of 2015-16.

■ The Company's initiative to provide low cost quality pre-primary education under the GLOBAL CHAMPS brand is now available across six centres in India.

■ 'Tree House Education & Accessories Limited' has been listed in 'India's Most Trusted Educational Institutes - 2014 -2015' and was the leading brand in the pre-school category in the TRA's (formerly Trust Research Advisory) report.

As we are confident about maintaining the growth of the Company, we are proposing to increase our dividend to 20% for 2014-15.

I express my sincere appreciation for the invaluable contribution and co-operation of all stakeholders involved with the growth of the Company. I would also like to thank all my colleagues on the Board in charting the road-map of the Company for continuous growth and profitability, thereby steering it to newer landmarks.

### Regards,

SANJAYA KULKARNI  
Chairman and Independent Director

## FROM THE MD'S DESK

We have been successful in starting pre-school centres in 25 more cities across the country as on March 31, 2015, thereby leading to a total of 88 pre-schools in 2014-15.





### Dear Stakeholders,

I am pleased to announce a robust increase in our operational and financial performance for 2014-15. The fiscal year took us closer to our goal of providing quality education to a larger population of children by focusing on excellence and innovation. As of March 31, 2015, we achieved a network of pre-schools with our presence spanning across 88 cities. This rapid growth is attributed to our deep understanding of the education space, the robustness of our business model along with our innovative methods of teaching that make learning a dynamic activity focused on the needs of children. It is this very premise that has also led to an enhancement of our day care business.

We also took major steps towards strengthening our balance sheet with the monetisation of K-12 properties owned by 'Tree House Education & Accessories Limited' (hereinafter referred to as, 'Company'). The Company owns K-12 infrastructure on which it earns rentals. It has recently closed the first transaction for monetising these assets and will endeavour to conclude the entire process over the next 24

months. In 2014-15, we received ₹ 17.1 crores from divestments of K-12 land and we signed a MoU (Memorandum of Understanding) for consideration of ₹ 52.5 crores. We will deploy these funds towards debt reduction and expansion of business operations. This will further be aided by money raised through the recent QIP and continuing operating cash flows.

Your Company has successfully raised ₹ 200 crores through a QIP (Qualified Institutional Placement) issue. Your Company had concluded the issue of 4,545,454 equity shares to eligible qualified institutional buyers at the issue price of ₹ 440 per share. Proceeds of the issue will be utilised for accelerating the expansion of Tree House's pre-school network across the country and for general corporate purposes.

We opened 122 pre-schools during the year, taking the total number of pre-schools to 612 as on March 31, 2015, of which 505 centres are self-operated. We have been successful in starting pre-school centres in 25 more cities across the country as on March 31, 2015, thereby leading to a total of 88 pre-schools in 2014-15.

The combined effort of the entire team is reflected in our annual results. While expansion of pre-schools was key to our growth, we maintained sharp focus on enhancing financial performance simultaneously. As a result, we registered a 31.60% growth (₹ 207.45 crores in 2014-15) in revenue from operations and a 38.65% increase in Profit after Tax in 2014-15. Our EPS (Earning per Share) for the 2014-15 is ₹ 15.7 per equity share.

Your Company has launched daycare services at several of its pre-schools. Day care facility is a natural extension of the pre-school centres and enables the Company to ensure have optimal utility of its assets. Your Company also encourages and conducts Professional Teacher Training Programmes, enabling women to become qualified teachers.

At Tree House, various programmes are designed to cater to

the needs of each child in a customised way to help physical and intellectual growth. Innovative teaching methods are adopted to introduce the child to formal education in the most conducive manner. Parents of the kids studying in Tree House are also updated through newsletters that cover various developments, programmes, and activities, on a monthly basis.

In addition to highlighting the Company's financial performance, I would also like to mention other achievements during the year.

During the year, we have been acknowledged as India's Most Trusted Brand in the pre-school category in a 2014 study conducted by TRA (formerly Trust Research Advisory).

The Company's initiative to provide low-cost quality pre-primary education under the GLOBAL CHAMPS brand is now available across six centres in India.

As we are confident about maintaining our growth, we are proposing to increase our dividend to 20% for 2014-15.

Every day in the last fiscal year has been marked by an effort to make a significant contribution to the education landscape by making it more dynamic, modern and better aligned to the children's needs. We believe that our trusted brand is ushering in many new opportunities to better the lives of students and young children at the helm of starting their journey of educational endeavours. Our focus on this objective, puts us in a better position to deliver long-term goals of growth.

I express my sincere appreciation for the invaluable contribution and co-operation of all our stakeholders. I would also like to thank all my colleagues on the Board for having helped us dream big and making those dreams come true in addition to helping the Company realise its milestones of profitability and nationwide expansion.

**Regards,**  
RAJESH BHATIA  
Managing Director



Making learning  
a way of life





**82%**  
RATIO OF SELF  
OPERATED PRE-  
SCHOOLS TO TOTAL  
PRE-SCHOOLS

**505**  
SELF-OPERATED  
PRE-SCHOOLS

**P**layschools do more than laying the foundation for education. They set the groundwork for the development of the child's social, emotional and cognitive skills and adaptability to the many cultural nuances that surround him/her. Our courses and programmes in our pre-schools are designed to help bring out the potential of the children and help them recognise their skills and talents to help them better deal with challenges of tomorrow.

Our pre-school programmes seek to teach children more than just the 3R's of learning. They aim to help them in their holistic development. Our teaching methodology effectively combines the best of play-way and Montessori practices, peppered with elements of fun and learning to create a one-of-a-kind curriculum that offers the best to children. The curriculum is devised in a way such that the child does not feel pressurised by learning but is eased into new modules, subjects and the development of new skills in a manner that is enjoyable. Our playschools make for a cheerful, vibrant, spacious, clean environment where children love spending time and

take on challenges of learning and a new life that waits them.

We pay crucial importance to the talent and resources that we hire. Our teachers are trained in the best of teaching methodologies. They understand the importance of the formative years of education and bring in the best of their combined skills, proficiencies, expertise, credentials and specialisations to make our curriculum and pedagogy the best in the business.

We also give due focus to a well-balanced teacher-student ratio, to ensure that each child gets the attention and care that is pertinent and necessary for effective learning. We also provide learning aids like interactive bill-boards and audio-visuals, to help children learn better.

Our goal is to help nurture the future of children who are at the threshold of life. To equip them with the best skills to create a firm foundation of learning and help create capable, dynamic individuals who will in course of time set the trajectory for the nation's growth.



Shaping children's  
future with care





**Strong content delivery systems and quality course curriculum, coupled with a faculty selectively chosen for its excellence, ensure that our students get the best in the classroom.**

**T**ree House caters to pre-school as well as the K-12 segments and represents a student's journey from the preparatory stage into proper education. We strive to foster holistic personality among the students by developing and enhancing intellectual, psychological, social-emotional as well as physical skills. We try to imbibe in them abilities that help to prepare them for both their personal and private life.

Our K-12 schools provide forward integration opportunities in pre-school clusters. Our K-12 schools act as logical extensions of our pre-school business. The Company makes long-term contracts for providing management services in schools, while leveraging the Tree House brand. Strong content delivery systems and

quality course curriculum, coupled with a faculty selectively chosen for its excellence, ensure that our students get the best in the classroom, with training and development, an integral component of education.

We recognise that quality education comes through a conducive learning environment, standardised and innovative teaching methods, qualified and experienced teachers and a balanced curriculum. The Company is providing school-management services to 24 K-12 schools in three states in India. The schools also provide children with learning resource materials, opportunities to pursue extra-curricular activities and training for self-improvement.



Nurturing with  
care and trust







Our day care centres were given vision by our understanding of the importance of the right care and attention that should be given to children in the time they spend away from their parents. To fulfil this need and demand, we built day-care centres in many of our pre-schools. These centres have gained immense popularity and we foresee the building of many more in the future. We have also initiated tie-ups with banks, and IT and ITES companies, among others, to provide day-care services for their employees.

Our goal is to make these services affordable, easily accessible, and widespread. We have also made it our principle to follow high standards of safety, cleanliness and hygiene, in addition to hiring the best trained staff. Our overall aim is to create an engaging, nurturing environment for the child when he is away from home. Our day care facilities are present in Bangalore, Pune, Mumbai, Hyderabad, Kolkata and Nagpur.

Tree House Centres -  
growing to create the future





**Our services cater to the demand to provide the best blend of care, learning, pedagogy and practices and techniques of teaching to children who enrol in our schools.**

It has been our endeavour to grow our presence across the country to meet the increasing demand of our services. Our efforts have yielded outstanding results and today we are present in 88 cities and towns across India and operate 612 schools. During the year, we launched our services in Agra, Ajmer, Allahabad, Baripada, Beawar, Bhillai, Bikaner, Burdhan, Cuttack, Dewas, Ghaziabad, Gopalgunj, Gorakhpur, Gwalior, Hajipur, Hazaribagh, Jhansi, Kochi, Kota, Kozhikode, Pen, Ratlam, Trivandrum, Ujjain, Vishakhapatnam in this year. Our K12 schools are 24 in number and are present in Maharashtra, Gujarat and Rajasthan.

Our trajectory of growth story has been fuelled by rising incomes and aspirations. Today, there is a huge demand for quality education, and the awareness that it can lay the foundation stone for effective learning in the future.

Our services cater to this demand to provide the best blend of care, learning, pedagogy and practices and techniques of teaching to children who enrol in our schools.

Each Tree House centre is equipped with innovative development programmes that help children discover that learning is fun, while making new friends and building strong relationships. Each Tree House centre is airy, spacious and operates under stringent hygiene norms which provide the best environment in which learning can take place. We understand that these being the formative years of a child's life, these will act as stepping stones towards their success and help them forward in lives. The quality and efficacy of our offering highlights that pre-schooling does more than just lay groundwork for effective learning. It also helps in the all-round development of social, emotional and cognitive skills.



## SOCIAL COMMITMENTS





**S**ocial responsibility is deeply embedded in our corporate strategy. Our business goals are centred on sustainability that helps deliver value for our stakeholders, clients, employees, suppliers and the wider community.

Our focus has been to empower children of lower income groups with better opportunities of education. We have achieved this by pioneering the Global Champ's pre-school centre for children living in Dharavi, Mumbai - Asia's largest slum.

The project aims at ensuring quality early education for children in order to imbue them with better life-skills. The school ensures that children have a happy, vibrant environment to learn. Currently, the Global Champs brand has six centres in Mumbai. These are located in Malad,

Kandivali, Chembur, Vikhroli, Khargar, and Dharavi. In course of time, we plan to expand the services of the project to other cities across India.

We have made it our principle to not to compromise on the quality and world-class system of teaching and pedagogy that we follow. At the very heart of the endeavour lies the belief that good pre-school education helps in children overcoming hurdles of learning and reduces rate of drop-out in primary and secondary schooling.

Global Champs is a self-sustaining model and its aim is to create a far-reaching change on the long-term impact of education on children and on their general well-being, facilitated by better adaptability to surroundings, owing to a sound foundation of learning.



## PARENT TESTIMONIALS

### 1 JULIE MURZELLO

My daughter has been a student at Tree House for the last three years. When she first joined, she was a toddler who could barely talk and had very little experience of interacting with the outside world. Today, she has matured into a confident, happy young girl who is aware and cognizant of the world around her. She has learnt a lot during her long stint at Tree House and I extend my gratitude to the teachers at school who have made sure she inculcates effectively the right values as she does her classroom lessons. She is my little star, the apple of my eye, and the staff and family at Tree House have only helped hone her many talents and aided in her realising her potentialities and caliber.

### 4 RUPA BASU

It's been a pleasure to be associated with Tree House. Both my kids have become adept at academics. They are not only learning well, but more effectively. They are conceptually clear and are able to take from their lessons valuable morals and lessons. In addition, the school also gives them opportunities to participate in events like the Annual Day and activities like plays. These help them step outside the purview of everyday learning and help them gain confidence. I thank the staff at Tree House for giving these wonderful opportunities and making learning for my children an enjoyable experience, one that they look forward to each day.

### 2 NITHYA & SRIVALLABH

Our daughter joined Tree House over two years ago. Since then, she has quickly transcended levels of learning and today is a part of the LKG. She has been able to hone and improvise on her skills of communication, problem-solving, social skills, reading habits, manners and eating habits. Her talent in dancing has been recognised. She has also participated in many key events that have been conducted in the school: these comprise Grandparents Day, Sports Day, and Annual Day in addition to the celebration of other important Indian festivals. One of her favourite memories of her time spent in the school was the Summer Camp. She enjoyed it thoroughly and would like to participate in one again. The teachers in the school have contributed immensely to her confidence building and given due impetus to her abilities.

### 3 SRIVIDHYA DEVANATHAN

I have seen a lot of improvements in my daughter after her joining Tree House. She has started to socialise more and has got into the habit of preparing for her lessons independently. She enjoys taking part in the various activities and events being held at the school: the Annual Day and the Sports Day. These help her build her confidence and social skills. Her experience at the school has been fulfilling on accounts of many reasons, the most important being that it presents a blend of curricular and co-curricular aspects. This lays foundation to a personality that is well-rounded and ready for the challenges of tomorrow. I thank the teachers and staff at Tree House for their involvement in having helped turn my daughter into the capable individual that she has become.

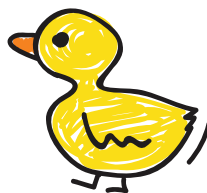


**5 S. ARCHANA**

My daughter has been a part of Tree House for the last eight months. She has come a long way since then. From being shy and quiet, she has now transformed to a young girl who is sure of herself and her interactions with her surroundings. She has learnt to share and adjust with others in addition to being adept at her curricular and extra-curricular lessons. Tree House has helped realise many of her talents. She can now sing the national anthem and recite rhymes. She has also become proficient in making charts, drawing and colouring -these help make everyday classroom learning more effective. She also loves dressing up in costumes for days of celebration at her school. Therefore it is only pertinent to sum up that learning at Tree House, for our daughter, has well transcended boundaries of academics and syllabi. It has been an all-encompassing holistic experience, one that no child should be kept bereft of.

**6 SONALI**

My son and daughter were just two and half years old when they enrolled at Tree House. Looking back, I realise there could not have been a better way start to their academic career. Tree House makes for a very nurturing, secure environment to learn. The staff, too, is very cordial and helpful. My kids not only enjoy their lessons in the classroom but also outside it. They love being a part of the myriad events held at the school: Farm Animal Day, Sports Day and the Annual Day. They also like participating in plays. The school blends curricular and extra-curricular endeavours effectively - this makes my children want to look forward to it every day.

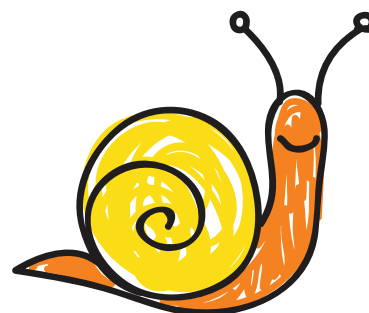
**7 SNEHA M. SAKHARKAR**

My child's experience at Tree House can only be summed up as excellent. The educational programme makes learning rewarding by effectively combining academics and play. The programme is chalked out well and as per the child's needs. It helps hone many talents in a young student: reading, painting, art and craft. My child has become more confident and self-assured after having joined Tree House. This is primarily due to her being part of the various activities being held at her school. The events and celebrations have helped her nurture many skills and talents. I thank the teachers for their dedication and perseverance in helping my child take tremendous leaps in academics and learning. I would recommend the school to all parents who want to secure a wonderful environment of etude for their children.

**8 SARLA PATEL**

Tree House makes for a clean, neat, colourful environment for children. One where they learn and nurture their myriad skills effectively. My child has improved her capabilities and talents because of the involvement and careful guidance of her teachers in the school. The combination of the extra-curricular and curricular activities that the Tree House offers, gives multifarious opportunities for the child to hone her capabilities.

Today, my daughter is more confident, capable, and sure of the challenges that the future presents. Tree House has taken away an immense burden from my shoulders. I am assured, without a shadow of doubt, that my child shall grow into a responsible, aware individual, with such strong foundation of learning to her advantage.



## BOARD OF DIRECTORS

1

**MR. SANJAYA  
KULKARNI**

(DIN: 00102575)

**Chairman and Independent Director****EDUCATION**

- MBA from Indian Institute of Management, Ahmedabad
- Bachelor of Technology from the Indian Institute of Technology (IIT) Mumbai

**EXPERIENCE**

Rich experience of over 30 years in the field of financial services

4

**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**

Associated with the Company since its inception

7

**MR. ASHU  
GARG**

(DIN: 01980048)

**Nominee Director****EDUCATION**

- MBA from the Indian Institute of Management, Bangalore
- Bachelor of Technology from the Indian Institute of Technology (IIT), Delhi

**OTHER VENTURES**

Venture partner of Foundation Capital

2

**MR. RAJESH  
BHATIA**

(DIN: 00074393)

**Managing Director****EDUCATION**

- Bachelor of Engineering from MS University, Baroda
- MBA from Pune University

**EXPERIENCE**

- 12 years of experience in the field of education
- Oversees the organisation's day-to-day operations

**ASSOCIATION WITH TREE HOUSE**

Associated with the Company since its inception

5

**MR. T.S.  
SARANGPANI**

(DIN: 01453050)

**Independent Director****EDUCATION**

- Bachelor of Engineering
- MBA from the University of Madras

**EXPERIENCE**

Rich 35 years of experience in the financial services industry

8

**MR. RISHI  
NAVANI**

(DIN: 01758427)

**Nominee Director****EDUCATION**

- MBA from Wharton School at the University of Pennsylvania
- Bachelor of Arts Degree from North-western University

**EXPERIENCE**

Over a decade's experience of investing in the Indian capital markets

**OTHER VENTURES**

Co-founder and Managing Director of Matrix India Asset Advisors Private Limited

3

**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

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 and general management

# B

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# C

## FINANCIAL STATEMENTS

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- PROXY FORM

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 25, 2015 AT 10.00 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 consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon.
2. To declare a dividend of ₹ 2.00/- per Equity Share of the Company for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mrs. Geeta Bhatia (DIN 00074444), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. Agarwal & Associates, Chartered Accountants, as Statutory Auditors of the Company in place of M/s. Jogish Mehta & Co., the retiring Statutory Auditors, to hold office from the conclusion of Ninth Annual General Meeting, until the conclusion of Fourteenth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting on such remuneration as may be decided by the Board of Directors or any Committee thereof 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 provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder the consent of the Company be and hereby accorded for appointment of Statutory Auditor of the Company M/s. Agarwal & Associates, Chartered Accountants, (ICAI Firm Registration No. 323210E) who shall hold office as

Statutory Auditors of the Company for a period of five years from the conclusion of Ninth Annual General Meeting till the conclusion of Fourteenth Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** Board be and is hereby authorised to fix the remuneration of Statutory Auditors of the Company as recommended by the Audit Committee in consultation with the Statutory Auditors, in addition to reimbursement of out of pocket expenses."

### SPECIAL BUSINESS:

5. To approve the appointment & remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass 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 ₹ 150,000/- (Rupees One Lac and fifty thousand only) p.a. payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration Numbers 00294), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2015-16."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### NOTES:

1. 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 authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to 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.

2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain close from, Saturday, September 19, 2015 to Friday, September 25, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
4. The dividend on Equity Shares as recommended by Board of Directors, if declared at the Annual General Meeting, will be credited/dispatched/paid within a period of 30 days from the date of declaration, to those members, holding shares in physical form, whose names shall appear on Company's Register of Members on close of business hours on Friday, September 18, 2015; in respect of the shares held in dematerialized form, the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on Friday, September 18, 2015. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
5. 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).
6. 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.
7. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai - 400 078.
8. 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.
9. 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.
10. Copy of the Annual Report 2015 along with Notice of the Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form is

## NOTICE (CONTD.)

being sent 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 2015 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 permitted mode.

11. Members may also note that the Notice convening Annual General Meeting and Annual Report 2015 will be available on the Company's website [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net) in "Our Investors" section.
12. 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.
13. 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.
14. 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-off-date i.e. September 18, 2015.
15. In compliance with the provisions of section 108 of the Act 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.
16. Voting through electronic means
  - In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to cast their votes using an electronic voting system from place other than

venue of AGM ("remote e-voting") to be provided by National Securities Depository Limited (NSDL).

- 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 entitled to cast their vote again.
- The remote e-voting period commences on September 22, 2015 (10.00 am) and ends on September 24, 2015 (5.00 pm). 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 18, 2015, 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.
- 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 (i) 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 conformation, 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 authorized signatory(ies) who are authorized 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.icidirect.com](http://www.icidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icidirect.com](http://www.icidirect.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 evoting 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.
17. 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.
  18. 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).
  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 18, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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.

