

## REPORT ON CORPORATE GOVERNANCE

### 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 which enhances to fulfill its responsibilities towards all 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.

### II. BOARD OF DIRECTORS:

#### i. Composition & Category of Directors:

The details of composition of Board of Directors, categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below.

Name of Director	Category	No of shares held	Particulars of Attendance		No. of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other entity (Category of Directorship)
			Last AGM	Board Meeting	Chairman	Member	Chairman	Member	
Mr. Jugal Shah	Executive	0	Yes	5	0	0	0	0	0
Mr. Suraj Manghnani	Independent	48	Yes	4	0	0	0	0	0
Mr. Deepak Valecha	Independent	0	Yes	5	0	0	0	0	0
Mrs. Babita Bhatia	Non – Executive, Non-Independent Women	0	Yes	5	0	0	0	0	0
Ms. Nidhi Busa	Independent Women	0	Yes	3	0	1	0	3	0
Mr. Milin Ramani	Independent	0	Yes	3	0	5	1	8	5



## ANNUAL REPORT 2020-2021

Other directorships do not include Directorship in Tree House Education & Accessories Limited and directorships of private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 ("the Act") and Alternate Directorships. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations).

None of the Directors have pecuniary or Business relationship with the Company except as mentioned elsewhere in the Annual Report. 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. Further, none of the Directors acts as Independent Director in more than 7 Listed Companies.

The Board Members are from diversified areas having the required knowledge, Competency, skills, and experience to effectively discharge their responsibilities. The range of experience of the Board Members includes in the areas of Marketing, Education, Corporate Law and Legal.

Particulars of Directors retiring by rotation and seeking appointment have been given in the Notice convening the Annual General Meeting

### Matrix /Table containing skills, Expertise and Competencies of the board of directors.

The Board Members are from diversified areas having the required knowledge. Competency, skills, and experience to effectively discharge their responsibilities. The range of experience of the Board Members includes in the areas of Marketing, Education, Corporate Law and Legal.

The board has identified skills/expertise/competence required in the context of its business (es) and sector(s) for it to function effectively and are detailed as below

Particulars	Detailed List of Core Skills, Expertise and Competencies
Core Skills	Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements,
Expertise	Knowledge in Marketing, Education, Corporate Law and legal matters.
Competencies	Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment.

While all the Board members possess the skills identified, their area of core expertise is given below:

Sr. No.	Name of the Director	Area of Skills / Expertise / Competence
1	DEEPAK VALECHA, (Independent Director)	Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment.
2	JUGAL SHAH, (Executive Director)	Strategic policy formulation and advising, Regulatory framework knowledge, advising on Risk mitigation and Compliance requirements, Personnel Management, Knowledge in Marketing, Education, execution of policies framed by the Board identifying the growth areas for expanding the business and advising on Business Risks & environment.



## ANNUAL REPORT 2020-2021

Sr. No.	Name of the Director	Area of Skills / Expertise / Competence
3	SURAJ MANGHNANI, (Independent Director)	Regulatory framework knowledge, financial performance, Knowledge in Marketing, Education, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment.
4	Babita Bhatia (Non- Executive, Non-Independent Woman Director)	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, Education, Strategic Leadership, execution of policies framed by the Board
5	Nidhi Busa (Independent Woman Director)	Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, execution of policies framed by the Board, identifying the growth areas for expanding the business
6	Milin Ramani (Independent Director)	Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law, Corporate Governance, , execution of policies framed by the Board,

### ii. Number of Board Meetings:

During the financial year ended March 31, 2021, five (5) meetings of the Board of Directors were held on July 09, 2020, August 21, 2020, September 11, 2020, November 12, 2020, and February 12, 2021.

Further, there is no Inter-se relation between the Directors.

