

Report on Corporate Governance



Corporate governance is a systemic process by which our organization is directed, administered, managed and controlled. It is a process to manage the business affairs of the Company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value, while taking into account the interests of the other stakeholders. In this dynamic environment, shareholders across the globe evince keen interest in the performance of the companies and thus good corporate governance is of paramount importance for companies seeking to distinguish themselves in the global footprint.

The equity shares of the Company are listed and admitted to dealings on the BSE Limited (Bombay Stock Exchange), the National Stock Exchange of India Limited (NSE) and MCX Stock Exchange Limited (MCX-SX). Pursuant the provisions of the Clause 49 of the Listing Agreement, a report on Corporate Governance for the financial year ended March 31, 2014, is furnished below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognizes that good governance practices originate from the philosophy and mindset of the organization. The Company's philosophy on Corporate Governance envisages attainment of highest level of integrity, fairness, transparency, equity and accountability in all facets of its functioning and in its interactions with shareholders, employees, government, regulatory bodies, listeners and the community at large. The Company recognizes that good Corporate Governance is a continuing exercise. The Company recognizes good corporate governance practices as a key driver to sustainable growth and long term value creation and thus encourages timely

and accurate dissemination of information to all their stakeholders.

In compliance with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the Code of Conduct for Prevention of Insider Trading and regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information in the securities of the Company in accordance with the applicable Securities and Exchange Board of India regulations.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

i) Composition of the Board of Directors and other Directorships and committee membership of the Directors:

The Company has a non-executive Chairman and the number of Independent Directors is 1/3 of the total number of Directors. As on March 31, 2014, the Company has 9 Directors on its Board, of which 3 Directors are independent. Since, the number of Non-Executive Directors (NEDs) is more than 1/2 of the total number of Directors, the Company is in compliance with the Clause 49 of the listing Agreement pertaining to compositions of Directors.

The composition of the Board of Directors, their number of other directorship, attendance at Board Meetings (BM) at the last Annual General Meeting (AGM) of the Company held during the financial year under review:

Name of Directors	Designation	Category	No. of other Directorships	Attendance at Board Meetings	Attendance at previous AGM
Mr. Sanjaya Kulkarni	Chairman	ID	10	9	Yes
Mr. Rajesh Bhatia	Managing Director	ED	4	9	Yes
Mrs. Geeta Bhatia	Director	NED	4	9	Yes
Mr. Vishal Shah	Director	ED	3	9	Yes
Mr. Parantap Dave	Director	ID	6	8	Yes
Mr. TS Sarangpani	Director	ID	Nil	4	No
#Mr. Ashu Garg	Nominee Director	NED	4	2	No
Mr. Rishi Navani	Nominee Director	NED	6	4	No
*Mr. Jayant Sinha	Director	NED	3	4	Yes
**Mrs. Dimple Sanghi	Additional Director	NED	4	0	No

#The Directorship of Mr. Ashu Garg has been reduced to 3 (Three) Companies as on 06th May, 2014.

*Mr. Jayant Sinha has resigned from the company w.e.f. 01st March, 2014.

**Mrs. Dimple Sanghi was appointed as an Additional Director w.e.f. 01st March, 2014.

*** Only the directorship of Indian Companies has been taken into consideration.

NED – Non-Executive Director **ED** – Executive Director **ID** – Independent Director

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

Mr. Rajesh Bhatia and Mrs. Geeta Bhatia are related to each other. None of the other Directors is related in terms of the definition of 'relative' given under the Companies Act, 1956.

None of the above referred Non-executive Directors have any material pecuniary relationship or transaction with the Company, which would affect the independence or judgment of the Board of Directors.

Details of the Directors seeking appointment/re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, have been given alongwith the Notice of Annual General Meeting.

ii) Meetings of the Board of Directors:

During the year under review the Board met 9 (nine) times on 27.05.2013, 01.08.2013, 07.09.2013, 12.09.2013, 20.09.2013, 28.10.2013, 11.11.2013, 21.12.2013 and 06.02.2014.

iii) Code of Business Conduct and Ethics for Directors/Management Personnel:

The Code of Business Conduct and Ethics for Directors/Management Personnel ('the Code') as adopted by the Board, is a comprehensive Code applicable to Directors and Management Personnel. The Code, ethics and governance Centres on the following theme:

The Company's Board and Management Personnel are responsible for, and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit.'