## NOTICE (CONTD.)

22. Information required under Clause 49 of the Listing Agreement with respect to the Directors retiring by rotation and being eligible, seeking re-appointment is as under:

Name of Director	Mrs. Geeta Bhatia
Director Identification Number	00074444
Brief resume of the Director including nature of expertise in specific functional areas	Mrs. Geeta Bhatia is a non-executive Director of our 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.
Shareholding in the Company	6,035,000 Equity Shares (Independently) 2,920,833 Equity Shares (Jointly with Mr. Rajesh Bhatia)
Inter-se Relationship between Directors	Wife of Mr. Rajesh Bhatia
Other Directorship of Mrs. Geeta Bhatia is as follows	Note 1 below

## NOTE 1:

SR. NO.	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
6.	Naivaidyam Food & Beverages Private Limited	Director

The Board of Directors proposes the re-appointment of Mrs. Geeta Bhatia as Non-Executive Directors and recommends the resolution as set out in Item Nos. 3 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.

**Registered Office:**

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

**Corporate Office:**

301, Embassy Chambers,  
3rd Road, Khar (W)  
Mumbai 400 052, India.  
CIN: L80101MH2006PLC163028  
e-mail: treehouseplaygroup@gmail.com

By order of the Board of Directors  
For Tree House Education & Accessories Limited  
SD/-

Place: Mumbai  
Date: August 20, 2015

**Hardik Desai**  
Company Secretary

## ANNEXURE TO NOTICE

### Statement pursuant to Section 102 of the Companies Act, 2013.

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

#### ITEM NO. 4

Provisions of Section 139 of the Companies Act, 2013 regarding rotation of Statutory Auditors are applicable to your company and it is required to comply with these provisions latest by next financial year.

As per policy, your company believes to comply with the applicable provisions without waiting for last time available for such compliance. Accordingly it is proposed to appoint M/s Agarwal & Associates, Chartered Accountants, as Statutory Auditors of the Company for a period of five years from the conclusion of ninth Annual General Meeting till the conclusion of fourteenth Annual General Meeting of the Company.

The Audit Committee has considered the qualification and experience of the proposed statutory auditors and has recommended their appointment as above.

Documents related to appointment of M/s Agarwal & Associates, Chartered Accountants, as Statutory Auditors shall remain open for inspection by the members at the registered office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

#### ITEM NO. 5

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, 2016. Mentioned below is the detail of the Cost Auditor so appointed by the Board in the Company's Board Meeting held on May 27, 2015.

Name of the Cost Auditor	Audit fees (In ₹)
M/s. Kishore Bhatia & Associates	₹ 1,50,000/-

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

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. 5 of the Notice for approval by the members.

By order of the Board of Directors  
For **Tree House Education & Accessories Limited**  
SD/-

Place: Mumbai  
Date: August 20, 2015

**Hardik Desai**  
Company Secretary

#### Registered Office:

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

#### Corporate Office:

301, Embassy Chambers,  
3rd Road, Khar (W)  
Mumbai 400 052, India.  
CIN: L80101MH2006PLC163028  
e-mail: treehouseplaygroup@gmail.com

## MANAGEMENT DISCUSSION AND ANALYSIS

### WORLD AND INDIAN ECONOMIC SCENARIO

The global economy witnessed marginal enhancement, despite significant growth divergences among major economies. Progress in the US has been substantial, but many parts of Europe recovered slowly. Although the US and UK economies made progress toward normalisation, the Eurozone's economic activity was far too weak to substantially reduce unemployment and ward off the threat of deflation. IMF forecasts global growth of 3.5% in 2015 and 3.8% in 2016.

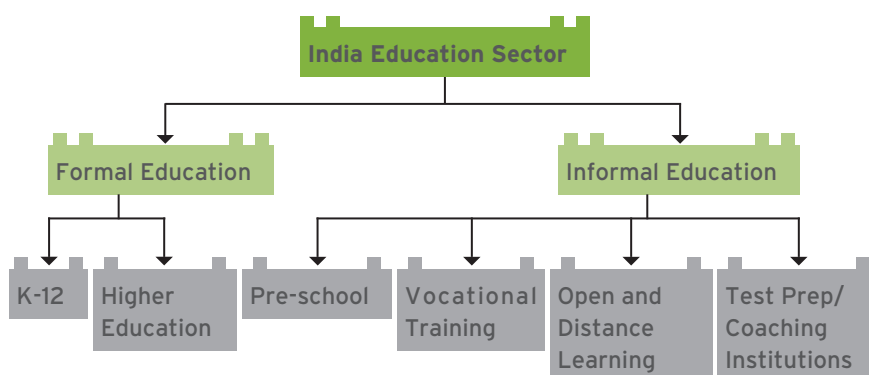
The Indian economy is reviving, helped by positive policy actions and lower global oil prices that have improved confidence. A lot of hopes were pinned on the new Government at the centre to bring about much-needed policy initiatives and systematic changes through easing of monetary policy and a pick-up in capital expenditure. In 2014-15, the Indian fiscal market grew at 7.4%. The Government made strong efforts to put its public finances on solid footing, with the centre's monetary deficit falling to 4.1% of GDP in 2014-15, backed by lower oil prices.

### INDIAN EDUCATION INDUSTRY

Education is the key to the task of nation-building. It is one of the largest, most thriving industries in India. It is also well-accepted that providing the right knowledge and skills to the youth can ensure fiscal and national progress. The country's sustained financial growth is further boosting the demand for quality education.

With the nation's GDP rising and rural market customers moving up the value chain, consumption is increasing rapidly - a trend that is giving impetus to the willingness to spend on superior facilities of pedagogy. Socio-economic factors, too, foresee a progressive higher education sector continuing to play a decisive role in economic growth and development of the nation.

While all levels of formal education are being highly regulated and fall under the purview of the Ministry of Human Resource Development, Government of India, informal education is still largely unregulated. The different aspects of the formal and informal segments are depicted below:



Source: CRISIL Research

**₹ 165 billion**  
Pre-school market  
in 2017-18

**30%**  
Share of private  
K-12 centres in  
2017-18



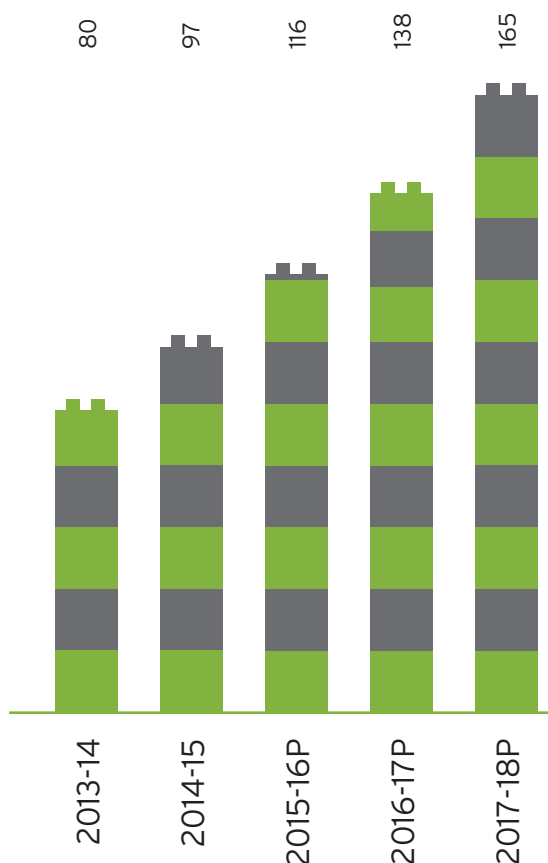
## PRE-SCHOOL SEGMENT

The Indian pre-school segment is subdivided into several categories in accordance to the needs of its most-important client base - working parents. The most important factors determining the schools' segregation is the duration they function for and the age group they cater to. Accordingly they are grouped into Day Care Centers, Nurseries and Creches.

The pre-school segment of the Indian education industry continues to primarily be an unorganised sector. The organised segment of the market accounts for only 22% and is expected to increase to 26% by 2017-18 owing to the increased awareness of the importance of quality pre-school education, expansion plans of existing players and the entry of more organised competitors in the industry.

Rising urbanisation, growing aspirations for quality education, improved affordability and more women joining the workforce are other factors that are driving strong growth in the segment. CRISIL Research estimates that the pre-school market will grow at a CAGR of 20% to reach ₹165 billion in 2017-18 from ₹80 billion in 2013-14. With growing awareness in Tier II and Tier III cities, the penetration rate for the pre-school segment is expected to rise to 25% by 2015. The new entrants in the business have announced plans to expand across Tier I, Tier II, as well as Tier III cities. This market is being driven by major investments backed by a limited regulatory framework and the advantage of minimal infrastructure required to set up an establishment.

## MARKET SIZING OF PRE-SCHOOLS IN INDIA (₹ in billion)



Source: CRISIL Research

## K-12 MARKET OR SCHOOL EDUCATION

K-12 education is the term used to describe the primary and secondary phases of a school life where 'K' stands for kindergarten and '12' for the 12th standard. Therefore, the expression is used to connote a system that covers education from kindergarten till the 12th grade. The concept is slowly gaining importance in India with the Government introducing new schemes to impart knowledge like free and compulsory primary schooling throughout the country. The prospect of the K-12 segment remains strong with higher growth owing to private spending because of a constant shift

## MANAGEMENT DISCUSSION AND ANALYSIS

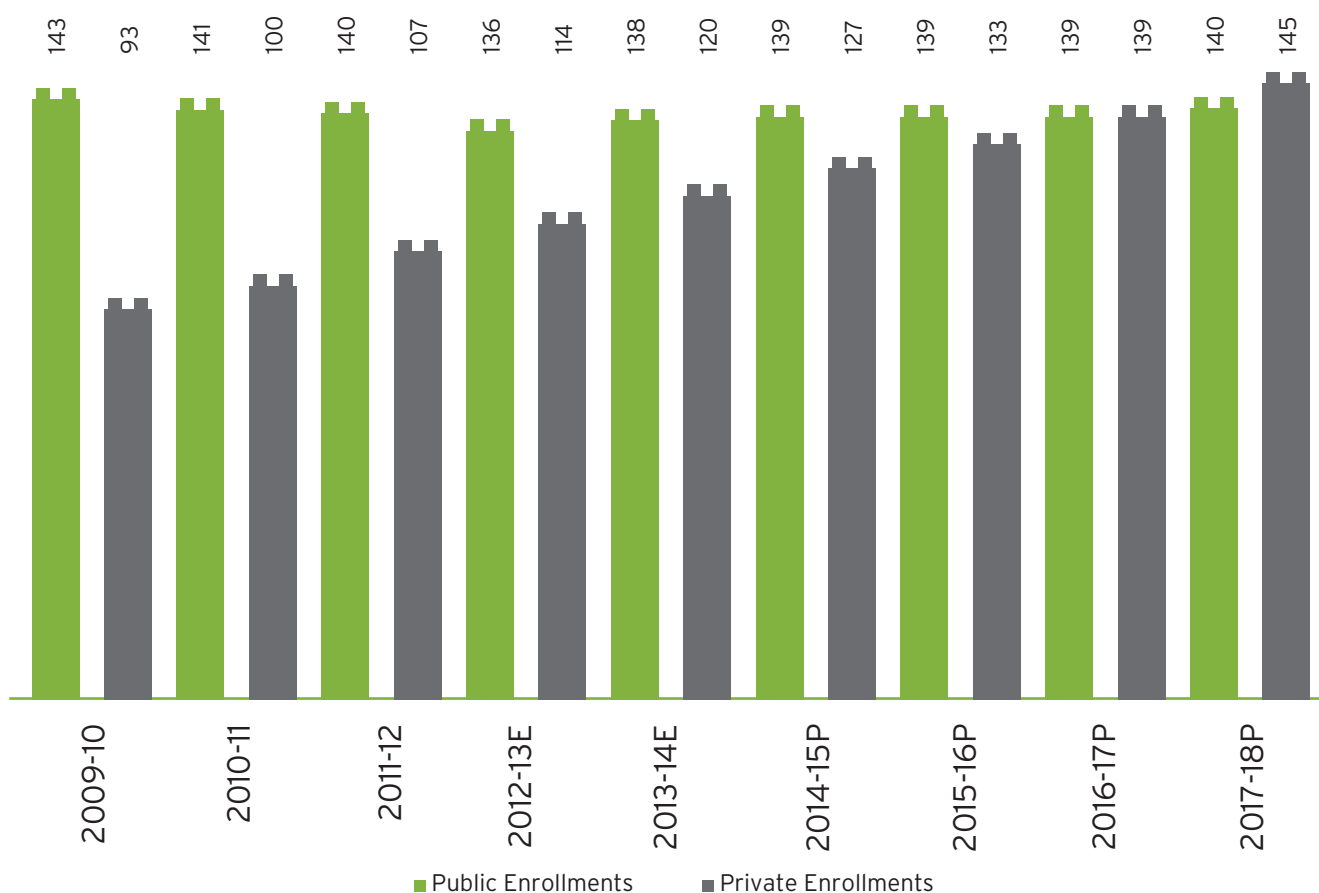
towards private schooling in the country. This change has been taking place due to growing awareness of the importance of the quality of education and improved affordability.

CRISIL Research estimates that 0.21 million K-12 institutions will be set up during 2012-13 to 2017-18 as against an estimated 0.2 million set up during 2007-08 to 2012-13. The average enrollments per institution stood at 157 in 2013-14. The presence of private players in the K-12 segment has been increasing due to the necessity for good facilities of education and better infrastructure, which are found lacking in several government-owned institutions. The share of private K-12 centres will gradually rise to 30% in 2017-18 from 28% in 2013-14. However, their share in total enrollments is predicted to rise at a much faster pace to 51% in 2017-18 from 47% in 2013-14.

The sector's attraction for participation from private entities remains intact due to the annuity style of income that it provides. There exists a natural preference in parents for private schools provided they fit into their means.

### TOTAL ENROLLMENTS IN THE K-12 SEGMENT

#### TOTAL ENROLLMENTS (₹ in million)



## GROWTH DRIVERS

### Growing Disposable Incomes

Average household incomes in India have multiplied manifold in the last few years. With strong and sustained economic growth, affordability levels have improved considerably. Increased transition of population from the lower to the higher income bracket has been observed to provide huge impetus to spending on education.

### Urbanisation

It has become a norm among the aspiring urban segment of population to follow the practice of the child undergoing basic schooling before being part of a conventional one. This is believed to lay a strong foundation to education.

### Changing Lifestyles with need for Quality Education

With changing patterns in the organisation of the modern household and of lifestyle, the cognizance of the importance and the demand for good facilities of schooling has increased drastically. Women, whose roles were previously constrained to the home, are progressively joining the workforce, leading to more prowesses to spend for the family.

### More Investment in Private Sector

The number of private players in the K- 12 segment is also increasing, driven by the incremental need for quality education and better infrastructure. There is also a rising need to give further impetus to the power of private capital and invest in further improving the educational sector.

## GOVERNMENT INITIATIVES

Government support for the sector has also seen a boost, with substantial reforms and increased financial outlays being announced and implemented. These reforms aim at not only strengthening the education market but facilitating planned expansion for it. A total of ₹ 68,968 crores has been allotted to this industry in the Union Budget 2015. Of the total outlay, ₹ 42,219 crores has been pegged for the sector. The Government has also announced the Sarva Shiksha Abhiyan (SSA), a policy that implies that every child has the right to elementary education of satisfactory and equitable quality. In 2015, the Government of India allocated USD 4.8 billion to SSA which accounts for 41.7% of the total education budget.

## OUTLOOK

The education sphere offers attractive opportunities, considering growing disposable incomes and a rising demand for primary education. A well educated population is a key

driver for economic growth. Therefore, the Government's overall plan to revive fiscal growth includes the imperative of strengthening India's education system. The new Government has stated 'Better Education' as one of the six measures that it will focus on to meet the demands of the common man. Also, it has brought specific focus on the task to equip and nurture the youth with the right skills' sets.

## COMPANY OVERVIEW

Tree House is the largest self-operated pre-school chain in India. It has gained popularity for its qualified and experienced teachers, standardised curriculum and quality education. The Company has 612 pre-school centres as on March 31, 2015. It also has a strong presence in the K-12 school segment.

The Company's strengths and distinctive offerings are its cutting-edge teaching methodologies and in-house teacher training, a well-equipped quality control team that monitors services, a world-class curriculum, and the right teacher-student ratio. Its other attributes are its wide range of courses pertaining to a disparate age-group of children belonging to the following levels: Nursery, Junior KG, Senior KG, Day Care, among others.

## EXPANSION PLANS

Being a trusted brand in the pre-school segment, Tree House ventured into the K-12 domain, setting up ambitious growth targets. The Company has initiated expansion plans in Tier II and Tier III cities wherein the penetration and reach of key market players is currently low. The Company has presence in 88 cities, with new centres, this year, being opened at Agra, Ajmer, Allahabad, Baripada, Beawar, Bhilai, Bikaner, Burdhan, Cuttack, Dewas, Ghaziabad, Gopalgunj, Gorakhpur, Gwalior, Hajipur, Hazaribagh, Jhansi, Kochi, Kota, Kozhikode, Pen, Ratlam, Trivandrum, Ujjain and Vishakhapatnam.

## 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 increases its competitive advantage in the market. This enables it to increase its earnings per centre based on a self-operating model
- The Company possesses advantage of scale - this enables it to leverage its operating costs and ad spends more efficiently, thus allowing it to break even with lower students per centre. More student enrollments also bring about higher EBITDA margins

## MANAGEMENT DISCUSSION AND ANALYSIS

- 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 fluctuations and higher return on capital (ROC)

### HIGHLIGHTS FOR 2014-15

- Day Care services expanded to 150 centres across the country
- Tree House Ranked as India's No. 1 'Most Trusted Pre-school Brand' in the 'Pre-school Education Category' as cited by TRA (formerly Trust Research Advisory) in the year 2014-15
- Its services are increasingly being made available in Tier II and Tier III cities

### FINANCIAL PERFORMANCE

The Company achieved another year of excellent performance, emerging winners 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 profits.

#### Revenue

Gross Revenue for the year grew by 34.98% to ₹ 214.60 crores in 2014-15 from ₹ 158.98 crores in 2013-14. Net Revenue at ₹ 207.44 crores in 2014-15 increased by 31.60% from ₹ 157.64 crores in 2013-14.

#### EBITDA

Operational EBITDA at ₹ 125.86 crores has grown y-o-y by 38.98% from ₹ 90.57 crores last fiscal year. EBITDA margins rose 168bps from 56.97% to 58.65%.

#### Profit Before Tax

Profit before Tax increased by 26.83% from ₹ 66.02 crores to ₹ 83.73 crores in 2014-15.

#### Net Profit

Net Profit at ₹ 60.87 crores in 2014-15 grew from ₹ 43.92 crores in 2013-14, registering a growth of 38.61%.

#### Earnings per Share

In 2014-15, Earnings per Share (fully diluted) is ₹ 15.66 in 2014-15 compared to ₹ 11.84 in 2013-14.

#### Dividend

The Board of Directors is pleased to recommend a dividend of ₹ 2.00 per share (previous year: ₹ 1.50 per share) for the year ended March 31, 2015. Total cash outflow in this regard will be ₹ 10.15 crores (previous year: ₹ 6.52 crores), including dividend distribution tax of ₹ 1.69 crores (previous year: ₹ 0.95 crores).

#### Reserves

As on March 31, 2015, the balance in the Security Premium has increased to ₹ 460.28 crores (previous year: ₹ 265.52 crores) and balance in the Profit and Loss Account surplus has increased to ₹ 134.54 crores (previous year: ₹ 91.85 crores). During the year, the Company has transferred a sum of ₹ 4.57 crores to General Reserve from the Profit and Loss account balance.

The Company has never accepted any fixed deposits and thus there were no outstanding unclaimed deposits payable as on March 31, 2015.

### RISKS

The Company has adequate Risk Management systems, based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance. It faces the risk of competition from local players in the cities it expands to. This risk is addressed by building a brand and processes to provide consumer-centric services and quality education. The Company addresses major hazards identified by key business functions on a continual basis, mitigating them through appropriate actions.

Enlisted below are the certain specific risks that the Company has faced and the strategies it has used to mollify them:

RISK	MITIGATION STRATEGY
<b>Risk related to Geographical Concentration</b> Around 28% of pre-schools are located in and around the Mumbai metropolitan.	Expansion of pre-schools on a large-scale across different regions and reducing the risk of geographic concentration.