### iii. Familiarisation Programme:

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarization programme have been hosted on the website of the Company and can be assessed on the link: [https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_FAMILIARIZATION\\_PROGRAMME\\_ID.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_Policy_FAMILIARIZATION_PROGRAMME_ID.pdf)

### iv. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for the Board of Directors and Senior Management (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is hosted on the website of the Company [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_CodeofConduct\\_011014.pdf](https://primeinfobase.in/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 Executive Director is attached as **Annexure – E** and forms part of the Annual Report of the Company.

The Company has also adopted a Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure with view to regulate trading in securities by the Directors and designated employees person of the Company in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code is available on website of the Company at web link [https://primeinfobase.in/z\\_TreeHouse/pdf-files/CODE\\_OF\\_CONDUCT\\_INSIDER\\_TRADING.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/CODE_OF_CONDUCT_INSIDER_TRADING.pdf)

### v. 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.



## ANNUAL REPORT 2020-2021

### vi. Meeting of Independent Director

Pursuant to Section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements), 2015, a meeting of Independent Directors was held on February 12, 2021, without the attendance of Non-Independent Directors and members of the management. The said meeting was attended by all the Independent Directors namely Mr. Deepak valecha, Mr. Suraj Manghnani, Ms. Nidhi Busa and Milin Ramani.

It is hereby confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013 read with Schedule IV of the Act and the SEBI Listing Regulations and are independent of the management.

### 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 the SEBI Listing Regulations, 2015. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The minutes of Committee meetings are tabled at the Board meetings and the Chairman of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees.

#### i. Audit Committee :

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of three Directors out of which 2/3rd are Independent Directors and Chairperson of the committee is an Independent Director. All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management.

The Audit Committee met five times in the financial year ended March 31, 2021 on 09.07.2020, 21.08.2020, 11.09.2020, 12.11.2020 and 12.02.2021. The necessary quorum was present for all the meetings.

a. The composition of the Committee during financial year ended March 31, 2021 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings held during the year ended March 31, 2021	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	5	5
Mr. jugal shah	Executive	Member	5	5
*Mr. Suraj Manghnani	Independent, Non-Executive	Member	5	2
**Ms. Nidhi Busa	Independent, Non-Executive	Member	5	3

\*appointed w.e.f. 27.06. 2020 and resigned w.e.f. 01.09.2020

\*\*appointed w.e.f. 01.09.2020

#### b. Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

#### ii. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee comprises of three directors out of which majority are independent directors and Chairperson of the committee is an independent director.



## ANNUAL REPORT 2020-2021

- a. The Nomination and Remuneration Committee met three times in the financial year ended March 31, 2021 on 09.07.2020, 21.08.2020 and 11.09.2020.
- 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, 2021:

Name	Category	Position	Number of meetings held during the year ended March 31, 2021	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	3	3
*Mr. Suraj Manghnani	Independent, Non-Executive	Member	3	2
**Mrs. Babita Bhatia	Non -Independent, Non-Executive	Member	3	3
***Ms. Nidhi Busa	Independent, Non-Executive	Member	3	1

\* Resigned w.e.f. 01.09.2020

\*\*Appointment w.e.f. 27.06.2020

\*\*\*Appointment w.e.f. 01.09.2020

- c. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are as contained under Regulation 19 read with Part D of Schedule II of the SEBI LODR Regulations and Section 178 of the Companies Act, 2013.

- d. Performance Evaluation Criteria:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board the performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors in their meeting. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Shareholders / Investors Relations and Grievance Committee. The Directors expressed their satisfaction with the evaluation process.

- e. Remuneration Policy

The Company's remuneration policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company. The remuneration policy is in consonance with existing industry practice.

The policy is been hosted on the website of the Company and can be assessed on the link:

[https://primeinfobase.in/z\\_TreeHouse/pdf files/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://primeinfobase.in/z_TreeHouse/pdf files/Nomination_and_Remuneration_Policy.pdf)

### iii. Stakeholders Relationship Committee:

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

- 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, 2021 on 09.07.2020, 11.09.2020, 12.11.2020 and 12.02.2021. The necessary quorum was present for all the meetings.