Declaration by the Managing Director under Clause 49(I) (D) of the Listing Agreement regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.

iv) Directors' Profile:

A brief resume of Directors, nature of their expertise in specific functional areas and company names in which they hold Directorships and shareholding in the Company are provided in this Annual Report.

v) Information supplied to the Board:

The Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Quarterly and Half yearly results of the Company
- Minutes of the Audit Committee and other Committee meetings
- Details of Agreements entered into by the Company
- Particulars of Non-Compliance of any statutory or Listing requirements

vi) Minutes of the Board Meetings:

The minutes of the proceedings of every Board and Committee meetings are prepared and approved / initialed by the Chairman in next Meeting.

3. AUDIT COMMITTEE**Terms of Reference:**

The terms of reference of the Audit Committee include the following:

1. Review of the quarterly, half yearly and annual financial results of the Company before submission to the Board.
2. Overseeing the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Holding periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the Company, internal control systems, and scope of audit and observations of auditors.
4. Making recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.

5. Recommendations with respect to appointment and removal of statutory auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
6. Investigating into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.
7. Making recommendations to the Board on any matter relating to the financial management of the Company

Composition:

The Audit Committee of the Company comprises of 3 (three) Directors as on March 31, 2014:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Sanjaya Kulkarni	Chairman	Independent
Mr. Parantap Dave	Member	Independent
Mr. Rajesh Bhatia	Member	Executive

The Company Secretary/Compliance Officer acts as secretary to the Committee.

Meetings and Attendance:

During the year under review, the Committee met 4 (four) times on 27.05.2013, 01.08.2013, 11.11.2013 and 06.02.2014.

Meetings of the Audit Committee and Attendance of the Members during 2013-14	Meetings held	Meetings Attended
Mr. Sanjaya Kulkarni	4	4
Mr. Rajesh Bhatia	4	4
Mr. Parantap Dave	4	4

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of Audit Committee possess financial/accounting expertise/exposure.

4. REMUNERATION COMMITTEE

Terms of Reference:

The terms of reference of the Remuneration Committee include the following:

- To look into the remuneration payable to the Managing Director, the Whole-time Directors and other Employees of the Company;
- To determine and recommend to the Board of Directors the remuneration package of Managing Director/Whole-Time Directors;
- To approve in the event of loss or inadequate profits in any year the minimum remuneration payable to the Managing Director/Whole Time Directors within limits and subject to the parameters as prescribed in Schedule XIII of the Companies Act, 1956; and

- To prepare and recommend various ESOP schemes to our Board

Composition:

The Remuneration Committee of the Company comprises of 3 (three) Directors as on March 31, 2014:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Sanjaya Kulkarni	Chairman	Independent
Mr. Parantap Dave	Member	Independent
Mrs. Geeta Bhatia	Member	Non-Executive

The Company Secretary/Compliance Officer acts as secretary to the Committee.

Meetings and Attendance:

During the year under review, the Committee met 2 (two) times on 27.05.2013 and 12.09.2013

Meetings of the Remuneration Committee and Attendance of the Members during 2013-14	Meetings held	Meetings Attended
Mr. Sanjaya Kulkarni	2	2
Mrs. Geeta Bhatia	2	2
Mr. Parantap Dave	2	2

Remuneration Policy:

The remuneration of Directors is fixed by the Remuneration Committee as constituted above. The Non – Executive Directors are not paid any remuneration except sitting fees.