<b>Regulatory Risk</b> The Government of India may introduce regulations for the pre-school segment. This may impose restrictions on the Company.	Complying with all local municipal laws, proactively incorporating all regulations, backed by the Company's clarity of the regulatory framework.
<b>Competition Risk</b> Competitors providing similar services and infrastructure set up operations because of the low barrier of entry into the education sector.	Having revolutionised pre-school pedagogy in India, the Company continues to increase the use of innovative teaching methods and child-centric activities.
<b>Attrition Risk</b> As the Company's offerings are primarily centred around services, its success depends upon the talent it hires: its highly trained teachers and supervisors and the Company's ability to attract, motivate and retain its employees. The inability to do so may have an adverse effect on its growth plans.	The Company is consistently developing and retooling its employee friendly policies to attract and retain the best talent. It has created a well-defined career growth path, strengthened its internal HR processes, created forums to address employee issues, developed a culture of reward and recognition, and provided an easy access to the leadership team. All of these steps taken have helped it attract and retain its high-performing workers.

## HUMAN RESOURCE MANAGEMENT

Tree House is a leading player in the education sector. The Company believes that the industry has tremendous potential to impact the society, nation and the world positively. Its employees are major stakeholders and their efforts have a direct stake in the business prospects of the organisation.

The Company believes that its employees are its biggest assets. It offers an environment that enables them to give their best to their work. The Company's culture thrives on hard work, innovation, mutual respect, a sense of accountability and responsibility. All employees of Tree House are supported by a management team who believe in a decentralised approach in day to day activities, open communication and feedback sharing, developing cross functional teams for business improvement and intra-department job rotation. They give more emphasis on hiring the best talent across the industry and then enabling them to grow into the organisation and its culture.

The Company has an open and friendly environment where everyone has access to seniors across all levels. Its philosophy is to support and empower employees, to enable them to work with dedication, embracing innovation and challenges.

In addition, it also ensures safety and security for members of its staff who are women. The Company believes in retaining talent by offering them incentives and a better pay-scale than industry norms. Further, it also follows a transparent, merit based system of evaluation to ensure fair and accurate assessment of performance.

The Company's robust ESOP policy also works towards guaranteeing long term commitment from its high-performing employees. The Company had a total staff strength of 2,219 and teacher strength of 2,117 at the end of 2014-15.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has systems and processes of internal controls which are commensurate with its size and nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, complying with applicable statutes, safeguarding of assets, authorisation of transactions and adherence to the Company's policies and practices.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by an independent internal audit function. The internal audits are carried out as per a risk-based plan, which is reviewed and approved by the Audit Committee. The Audit Committee periodically reviews the findings and suggestions for improvement and is intermittently apprised on the implementation status in respect of the actionable items.

The Company's Audit Committee comprising the Company's Directors is the principal constituent of its internal control system. It meets regularly to review the quarterly report submitted by the Internal Auditors and implements all suitable suggestions. The Company's statutory auditors also check the internal control systems in the Company and give their suggestions for updating systems and procedures.

## CAUTIONARY STATEMENTS

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down-trend in consumer spending.

## BOARD'S REPORT

Dear Members,

Your directors take great pleasure in presenting the Ninth Annual Report of your Company and the Company's audited financials for the financial year ended March 31, 2015.

### FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2015 is summarized below:

Particulars	₹ in Lacs	
	2014-2015	2013-2014
Gross Income	21,460	15,898
Profit before Depreciation and Tax	11,055	8,298
Depreciation	2,682	1,696
Net Profit Before Tax	8,373	6,602
Provision for Tax	2,286	2,210
Profit after Tax	6,087	4,392
<b>Appropriations:</b>		
Proposed dividend on equity shares	846	558
Tax on dividend	169	95
Balance carried to balance sheet	5,072	3,739
Paid up share Capital	4,231	3,717
Reserves & Surplus	60,240	36,039

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

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review, the Company recorded a total income of ₹ 21,460 lacs as against ₹ 15,898 lacs in the previous year, registering a growth of 34.98%.

The profit after tax was also higher by 38.61% compared with the previous year. The profit after tax for the year under review was ₹ 6,087 lacs as against ₹ 4,392 lacs in the previous year.

Your Directors are continuously looking for avenues for future growth of the Company in the education sector and are geared up to address any opportunities available.

During the year your Company has opened 119 self operated pre-school and 3 franchisees of pre-schools. The Company now operates in 88 cities on pan India basis.

Management of your Company is committed towards delivering above-industry growth in revenue and profits in the coming year. We are pleased to announce our results for FY15 which show a 34.98% year-on-year growth in revenue and a

38.61% year-on-year growth in PAT for the Company. While these results are another milestone in our journey, we believe that the journey has just begun. As we gain acceptance and garner market share in city-after-city, and as the K12 schools we serve become known for their quality, the Tree House brand is becoming stronger day-by-day. We at Tree House are committed in creating a holistic Company catering to all, through both the Tree House brand and the Global champs initiative. We are committed to creating India's leading and most respected Educational services brand, which will create long term value for all its stakeholders.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2014-15 and the date of this report.

## ASSOCIATE COMPANIES

During the year under review, Mehta Tree House Infrastructure Private Limited became Associate Companies of your Company.

## DIVIDEND

Considering the remarkable performance during the year under review, Your Directors have recommended a higher dividend of ₹ 2/- (Rupees two only) per equity share of face value of ₹ 10/- (Rupees ten) each for the financial year 2014-15, for the approval of the shareholders at the ensuing AGM. If approved, the dividend for the financial year 2014-15 will be ₹ 2/- (Rupees two only) per equity share of the face value of ₹ 10/- (Rupee ten only) each against the dividend of ₹ 1.50 (Rupee one and paise fifty only) per equity share of the face value of ₹ 10/- (Rupee ten only) paid for the previous financial year 2013-14.

The total outflow on this account will be ₹ 101,540,760/- (Rupees ten crores, fifteen lacs, forty thousand, seven hundred and sixty only) including dividend tax. The proposed dividend, if declared shall be free of tax in the hands of the shareholders.

## SHARE CAPITAL

The Paid-up Equity Share Capital as on March 31, 2015 was ₹ 423,107,240/- (Rupees forty two crores, thirty one Lacs, seven thousand, two hundred and forty only) comprising 42,310,724 Equity Shares of ₹ 10/- each. During the year under review, the Company raised funds through issue and allotment of 4,545,454 Equity Shares at a price of ₹ 440/- (Rupees four hundred and forty only) per equity share (including a premium of ₹ 430/- {Rupees four hundred and thirty only} per equity share), aggregating to ₹ 1,999,999,760/- (Rupees one hundred and ninety nine crores, ninety nine lacs, ninety nine thousand, seven hundred and sixty only) to Qualified Institutional Buyers through Qualified Institutions Placement. The object of the issue is for expansion of companies' business activities. These equity shares ranks pari passu in all respect with the existing Equity Shares of the Company.



## BOARD'S REPORT (CONTD.)

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

### PUBLIC DEPOSITS

During the financial year 2014-15, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

### 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.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments 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, 2015 and of the profit and loss of the company for financial year ended March 31, 2015;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal 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.

### CORPORATE GOVERNANCE

In compliance with the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Annual Report.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2014-15, Mrs. Dimple Sanghi was appointed as Non-Executive, Non-Independent Director of your Company by the shareholders at AGM held on September 06, 2014. Further Mrs. Dimple Sanghi has tendered her resignation from the post of director w.e.f. February 05, 2015 and the same was accepted by Board of Directors at meeting held on February 06, 2015.

Further, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sanjaya Kulkarni, Mr. Parantap Dave and Mr. T. S. Sarangpani were appointed as Independent Directors on the Board of Directors of your Company at 8th AGM of your Company held on September 06, 2014 to hold office upto 5 (five) consecutive years up to March 31, 2019.

Mr. Rajesh Bhatia, Managing Director of your Company was re-appointed for a period of 5 (five) years commencing from November 14, 2014 to November 13, 2019 by the shareholders of the Company through postal Ballot result declared on March 17, 2015.

Ms. Khusboo Kavedia was appointed as Company Secretary of the Company w.e.f April 10, 2014 and further Ms. Khusboo Kavedia has resigned from the post of Company Secretary w.e.f. August 05, 2014.

Ms. Pooja Bhimjiyani was appointed as Company Secretary of the Company w.e.f. August 05, 2014 and as the Compliance Officer of the Company w.e.f. November 14, 2014.

Mr. Rajesh Bhatia, Managing Director, Mr. Utsav Shrivastava, CFO and Mrs. Pooja Bhimjiyani, Company Secretary are the Key managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of Companies Act,



2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Clause 49 of the Listing Agreement.

## DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONAL AND PARTICULARS OF EMPLOYEES

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as 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 A**".

The details of remuneration paid to the Directors including Executive Directors of the Company are given in Form MGT-9 forming part of the Directors Report.

## 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 India Guidelines as on March 31, 2015 are set out in "**Annexure B**" to this Report.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

Your Directors would like to inform you that the provision of Section 139 of the Companies Act, 2013 (hereinafter referred as Act) read with The Companies (Audit and Auditors) Rules, state as under:

"Every Company shall at its first Annual General Meeting appoint a Statutory Auditors of the Company who shall hold office from the conclusion of the meeting till the conclusion of its sixth Annual General Meeting. The tenure of the auditor shall be for period of Five Years, subject to annual ratification by the shareholders of the Company. Further, the maximum tenure a Statutory Auditor can serve will depend upon the term already served by him as the Statutory Auditor of the Company."

In order to comply with the above mentioned provisions, and for maintaining transparency and good Corporate Governance, the Audit Committee has recommended appointment of new firm of Chartered Accountants as Statutory Auditors in place of M/s Jogish Mehta & Co., Chartered Accountants at the ensuing Annual General Meeting. The Board placed on records sincere appreciation of the invaluable service rendered by M/s Jogish Mehta & Co. during their tenure as statutory auditors of the Company.

Further, the Board shall be recommending the new proposed auditors to the Company.

### Auditors Observation:

Your Directors have examined the Auditors' Report on account for period ended March 31, 2015. The Auditors' Report is self-explanatory and have no qualification, observation or adverse remarks except that there has been slight delay in a few cases in making payments of statutory dues and suggestion that there is a scope for considerable improvement in so far as internal control system for sale of goods and services is concerned in light of the geographical spread of our growth.

### Cost Auditors

The Board of Directors had appointed M/s Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditor of your Company for the financial year 2014-15 to conduct the audit of the cost records of your Company.

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) 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 2015-16 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 ₹ 150,000 (Rupees One lakh and fifty thousand only) excluding taxes and out of pocket expenses, if any. Your directors recommend the 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 2015-16 along with a certificate confirming their independence.

## BOARD'S REPORT (CONTD.)

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Miheh Halani, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **"Annexure C"** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### EXTRACT OF 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 D"** to this Report.

### RELATED PARTY TRANSACTIONS

During the financial year 2014-15, 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, Rules issued thereunder and Clause 49 of the Listing Agreement. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard - 18 are set out in **Note No. 2.30** 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: [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_RelatedPartyTrasactionPolicy\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_RelatedPartyTrasactionPolicy_300914.pdf)

### LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Details of Loans, Guarantees, Securities and Investments are given in the notes to the Financial Statements.

### RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by the 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.

### 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: [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_070215.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf)

The initiatives undertaken by your Company during the financial year 2014-15 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 herewith as **"Annexure E"** to 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, 2015. The Members are requested to refer to the said Note No. 2.36 for details in this regard.

### INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 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 focused 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 06, 2014), with the Ministry of Corporate Affairs.

## SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

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

## GENERAL

Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and

Your Director further state that during the year under review, there were no cases filed pursuant to Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ACKNOWLEDGEMENT

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 have attained such great heights in such a short period of its business. 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 & Accessories Limited**

SD/-

**Rajesh Bhatia**

Managing Director

SD/-

**Vishal Shah**

Director

Date : Mumbai

Place : May 27, 2015.

## ANNEXURE [A] TO BOARD'S REPORT

### 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 2014-15 IS AS FOLLOWS:

Name of Director	Total Remuneration (₹)	Ratio of remuneration of director to the median remuneration
Mr. Rajesh Bhatia	4,800,000	85.40
Mr. Vishal Shah	26,626,485	473.76
Mrs. Geeta Bhatia *	115,000	-
Mr. Sanjaya Kulkarni *	171,500	-
Mr. Parantap Priyakant Dave *	131,500	-
Mr. T. S. Sarangpani *	85,000	-

\*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 2014-15.
- The remuneration to Directors includes sitting fees paid to them for the financial year 2014-15 and also includes perquisite of Esop exercise in the remuneration to Mr. Vishal Shah.
- Median remuneration of the Company for all its employees is ₹ 56,203/- for the financial year 2014-15.

#### B. DETAILS OF PERCENTAGE INCREASE IN THE REMUNERATION OF EACH DIRECTOR AND CFO & COMPANY SECRETARY IN THE FINANCIAL YEAR 2014-15 ARE AS FOLLOWS:

Name	Designation	Remuneration (₹)		Increase %
		2014-2015	2013-2014	
Mr. Rajesh Bhatia	Managing Director	4,800,000	4,800,000	0.00
Mr. Vishal Shah	Director	26,626,485	34,281,905	-22.33
Mr. Utsav Shrivastava	CFO	17,746,250	3,782,188	369.21
Ms. Pooja Bhimjiyani	Company Secretary	344,764	-	0.00
Mrs. Deepali Anand Koneri	Company Secretary	-	543,175	0.00
Mrs. Geeta Bhatia	Director	115,000	115,000	0.00
Mr. Sanjaya Kulkarni	Director	171,500	171,500	0.00
Mr. Parantap Priyakant Dave	Director	131,500	131,500	0.00
Mr. T. S. Sarangpani	Director	85,000	85,000	0.00

#### 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

	2014-2015 (₹)	2013-2014 (₹)	Increase %
Median remuneration of all employee per annum	56,203	39,653	41.74

#### D. NUMBER OF EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2015

Employees	2014-2015	2013-2014
Corporate Office	102	85
Teaching Staff	2,117	1,880
<b>TOTAL</b>	<b>2,219</b>	<b>1,965</b>



## 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 2014-15 as compared to the financial year 2013-14 was 38%.

The key indices of Company's performance are:

	2014-2015 (In lacs)	2013-2014 (In Lacs)	Growth %
Net Revenue from Operations	20,745	15,764	32
Profit Before Tax and Exceptional Items	8,373	6,602	27
Profit After Tax	6,087	4,392	39

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, 2015	As on March 31, 2014	Increase / (Decrease) in %
Price Earning Ratio	25	21	19
Market Capitalisation (in lacs)	4,231.07	3,717.01	14

Comparison of share price at the time of first public offer and market price of the share of 31st March, 2015:

Market price as on 31st March, 2015	₹ 397.75
Price at the time of initial public offer in Aug'2011 (converted to price of each share for face value of ₹ 10/- each)	₹ 135.00
% increase of Market price over the price at the time of initial public offer	195

**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.

## ANNEXURE [B] TO BOARD'S REPORT

### 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 ₹ 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	₹ 71/- per option
Exercise period	upto 5 years
Total no. of stock options granted under the scheme	1,400,000
Stock options lapsed	18,000
Stock options vested but not exercised	1,375
Stock options exercised	1,380,625
Outstanding Stock options	1375
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
Vishal Shah	1,300,000	1,300,000	0	485,077
Utsav Shrivastava	50,000	50,000	0	109,399

**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:**

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 ₹ 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	₹ 228/- per option
Exercise period	upto 5 years
Total no. of stock options granted under the scheme	400,000
Stock options lapsed	52,800
Stock options vested but not exercised	42,975
Stock options exercised	137,225
Outstanding Stock options	209,975
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
Vishal Shah	168,200	83,150	85,050	485,077
Sanjaya Kulkarni	10,000	5,000	5,000	97,235
Parantap Dave	10,000	NIL	10,000	0
T. S. Sarangpani	10,000	2,500	7,500	45,000
Utsav Shrivastava	105,000	26,250	78,750	109,399

## III - DETAILS OF EMPLOYEE STOCK OPTION PLAN 2014 ("ESOP 2014")

The Company has 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.

For and on behalf of the Board

Tree House Education & Accessories Limited

SD/-

Rajesh Bhatia

Managing Director

SD/-

Vishal Shah

Director

Date : Mumbai

Place : May 27, 2015.

## ANNEXURE [C] TO BOARD'S REPORT

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

For the financial Year ended March 31, 2015

**[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, 2015 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, 2015 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)**



- vi. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- vii. Employees State Insurance Act, 1948
- viii. Employers Liability Act, 1938
- ix. Equal Remuneration Act, 1976
- x. Maternity Benefits Act, 1961
- xi. Minimum Wages Act, 1948
- xii. Payment of Bonus Act, 1965
- xiii. Payment of Gratuity Act, 1972
- xiv. Payment of Wages Act, 1936 and other applicable labour laws
- xv. The Bombay Shops and Establishments Act, 1948

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.

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

**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 issued and allotted shares to Qualified Institutional Buyers. The Company has complied with the requisite laws, rules, regulations and guidelines.

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

SD/-

**Mihen Halani**  
Proprietor  
CP No. 12015

Date: May 27, 2015  
Place: Mumbai

## ANNEXURE [C] TO BOARD'S REPORT (CONTD.)

### 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**

SD/-

**Mihen Halani**

ACS No.: 32176

CP No. 12015

Date: May 27, 2015

Place: Mumbai

## ANNEXURE [D] TO BOARD'S REPORT

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015 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

CIN	L80101MH2006PLC163028
Registration Date	10/07/2006
Name of the Company	Tree House Education & Accessories Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	702 C, Morya House, Off New Link Road, Andheri (W), Mumbai 400 053. Phone:- 022-61306130 Fax:- 022-26736905 Email ID:- treehouseplaygroup@gmail.com
Whether listed company	Yes
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 40 0078 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	89.27%
2.	Education support services	855	10.73%

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	JT Infrastructure Private Limited <b>Registered Address:</b> 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai - 400053, Maharashtra	U70102MH2007PTC167078	Associate	50%	2(6)
2.	Mehta Tree House Infrastructure Private Limited <b>Registered Address:</b> 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai - 400053, Maharashtra	U70101MH2014PTC258921	Associate	50%	2(6)

## ANNEXURE [D] TO BOARD'S REPORT (CONTD.)

## VI. 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	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF	11,546,733	50,900	11,597,633	27.41	12,586,328	0	12,586,328	29.75	2.34
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB-TOTAL (A) (1)</b>	<b>11,546,733</b>	<b>50,900</b>	<b>11,597,633</b>	<b>27.41</b>	<b>12,586,328</b>	<b>0</b>	<b>12,586,328</b>	<b>29.75</b>	<b>2.34</b>
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other - Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other....	0	0	0	0	0	0	0	0	0.00
<b>SUB-TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A)(2)</b>	<b>11,546,733</b>	<b>50,900</b>	<b>11,597,633</b>	<b>27.41</b>	<b>12,586,328</b>	<b>0</b>	<b>12,586,328</b>	<b>29.75</b>	<b>2.34</b>
<b>B. Public Shareholding</b>									
1. Institutions									
(a) Mutual Funds	1,564,436	0	1,564,436	3.70	682,940	0	682,940	1.61	-2.09
(b) Banks / FI	16,642	0	16,642	0.04	23,820	0	23,820	0.06	0.02
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	1,400,000	0	1,400,000	3.31	1,024,937	0	1,024,937	2.42	-0.89
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	2,487,588	0	2,487,588	5.88	8,217,941	0	8,217,941	19.42	13.54
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB-TOTAL (B)(1)</b>	<b>5,468,666</b>	<b>0</b>	<b>5,468,666</b>	<b>12.93</b>	<b>9,949,638</b>	<b>0</b>	<b>9,949,638</b>	<b>23.52</b>	<b>10.59</b>
2. Non-Institutions									
(a) Bodies Corp.	1,746,666	0	1,746,666	4.13	3,818,490	0	3,818,490	9.02	4.89
(i) Indian	-	-	-	-	-	-	-	-	-