Details of remuneration paid to Directors:

i) Executive Directors:

(in ₹)

Particulars	Mr. Rajesh Bhatia		Mr. Vishal Shah	
	2013-14	2012-13	2013-14	2012-13
Salary	4,800,000	4,800,000	1,770,000	1,620,000
Commission	-	-	-	-
Total	4,800,000	4,800,000	1,770,000	1,620,000

Note:

- Appointment, terms, conditions and payment of remuneration to the Managing Director is governed by the resolution(s) passed by the Remuneration Committee, Board of Directors and Members of the Company and approval from the Government of India, Ministry of Corporate Affairs, if necessary. The remuneration structure comprises salary, perquisites and allowance, etc.
- 42,050 options were exercised out of 168,200 options granted to Mr. Vishal Shah, Director of the Company under "TREEHOUSE EMPLOYEES STOCK OPTION PLAN 2012".
- Mr. Rajesh Bhatia, Managing Director is holding 3,199,100 equity shares of the Company independently and 2,325,633 equity shares and 595,200 warrants of the Company jointly with Mrs. Geeta Bhatia as on March 31, 2014.
- Mr. Vishal Shah, Director of the Company is holding 431,945 equity shares of the Company independently and 4,032 equity shares of the Company jointly as on March 31, 2014.

ii) Details of sitting fees paid to the Non-Executive Directors for the financial year 2013 – 2014:

(in ₹)	
Name of Non – Executive Directors	Sitting Fees
Mrs. Geeta Bhatia	170,000
Mr. Sanjaya Kulkarni	202,000
Mr. Parantap Dave	182,000
Mr. T.S. Sarangpani	60,000

iii) Criteria for making payments to Non-Executive Directors:

Non-Executive Directors of the Company are paid sitting fees for attending all the meetings held during the financial year under review, subject to deduction of applicable taxes, levies etc., if any, for attending the meeting.

Mr. Rishi Navani, Mr. Ashu Garg and Mr. Jayant Sinha are not paid any sitting fees.

iv) Number of shares and convertible instruments held by non-executive Directors as on the date of this Report, are as below:

Sr. No.	Name of Director	No. of equity shares held
1.	Mrs. Geeta Bhatia	#6,025,000
2.	Mr. Sanjaya Kulkarni	67,235
3.	Mr. T.S. Sarangpani	45,000
4.	Mr. Rishi Navani	66,715
5.	Mr. Parantap Dave	--
6.	Mr. Ashu Garg	--
7.	*Mr. Jayant Sinha	--
8.	**Mrs. Dimple Sanghi	--

#Shareholding details of Mrs. Geeta Bhatia does not include 23,25,633 equity shares and 5,95,200 warrants of the Company held jointly with Mr. Rajesh Bhatia as on March 31, 2014.

*Mr. Jayant Sinha has resigned from the company w.e.f. 01st March, 2014

**Mrs. Dimple Sanghi was appointed as Additional Director w.e.f. 01st March, 2014

5. INVESTORS GRIEVANCE COMMITTEE**Composition:**

The investor's Grievance Committee of the Company comprises of 3 (three) Directors as on March 31, 2014:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Parantap Dave	Chairman	Independent
Mr. Sanjaya Kulkarni	Member	Independent
Mrs. Geeta Bhatia	Member	Non-Executive

The Company Secretary/Compliance Officer acts as secretary to the Committee.

Terms of Reference:

The terms of reference of the Investor's Grievance Committee include the following:

1. To consider and approve requests for transfers, transmissions, dematerialization/ rematerialisation and issue of fresh share certificates on replacement/ sub-division/ consolidation, issue of duplicate share certificates on loss whether by theft, misplacement or otherwise;
2. To review the status of dematerialization of Company's shares and matters incidental thereto;
3. To review and monitor the approval to the transfers and transmission made by any Director under executive authority delegated to him from time to time;
4. To monitor the matters of litigation related to shareholders and take decisions relating thereto;
5. To consider, review and monitor the matters related to the shareholders grievances, and to look into the redressing of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non receipt of declared dividend, etc; and
6. To deal with any other matters related and/or incidental to the shareholders.

The company during the year received no complaints. There were **NIL** complaints pending disposal as on March 31, 2014.

7. Compliance officer:
 - Mr. Sanjay H. Shah is appointed as the Compliance officer for complying with the requirement of SEBI regulations and Listing Agreement with Stock Exchange in India.

Meeting and attendance during the year:

During the year under review, the Committee of Board met 4 (four) times i.e. 20.02.2014, 14.03.2014, 28.03.2014 and 29.03.2014.

Meetings of the Committee of Board and Attendance of the Members during 2013-14	Meetings held	Meetings Attended
Mr. Sanjaya Kulkarni	4	4
Mr. Parantap Dave	4	4
Mrs. Geeta Bhatia	4	4

Meetings and attendance during the year:

During the year under review, the Investors' Grievances Committee met 4 (four) times, i.e. on 18.04.2013, 12.07.2013, 09.10.2013 and 27.01.2014.

Meetings of the Investors Grievance Committee and Attendance of the Members during 2013-14	Meetings held	Meetings Attended
Mr. Parantap Dave	4	4
Mr. Sanjaya Kulkarni	4	4
Mrs. Geeta Bhatia	4	4

6. COMMITTEE OF BOARD

Composition:

The Committee of Board was constituted on November 11, 2013 which comprises of 3 (three) Directors as on March, 2014

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Sanjaya Kulkarni	Chairman	Independent
Mr. Parantap Dave	Member	Independent
Mrs. Geeta Bhatia	Member	Non-Executive

Terms of Reference:

The Committee of Board was constituted to facilitate the operational decisions within the broad frame work laid down by the Board, such as, New bank account opening, New loan application to Banks, etc.

7. GENERAL BODY MEETINGS

i) Annual General Meetings:

Details of Annual General Meetings held during the last three consecutive years:

Day	Date	Time	Venue
Monday	May 09, 2011	6.30 p.m.	301, Embassy Chambers, 3rd Road, Opp. K.E.S. School, Khar (West), Mumbai – 400 052
Tuesday	August 07, 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
Saturday	September 07, 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

All resolutions moved at the last Annual General Meeting were passed by show of hands by the requisite majority of members attending the Meeting.

ii) Weather any Ordinary and/or Special Resolution passed in Extra Ordinary General Meeting: No

iii) Whether any special resolution passed / is proposed to be passed through ballot: No

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.

The Company has adopted the Code of Conduct applicable to all Directors, senior management and employees. The declaration as required under Clause 49 is as below:

"All the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2014"

8. DISCLOSURES

Attention of the member is drawn to the disclosure of transactions with related parties set out in Note No.2.32 of the Financial Statements, forming part of the Annual Report.

There has not been any instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or structures being imposed by SEBI or Stock Exchanges does not arise.

The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled all the requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.

The Company has followed the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable, in the preparation of Financial Statements.

9. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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, 1956, Companies Act, 2013 and other applicable laws.

ii) Remuneration Committee:

Details are already given under the caption 'Remuneration Committee' in the earlier part at the Report.

iii) Shareholders rights:

In addition to publishing its quarterly results in English and Marathi news paper 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.

iv) Audit qualifications:

During the year under review, there was no audit qualification in the Auditor's Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

v) Mechanism for evaluating Non-Executive members:

The Board of Directors of the Company presently comprises seven Non-Executive Directors. The Directors appointed on the Board are from diverse field relevant to the Company's business and have long-standing experience and expertise in the respective fields. They have considerable experience in managing large corporates and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

Non-Executive Directors add substantial value through the deliberations at the Meetings of the Board and Committees thereof. Besides contributing at the meetings of the Board and Committees, the Non-Executive Directors also have offline deliberations with the Management of the Company and add value through such deliberations.

As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

10. MEANS OF COMMUNICATION**i) Quarterly/ Half yearly/ Annual results:**

Quarterly/ Half yearly/Annual results are regularly submitted to the Stock Exchanges where the shares of the Company are listed pursuant to the provisions of Listing Agreement and are published in the newspapers. The Company has also displayed the results as specified under Clause 41 of the Listing Agreement on the Company's website i.e. www.treehouseplaygroup.net which also contains a separate dedicated section "Investors Relation".

ii) Newspapers wherein results are normally published:

Economics Times and Free Press Journal (English daily news papers) and Nav Shakti (Marathi regional language news paper)

iii) Whether Website also displays official news releases:

Yes, on the Company's website i.e. www.treehouseplaygroup.net

iv) NSE Electronic Application processing system (NEAPS):

The Company files information through NEAPS – a website based application provided by NSE which facilitates online filing of Corporate Governance Report and the Shareholding Pattern by companies.

v) Extensive Business Reporting Language (XBRL):

XBRL is language for electronic communication of business financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular no. 37/2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

vi) Ministry of Corporate Affairs (MCA):

The Company has periodically filed all the necessary documents with the MCA.

vii) SEBI Complaints Redress System (SCORES):

A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Report (ATRs) by the concern companies and online viewing by the investors of actions taken on the complaint and its current status.

viii) Letters:

Letters reminding the investors to claim their pending / unclaimed dividend are regularly dispatched to investors.

ix) Annual report:

The Annual Report containing inter alia the Notice, Management Discussion and Analysis Report, Directors' Report, Corporate Governance Report, Independent Auditors' Report, Audited Accounts, Financial Statements, and other relevant information is circulated to the investors.