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	
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,823,060	20,003	1,843,063	4.36	1,562,828	20,003	1,582,831	3.74	-0.62
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,864,976	0	1,864,976	4.41	1,262,917	0	1,262,917	2.98	-1.43
(c) Foreign portfolio Investor (Corporate)	0	0	0	0.00	1,312,972	0	1,312,972	3.10	3.10
(d) Others				0.00				0.00	0.00
(i) Non Resident Indians (Repat)	142,305	0	142,305	0.34	70,948	0	70,948	0.17	-0.17
(ii) Non Resident Indians (Non Repat)	69,485	0	69,485	0.16	71,770	0	71,770	0.17	0.01
(iii) Foreign Companies	13,449,748	0	13,449,748	31.79	10,753,575	0	10,753,575	25.42	-6.37
(iv) Clearing Member	151,449	0	151,449	0.36	120,601	0	120,601	0.29	-0.07
(v) Directors / Relatives	369,279	0	369,279	0.87	498,379	0	498,379	1.18	0.31
(vi) Trusts	466,800	0	466,800	1.10	282,275	0	282,275	0.67	-0.43
<b>SUB-TOTAL (B)(2)</b>	<b>20,083,768</b>	<b>20,003</b>	<b>20,103,771</b>	<b>47.51</b>	<b>19,754,755</b>	<b>20,003</b>	<b>19,774,758</b>	<b>46.74</b>	<b>-0.77</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>	<b>25,552,434</b>	<b>20,003</b>	<b>25,572,437</b>	<b>60.44</b>	<b>29,704,393</b>	<b>20,003</b>	<b>29,724,396</b>	<b>70.25</b>	<b>9.81</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>GRAND TOTAL (A+B+C)</b>	<b>37,099,167</b>	<b>70,903</b>	<b>37,170,070</b>	<b>87.85</b>	<b>42,290,721</b>	<b>20,003</b>	<b>42,310,724</b>	<b>100</b>	<b>12.15</b>

**(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 company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Rajesh Bhatia	3,199,100	7.56	2.10	3,582,595	8.47	7.46	0.91
2	Ms. Geeta Bhatia	6,025,000	14.24	2.10	6,035,000	14.26	1.05	0.02
3	Mr. Girdhari Bhatia jointly with Ms. Kavita Bhatia	47,900	0.11	0.00	47,900	0.11	0.00	0.00
4	Mr. Rajesh Bhatia jointly with Ms. Geeta Bhatia	2,325,633	5.50	1.23	2,920,833	6.90	0.02	1.40



## ANNEXURE [D] TO BOARD'S REPORT (CONTD.)

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

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	<b>Mr. Rajesh Bhatia (Managing Director, Key Managerial Person and Promoter)</b>				
	At the beginning of the year	<b>3,199,100</b>	<b>7.56</b>	<b>3,199,100</b>	<b>7.56</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	30.06.2014 Transfer	20,000	0.05	3,219,100	7.61
	12.09.2014 Transfer	23,780	0.06	3,242,880	7.66
	06.01.2015 Transfer	5,119	0.01	3,247,999	7.68
	07.01.2015 Transfer	10,960	0.03	3,258,959	7.70
	07.01.2015 Transfer	9,202	0.02	3,268,161	7.72
	08.01.2015 Transfer	13,842	0.03	3,282,003	7.76
	08.01.2015 Transfer	6,158	0.01	3,288,161	7.77
	09.01.2015 Transfer	10,000	0.02	3,298,161	7.80
	09.01.2015 Transfer	10,000	0.02	3,308,161	7.82
	12.01.2015 Transfer	50,000	0.12	3,358,161	7.94
	13.01.2015 (Auction Closeout)	-100	0.00	3,358,061	7.94
	04.03.2015 Transfer	12,000	0.03	3,370,061	7.97
	11.03.2015 Transfer	73,000	0.17	3,443,061	8.14
	11.03.2015 Transfer	2,000	0.00	3,445,061	8.14
	12.03.2015 Transfer	43,000	0.10	3,488,061	8.24
	12.03.2015 Transfer	7,000	0.02	3,495,061	8.26
	13.03.2015 Transfer	34,000	0.08	3,529,061	8.34
	13.03.2015 Transfer	2,000	0.00	3,531,061	8.35
	16.03.2015 Transfer	5,000	0.01	3,536,061	8.36
	17.03.2015 Transfer	4,526	0.01	3,540,587	8.37
	17.03.2015 Transfer	474	0.00	3,541,061	8.37
	18.03.2015 Transfer	9,534	0.02	3,550,595	8.39
	19.03.2015 Transfer	10,000	0.02	3,560,595	8.42
	20.03.2015 Transfer	9,000	0.02	3,569,595	8.44
	23.03.2015 Transfer	5,000	0.01	3,574,595	8.45
	23.03.2015 Transfer	1,000	0.00	3,575,595	8.45
	24.03.2015 Transfer	3,230	0.01	3,578,825	8.46
	24.03.2015 Transfer	3,770	0.01	3,582,595	8.47
	At the End of the year	<b>3,582,595</b>	<b>8.47</b>	<b>3,582,595</b>	<b>8.47</b>
2	<b>Mrs. Geeta Bhatia (Non-Executive Director)</b>				
	At the beginning of the year	6,025,000	14.24	6,025,000	14.24
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	30.06.2014 Transfer	10,000	0.02	6,035,000	14.26
	At the End of the year	<b>6,035,000</b>	<b>14.26</b>	<b>6,035,000</b>	<b>14.26</b>

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
<b>3</b>	<b>Mr. Rajesh Bhatia Joint Holding with Mrs. Geeta Bhatia</b>				
	At the beginning of the year	<b>2,325,633</b>	<b>5.50</b>	<b>2,325,633</b>	<b>5.50</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	27.05.2014 Conversion of Warrant	230,000	0.54	2,555,633	6.04
	20.06.2014 Conversion of Warrant	245,200	0.58	2,800,833	6.62
	26.06.2014 Conversion of Warrant	120,000	0.28	2,920,833	6.90
	At the End of the year	<b>2,920,833</b>	<b>6.90</b>	<b>2,920,833</b>	<b>6.90</b>
<b>4</b>	<b>Mr. Girdhari Bhatia Joint Holding with Kavita Bhatia</b>				
	At the beginning of the year	<b>47,900</b>	<b>0.11</b>	<b>47,900</b>	<b>0.11</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	<b>47,900</b>	<b>0.11</b>	<b>47,900</b>	<b>0.11</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	For Each of the Top 10 Shareholders	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
<b>1</b>	<b>Matrix Partners India Investment Holdings, Llc</b>				
	At the beginning of the year	<b>9,010,926</b>	<b>21.30</b>	<b>9,010,926</b>	<b>21.30</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	09/05/2014 Transfer	1,800,000	4.25	7,210,926	17.04
	28/11/2014 Transfer	150,000	0.35	7,060,926	16.69
	16/01/2015 Transfer	155,917	0.37	6,905,009	16.32
	30/01/2015 Transfer	93,128	0.22	6,811,881	16.10
	03/02/2015 Transfer	47,128	0.11	6,764,753	15.99
	13/03/2015 Transfer	250,000	0.59	6,514,753	15.40
	At the End of the year	<b>6,514,753</b>	<b>15.40</b>	<b>6,514,753</b>	<b>15.40</b>
<b>2</b>	<b>FC Vi India Venture Mauritius Ltd</b>				
	At the beginning of the year	<b>289,8001</b>	<b>6.85</b>	<b>2,898,001</b>	<b>6.85</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change during the year	-	-	-
	At the End of the year	<b>289,8001</b>	<b>6.85</b>	<b>2,898,001</b>	<b>6.85</b>

## ANNEXURE [D] TO BOARD'S REPORT (CONTD.)

Sr. No	For Each of the Top 10 Shareholders	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
<b>3</b>	<b>Bajaj Holdings and Investment Ltd</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	09/05/2014      Transfer	1,800,000	4.25	1,800,000	4.25
	11/03/2015      Transfer	275,000	0.65	2,075,000	4.90
	<b>At the End of the year</b>	<b>2,075,000</b>	<b>4.90</b>	<b>2,075,000</b>	<b>4.90</b>
<b>4</b>	<b>On Mauritius</b>				
	At the beginning of the year	1,340,821	3.17	1,340,821	3.17
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change during the year	-	-	-
	<b>At the End of the year</b>	<b>1,340,821</b>	<b>3.17</b>	<b>1,340,821</b>	<b>3.17</b>
<b>5</b>	<b>"Macquarie Fund Solution A/C Macquarie Fund Solutions-Macquarie Asia New Stars Fund"</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	23/12/2014      QIP Allotment	1,193,708	2.82	1,193,708	2.82
	16/01/2015      Transfer	39,624	0.09	1,233,332	2.91
	06/02/2015      Transfer	6,943	0.02	1,240,275	2.93
	<b>At the End of the year</b>	<b>1,240,275</b>	<b>2.93</b>	<b>1,240,275</b>	<b>2.93</b>
<b>6</b>	<b>Mondrian Emerging Markets Small Cap Equity Fund L.P</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	23/12/2014      QIP Allotment	832,394	1.97	832,394	1.97
	16/01/2015      Transfer	237,388	0.56	1,069,782	2.53
	<b>At the End of the year</b>	<b>1,069,782</b>	<b>2.53</b>	<b>1,069,782</b>	<b>2.53</b>
<b>7</b>	<b>Aditya Birla Private Equity Trust</b>				
	At the beginning of the year	1,400,000	3.31	1,400,000	3.31
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	03/09/2014      Transfer	100,000	0.24	1,300,000	3.07
	04/09/2014      Transfer	159,063	0.38	1,140,937	2.70
	12/09/2014      Transfer	116,000	0.27	1,024,937	2.42
	<b>At the End of the year</b>	<b>1,024,937</b>	<b>2.42</b>	<b>1,024,937</b>	<b>2.42</b>

Sr. No	For Each of the Top 10 Shareholders	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

**8 Elara India Opportunities Fund Limited**

At the beginning of the year		1,507,000	3.56	1,507,000	3.56
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
13/06/2014	Transfer	3,000	0.01	1,504,000	3.55
20/06/2014	Transfer	4,000	0.01	1,500,000	3.55
11/11/2014	Transfer	180,000	0.43	1,320,000	3.12
30/01/2015	Transfer	180,000	0.43	1,140,000	2.69
06/02/2015	Transfer	180,000	0.43	960,000	2.27
At the End of the year		960,000	2.27	960,000	2.27

**9 Swedbank Robur Global Emerging Markets**

At the beginning of the year		-	-	-	-
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
27/11/2014	Transfer	150,000	0.35	150,000	0.35
23/12/2014	QIP Allotment	600,000	1.42	750,000	1.77
At the End of the year		750,000	1.77	750,000	1.77

**10 Credit Suisse (Singapore) Limited**

At the beginning of the year		-	-	-	-
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
14/11/2014	Transfer	180,000	0.43	180,000	0.43
30/01/2015	Transfer	180,000	0.43	360,000	0.85
06/02/2015	Transfer	180,000	0.43	540,000	1.28
At the End of the year		540,000	1.28	540,000	1.28

**Note:** Above mentioned dates of transfer are as provided by Registrar and Transfer agent.

**(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
<b>1</b>	<b>Mr. Rajesh Bhatia (Managing Director and Key Managerial Person)</b>				
At the beginning of the year		3,199,100	7.56	3,199,100	7.56
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
30.06.2014	Transfer	20,000	0.05	3,219,100	7.61
12.09.2014	Transfer	23,780	0.06	3,242,880	7.66

## ANNEXURE [D] TO BOARD'S REPORT (CONTD.)

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
	06.01.2015	Transfer	5,119	0.01	3,247,999	7.68
	07.01.2015	Transfer	10,960	0.03	3,258,959	7.70
	07.01.2015	Transfer	9,202	0.02	3,268,161	7.72
	08.01.2015	Transfer	13,842	0.03	3,282,003	7.76
	08.01.2015	Transfer	6,158	0.01	3,288,161	7.77
	09.01.2015	Transfer	10,000	0.02	3,298,161	7.80
	09.01.2015	Transfer	10,000	0.02	3,308,161	7.82
	12.01.2015	Transfer	50,000	0.12	3,358,161	7.94
	13.01.2015	Auction Closeout	-100	0.00	3,358,061	7.94
	04.03.2015	Transfer	12,000	0.03	3,370,061	7.97
	11.03.2015	Transfer	73,000	0.17	3,443,061	8.14
	11.03.2015	Transfer	2,000	0.00	3,445,061	8.14
	12.03.2015	Transfer	43,000	0.10	3,488,061	8.24
	12.03.2015	Transfer	7,000	0.02	3,495,061	8.26
	13.03.2015	Transfer	34,000	0.08	3,529,061	8.34
	13.03.2015	Transfer	2,000	0.00	3,531,061	8.35
	16.03.2015	Transfer	5,000	0.01	3,536,061	8.36
	17.03.2015	Transfer	4,526	0.01	3,540,587	8.37
	17.03.2015	Transfer	474	0.00	3,541,061	8.37
	18.03.2015	Transfer	9,534	0.02	3,550,595	8.39
	19.03.2015	Transfer	10,000	0.02	3,560,595	8.42
	20.03.2015	Transfer	9,000	0.02	3,569,595	8.44
	23.03.2015	Transfer	5,000	0.01	3,574,595	8.45
	23.03.2015	Transfer	1,000	0.00	3,575,595	8.45
	24.03.2015	Transfer	3,230	0.01	3,578,825	8.46
	24.03.2015	Transfer	3,770	0.01	3,582,595	8.47
	At the End of the year		3,582,595	8.47	3,582,595	8.47
2	Mrs. Geeta Bhatia (Non-Executive Director)					
	At the beginning of the year		6,025,000	14.24	6,025,000	14.24
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	30.06.2014	Transfer	10,000	0.02	6,035,000	14.26
	At the End of the year		6,035,000	14.26	6,035,000	14.26
3	Mr. Vishal Shah (Executive Director)					
	At the beginning of the year		435,977	1.03	435,977	1.03
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	18.06.2014	Transfer	42,000	0.10	393,977	0.93
	09.09.2014	ESOP 2010 Exercise	50,000	0.12	443,977	1.05
	09.09.2014	ESOP 2012 Exercise	41,100	0.10	485,077	1.15
	At the End of the year		485,077	1.15	485,077	1.15



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
<b>4</b>	<b>Mr. Sanjaya Kulkarni (Independent Director)</b>				
	At the beginning of the year	<b>67,235</b>	<b>0.16</b>	<b>67,235</b>	<b>0.16</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	18.06.2014 Transfer	25,000	0.06	92,235	0.22
	18.11.2014 ESOP 2012 Excercise	5,000	0.01	97,235	0.23
	At the End of the year	<b>97,235</b>	<b>0.23</b>	<b>97,235</b>	<b>0.23</b>
<b>5</b>	<b>Mr. T. S. Sarangpani (Independent Director)</b>				
	At the beginning of the year	<b>45,000</b>	<b>0.11</b>	<b>45,000</b>	<b>0.11</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	<b>45,000</b>	<b>0.11</b>	<b>45,000</b>	<b>0.11</b>
<b>6</b>	<b>Mr. Parantap Dave (Independent Director)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>7</b>	<b>Mr. Rishi Navani (Nominee Director)</b>				
	At the beginning of the year	<b>66,715</b>	<b>0.16</b>	<b>66,715</b>	<b>0.16</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	<b>66,715</b>	<b>0.16</b>	<b>66,715</b>	<b>0.16</b>
<b>8</b>	<b>Mr. Ashu Garg (Nominee Director)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>9</b>	<b>Mr. Utsav Shrivastava (Chief Financial Officer)</b>				
	At the beginning of the year	<b>175,557</b>	<b>0.41</b>	<b>175,557</b>	<b>0.41</b>
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	29.09.2014 ESOP 2010 Excercise	12,500	0.03	188,057	0.44
	29.09.2014 ESOP 2012 Excercise	26,250	0.06	214,307	0.51
	12.01.2015 Transfer	50,000	0.12	164,307	0.39
	12.01.2015 Transfer	57	0.00	164,250	0.39
	27.01.2015 ESOP 2010 Excercise	12,500	0.03	176,750	0.42

## ANNEXURE [D] TO BOARD'S REPORT (CONTD.)

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
	12.02.2015	Transfer	4,881	0.01	171,969	0.41
	12.02.2015	Transfer	119	0.00	171,850	0.41
	13.02.2015	Transfer	1,170	0.00	170,680	0.40
	18.02.2015	Transfer	1,940	0.00	168,740	0.40
	18.02.2015	Transfer	8,060	0.02	160,680	0.38
	19.02.2015	Transfer	4,000	0.01	156,680	0.37
	20.02.2015	Transfer	1,000	0.00	155,680	0.37
	04.03.2015	Transfer	15,000	0.04	140,680	0.33
	09.03.2015	Transfer	5,358	0.01	135,322	0.32
	16.03.2015	Transfer	3,086	0.01	132,236	0.31
	16.03.2015	Transfer	1,914	0.00	130,322	0.31
	18.03.2015	Transfer	9,861	0.02	120,461	0.28
	18.03.2015	Transfer	139	0.00	120,322	0.28
	20.03.2015	Transfer	4,823	0.01	115,499	0.27
	27.03.2015	Transfer	4,723	0.01	110,776	0.26
	27.03.2015	Transfer	1,377	0.00	109,399	0.26
	At the End of the year		109,399	0.26	109,399	0.26
10	Ms. Pooja Bhimjiyani (Company Secretary & Compliance Officer)					
	At the beginning of the year		-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
	At the End of the year		-	-	-	-

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	826,305,442/-	-	-	826,305,442/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,610,225/-	-	-	1,610,225/-
<b>TOTAL (I+II+III)</b>	<b>827,915,666/-</b>	<b>-</b>	<b>-</b>	<b>827,915,666/-</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	553,000,000/-	-	-	553,000,000/-
• Reduction	321,094,881/-	-	-	321,094,881/-
<b>NET CHANGE</b>	<b>231,905,119/-</b>	<b>-</b>	<b>-</b>	<b>231,905,119/-</b>
<b>Indebtedness at the end of the financial year</b>				
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/-
<b>TOTAL (I+II+III)</b>	<b>1,059,242,424/-</b>	<b>-</b>	<b>-</b>	<b>1,059,242,424/-</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. 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	4,800,000/-	1,800,000/-	6,600,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under	-	-	-
2.	Stock Option	-	24,826,485/-	24,826,485/-
3.	Sweat Equity	-	-	-
4.	• Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>TOTAL (A)</b>	<b>4,800,000/-</b>	<b>26,626,485/-</b>	<b>31,426,485/-</b>
	Ceiling as per the Act			80,586,546.5/-

### B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sanjay kulkani	Prantap Dave	T S Sarangpani	Geeta Bhatia	
1.	Independent Directors					
	• Fee for attending board / committee meetings	171,500/-	131,500/-	85,000/-	-	388,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>TOTAL (1)</b>	<b>117,500/-</b>	<b>131,500</b>	<b>85,000/-</b>	<b>-</b>	<b>388,000/-</b>
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	115,000/-	115,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>TOTAL (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,000/-</b>	<b>115,000/-</b>
	<b>TOTAL (B)=(1+2)</b>	<b>171,500/-</b>	<b>131,500/-</b>	<b>85,000/-</b>	<b>115,000/-</b>	<b>503,000/-</b>
	Total Managerial Remuneration					31,929,485/-
	Overall Ceiling as per the Act					88,645,201.15/-

## ANNEXURE [D] TO BOARD'S REPORT (CONTD.)

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,620,000/-	269,764/-	1,889,764/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	16,126,250/-	-	16,126,250/-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Bonus	-	75,000/-	75,000/-
5	Others, please specify	-	-	-
	<b>TOTAL</b>	<b>17,746,250/-</b>	<b>344,764/-</b>	<b>18,091,014/-</b>

**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)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Failure to re-appoint the Managing Director of the Company on completion of his tenure of 5 years ending March 31, 2013			
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE [E] TO BOARD'S REPORT

### 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:

#### **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.

- (ii) 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.
- (iii) TREE HOUSE may also undertake other CSR activities in line with Schedule VII including contributions towards Swach Bharat Kosh.
- (iv) 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.

Policy on Corporate Social Responsibility is available on website of Company

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_070215.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf)



## 2. THE COMPOSITION OF THE CSR COMMITTEE

Name of the member of the committee	Nature of Directorship
Mr. Sanjaya Kulkarni (Chairman)	Non-executive Director
Mr. Rajesh Bhatia	Executive managing Director
Mr. T. S. Sarangpani	Non-executive Director

3. Average Net Profit of the company for last 3 financial years: ₹ 48,57,11,505/-

4. Prescribed CSR expenditure (2% of amount): ₹ 97,14,230/-

5. Details of CSR activities/projects undertaken during the year:

a) Total amount to be spent for the financial year: - ₹ 30,00,000/-

b) Amount un-spent, if any: - ₹ 67,14,230/-

c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	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, Maharashtra)	97,14,230	30,00,000	30,00,000	Direct

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

6. During the year the company has incurred ₹ 30 Lacs on CSR activities. This being the first 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.