Annual reports are also available in the investors Corner section on the Company's website i.e. www.treehouseplaygroup.net

**x) Whether presentations made to institutional investors or to the analysts:
No****11. GENERAL SHAREHOLDERS INFORMATION**

1.	8 th Annual General Meeting Schedule	
	Date, Day and time	: Saturday, September 6, 2014 at 10.00 a.m.
	Venue	: Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai – 400 058
2.	Financial year	: April 1, 2013, to March 31, 2014
3.	Dates of Book Closure (period)	: August 29, 2014 to September 6, 2014
4.	Dividend Payment Date	: September 10, 2014 and September 11, 2014
5.	Listing at Stock Exchanges	: BSE Limited (Bombay Stock Exchange) National Stock Exchange Limited MCX Stock Exchange Limited (MCX-SX)
6.	The Listing Fees	: The Company has paid the annual listing fees to stock exchanges for the year 2013-2014, as applicable
7.	Stock Code	: 533540 on BSE TREEHOUSE on NSE TREEHOUSE on MCX-SX
8.	ISIN no.	: INE040M01013
9.	CIN No.	: L80101MH2006PLC163028
10.	Market Price Data	: High, Low during each month in last financial year*

The performance of the equity shares of the Company on the Bombay Stock Exchange Limited (BSE), and the National Stock Exchange of India Limited (NSE) depicting the liquidity of the Company's equity shares for the financial year ended March 31, 2014, on the said exchanges, is given hereunder:-

BSE Market Price Data: High, Low during each month in last financial year

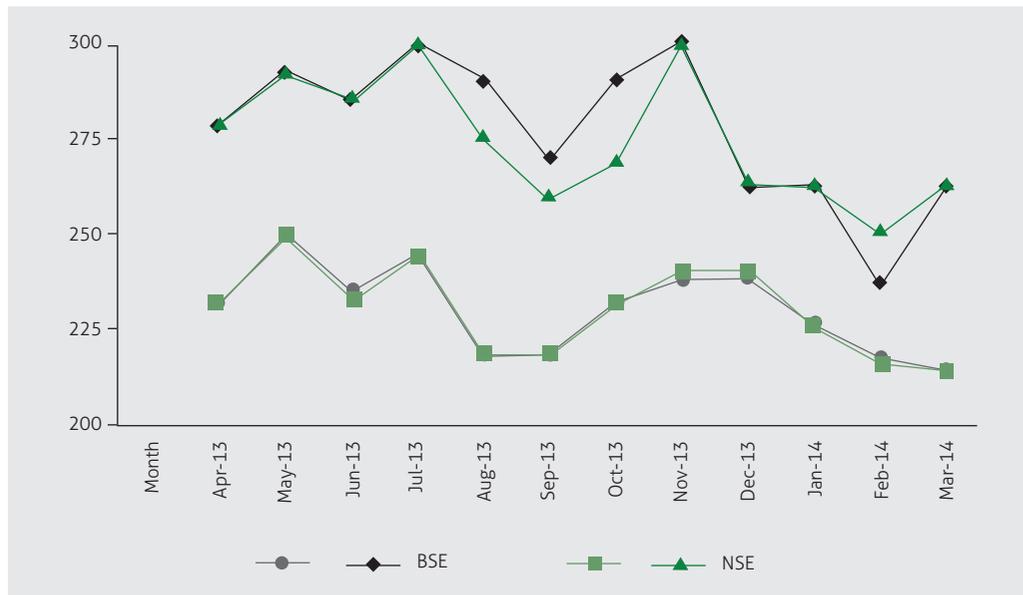
Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of Shares	Turnover (in Lakhs)
Apr-13	237.6	277.5	231.5	266.75	198773	505.42699
May-13	267.5	292.5	249.55	271.35	188068	510.12707
Jun-13	271.95	284.9	235.1	242.75	242760	627.47381
Jul-13	245	302	244	260	414656	1169.36701
Aug-13	235	290	217.6	220.15	472219	1152.81711
Sep-13	226	270	218.4	252.1	394565	947.42458
Oct-13	258.5	290	232.05	254.4	498267	1227.75554
Nov-13	270	300	238	245.15	343930	852.84088
Dec-13	244.9	262.5	238.5	238.95	400342	988.98294
Jan-14	241	262.5	226.2	229.7	1371852	3264.83183
Feb-14	231	237	217.3	224.75	450675	1022.04488
Mar-14	226	262	214.2	258.75	1112893	2588.05658