7. 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

Place: Mumbai  
Date: May 27, 2015

SD/-  
Chairman of CSR Committee

Place: Mumbai  
Date: May 27, 2015

## ADDENDUM TO BOARD'S REPORT

Dear Shareholders,

Your Directors take the liberty to inform you that pursuant to the new provisions in relation to rotation of the Statutory Auditors of the Company as specified in the Companies Act, 2013, the Board of directors in their meeting dated May 27, 2015 have decided to appoint a new firm of Chartered Accountants as Statutory Auditors in place of the retiring Statutory Auditors namely M/s. Jogish Mehta & Co., Chartered Accountants at the ensuing Annual General Meeting.

M/s. Agarwal & Associates, Chartered Accountants have offered themselves for the appointment as auditors at the ensuing Annual General Meeting.

In view of the above, the para regarding Auditors in Directors Report dated May 27, 2015 shall be read as under:

### AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

Your Directors would like to inform you that the provision of Section 139 of the Companies Act, 2013 (hereinafter referred as Act) read with The Companies (Audit and Auditors) Rules, state as under:

"Every Company shall at its first Annual General Meeting appoint a Statutory Auditors of the Company who shall hold office from the conclusion of the meeting till the conclusion of its sixth Annual General Meeting. The tenure of the auditor shall be for period of Five Years, subject to annual ratification by the shareholders of the Company. Further, the maximum tenure a Statutory Auditor can serve will depend upon the term already served by him as the Statutory Auditor of the Company."

In order to comply with the above mentioned provisions, and for maintaining transparency and good Corporate Governance, the Audit Committee has recommended appointment of new firm of Chartered Accountants as Statutory Auditors in place of M/s Jogish Mehta & Co., Chartered Accountants at the ensuing Annual General Meeting. The Board placed on records sincere appreciation of the invaluable service rendered by M/s Jogish Mehta & Co. during their tenure as statutory auditors of the Company.

Furthermore, M/s. Agarwal & Associates, Chartered Accountants have offered themselves for the appointment as the Statutory Auditors of the Company at the ensuing Annual General Meeting. The Auditor has confirmed to the Company that their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013.

The Board recommends to the members the appointment of Statutory Auditors and fix up their remuneration

The Directors report dated May 27, 2015 shall be read in conjunction with the above addendum.

For and on behalf of the Board

**Tree House Education & Accessories Limited**

SD/-

**Rajesh Bhatia**

Managing Director

SD/-

**Vishal Shah**

Director

Date : Mumbai

Place : August 20, 2015.

## REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the report containing the details of Corporate Governance systems and process at Tree House Education & Accessories Limited:

### 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 8 members on the Board, 3 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence.
- 6 out of 8 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 and Complaint Management 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 Clause 49 of the Listing Agreement as well as the Companies Act, 2013. Your Company also has a woman Director which brings diversity on the Board.

The composition of Board of Directors as on March 31, 2015 is as follow:

Category	No. of Directors
Non-Executive/Independent Directors	3
Non-Executive Directors	3
Executive Director	2

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

### **ii) Independent Directors:**

Your Company had at its last Annual General Meeting (AGM) held on September 6, 2014, appointed Mr. Sanjaya Kulkarni, Mr. Parantap Dave and Mr. T. S. Sarangpani as Independent Directors pursuant to sections 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 reenactment thereof for the time being in force) and Clause 49 of the Listing Agreement for the period of five (5) consecutive years upto March 31, 2019. The Independent Directors have submitted



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

declarations that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Agreement. Further, the Independent Directors have confirmed that they do not hold directorship in more than seven listed companies. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement. A sample of the letter of appointment is available on the website of the Company [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_Terms\\_ConditionsofID\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Terms_ConditionsofID_300914.pdf)

### iii) Number of Board Meetings:

- During the financial year ended March 31, 2015, five (5) 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, 2014	November 14, 2014
August 05, 2014	February 06, 2015
September 06, 2014	

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, 2015:

Name of the Director	Category	Relationship with each other	Attendance at meeting during FY 2014-15		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. Sanjaya Kulkarni	Non-Executive Director/ Independent (Chairman)	***	5	Yes	5	1	3	97,235
Mr. T. S. Sarangpani	Non-Executive Director/ Independent	***	4	Yes	-	-	-	45,000
Mr. Parantap Dave	Non-Executive Director/ Independent	***	5	Yes	2	-	2	-
Mr. Rajesh Bhatia	Executive Director/ Promoter (Managing Director)	Spouse of Geeta Bhatia	5	Yes	-	-	-	3,582,595
Mr. Vishal Shah	Executive Director	***	5	Yes	-	-	-	485,077
Mrs. Geeta Bhatia	Non-Executive Director/ Promoter	Spouse of Rajesh Bhatia	5	Yes	-	-	-	6,035,000
Mr. Rishi Navani	Non-Executive Director/ Nominee	***	4	No	2	-	-	66,715
Mr. Ashu Garg #	Non-Executive Director/ Nominee	***	1	No	-	-	-	-
Mrs. Dimple Sanghi##	Non-Executive Director	***	1	No	N.A	N.A	N.A	-

\* 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. Ashu Garg submitted his resignation to the Board of Directors of the Company on May 25, 2015 which shall take effect from May 27, 2015 as resolved in the meeting of the Board duly convened on May 27, 2015.



## Mrs. Dimple Sanghi submitted her resignation to the Board of Directors of the Company on February 5, 2015 which shall be taken as effective from the said date as resolved in the meeting of the Board, duly convened on February 06, 2015. The reason of her resignation from the office of Director is owing to her personal reasons.

**Note:** In above table only individual holding is mentioned and 2,920,833 equity shares of the Company are held Jointly by Mr. Rajesh Bhatia and Mrs. Geeta Bhatia is not mentioned in above table.

Video/tele-conferencing facilities are used to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

- The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on March 31, 2015, 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"> <li>Time Technoplast Limited.</li> <li>Agro Tech Foods Limited.</li> <li>TPL Plastech Limited.</li> <li>Ned Energy Limited.</li> <li>Su-Kam Power Systems Limited.</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>TPL Plastech Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Agro Tech Foods Limited</li> <li>Time Technoplast Limited</li> </ul> <b>Stakeholder Relationship Committee</b> <ul style="list-style-type: none"> <li>Agro Tech Foods Limited</li> </ul>
2.	Mr. Parantap Dave	<ul style="list-style-type: none"> <li>MAS Services Limited.</li> <li>Sarla Performance Fibers Limited.</li> </ul>	-	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Sarla Performance Fibers Limited</li> </ul> <b>Stakeholder Relationship Committee</b> <ul style="list-style-type: none"> <li>Sarla Performance Fibers Limited</li> </ul>
3.	Mr. Rishi Navani	<ul style="list-style-type: none"> <li>Siesta Hospitality Services Limited.</li> <li>Five Star Business Credits Limited.</li> </ul>	-	-

# 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.

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.

#### 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.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

- 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:

Your Company at the time of appointing a Director, a formal letter of appointment is given to the director appointed, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail with a brief background of the Company and the compliances required from them under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his/her affirmation taken with respect to the same.

#### Details of Companies Familiarization of Independent Directors programs inserted herewith.

- Pre-School Visits
- High School visits

### vi) Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on February 06, 2015, 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 posted on the website of the Company [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CodeofConduct\\_011014.pdf](http://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.

### 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. Sanjaya Kulkarni

Mr. Sanjaya Kulkarni is an Independent Director of your Company. He holds a Bachelor of Technology degree from Indian Institute of Technology, Mumbai and Masters of Business Administration from Indian Institute of Management, Ahmedabad. Mr. Kulkarni has approximately thirty three years of experience in the financial services and consumer durables industry. He has worked for Citibank, India from 1973-1980 and was involved in investment banking and managing corporate relationships and then promoted 20th Century Finance Corporation Ltd (TCFC). TCFC subsequently promoted Centurion Bank Ltd. He was also the Chairman of the Equipment Leasing Association from 1993-1995. Mr. Kulkarni previously managed Century Direct Fund, one of the earliest private equity funds for investment in growth companies in India.

**Other Directorship of Mr. Sanjaya Kulkarni is as follows:**

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	Indian Direct Equity Advisors Private Limited	Director
2.	Pro Capital Advisors Private Limited	Director
3.	Time Technoplast Limited	Director
4.	Agro Tech Foods Limited	Director
5.	TPL Plastechnics Limited	Director
6.	Ned Energy Limited	Director
7.	Iprof Learning Solutions India Private Limited	Director
8.	Su-Kam Power Systems Limited	Director
9.	Supreme-Treves Private Limited	Director

**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 ten 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. No.	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
6.	Naivaidyam Food & Beverages Private Limited	Director

**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 34 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. 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 eight 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.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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. No.	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

### 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 ten 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 2007. 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. No.	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 Infrastructure 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. No.	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
6.	Naivaidyam Food & Beverages Private Limited	Director

### Mr. Rishi Navani

Mr. Rishi Navani is a nominee Director on your Board. He holds a Bachelor of Arts degree from Northwestern University and masters of business administration from Wharton School at the University of Pennsylvania, where he graduated as a palmer scholar. Mr. Navani has over decades experience investing in the Indian market. He is the co-founder and managing director at Matrix India Asset Advisors Private Limited, and is the nominee Director on

behalf of Matrix Partners India Investment Holdings, LLC. Previously, he was the managing director at West Bridge Capital Partners. Mr. Navani was a member of the investment team at Apax Partners and Indocean Ventures, an affiliate of Soros Fund Management and Chase Capital Partners. He has also worked in management consulting at A.T. Kearney and McKinsey & Company.

**Other Directorship of Mr. Rishi Navani is as follows:**

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	Matrix India Asset Advisors Private Limited	Managing Director
2.	Ver Se Innovation Private Limited	Nominee Director
3.	Siesta Hospitality Services Limited	Director
4.	Mswipe Technologies Private Limited	Director
5.	TCNS Clothing Co. Pvt. Ltd.	Nominee Director
6.	Five Star Business Credits Limited	Director
7.	Chumbak Design Private Limited	Nominee Director
8.	Tinyowl Technology Private Limited	Nominee Director

**Mr. Ashu Garg**

Mr. Ashu Garg is a nominee Director on your Board. He holds a bachelor of technology degree from Indian Institute of Technology, Delhi and masters of business administration from Indian Institute of Management, Bangalore. Mr. Garg is a venture partner at Foundation Capital, and is the nominee Director on behalf of FC VI India Venture (Mauritius) Limited. Most recently, he was a general manager with Microsoft's on-line services business, where he was responsible for strategy and business management for the Digital Advertising Solutions Business Group. Prior to his work with Microsoft, Mr. Garg worked with McKinsey & Company in Palo Alto and India, where he served early and growth stage companies in digital media, software/software services, healthcare, and consumer services on a range of growth-related issues. He also co-founded Aptech Internet, an Indian online services startup, in partnership with Aptech Limited. Mr. Garg has also worked with Hindustan Unilever in India. He is a TiE Charter Member, and a member of the Indian Angel Network.

**Other Directorship of Mr. Ashu Garg is as follows:**

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	India World Technologies Pvt Ltd	Director
2.	Wealth India Financial Services Pvt Ltd	Director

**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 Listing Agreement. 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.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 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 revised Clause 49 of the Listing Agreement. 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 four times in the financial year ended March 31, 2015 on 27.05.2014, 05.08.2014, 14.11.2014 and 06.02.2015. The necessary quorum was present for all the meetings.
- b) The composition of the 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, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	4	4
Mr. Parantap Dave	Independent, Non-Executive	Member	4	4
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 6, 2014.

- c) 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 (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) 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:**
- During the financial year ended March 31, 2015, the nomenclature of Remuneration Committee was changed to "Nomination and Remuneration Committee" in compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement.

- a) The Nomination and Remuneration Committee met once in the financial year ended March 31, 2015 on 06.02.2015.
- b) 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, 2015:

Name	Category	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	1	1
Mr. Parantap Dave	Independent, Non-Executive	Member	1	1
Mrs. Geeta Bhatia	Non-Independent, Non-Executive	Member	1	1
Mr. T.S. Sarangpani	Independent, Non-Executive	Member #	1	1

- # Mr. T. S. Sarangpani was appointed as member of Nomination and Remuneration Committee by the Board of Director in Board meeting dated August 05, 2014.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### c) The broad terms of reference of the Nomination and Remuneration Committee are:

- 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) Remuneration & Sitting fees:

The sitting fees payable to non-executive directors for attending the Board and Committee Meetings during the financial year ended March 31, 2015 subject to deduction of applicable taxes, levies etc., if any

Sr. No.	Name of the Meeting	Sitting Fees to be paid per meeting (In ₹)
1.	Board Meeting	20,000/-
2.	Audit Committee Meeting	8,000/-
3.	Stakeholders Relationship Committee	2,500/-
4.	Nomination and Remuneration Committee	2,500/-

**Note:** The above mentioned sitting fees were applicable till March 31, 2015 only. April 1, 2015 onwards revised sitting fees mentioned below are applicable.

Pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 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, Revised sitting fees to 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 ₹)
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/-

**e) 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:

Sr. No.	Name of the Director	Sitting Fees paid for FY 2014-15 (In ₹)
1.	Mr. Sanjaya Kulkarni	171,500
2.	Mr. Parantap Dave	131,500
3.	Mr. T. S. Sarangpani	85,000
4.	Mrs. Geeta Bhatia	115,000

\*Mr. Rishi Navani, and Mr. Ashu Garg are not paid any sitting fees.

**Note:**

- Mrs. Geeta Bhatia, Non-Executive Director of the Company holds 6,035,000 equity Shares of the Company independently and 2,920,833 equity shares of the Company Jointly with Mr. Rajesh Bhatia as on March 31, 2015.
- Please refer Annexure B 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, 2015:

Name	Category	Remuneration (In ₹)
Mr. Rajesh Bhatia	Managing Director	4,800,000 per annum
Mr. Vishal Shah	Executive Director	1,800,000 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 3,582,595 equity shares of the Company independently and 2,920,833 equity shares of the Company jointly with Mrs. Geeta Bhatia as on March 31, 2015.
- Mr. Vishal Shah, Director of the Company is holding 431,045 equity shares of the Company independently and 54,032 equity shares of the Company jointly as on March 31, 2015
- Please refer Annexure B to Directors Report for "Employee Stock Option 2010" and Employee Stock Option 2012"

**iii) Stakeholders' Relationship Committee:**

During the financial year ended March 31, 2015, the nomenclature of Investor Grievance Committee was changed to "Stakeholders' Relationship Committee" pursuant to Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement. The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Pooja Bhimjiyani, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

- a) 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, 2015 on 15.04.2014, 15.07.2014, 14.11.2014 and 06.02.2015. The necessary quorum was present for all the meetings.

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- b) 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, 2015	
			Held	Attended
Mr. Parantap Dave	Independent, Non-Executive	Chairman	4	4
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Member	4	4
Mrs. Geeta Bhatia	Non-Independent, Non-Executive	Member	4	4
Mr. Vishal Shah	Non-Independent, Executive	Member #	4	2
Mr. T. S. Sarangpani	Independent, Non-Executive	Member ##	N.A	N.A

# Mr. Vishal Shah was appointed as member of Stakeholders' Relationship Committee by Board of Directors in Board meeting dated August 05, 2014.

## Mr. T. S. Sarangpani was appointed as member of Stakeholders' Relationship Committee by Board of Directors in Board meeting dated February 06, 2015.

- 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.
- d) The company during the year received no complaints. There were NIL complaints pending disposal as on March 31, 2015.
- e) Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2015 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

### 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, 2015 on 08.01.2015. The necessary quorum was present for the meeting.

- c) 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	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	1	1
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	1	1
Mrs. Dimple Sanghi	Non-Executive	Member #	1	0
Mr. T. S. Sarangpani	Independent, Non-Executive	Member ##	-	-

# Mrs. Dimple Sanghi has resigned from the Board of Company w.e.f. February 05, 2015 along with she ceased to be member of Corporate Social Responsibility Committee.

## Mr. T. S. Sarangpani was appointed as member of Corporate Social Responsibility Committee by Board of Directors at Board meeting dated February 06, 2015.

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 E to the Directors Report. The CSR policy is posted on the website of the Company [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_070215.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf)

**v) 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, 2015 on 10.04.2014, 20.06.2014 and 26.06.2014. The necessary quorum was present for all the meetings.
- b) 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	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	3	3
Mr. Parantap Dave	Independent, Non-Executive	Member	3	3
Mrs. Geeta Bhatia	Non-Executive	Member	3	3

**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.

**vi) Capital Raising Committee (QIP Committee):**

- a) The Committee met thrice in financial year ended March 31, 2015 on 15.12.2014, 18.12.2014 and 23.12.2014. The necessary quorum was present for all the meetings.

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- b) 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	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Rajesh Bhatia	Non-Independent, Executive	Chairman	3	3
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Member	3	3
Mr. Vishal Shah	Non-Independent, Executive	Member	3	3

c) **Role of the Committee:**

To determine the terms of issue and allot such number of Securities as may be issued and allotted upon conversion of any Securities and to authorize for any other matters and things as the members of the Committee may at its discretion deem necessary or desirable in relation to the QIP issue.

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 Committee met once in financial year ended March 31, 2015 on 11.09.2014. The necessary quorum was present in the said meeting.
- b) 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	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	1	1
Mr. Parantap Dave	Independent, Non-Executive	Member	1	1
Mrs. Geeta Bhatia	Non-Executive	Member	1	1

c) **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.

#### iv) MD/CFO Certification:

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the 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
8th 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
7th 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.	-
6th Annual General Meetings	August 7, 2012; 10.30 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

##### ii) Extra Ordinary General Meeting (EGM):

In addition to Annual General Meeting, the Company holds General Meetings of the shareholders as and when need arises. During the year, One Extra Ordinary General Meeting was held on December 11, 2014 at the Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.

In compliance with the law, all the members were given an option to vote through electronic means on all the resolutions of the Notice using the NSDL platform. The Company had also provided for ballot form (in lieu of e-voting) to shareholders who do not have access to e-voting. The approval of the equity shareholders at the above meeting was sought by conducting Polls as per the provisions of the Companies Act, 2013. The Board of Directors have appointed Mr. Mihen Halani, Company Secretary in whole time practice as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The following resolution was passed with the requisite majority as stipulated under the Companies Act, 2013:-

- a) Issue of Further Securities of the Company.
- b) Increase in Authorized Capital of the Company.

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- c) Increase the Foreign Institutional Investors (FIIs) Investment Limit.
- d) Payment of Remuneration to Cost Auditor

### iii) Postal Ballot:

During the financial year ended March 31, 2015, 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.	17.03.2015	Special Resolution for Appointment of Mr. Rajesh Bhatia, Managing Director of the Company	26,249,085	100%	0	0.00%
2.	17.03.2015	Special Resolution for Remuneration payable to Mr. Vishal Shah, Executive Director of the Company	32,259,413	99.9978%	716	0.0022%

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.

### vii) 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 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. Policy is posted on

the website of the Company [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_RelatedPartyTransactionPolicy\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_RelatedPartyTransactionPolicy_300914.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 behaviour.

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

In accordance with clause 49 of the Listing Agreement, 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. Policy is available on company website [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_WhistleBlowerPolicy\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_300914.pdf)

**iv) Code of Conduct for Prevention of Insider Trading:**

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, KMP, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Pooja Bhimjiyani, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

'Tree House Education & Accessories Limited' Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as "Closer of Trading Window". All the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and other designated employees of the Company are restricted from entering into opposite transaction, i.e., buy or sell any number of

shares during the next six months following the prior transaction. The Board of Director at its meeting held on February 06, 2015 designated the power to Committee of Board for formulate and adoption of new insider trading policy and Code of practices and procedures for fair disclosure of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) Regulation, 2015. Further Committee of Board at its meeting held on May 09, 2015 approved and adopted the 'Tree House Education & Accessories Limited - Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' and 'Code of practices and procedures for fair disclosure of unpublished price sensitive information' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015. Policy is available on Company website [www.nseprimeir.com/z\\_TreeHouse/pdf-files/CODE\\_OF\\_CONDUCT\\_INSIDER\\_TRADING.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/CODE_OF_CONDUCT_INSIDER_TRADING.pdf)

**v) Prevention of Sexual Harassment at Workplace:**

The objective of this policy is to prevent and protect against sexual harassment of women at workplace and to provide a mechanism for the redressal of complaints of sexual harassment and for matters connected therewith. Our Company strongly opposes sexual harassment, and such behavior against women is prohibited by the law as stipulated in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013.

Your Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment, creating a healthy and secure working environment that enables employees to work without fear of discrimination or harassment based on gender.

Your Company has constituted the Internal Complaint Committee for redressal of Sexual Harassment complaints (made by the Aggrieved Woman) and for ensuring time bound treatment

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of such complaints. Policy is available on website [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_SexualHarrasmentPolicy\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_SexualHarrasmentPolicy_300914.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 Clause 49 (III) (VI) of Listing Agreement.

#### 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) Details of compliance with mandatory and non-mandatory requirements of this clause 49 of Listing Agreement:

- a) Your Company has complied with all the mandatory requirements of Clause 49 of Listing Agreement.

#### b) Compliance with Non mandatory requirement under Clause 49 of Listing Agreement:

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement 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](http://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 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](http://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](http://www.treehouseplaygroup.net).

**iii) Stock Exchange:**

Your Company makes timely disclosures of necessary information to BSE Limited (BSE), National Stock Exchange Limited (NSE) and MCX Stock Exchange Limited (MCX-SX) in terms of Listing Agreement(s) and other rules and regulations issued by SEBI.

**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 25, 2015
Day	Friday
Time	10.00 am
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, to 31st March,

**3. Financial Calendar:**

The Company follows the period of April 1, 2015 to March 31, 2016, as the Financial Year.

First quarterly results	On or before August 14, 2015
Second quarterly / Half yearly results	On or before November 14, 2015
Third quarterly results	On or before February 14, 2016
Annual results for the year ending on March 31, 2016	On or before May 30, 2016
Newspaper where the results are published	Free Press Journal, Navshakti
Website where the financial results, shareholding pattern, annual report etc. are uploaded	<a href="http://www.mcxindia.com">www.mcxindia.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a> , <a href="http://www.nseindia.com">www.nseindia.com</a>

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 4. Date of Book Closure:

Saturday, September 19, 2015 to Friday, September 25, 2015 (both days inclusive).

### 5. Dividend Payment Date:

September 30, 2015 onwards

### 6. 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  
Bandra-Kurla Complex  
Bandra (E), Mumbai 400 051

#### MCX Stock Exchange Limited (MCX-SX) Exchange Square,

Suren Road, Andheri (E),  
Mumbai 400 093

The Company has paid annual listing fees to the stock exchanges for the financial year 2014-15 and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to NSDL & CDSL.

### 7. Stock Codes:

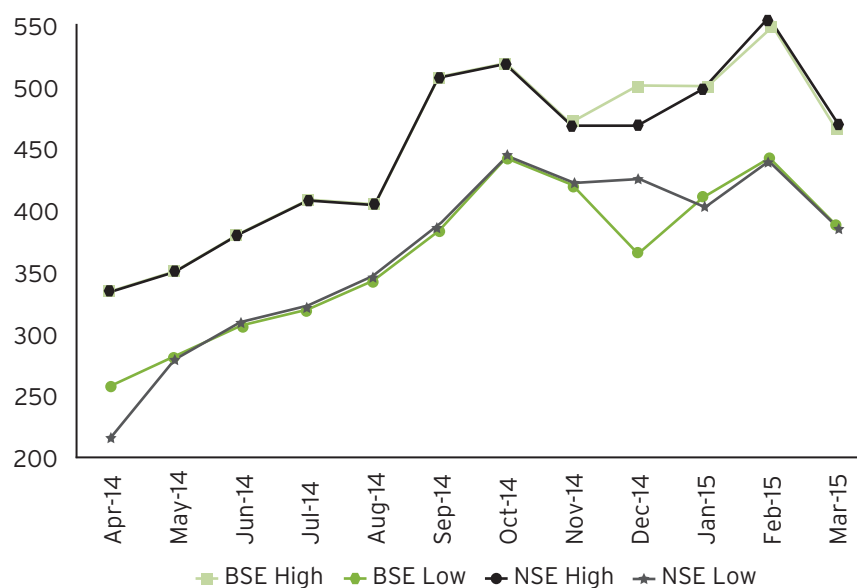
Stock Exchange	Code
BSE	533540
NSE	TREEHOUSE
MCX-SX	TREEHOUSE
Demat ISIN Numbers in NSDL and CDSL	INE040M01013
CIN	L80101MH2006PLC163028



### 8. Market Price Data:

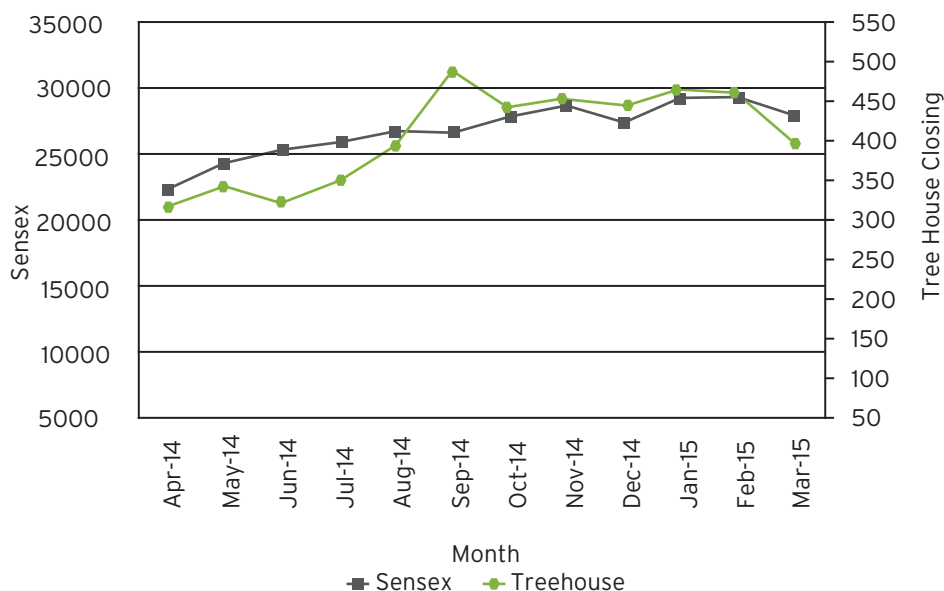
The high / low market price of the shares during the year ended March 31, 2015 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange (Face Value of ₹ 10/- Per Share)			National Stock Exchange (Face Value of ₹ 10/- Per Share)		
	High	Low	Volume	High	Low	Volume
April 2014	335.05	258.4	1,133,793	336.5	214	1,734,240
May 2014	350	279	2,444,188	350.9	279.1	1,128,124
June 2014	380	305.1	712,858	379.95	310	1,346,454
July 2014	408.75	320	631,015	409.45	320	1,275,647
August 2014	405	345	603,787	406	345	1,070,299
September 2014	508	382.1	1,149,744	508.7	390	2,058,579
October 2014	520	442.2	450,329	520	443	687,654
November 2014	469.2	422.1	709,624	469.85	421.55	1,948,207
December 2014	499.95	365	585,775	468	425	900,977
January 2015	499.7	412	801,417	499	402.65	2,185,393
February 2015	548	442	239,217	559	440	999,107
March 2015	465.8	388.2	310,956	468.95	386.75	1,312,579



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 9. Performance in comparison to Bombay Stock Exchange Limited SENSEX



### 10. Registrar and Share Transfer Agents:

M/s. Link Intime (India) Private Limited

No.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: nt.helpdesk@linkintime.co.in

### 11. Investor's Complaints to be addressed to:

Registrar and Share Transfer Agents at the above mentioned addresses.

### 12. 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 Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

**13. Distribution of Shareholding as on March 31, 2015 is as under:**

Category Shareholding of Nominal Value of ₹ 10/-	Shareholders		Face Value of ₹ 10/- Per Share	
	Numbers	% of shareholders	Amount (₹)	% of Amount
1 - 5,000	4351	82.0943	5,159,000.00	1.2193
5,001 - 10,000	475	8.9623	3,241,840.00	0.7662
10,001 - 20,000	164	3.0943	2,378,580.00	0.5622
20,001 - 30,000	56	1.0566	1,400,050.00	0.3309
30,001 - 40,000	44	0.8302	1,575,870.00	0.3725
40,001 - 50,000	31	0.5849	1,456,580.00	0.3443
50,001 - 100,000	59	1.1132	4,382,880.00	1.0359
100,001 - Above	120	2.2642	403,512,440.00	95.3688

**14. Dematerialization of Shares and Liquidity:**

About 99.95% of total equity share capital is held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2015.

The break-up of Equity shares held in physical and Demat form as on March 31, 2015 is given below:

Particulars	Shares	%
Physical Shares	20,003	0.05
Demat Shares		
NSDL	28,083,297	66.37
CDSL	14,207,424	33.58
<b>TOTAL</b>	<b>42,310,724</b>	<b>100</b>

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

**15. Compliance Officer:**

Ms. Pooja Bhimjiyani  
 Company Secretary  
 701, Embassy Chambers  
 3rd Road, Khar (W)  
 Mumbai 400 052  
 Tel. No: 022-61306121/201  
 Fax : 022-26736905  
 Email ID: pooja@treehouseplaygroup.net

**16. Electronic Clearing Service (ECS):**

The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.

**17. 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.

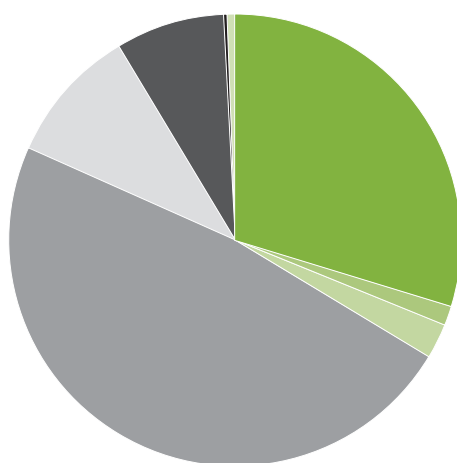
## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 18. Shareholding Pattern as on March 31, 2015:

The shareholding of different categories of the shareholders as on March 31, 2015 is given below:-

Sr. No.	Category of Shareholders	Total Holdings	% of Shareholdings
1.	Promoter & Promoter Group	12,586,328	29.7474
2.	Mutual Funds and UTI	682,940	1.6141
3.	Banks, Financial Institutions, Insurance Companies and Venture Capital Fund	1,048,757	2.4787
4.	FII/Foreign Bodies	20,284,488	47.9417
5.	Private Corporate Bodies/Trusts	41,00,765	9.6920
6.	Indian Public/Directors/Relatives	3,344,127	7.9037
7.	NRIs/OCBs	142,718	0.3373
8.	Clearing Member	120,601	0.2850
	<b>TOTAL</b>	<b>42,310,724</b>	<b>100.0000</b>

### 19. Graphical representation of Shareholding Pattern as on March 31, 2015:



Promoter & Promoter Group	29.75
Mutual Funds and UTI	1.61
Banks, Financial Institutions, Insurance Companies and Venture Capital Fund	2.48
FII/Foreign Bodies	47.94
Private Corporate Bodies/Trusts	9.69
Indian Public/Director/Relatives	7.90
NRIs/OBCs	0.34
Clearing Member	0.29

### 20. Registered Office:

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

### 21. 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.

### 22. 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.

**23. 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 dematerialised 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.

**24. Half Yearly Certificates (Clause 47 (c)):**

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(c) of the listing Agreement.

**25. 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 March 31, 2015.

**26. Addresses for Correspondence:**

Investor's Correspondence:

M/s. Linked Intime (India) Private Limited

No.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: nt.helpdesk@linkintime.co.in

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

Tree House Education and Accessories Limited

Registered Office	Corporate Office:
702, Morya House, "C" Wing, Off Link Road, Andheri (W), Mumbai 400 053	301, Embassy Chambers, 3rd Road, Khar (W), Mumbai 400 052 Tel.: 022-61306201 / 61306121

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### DECLARATION REGARDING CODE OF CONDUCT

In accordance with Sub-Clause II (E) of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, I confirm that the Members of the Board of Directors and the Senior Management personnel of Tree House Education & Accessories Limited have affirmed compliance with the Company's Code of Conduct for the financial year 2014-15.

Sd/-

**Managing Director**

Mumbai, May 27, 2015

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### M. D. / CFO CERTIFICATION

The Board of Directors  
Tree House Education & Accessories Limited  
301, Embassy Chambers  
3rd Road, Khar (W)  
Mumbai 400 052

(Issued in accordance with the provisions of clause 49 (ix) of the listing agreement)

We have reviewed the financial statements and the cash flow statement of **Tree House Education & Accessories Limited** for the year ended March 31, 2015 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15, which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
  - (i) there have been no significant changes in the internal control over financial reporting during the year.
  - (ii) there have been no significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Sd/-

**Rajesh Bhatia**

Managing Director

Sd/-

**Utsav Shrivastava**

Chief Financial Officer

Date: May 27, 2015

Place: Mumbai



## AUDITORS' CERTIFICATE

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 March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to 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 the above mentioned Listing Agreement.

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 Jogish Mehta & Co.  
Chartered Accountants

**Jogish N. Mehta**

Proprietor

Membership No.: F/38974

Firm Registration Number: 104326W

Place: Mumbai

Date: May 27, 2015.

## INDEPENDENT AUDITORS' REPORT

To The Members of  
Tree House Education & Accessories Limited

### REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of Tree House Education & Accessories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to 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 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with 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 financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing under Section 143(10) of the Act

and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.

6. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. . An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered

appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

10. 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 financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section

164(2) of the Companies Act, 2013.

- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation 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; as such the question of commenting on any material foreseeable losses thereon does not arise
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Jogish Mehta & Co.

Chartered Accountants

Firm Registration No.104326W

per Jogish N. Mehta

Proprietor

Membership No. F-38974

Place: Mumbai

Date: 27 May 2015

**REFERRED TO IN PARAGRAPH 9 OF THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED, ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2015.**

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 account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by an independent agency appointed by the management during the year in accordance with the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. The phased programme is considered reasonable having regard to the size of the Company and nature of its business. As regards capital works in-progress, the same will be verified by the management on completion of assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) to 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of services. *However there is a scope for considerable improvement in so far as internal control system for sale of goods and services is concerned.* In our opinion, there is no continuing failure to correct major weaknesses in such internal control systems.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company pursuant to which an independent cost audit was carried out by an 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.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, value added tax, and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, *though there has been a slight delay in a few cases.* No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us the amount, if any, which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within the stipulated time.

- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has applied the term loans for the purposes for which these loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Jogish Mehta & Co.  
Chartered Accountants  
Firm Registration No.104326W

Place: Mumbai  
Date: 27 May 2015

per Jogish N. Mehta  
Proprietor  
Membership No. F-38974

## BALANCE SHEET

AS AT MARCH 31, 2015

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2.1	423,107,240	371,700,700
(b) Reserves and surplus	2.2	6,024,138,278	3,603,942,602
(c) Money received against share warrants	2.3	-	33,122,880
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.4	411,179,815	506,788,511
(b) Deferred tax liabilities (Net)	2.5	4,235,648	51,080,790
(c) Long-term provisions	2.6	5,318,031	4,214,700
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.7	647,030,746	319,516,931
(b) Trade payables	2.8	71,985,472	57,113,089
(c) Other current liabilities	2.9	241,969,236	216,762,638
(d) Short-term provisions	2.10	216,103,076	103,039,468
<b>TOTAL</b>		<b>8,045,067,542</b>	<b>5,267,282,309</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	2.11	2,935,076,700	2,155,701,568
(ii) Intangible assets	2.11	274,869,085	312,671,571
(iii) Capital work-in-progress		251,606,230	273,993,123
(iv) Intangible assets under development	2.12	10,898,874	10,898,874
<b>(b) Non-current investments</b>	2.13	112,410,000	114,800,000
<b>(c) Long term loans and advances</b>	2.14	2,310,229,567	1,870,757,827
<b>(2) Current assets</b>			
(a) Inventories	2.15	52,116,190	56,236,018
(b) Trade receivables	2.16	429,695,291	289,962,488
(c) Cash and bank balances	2.17	1,613,719,578	108,090,641
(d) Short-term loans and advances	2.18	52,211,563	74,024,812
(e) Other current assets	2.19	2,234,464	145,387
<b>TOTAL</b>		<b>8,045,067,542</b>	<b>5,267,282,309</b>

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 Jogish Mehta &amp; Co.

Chartered Accountants

Firm Registration No. 104326W

Membership No. F/38974

per Jogish N. Mehta

Proprietor

Place: Mumbai

Date : 27 May, 2015

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

Sanjaya Kulkarni

Chairman

Vishal Shah

Director

Place: Mumbai

Date: 27 May, 2015

Rajesh Bhatia

Managing Director

Pooja Bhimjiyani

Company Secretary



## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No	Year ended March 31, 2015	Year ended March 31, 2014
<b>I. REVENUE FROM OPERATIONS</b>	2.21	2,074,457,412	1,576,367,629
<b>II. OTHER INCOME</b>	2.22	71,501,254	13,411,974
<b>TOTAL REVENUE</b>		<b>2,145,958,666</b>	<b>1,589,779,603</b>
<b>III. EXPENSES</b>			
Operating expenses	2.23	471,014,922	395,585,021
Employee benefit expenses	2.24	239,014,606	173,793,528
Financial costs	2.25	153,118,642	75,854,480
Depreciation and amortization expense and impairment loss	2.11	268,206,893	169,627,339
Other expenses	2.26	177,280,741	114,742,405
<b>TOTAL EXPENSES</b>		<b>1,308,635,804</b>	<b>929,602,773</b>
<b>IV. PROFIT BEFORE TAX</b>		837,322,862	660,176,830
<b>V. TAX EXPENSE:</b>			
(1) Current tax		275,439,729	213,726,279
(2) Deferred tax		(46,845,143)	7,515,102
(3) Short / (Excess) provision of earlier years		-	(246,150)
<b>VI. PROFIT FOR THE YEAR</b>		<b>608,728,276</b>	<b>439,181,599</b>
<b>VII. EARNING PER EQUITY SHARE:</b>	2.32		
(1) Basic		15.66	12.04
(2) Diluted		15.66	11.84

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

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

As per our report of even date

For Jogish Mehta &amp; Co.

Chartered Accountants

Firm Registration No. 104326W

Membership No. F/38974

Sanjaya Kulkarni

Chairman

Rajesh Bhatia

Managing Director

per Jogish N. Mehta

Proprietor

Vishal Shah

Director

Pooja Bhimjiyani

Company Secretary

Place: Mumbai

Date : 27 May, 2015

Place: Mumbai

Date: 27 May, 2015

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	837,322,862	660,176,830
Adjustments for:		
Depreciation / impairment	268,206,893	169,627,339
Loss on sale of fixed assets	-	1,348,757
Finance charges	153,118,642	75,854,480
Rent equaliser provision reversed	(32,192,511)	-
Profit on sale of fixed assets (Net)	(31,457,398)	-
Interest on fixed deposits	(40,018,031)	(13,331,624)
Profit on sale of investment	-	-
<b>Operating profit before working capital changes</b>	<b>1,154,980,457</b>	<b>893,675,782</b>
Adjustments for:		
(Increase) in inventories	4,119,828	(10,190,815)
Deposits given to K-12 Schools	(281,150,000)	(145,985,000)
Decrease/(Increase) in sundry debtors	(139,732,803)	(221,212,745)
(Increase)/Decrease in loans and advances	43,527,033	(9,247,949)
Increase in liabilities and provisions	24,387,692	34,210,296
<b>Cash generated from operations</b>	<b>806,132,207</b>	<b>541,249,569</b>
Income tax paid	(215,967,476)	(188,888,701)
<b>Net cash generated from operating activities</b>	<b>590,164,731</b>	<b>352,360,868</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital work in progress)	(1,304,518,267)	(1,010,807,691)
Proceeds from Sale of Fixed Assets	180,700,000	10,188,888
Purchase of investments	2,390,000	(15,000,000)
Interest received	37,928,954	41,853,745
<b>Net cash used in investing activities</b>	<b>(1,083,499,314)</b>	<b>(973,765,058)</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares including securities premium	2,099,368,400	201,141,360
Payment of Dividends	(55,755,105)	(44,956,588)
Qualified Institutional Placement related expenses	(133,436,252)	-
Repayment of term loan	(256,751,183)	(120,835,325)
Proceeds from term loan	553,000,000	353,510,000
Proceeds from working capital loan (net)	(64,343,697)	(73,531,565)
Interest paid	(143,118,643)	(72,984,480)
<b>Net cash provided by financing activities</b>	<b>1,998,963,520</b>	<b>242,343,402</b>
Net increase in cash and cash equivalents during the year	1,505,628,937	(379,060,788)
Cash and cash equivalents as at the beginning of the year	108,090,641	487,151,429
<b>Cash and cash equivalents as at the end of the year</b>	<b>1,613,719,578</b>	<b>108,090,641</b>
Cash and cash equivalents as at year end constitutes:		
Cash in hand	55,757,002	11,821,647
Balance in current account with banks	138,359,528	95,696,994
Unpaid dividend (refer note 2)	31,048	
Fixed deposits with banks (refer Note 3 and 4)	1,419,572,000	572,000
	<b>1,613,719,578</b>	<b>108,090,641</b>

This is a cash flow statement refer to out report of even date

## Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.
- 2 The Company can utilise this balance amount towards the settlement of unclaimed dividend.
- 3 Cash and cash equivalents above includes fixed deposits of ₹ 40,50,00,000 (Previous Year ₹ Nil) placed with a bank against working capital loan obtained from them.
- 4 Cash and cash equivalents above includes fixed deposits of ₹ 5,72,000 (Previous Year ₹ 5,72,000) placed with a bank against which the bank has given a guarantee.