NSE Market Price Data: High, Low during each month in last financial year

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of Shares	Turnover (in Lakhs)
Apr-13	231.1	278.3	231.1	267.95	604183	1550.52
May-13	265.1	291.9	249	272.9	348602	947.82
Jun-13	270.1	284.75	232	241.6	393235	1025.29
Jul-13	244	300.05	244	259.8	626679	1768.31
Aug-13	264	274.9	218.1	219.85	663635	1613.04
Sep-13	225.45	259	218	251.6	513548	1233.47
Oct-13	253	268.4	231.5	253.65	565588	1398
Nov-13	269	298	239.95	240.75	470230	1165.95
Dec-13	246.75	263.6	239.55	240.4	734673	1816.65
Jan-14	241.1	262.8	225.5	229.75	1972969	4708.62
Feb-14	231	250	215.4	226.05	661048	1499.92
Mar-14	227	262.9	214.2	258	1777541	4074.86

* (Source: This information is compiled from the data available from the website of BSE and NSE)

Comparative High – Low price of BSE and NSE



11. REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mill Compnd.,
Bhandup (West), Mumbai – 400 078

12. SHARE TRANSFER PROCESS

The Company's shares are traded in Demat form at the Stock Exchanges. Only off – market trades can be delivered in physical form. All shares received for transfer etc. are processed and returned to the shareholders within 21 days of receipt of lodgment.

13. DISTRIBUTION OF SHAREHOLDING : (As on March 31, 2014)

Category / No. of Shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto 5000	4010	76.7170	519,526	1.3977
5001 – 10000	658	12.5885	441,320	1.1873
10001 – 20000	224	4.2854	320,220	0.8615
20001 – 30000	81	1.5496	203,785	0.5483
30001 – 40000	42	0.9374	148,778	0.4003
40001 – 50000	49	0.9374	230,993	0.6214
50001 – 100000	58	1.1096	427,240	1.1494
Above 100001	105	2.0088	34,878,208	93.8341
Total	5227	100	37,170,070	100.00

Shareholding pattern of the Company (as on March 31, 2014):

Statement showing Shareholding Pattern as on March 31, 2014

Name of the Company: Tree House Education & Accessories Limited

Scrip Code: BSE Scrip Code: 533540/ Symbol: TREEHOUSE

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered		
					As a percentage of(A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV)*100
(A) Shareholding of Promoter and Promoter Group²								
1	Indian							
(a)	Individuals/ Hindu Undivided Family	5	11,597,633	11,546,733	31.20	31.20	2,300,000	19.83
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(1)	5	11,597,633	11,546,733	31.20	31.20	2,300,000	19.83
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0
b	Bodies Corporate	0	0	0	0.00	0.00	0	0
c	Institutions	0	0	0	0.00	0.00	0	0
d	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
e	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	11,597,633	11,546,733	31.20	31.20	2,300,000	19.83
(B) Public shareholding								
1	Institutions							
(a)	Mutual Funds/ UTI	8	1,564,436	1,564,436	4.21	4.21	N.A.	N.A.
(b)	Financial Institutions / Banks	2	16,642	16,642	0.04	0.04	N.A.	N.A.
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	1	1,400,000	1,400,000	3.77	3.77	N.A.	N.A.
(e)	Insurance Companies	0	0	0	0.00	0.00	N.A.	N.A.
(f)	Foreign Institutional Investors	7	2,487,588	2,487,588	6.69	6.69	N.A.	N.A.