As per our report of even date

For Jogish Mehta &amp; Co.

Chartered Accountants

Firm Registration No. 104326W

Membership No. F/38974

per Jogish N. Mehta

Proprietor

Place: Mumbai

Date : 27 May, 2015

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

Sanjaya Kulkarni

Chairman

Vishal Shah

Director

Place: Mumbai

Date: 27 May, 2015

Rajesh Bhatia

Managing Director

Pooja Bhimjiyani

Company Secretary

## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### GENERAL INFORMATION

Treehouse Education & Accessories Limited (the 'Company') was incorporated on July 10, 2006 under the Indian Companies Act, 1956 (the 'Act'). The Company is engaged in providing education and related services including leasing of education infrastructure.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of preparation:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted 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, to 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 & non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of activity carried out by the company and the 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.

#### 1.2 Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make 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.

#### 1.3 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.

#### 1.4 Fixed assets, depreciation and amortization

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.

##### 1.4.1 Capital Work in Progress and Capital Advances

Cost of Assets not ready for intended use, as on the 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.

##### 1.4.2 Depreciation and Amortization

- (a) Depreciation on tangible fixed assets is provided on prorata basis, using the 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.

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

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

Assets Head	Years
<b>Tangible Fixed Assets</b>	
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.

#### 1.5 Intangibles

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 recognised 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.

#### 1.6 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 recognised 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.

#### 1.7 Revenue Recognition

##### 1.7.1 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.

##### 1.7.2 Royalty income

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

##### 1.7.3 Interest

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

##### 1.7.4 Sale of goods

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

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

#### 1.7.5 Dividend

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

#### 1.8 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.

#### 1.9 Investments

Investments that are readily realizable and intended to be held for not more than a year 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.

#### 1.10 Expenditure during construction period

Expenditure directly relating to construction activity of a new centre 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.

#### 1.11 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 of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

#### 1.12 Borrowing Costs

Borrowing costs attributable to the acquisition and construction of an 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.

#### 1.13 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.

#### 1.14 Taxes on income

Tax expense comprises both current and deferred taxes.

The current charge for income taxes is calculated in accordance with the relevant tax regulations.

Deferred income 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



## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

taxable profits. The carrying amount of deferred tax is reviewed at each balance sheet date.

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.

#### 1.15 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 charged or credited 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.

#### 1.16 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.

#### 1.17 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.

#### 1.18 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.

#### 1.19 Employee stock compensation 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 the 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 expense is amortized over the vesting period of the option on a straight line basis.

#### 1.20 Trade receivables

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

#### 1.21 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement 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.

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

#### 2 NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

The previous year's figures have been regrouped / reclassified, where ever necessary to confirm 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, 2015	As at March 31, 2014
<b>Equity Share Capital</b>		
Authorised Share capital	450,000,000	400,000,000
(45,000,000 (previous year: 40,000,000) equity shares of ₹ 10 each)		
Issued, subscribed & fully paid share capital	423,107,240	371,700,700
(42,310,724 (previous year: 37,170,070) equity shares of ₹ 10 each fully paid up)		
<b>TOTAL</b>	<b>423,107,240</b>	<b>371,700,700</b>

##### Terms / rights attached to equity shares

- The Company has only one class of shares referred to as equity shares having par value of ₹ 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.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- The Company declares and pays dividends in Indian Rupees even to shareholders outside India.

##### Reconciliation of number of shares outstanding

Particulars	As at March 31, 2015	As at March 31, 2014
Number of shares at the beginning of the year	37,170,070	35,965,270
Add: Shares issued during the years	5,140,654	1,204,800
Number of shares at the end of the year	42,310,724	37,170,070

During the financial year, the company has issued and allotted the shares as detailed below

- 5,95,200 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 212.60 per share to Rajesh Bhatia on conversion of Share Warrants.
- 3,88,000 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to DNB Fund A/C DNB Fund-Asian Small Cap on Qualified Institutional Placement (QIP).
- 32,930 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Schroder Small Cap Discovery Fund on Qualified Institutional Placement (QIP).
- 15,965 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Schroder International Selection Fund Global - Emerging Markets Smaller Companies on Qualified Institutional Placement (QIP).
- 1,06,500 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Natixis

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

International Funds (Lux) I A/C - Absolute Asia AM Emerging Asia Fund on Qualified Institutional Placement (QIP).

- 106,500 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Absolute Asia Asset Management Limited A/C - Unvers CNP 1 on Qualified Institutional Placement (QIP).
- 70,000 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Japan Trustee Services Bank Limited A/C - Japan Trustee Services Bank Limited STB Daiwa Premier India Equity Mother Fund on Qualified Institutional Placement (QIP).
- 180,000 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Japan Trustee Services Bank Limited A/C - Japan Trustee Services Bank Limited STB Daiwa India Stock Active Mother Fund on Qualified Institutional Placement (QIP).
- 832,394 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Mondrian Emerging Markets Small Cap Equity Fund L.P on Qualified Institutional Placement (QIP).
- 184,553 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Old Westbury Global Small & Mid Cap Fund Mondrian on Qualified Institutional Placement (QIP).
- 406,053 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Ontario Pension Board A/C Mondrian Investment Partners Limited on Qualified Institutional Placement (QIP).
- 1,193,708 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Macquarie Fund Solution A/C Macquarie Fund Solutions-Macquarie Asia New Stars Fund on Qualified Institutional Placement (QIP).
- 428,851 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Macquarie Bank Limited A/C Macquarie UnitTrust Series- Macquarie Asia New Stars Fund on Qualified Institutional Placement (QIP).
- 600,000 equity shares of ₹ 10 each for a cash consideration at a premium of ₹ 430.00 per share to Swedbank Robur Global Emerging Markets on Qualified Institutional Placement (QIP).

#### Details of Shareholder holding more than 5 % of the aggregate total shares in the Company

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

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of shares	% of holding	No. of shares	% of holding
M/s Matrix Partners India Investment Holdings, LLC	6,514,753	15.40%	9,010,926	24.24%
Geeta Bhatia	6,035,000	14.26%	6,025,000	16.21%
FC VI India Venture Mauritius Ltd	2,898,001	6.85%	2,898,001	7.80%
Rajesh Bhatia	3,582,595	8.47%	3,199,100	8.61%
Rajesh Bhatia and Geeta Bhatia Jointly	2,920,833	6.90%	2,325,633	6.26%

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## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.2 RESERVES AND SURPLUS

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Securities Premium Account</b>		
Opening balance	2,655,167,082	2,399,026,602
Add: Received during the year	2,081,084,740	256,140,480
Less: Share issue expenses written off	133,436,252	-
Closing balance	<b>4,602,815,570</b>	<b>2,655,167,082</b>
<b>General Reserve</b>		
Opening balance	30,292,896	-
Add : Transferred during the year	45,654,621	3,02,92,896*
Closing Balance	<b>75,947,517</b>	<b>30,292,896</b>
<b>Profit and loss account</b>		
Opening balance	918,482,624	574,824,606
Add : Profit during the year	608,728,277	439,181,599
	<b>1,527,210,901</b>	<b>1,014,006,205</b>
<b>Less : Appropriations</b>		
Less: Adjustment of depreciation as per transitional provisions (refer note no. 2.11)	1,555,018	
Less : Dividend Provision pertaining to FY: 13-14.	892,800	
Less: Proposed dividend on equity shares (Dividend per share ₹ 2.00 (₹ 1.50 previous year))	84,621,448	55,755,105
Less : Dividend distribution tax on proposed dividend	16,919,312	9,475,580
Less : Rent Equalisation	32,192,511	-
Less : Transfer to general reserves	45,654,621	3,02,92,896*
Closing Balance	<b>1,345,375,191</b>	<b>918,482,624</b>
<b>TOTAL</b>	<b>6,024,138,278</b>	<b>3,603,942,602</b>

\*Transfer includes an amount of ₹ 83,33,815/- pertaining to financial year 2012-13

### 2.3 MONEY RECEIVED AGAINST SHARE WARRANTS

As at March 31, 2014, 5,95,200 warrants were outstanding pending conversion, this warrants has been converted into fully paid-up equity shares of ₹ 10 each during the financial year 2014-15.

### 2.4 LONG-TERM BORROWINGS

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured*</b>		
Term loans from bank	411,179,815	506,788,511
<b>TOTAL</b>	<b>411,179,815</b>	<b>506,788,511</b>

\*Long-term borrowings is secured by mortgage of Land, building, office premises, hypothecation of movable assets, book debts, both present and future of the Company.

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

An amount of ₹ 22,65,37,556 (previous year ₹ 22,72,99,174) of term loans which is repayable within 12 months from the date of balance sheet has been grouped under short term borrowings.

### 2.5 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 31st March, 2015 are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability on:</b>		
Depreciation and amortisation	14,516,087	46,217,345
Provision for rent equalisation (net)	-	6,650,471
<b>Deferred tax assets on:</b>		
Provision for gratuity	2,325,187	1,730,335
Provision for rent equalisation (net)	2,974,255	-
Others	4,980,997	56,691
<b>Deferred tax liability (net)</b>	<b>4,235,648</b>	<b>51,080,790</b>

### 2.6 LONG-TERM PROVISIONS

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits	5,318,031	4,214,700
<b>TOTAL</b>	<b>5,318,031</b>	<b>4,214,700</b>

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

The following table sets out the status of the gratuity plan for the year ended March 31, 2015 in accordance with Accounting Standard 15, Employee Benefits (Revised).

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.

#### Profit and loss account

##### Net employee benefit expenses (recognized in employee cost)

Particulars	As at March 31, 2015	₹ As at March 31, 2014
<b>Cost for the year:</b>		
Service cost	3,478,924	2,431,987
Interest cost	466,308	298,032
Expected return on plan assets		
Actuarial loss / (Gain)	(2,150,849)	(1,341,564)
<b>TOTAL Net Cost Recognized as Employee Remuneration</b>	<b>1,794,383</b>	<b>1,388,455</b>
<b>Balance sheet</b>		
<b>Details of provision for gratuity</b>		
Present value of defined benefit obligation as at year end (A)	6,840,796	5,090,719
Fair value of plan assets as at year end (B)	-	-
<b>Net Liability as at Year End Recognized in Balance Sheet (A)-(B)</b>	<b>6,840,796</b>	<b>5,090,719</b>
<b>Provision for gratuity</b>		
Long term	5,318,031	4,214,700
Short term	1,522,765	876,019
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
<b>Changes in defined benefit obligation:</b>		
Defined benefit obligation as at the beginning of the year	5,090,719	3,702,264
Current service cost	3,478,924	298,032
Interest cost	466,308	2,431,987
Actuarial loss / (gain) on obligations	(2,150,849)	(1,341,564)
Benefit paid	(44,306)	-
Present value of defined benefit obligation at the end of the year [A]	6,840,796	5,090,719
The principal assumptions used in determining gratuity for the Company's plans are shown below:		
<b>Assumptions</b>		
Discount rate	9.20%	9.20%
Attrition rate	Upto age 35 - 20%	Upto age 35 - 20%
	36-40 - 10%	36-40 - 10%
	41-58 - 5%	41-58 - 5%
Salary escalation rate	6%	6%



# NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

## 2.7 SHORT-TERMS BORROWINGS

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Secured *		
Loan repayable in next 12 months.	647,030,746	319,516,931
<b>TOTAL</b>	<b>647,030,746</b>	<b>319,516,931</b>

\*Short-terms borrowings to the extent of ₹ 340,727,335/- is secured by the fixed deposits aggregating to ₹ 405,000,000/- and balance ₹ 306,303,411/- is secured by mortgage of Land & building, office premises, hypothecation of movable assets, book debts both present and future of the Company.

## 2.8 TRADE PAYABLES

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Sundry creditors		
- Dues to micro, small and medium enterprises *	-	-
- Others	71,985,472	57,113,089
<b>TOTAL</b>	<b>71,985,472</b>	<b>57,113,089</b>

\* 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.

## 2.9 OTHER CURRENT LIABILITIES

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Sundry creditors for services / expenses	53,054,141	23,633,222
Advance tuition fees received	168,222,794	170,685,005
Advance received against sale of property	14,600,000	-
Withholding & other tax payables	5,060,438	20,834,186
Interest accrued but not due	1,031,863	1,610,225
<b>TOTAL</b>	<b>241,969,236</b>	<b>216,762,638</b>

## 2.10 SHORT-TERM PROVISIONS

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits (refer note 2.6)	1,522,765	3,717,065
Proposed dividend	84,621,448	55,755,105
Tax on dividend	16,919,312	9,475,580
Provision for current tax	113,039,551	34,091,718
<b>TOTAL</b>	<b>216,103,076</b>	<b>103,039,468</b>

## NOTES

## ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

2.11 FIXED ASSETS

Particulars	Gross block (at cost)			Depreciation and amortisation / W/off to retained earnings / Impairment loss				Net block		
	As at April 1, 2014	Additions	Deletions/ Transfer	As at Mar 31, 2015	As at April 1, 2014	Upto 31.03.2015	Impairment loss**	Deletions/ Transfer / Adjustment*	As at Mar 31, 2015	As at Mar 31, 2014
<b>Tangible</b>										
Freehold land	346,504,235	2,957,080	49,463,067	299,998,248	-	-	-	-	299,998,248	346,504,235
Building	733,854,423	26,756,473	96,522,341	664,088,555	17,395,852	11,611,267	-	6,442,806	641,524,242	716,458,571
Furniture and fittings	1,016,006,274	878,295,318	-	1,894,301,592	197,357,129	155,996,858	-	214,130	1,540,733,475	818,649,145
Office and other equipment	7,415,333	3,915,696	-	11,331,029	2,756,734	1,905,233	-	42,895	6,626,167	4,658,599
Electrical Equipment	21,008,196	6,603,732	-	27,611,928	3,536,948	2,985,167	-	6,522,115	21,089,813	17,471,248
Teaching aid and equipment	39,741,330	4,485,666	-	44,226,996	29,956,886	4,172,835	-	808,595	9,288,680	9,784,444
Computers	9,566,653	1,575,993	-	11,142,646	3,858,563	3,681,369	-	489,398	3,113,316	5,708,090
Leasehold improvement	361,215,236	226,287,202	-	587,502,438	130,928,833	48,992,025	-	-	407,581,580	230,286,403
Vehicles	8,121,823	-	-	8,121,823	1,940,991	1,059,653	-	-	512,179	6,180,832
<b>Intangibles</b>										
Goodwill	19,520,992	-	-	19,520,992	8,898,678	1,952,099	-	-	8,670,215	10,622,314
Business Commercial rights**	290,064,534	-	-	290,064,534	25,070,070	9,659,149	18,413,836	-	236,921,479	264,994,464
Brands	77,774,015	-	-	77,774,015	40,719,222	7,777,402	-	-	29,277,391	37,054,793
<b>GRAND TOTAL</b>	<b>2,930,793,044</b>	<b>1,150,877,160</b>	<b>145,985,408</b>	<b>3,935,684,796</b>	<b>462,419,906</b>	<b>249,793,057</b>	<b>18,413,836</b>	<b>7,997,824</b>	<b>3,209,945,785</b>	<b>2,468,373,138</b>
Previous year	1,849,679,683	1,107,945,144	26,831,785	2,930,793,044	299,541,689	169,627,339	-	6,749,100	2,468,373,139	1,550,137,986

\* Includes adjustment pursuant to the enactment of Companies Act 2013, whereby the company has applied the estimated useful lives of tangible fixed assets as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortisation. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to ₹ 15,55,018

\*\* The management, based on the review of future business plan with its one of the trust 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 ₹ 18,413,836 (previous year ₹ Nil) refer note 2.12.

## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.12 INTANGIBLES UNDER DEVELOPMENT

₹

Particulars	As at March 31, 2015	As at March 31, 2014
- Business commercial rights	10,898,874	10,898,874
<b>TOTAL</b>	<b>10,898,874</b>	<b>10,898,874</b>

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 the 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 an 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 ₹ 140 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 2.14. The aforesaid deposit are good and shall be refunded on the expiry of the tenure or termination of the agreement

### 2.13 NON-CURRENT INVESTMENTS

(Unquoted, at cost)

₹

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Trade Investment</b>		
(Long term, unquoted) (at cost)		
<b>Investments in Equity shares of:</b>		
- Joint Venture (JT Infrastructure Private Limited)		
- 9,980,000 (previous year: 9,980,000) equity shares of ₹ 10 each fully paid up	99,800,000	99,800,000
- Joint Venture (Mehta Treehouse Infrastructure Private Limited)		
- 1,000,000 (previous year: Nil) equity shares of ₹ 10 each fully paid up	10,000,000	-
<b>Investments in Share Application Money</b>		
- Joint Venture (JT Infrastructure Private Limited)	-	15,000,000
- Joint Venture (Mehta Treehouse Infrastructure Private Limited)	2,610,000	-
<b>TOTAL</b>	<b>112,410,000</b>	<b>114,800,000</b>

Pursuant to Accounting Standard (AS-27) - Financial Reporting of Interests in Joint Ventures, the disclosures relating to Joint Venture Companies are as follows:

The Company has entered into a joint venture agreement with Jayshree Builders ('JB') to construct and rent a school building. As part of the arrangement, the Company and JB have agreed to equally contribute to the share capital of JT Infrastructure Private Limited, a company in which both Treehouse Education & Accessories Limited and JB have equal share holding.

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

The Company has a 50% interest in the assets, liabilities, expenses and income of JT Infrastructure Private Limited, a company incorporated in India. The assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2015 is as under:

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Assets	99,115,508	110,204,276
Liabilities	1,503,251	1,754,276
Income	250,000	Nil
Expenditure	3,587,743	Nil
Contingent Liabilities	Nil	Nil
Capital Commitment	Nil	Nil

The Company has entered into a joint venture agreement with Jayshree Builders ('JB') to construct and rent a school building. As part of the arrangement, the Company and JB have agreed to equally contribute to the share capital of Mehta Treehouse Infrastructure Private Limited, a company in which both Treehouse Education & Accessories Limited and JB have equal share holding.