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered		
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII) / (IV) * 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) * 100
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(i)	Any Other (specify)	0	0	0	0.00	0.00	N.A.	N.A.
	Sub-Total (B)(1)	18	5,468,666	5,468,666	14.71	14.71	N.A.	N.A.
2	Non-institutions							
(a)	Bodies Corporate	171	1,746,666	1,746,666	4.70	4.70	N.A.	N.A.
(b)	Individuals				0.00	0.00	N.A.	N.A.
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	4,690	1,843,063	1,823,060	4.96	4.96	N.A.	N.A.
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	49	1,864,976	1,864,976	5.02	5.02	N.A.	N.A.
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Any Other (specify)							
i	Non Resident Indians (Repat)	126	142,305	142,305	0.38	0.38	N.A.	N.A.
ii	Non Resident Indians (Non Repat)	44	69,485	69,485	0.19	0.19	N.A.	N.A.
iii	Foreign Companies	4	134,49,748	13,449,748	36.18	36.18	N.A.	N.A.
iv	Clearing Members	109	151,449	151,449	0.41	0.41	N.A.	N.A.
v	Directors / Relatives of directors	8	369,279	369,279	0.99	0.99	N.A.	N.A.
vi	Trust	3	466,800	466,800	1.26	1.26	N.A.	N.A.
	Sub-Total (B)(2)	5,204	20,103,771	20,083,768	54.09	54.09	N.A.	N.A.
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	5,222	25,572,437	25,552,434	68.80	68.80	N.A.	N.A.
	TOTAL (A)+(B)	5,227	37,170,070	37,099,167	100.00	100.00	2,300,000	6.19
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	N.A.	0.00	N.A.	N.A.
2	Public	0	0	0	N.A.	0.00	N.A.	N.A.
	Sub-Total (C)	0	0	0		0	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	5,227	37,170,070	37,099,167	100.00	100.00	2,300,000	6.19

14. CATEGORY WISE SHAREHOLDING AS AT MARCH 31, 2014

Category	Number of Equity Shares held	% of Shareholding
Promoters	11,597,633	31.2
Corporate Bodies	1,746,666	4.70
Overseas Corporate Bodies	13,449,748	36.18
Public	10,376,023	27.92
Total	37,170,070	100

15. 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.

16. DEMATERIALISATION OF SHARES

The Company has entered into separate Tripartite Agreement with the Depositories viz. NSDL and CDSL along with M/s Link Intime India Private Limited as Registrar and Share Transfer Agents. As on March 31, 2014, a total of 37,099,167 shares i.e. about 99.809% of the total listed shares have been dematerialized.

17. OUTSTANDING BONDS / CONVERTIBLE INSTRUMENTS

5,95,200 Warrants

18. ADDRESS FOR COMMUNICATION AND REGISTERED OFFICE

702 'C', Morya House, Off New Link
Road, Andheri (west), Mumbai – 400 053
Tel: 022 – 6457 2730
Fax: 022 – 2605 1259
Email: compliance@treehouseplaygroup.net

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

Sd/-

Rajesh Bhatia
Managing Director

Place: Mumbai
Date: May 27, 2014

DECLARATION UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

I, Rajesh Bhatia, Managing Director of Tree House Education & Accessories Limited, hereby affirmed and declare, to the best of our knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

- The Board of Directors has laid down a code of conduct for all Board members and Senior Management of the Company ['the Code of Conduct'];
- All the Directors and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2014 applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2014.

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

Sd/-

Rajesh Bhatia

Managing Director

Place: Mumbai

Date: May 27, 2014

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Treehouse Education & Accessories Limited

We have examined the compliance of conditions of corporate governance by Treehouse Education & Accessories Limited ("the Company") for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance.

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

Based on the aforesaid examination, in our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the

conditions of corporate governance as stipulated in the above mentioned listing agreement. We have to state that the records of investor grievances are maintained by the Registrar and Transfer Agents appointed by the Company. The Registrar and Transfer Agents have certified that during the year under review there were no investor grievances received.

We further state that such compliance is neither an assurance as to 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: 27th May 2014