The Company has a 50% interest in the assets, liabilities, expenses and income of Mehta Treehouse Infrastructure Private Limited, a company incorporated in India. The operations have not yet commenced and Company's share of the assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2015 is as under:

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Assets		11,304,870
Liabilities		14,500
Income		Nil
Expenditure		Nil
Contingent Liabilities		Nil
Capital Commitment		Nil

### 2.14 LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Unsecured considered good		
Capital Advances	639,898,614	463,870,643
Security Deposits*	1,643,628,428	1,356,488,504
(includes ₹ Nil (previous year ₹ 20,000,000) given to directors)		
Other loans and advances	26,702,525	50,398,680
<b>TOTAL</b>	<b>2,310,229,567</b>	<b>1,870,757,827</b>

\*Includes ₹ 140 Crore refundable interest free deposits to educational trust (refer Note 2.12)

## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.15 INVENTORIES

(At lower of cost and net realisable value)

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Stock in trade	52,116,190	56,236,018
<b>TOTAL</b>	<b>52,116,190</b>	<b>56,236,018</b>

### 2.16 TRADE RECEIVABLES

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Overdue for more than six months		
Considered Good	175,850,541	10,668,584
Considered Doubtful	14,487,513	166,787
Less: Provision for doubtful trade receivables	(14,487,513)	(166,787)
Other	253,844,750	279,293,904
<b>TOTAL</b>	<b>429,695,291</b>	<b>289,962,488</b>

### 2.17 CASH AND CASH EQUIVALENTS

₹

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Balances with banks</b>		
In current account	138,359,528	95,696,994
In Fixed deposits**^	1,419,572,000	572,000
Cash on hand	55,757,002	11,821,647
Unpaid dividend**	31,048	
<b>TOTAL</b>	<b>1,613,719,578</b>	<b>108,090,641</b>

Note:

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

^Fixed deposit of ₹ 572,000 (previous year ₹ 572,000) placed with a bank against which bank has given a guarantee. (Refer note 2.20)

\*\*The Company can utilise this balance amount towards the settlement of unclaimed dividend

### 2.18 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Loans and advances to related parties (Unsecured and considered good)	-	-
Others	52,211,563	74,024,812
<b>TOTAL</b>	<b>52,211,563</b>	<b>74,024,812</b>

### 2.19 OTHER CURRENT ASSETS

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Accrued on fixed deposits	2,135,222	46,145
Interest Accrued on Loan	99,242	99,242
<b>TOTAL</b>	<b>2,234,464</b>	<b>145,387</b>

## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.20 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Commitments		
Estimated amount of unexecuted contracts	246,053,126	213,553,126
Bank guarantee given in favour of Joint Commissioner, Sales Tax circle/charge central section, West Bengal.	572,000	572,000
<b>TOTAL</b>	<b>246,625,126</b>	<b>214,125,126</b>

### 2.21 REVENUE FROM OPERATIONS

₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from		
- Sale of education kits	15,411,358	14,965,092
- Sale of services		
Consultancy income	203,922,894	346,889,648
Income from early childhood education	1,793,790,218	1,148,151,671
Income from early childhood training course	13,475,777	15,013,200
Other operating income	699,770	347,875
Rent income from education infrastructure	27,630,488	30,676,046
Royalty income	19,526,907	20,324,096
<b>TOTAL</b>	<b>2,074,457,412</b>	<b>1,576,367,629</b>

### 2.22 OTHER INCOME

₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest income (tax deducted at source ₹ 4,121,321 (previous year ₹ 1,330,260))	40,018,031	13,331,624
Profit on sale of fixed assets (Net)	31,457,398	-
Other non-operating income	25,825	80,350
<b>TOTAL</b>	<b>71,501,254</b>	<b>13,411,974</b>

### 2.23 OPERATING EXPENSES

₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rent (includes conducting charges and society maintenance)	319,361,718	267,473,178
Security charges	18,014,124	12,949,171
Training material and equipment consumed	80,150,322	74,381,557
Water, electricity and cleaning charges	26,425,030	19,084,175
Activity expenses	11,521,910	9,912,120
Other centre expenses	15,541,818	11,784,820
<b>TOTAL</b>	<b>471,014,922</b>	<b>395,585,021</b>



## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.24 EMPLOYEE BENEFITS EXPENSE

₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and wages	227,526,396	167,797,916
Contribution to provident and other funds	10,978,737	5,796,244
Staff welfare expenses	509,473	199,368
<b>TOTAL</b>	<b>239,014,606</b>	<b>173,793,528</b>

### 2.25 FINANCE COSTS

₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expenses	138,813,813	70,937,742
Finance charges	4,304,829	2,046,738
Other Charges	10,000,000	2,870,000
<b>TOTAL</b>	<b>153,118,642</b>	<b>75,854,480</b>

### 2.26 OTHER EXPENSES

₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Advertisement and publicity expenses	101,857,024	58,724,716
Legal and professional fees	13,432,798	15,311,952
Office expenses	3,544,019	861,977
Rent, rates and taxes	5,269,477	12,656,559
Corporate social responsibility expenses (Refer note 2.35)	3,000,000	-
Insurance	1,262,772	1,452,363
Telephone and Courier expenses	2,959,836	1,889,177
Auditors' remuneration (Refer note 2.33)	1,500,000	1,500,000
Brokerage and commission	4,883,796	1,483,900
Business promotion	484,531	47,095
Printing and stationery	1,310,669	4,041,332
Donation	2,000	102,500
Repairs and maintenance	1,472,676	771,377
Travelling and conveyance	12,428,121	4,262,673
Freight and delivery expenses	4,582,113	1,687,736
Loss on sale of fixed assets	-	1,348,757
Bad debts	-	3,465,548
Provision for doubtful trade receivables	14,487,513	166,787
Director Sitting Fees	565,172	667,418
Miscellaneous expenses	4,238,224	4,300,538
<b>TOTAL</b>	<b>177,280,741</b>	<b>114,742,405</b>

### 2.27 BORROWING COST

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Opening balance	-	15,055,724
Add: Incurred during the year	-	25,645,138
Less: Allocated to fixed assets	-	40,700,862
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.28 EXPENDITURE DURING CONSTRUCTION PERIOD

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Opening balance	4,511,250	392,000
Add: Incurred during the year	-	6,453,135
Less: Allocated to fixed assets	4,511,250	2,333,885
<b>TOTAL</b>	<b>-</b>	<b>4,511,250</b>

### 2.29 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

### 2.30 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, 2015.**

#### 2.30.1 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

## NOTES

## ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

**2.30.2 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 March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
<b>Rent expense</b>								
- Mr. Rajesh Bhatia	11,392,803	15,321,109	-	-	-	-	-	-
- Mrs. Geeta Bhatia	-	-	11,392,803	15,321,109	-	-	-	-
<b>Remuneration</b>								
- Mr. Vishal Shah	1,800,000	1,770,000	-	-	-	-	-	-
- Mr. Rajesh Bhatia	4,800,000	4,800,000	-	-	-	-	-	-
<b>Money received against share warrants</b>								
- Mr. Rajesh Bhatia & Geeta Bhatia Jointly	99,368,640	201,141,360	-	-	-	-	-	-
<b>Shares issued (Nos)</b>								
- Mr. Rajesh Bhatia & Geeta Bhatia Jointly	595,200	1,204,800	-	-	-	-	-	-
<b>Investment in Joint ventures</b>								
- JT Infrastructure Private Limited	-	-	-	-	-	15,000,000	-	-
- Mehta Treehouse Infrastructure Private Limited	-	-	-	-	12,610,000	-	-	-
<b>Corporate social responsibility expenses</b>								
Tree House Foundation	-	-	-	-	-	-	3,000,000	-

**2.30.3 Closing balances with related parties in the ordinary course of business**

₹

Particulars	Key Management Personnel ('KMP')		Relatives of KMP		Joint Venture	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
<b>Lease Deposit (Mr. Rajesh Bhatia)</b>	-	20,000,000	-	-	-	-
<b>Money received against issue of share warrants</b>						
- Mr. Rajesh Bhatia	-	33,122,880	-	-	-	-
<b>Investment in Joint ventures</b>						
- JT Infrastructure Private Limited	-	-	-	-	99,800,000	114,800,000
- Mehta Treehouse Infrastructure Private Limited	-	-	-	-	12,610,000	-

**2.31 LEASES**

Pursuant to Accounting Standard (AS-19) - Leases, the following information is given

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

#### 2.31.1 In case of assets taken on operating lease

The lease rent and amenities charges recognized in the Statement of Profit and Loss during the year ended March 31, 2015 is ₹ 315,042,894 (previous year: ₹ 257,663,064)

##### Obligation of the Company towards future lease payments

Particulars	As at March 31, 2015	As at March 31, 2014
Not later than one year	283,214,262	211,611,977
Later than one year but not later than five years	513,928,477	431,367,091
Later than five years	3,830,012	5,561,468

##### 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.

#### 2.31.2 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, 2015 is ₹ 27,630,488 (previous year: ₹ 30,676,046)

##### Right of the Company towards future lease payments

Particulars	As at March 31, 2015	As at March 31, 2014
Not later than one year	12,000,000	18,900,000
Later than one year but not later than five years	53,400,000	110,954,636
later than five years	290,934,967	561,297,579

##### Significant leasing arrangements

- a) The period of lease for the premises is 30 (Thirty) years.
- 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 30 years, the lessee has a sole option to renew the lease term for further period of 30 years

#### 2.32 EARNING PER SHARE

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax	608,728,276	439,181,599
Weighted average number of shares outstanding (Basic)	38,880,842	36,488,329
Weighted average number of shares outstanding (Diluted)	38,880,842	37,083,529
Nominal value per share	10	10
Basic earnings per share	15.66	12.04
Diluted earnings per share	15.66	11.84

## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.33 AUDITORS' REMUNERATION

₹

(Excluding service tax)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Statutory audit fees	1,300,000	1,200,000
Tax audit fees	200,000	300,000
Other services*	2,122,500	167,200
<b>TOTAL</b>	<b>3,622,500</b>	<b>1,667,200</b>

\*In the financial year 2014-15, other service includes ₹ 20,00,000 pertaining to certification services provided in relation to Qualified Institutional Placement which is adjusted against securities premium and ₹ 1,22,500 paid in relation to other certification services.

### 2.34 EMPLOYEE STOCK OPTION PLANS

2.34.1 For the financial year March 31, 2015 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

₹

Particulars	During the year ended 31 March, 2015		During the year ended 31 March, 2014	
	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	81,250	71	313,875	71
ESOP B	343,575	228	400,000	228
b Granted during the year:				
ESOP A	-	-	-	-
ESOP B	-	-	-	-
c Vested during the year:				
ESOP A	25,000	71	25,000	71
ESOP B	100,000	228	100,000	228
d Exercised during the year:				
ESOP A	79,750	71	218,250	71
ESOP B	92,350	228	44,875	228
e Lapsed during the year:				
ESOP A	125	71	14,375	71
ESOP B	41,250	228	11,550	228
f Option outstanding at the end of the year:				
ESOP A	1,375	71	81,250	71
ESOP B	209,975	228	343,575	228
g Option available for grant as at March 31, 2015:				
ESOP A	18,000	71	17,875	71
ESOP B	52,800	228	11,550	228
h Money realized by exercise of option:				
ESOP A	5,662,250		15,495,750	
ESOP B	21,055,800		10,231,500	

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

#### 2.34.2 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:

Particulars	ESOP - A	ESOP - B
Risk free interest rate	7.5% per annum	7.5% per annum
Expected life	2.10 years (weighted average option life)	3.5 years (weighted average option life)
Expected annual volatility of share	Nil*	40.3%
Expected dividend yield	1% per annum	0.50% per annum

\*The volatility was computed as nil, as the shares were not listed at the time of grant.

#### 2.34.3 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	Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax (as reported)	608,728,276	439,181,599
Add: ESOP cost using intrinsic value method	-	-
Less: ESOP cost using fair value method		
ESOP - A	43,050	113,963
ESOP - B	6,598,413	12,700,834
<b>Proforma profit after tax</b>	<b>602,086,813</b>	<b>426,366,802</b>
Earnings per share		
<b>Basic</b>		
- As reported	15.66	12.04
- As Proforma	15.49	11.69
<b>Diluted</b>		
- As reported	15.66	11.84
- As Proforma	15.49	11.50

#### 2.34.4 Weighted average exercise price and fair value of the options.

Particular	ESOP - A	ESOP - B
Weighted average exercise prices per option	71	228
Fair value of the option	9.05	88.64

#### 2.34.5 Details of options granted to Senior Managerial Personal as at March 31, 2015.

All Options have an exercise period of 1 year from the grant date.

ESOP schemes	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	168,200	Nil	83,150	85,050

## NOTES

### ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

#### 2.34.6 Vesting schedule

Particulars	ESOP - A	ESOP - B
For option granted to Mr. Vishal Shah	12 months from the grant date-100%	12 months from the grant date-25%
		24 months from the grant date-25%
		36 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%
	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%

#### 2.34.7 The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at March 31, 2015 is as under

ESOP schemes	Number of options	Exercise price	Expected remaining contractual life
ESOP - A	-	71	9 months
ESOP - B	200,000	228	18 months

#### 2.34.8 Notes related to ESOP plan 2010:

1. 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 ₹ 71/- on the date of grant is also the exercise price of the Option.
2. There is one employee who has been granted options equal to or exceeding 1% of the Issued Capital.
3. The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
4. The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust is ₹ 13,75,265 (previous year ₹ 49,79,250) which has been grouped under Loans and Advances.

#### Notes related to ESOP plan 2012:

1. 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.
2. There is no employee who has been granted options equal to or exceeding 1% of the Issued Capital.
3. The Company accounts for 'Employee Share Based Payments' using the intrinsic value method.
4. The aggregate outstanding balance of the interest free loan given to Treehouse Employee Welfare Trust aggregating ₹ 5,82,00,860 (previous year ₹ 8,09,68,500) which has been grouped under Loans and Advances.



## NOTES

ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.35 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A. Gross amount required to be spent by company during the year 2014-2015 : ₹ 9,714,230

B. Amount spent during the year on:

	In cash*	Yet to be paid in cash	Total
(i) Construction/Acquisition of any assets	-	-	-
(ii) Purposes other than (i) above	3,000,000	-	3,000,000

\*Represents actual outflow during the year.

C. Related party transaction in relation to corporate social responsibility expenses : ₹ 3,000,000

D. Provision made during the year : ₹ Nil

### 2.36 FOREIGN CURRENCY EXPENSES

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Professional fees	5,173,026	-
Travelling expenses	480,509	103,626
<b>TOTAL</b>	<b>5,653,535</b>	<b>103,626</b>

As per our report of even date

**For Jogish Mehta & Co.**

**Chartered Accountants**

Firm Registration No. 104326W

Membership No. F/38974

**per Jogish N. Mehta**

**Proprietor**

Place: Mumbai

Date : 27 May, 2015

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors

**Sanjaya Kulkarni**

**Chairman**

**Vishal Shah**

**Director**

Place: Mumbai

Date: 27 May, 2015

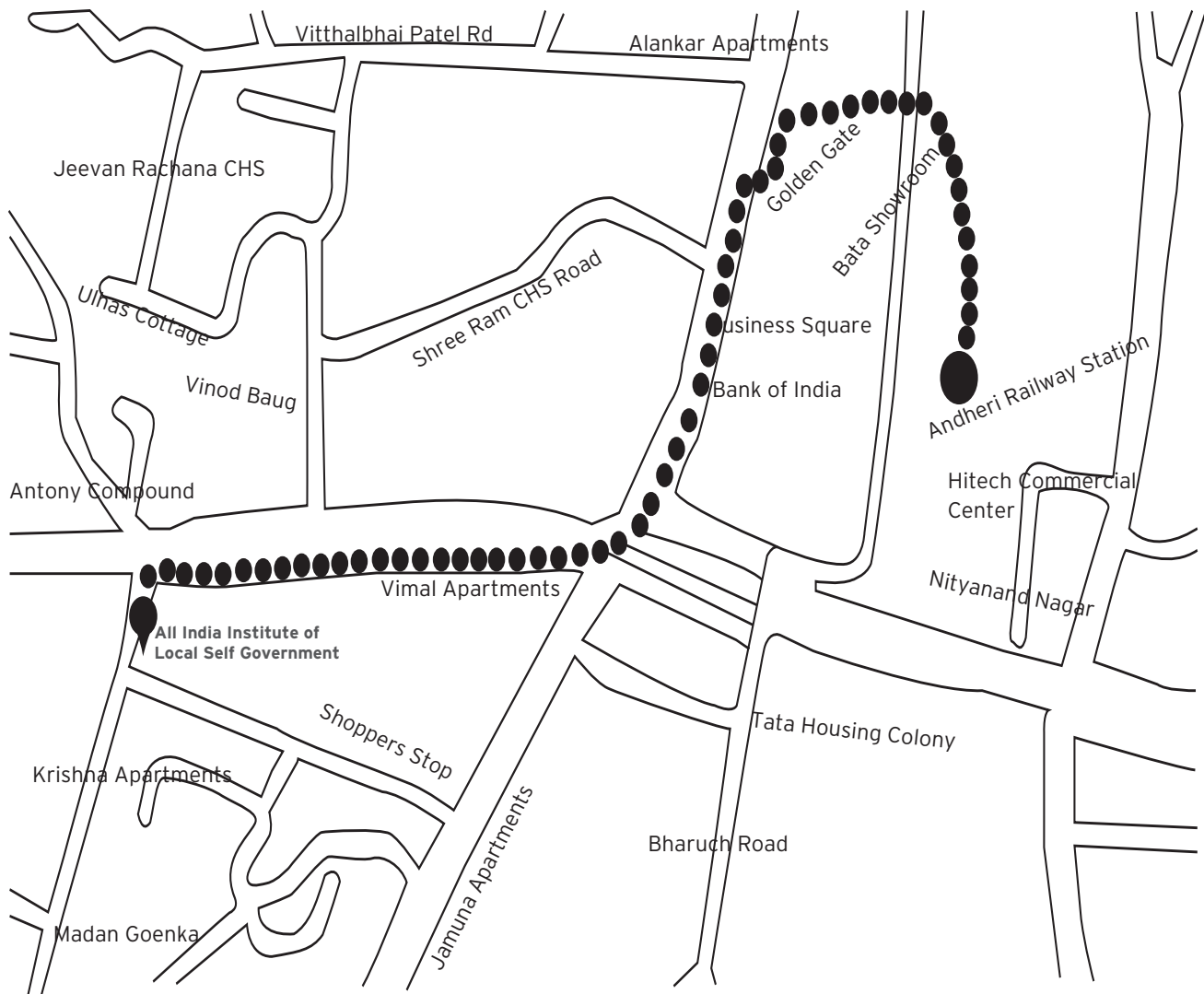
**Rajesh Bhatia**

**Managing Director**

**Pooja Bhimjiyani**

**Company Secretary**

## TREE HOUSE ROAD MAP





## NOTES

[illegible]

## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## TREE HOUSE EDUCATION & ACCESSORIES LIMITED

702 'C', Morya House, Off New Link Road, Near Infinity Mall, Andheri (W), Mumbai - 400053

Phone: 022-61306201 / 61306121 | Email: compliance@treehouseplaygroup.net

CIN: L80101MH2006PLC163028 | Website: www.treehouseplaygroup.net

**9th Annual General Meeting - September 25, 2015**

### 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 Ninth Annual General Meeting of TREE HOUSE EDUCATION & ACCESSORIES LIMITED held on Friday, September 25, 2015 at 10.00 am 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:

- 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.
- 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.
- Electronic copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) alongwith 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 hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical copy of the Annual Report for 2014-15 and Notice of the AGM along with the 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
Tuesday, September 22, 2015 at 10.00 a.m.	Thursday, September 24, 2015 till 5.00 p.m.





## TREE HOUSE EDUCATION & ACCESSORIES LIMITED

702 'C', Morya House, Off New Link Road, Near Infinity Mall, Andheri (W), Mumbai - 400053

Phone: 022-61306201 / 61306121 | Email: compliance@treehouseplaygroup.net

CIN: L80101MH2006PLC163028 | Website: www.treehouseplaygroup.net

Form No. MGT - 11

9th Annual General Meeting - September 25, 2015

### 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: .....

DP ID: .....

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: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company, to be held on Friday, September 25, 2015 at 10.00 am 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:

Resolution number.	Resolution	Vote (Optional see Note 1)		
		For	Against	Abstain
Ordinary Business				
1.	To consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors thereon.			

2.	To declare a dividend of Rs. 2.00/- per Equity Share of the Company for the financial year ended March 31, 2015.			
3.	To appoint a Director in place of Mrs. Geeta Bhatia (DIN 00074444), who retires by rotation and being eligible, offers herself for re-appointment.			
4.	To appoint M/s. Agarwal & Associates, Chartered Accountants, as Statutory Auditors of the Company in place of M/s. Jogish Mehta & Co., the retiring Statutory Auditors, to hold office from the conclusion of Ninth Annual General Meeting, until the conclusion of Fourteenth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting on such remuneration as may be decided by the Board of Directors or any Committee thereof for the financial year ending March 31, 2016.			

#### Special Business

5.	To approve the appointment & remuneration of the Cost Auditors for the financial year ending March 31, 2016.			
----	--	--	--	--

Signed this ..... day of ..... 2015

Affix  
revenue  
stamp of not  
less than ₹ 1

.....  
Signature of the member

.....  
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.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Sanjaya Kulkarni  
Independent Director

Mr. Rajesh Bhatia  
Managing Director

Mr. Vishal Shah  
Executive Director

Mrs. Geeta Bhatia  
Non-Executive Director

Mr. Rishi Navani  
Non-Executive Director

Mr. Ashu Garg  
Non-Executive Director

Mr. T. S. Sarangpani  
Independent Director

Mr. Parantap Dave  
Independent Director

## CHIEF FINANCIAL CONTROLLER & CHIEF OF COMPLIANCE

Mr. Sanjay H. Shah

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pooja Bhimjiyani

## INTERNAL AUDITOR

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

## STATUTORY AUDITOR

M/S. Jogish Mehta & Co.  
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 & TRANSFER AGENTS

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.b.s Marg, Bhandup (West),  
Mumbai - 400 078

## REGISTERED OFFICE

702, 'C', Morya House,  
Off New Link Road, Andheri (West),  
Mumbai 400 053

## WEBSITE

[www.treehouseplaygroup.net](http://www.treehouseplaygroup.net)

## BOARD COMMITTEES

Audit Committee

Nomination & Remuneration Committee

Stakeholders' Relationship Committee

Committee of Board

Compensation Committee

CSR Committee

Capital Raising Committee (QIP Committee)





**TREE HOUSE EDUCATION & ACCESSORIES LIMITED**  
 702, 'C', Morya House, Off New Link Road,  
 Andheri (West), Mumbai 400 053.  
 Phone: 022-6130 6130/ 6130 6121  
 Email: [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net)  
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