## ANNUAL REPORT 2020-2021

- b. The composition of the Stakeholders Relationship Committee during financial year ended March 31, 2021 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings held during the year ended March 31, 2021	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
*Mr. Suraj Manghnani	Independent, Non-Executive	Member	4	3
Mr. Jugal Shah	Executive	Member	4	4
**Mrs. Babita Bhatia	Non -Independent, Non-Executive	Member	4	4
***Ms. Nidhi Busa	Independent, Non-Executive	Member	4	NA

\* Resignation w.e.f. 12.02.2021

\*\* Appointment w.e.f. 27.06.2020

\*\*\* Appointment w.e.f. 12.02.2021

- c. The terms of reference of the Stakeholders Relationship Committee are as contained under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.
- d. As on March 31, 2021 there are NIL complaints pending with the Company. Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2021 are as follows:

No. of complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending at the end of the year	Nil

- e. The Company has also adopted Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The same is available on the website of the Company.
- f. The Board has designated Company Secretary Ms. Guddi Bajpai (w.e.f. 30th May, 2018) as the Compliance Officer of the Company.

#### iv. 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 composition of the Committee during the financial year ended March 31, 2021.

Name	Category (Director)	Position	Number of meetings held during the year ended March 31, 2021	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mr. Jugal Shah	Executive	Member	-	-
*Mr. Suraj Manghnani	Independent, Non-Executive	Member	-	-

\*appointed w.e.f. 27.06.2020

No meeting of the Committee of Board was held during the financial year 2020-21.





## ANNUAL REPORT 2020-2021

### b. Powers and terms reference 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.

### v. Compensation Committee

The Compensation Committee was constituted pursuant to the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

- a. The composition of the Committee during the financial year ended March 31, 2021, the details of meetings held and attended by the members are as under:

Name	Category (Director)	Position	Number of meetings held during the year ended March 31, 2021	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mr. SurajManghnani	Independent, Non-Executive	Member	-	-
Mrs. Babita Bhatia*	Non- Independent, Non-Executive	Member	-	-

\* appointed w.e.f. 27.06.2020

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

- Prepare and recommend Board of Directors ESOP Scheme, trust deed.
- Determine the number of Options to be granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- Determine the Vesting and/or Lock-in period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- Determine the Employees eligible for participation in the Plan.
- Determine the performance parameters for Grant of Options granted to an Employee, under the Plan.
- Lay down the conditions under which Options granted to or Vested in Employees may lapse in case of termination of employment for misconduct, etc.
- Determine the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period.
- Specify time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure, and Corporate Action etc.
- Provide for the right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- Lay down the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise including but not limited to procedure and mode of recovering Fringe Benefit Tax (FBT).
- Lay down the procedure for cashless Exercise of Options, if any.
- Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the Employer Company.

- Frame suitable rules, policies and systems to ensure that there is no violation of:
  - SEBI (Insider Trading) Regulations, 2015, and
  - SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Plan.

#### IV. Criteria of making payment of Remuneration to Non-Executive Directors:

Sitting fees to Non-Executive Directors: Non- Executive Directors are paid only sitting fees for attending meeting. The details of sitting fees paid to the Non-Executive Independent Director and Non-Executive Non-Independent Directors along with their shareholding are given below:

##### Sitting Fees to Independent and Non- Executive directors:

Sr. No	Particulars of Remuneration	Name of the Directors					Total
		Suraj Manghnani	Deepak Valecha	Babita Bhatia (w.e.f. 23.06.2020)	Nidhi Kaushik Busa (w.e.f. 01.09.2020)	Milin Jagdish Ramani (w.e.f. 01.09.2020)	
<b>1. Independent Directors</b>							
	(a) Fee for attending board committee meetings	10,000	4,12,500	0	37,500	67,500	5,27,500
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-	-
	Director Remuneration	-	-	-	-	-	-
	<b>Total (1)</b>	<b>10,000</b>	<b>4,12,500</b>	<b>-</b>	<b>37,500</b>	<b>67,500</b>	<b>5,27,500</b>
<b>2 Other Non Executive Directors</b>							
	(a) Fee for attending board committee meetings	-	-	12,500	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify.	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>12,500</b>	<b>0</b>	<b>0</b>	<b>12,500</b>
	<b>Total (B)=(1+2)</b>	<b>10,000</b>	<b>4,12,500</b>	<b>12,500</b>	<b>37,500</b>	<b>67,500</b>	<b>5,40,000</b>
	<b>Total Managerial Remuneration</b>						

Shareholding of Non-Executive Independent Director and Non-Executive Non-Independent Directors as on March 31, 2021 are given below:

Name	Category	Number of equity shares held
Deepak Valecha	Non-Executive Independent Director	NIL
Babita Bhatia	Non-Executive Non -Independent Director	NIL
Nidhi Busa	Non-Executive Independent Director	NIL
SurajManghnani	Non-Executive Independent Director	48
Milin Ramani	Non-Executive Independent Director	NIL





## ANNUAL REPORT 2020-2021

### Details of Remuneration Paid to Executive Director and Shareholding:

Details of Remuneration paid to Executive Director along with the Shareholding for the financial year 2020-21 are given below:

Name	Category	Remuneration Paid	Number of equity shares held
Jugal Shah	Executive Director	10,94,473	NIL

### 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
14th Annual General Meeting	November 21, 2020 10.30 am. Meeting conducted through Video Conferencing	NA
13th Annual General Meeting	September 12, 2019; 9.00 a.m. <b>Venue:</b> Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	1. To deliver document through a particular mode as may be sought by the member.
12th Annual General Meeting	September 22, 2018; 9.00 a.m. <b>Venue:</b> Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	1. To sell / dispose off the assets of the Company more than 20% of the paid up share capital and reserves of the Company under section 180 of the Companies Act, 2013.

#### ii. Postal Ballot:

During the financial year ended March 31, 2021 the Company has not passed any resolution by postal ballot. No special resolutions are proposed to be conducted through postal ballot

### 1) 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 SEBI Listing Regulations, 2015 and are published in the newspapers i.e. "Free Press Journal" (English daily newspapers) and "Navshakti" (Marathi regional language newspapers) and are displayed on website ([www.treehouseplaygroup.net](http://www.treehouseplaygroup.net)).

#### ii. Website and News Releases:

A separate dedicated section namely 'Investors' on the Company's website gives 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 are 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 Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX) in terms of SEBI Listing Regulations, 2015 and other rules and regulations issued by SEBI.



# ANNUAL REPORT 2020-2021

## iv. NEAPS (NSE Electronic Application Processing System):

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

## vi. My listing Corporate Compliance & Listing Centre:

My listing is a web-based application designed by Metropolitan Stock Exchange (MSE) for corporates whose securities are listed on MCX-SX. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.

## 2) GENERAL INFORMATION TO SHAREHOLDERS

### 1. Annual General Meeting (AGM):

Date	20 <sup>th</sup> September, 2021
Day	Monday
Time	10:30 A.M.
Venue	Meeting is being conducted through VC/OAVM

### 2. Financial Year:

Financial Year - 1st April to 31st March

### 3. Dividend payment date:

No dividend has been declared for the Financial Year ended 2020-21.

### 4. Date of Book Closure:

Wednesday, September 15, 2021 to Monday, September 20, 2021 (both days inclusive).

### 5. Listing on Stock Exchange:

The Equity Shares of the Company are listed on:

#### **Bombay Stock Exchange Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

#### **National Stock Exchange of India Limited (NSE)**

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

#### **Metropolitan Stock Exchange of India Limited (MCX-SX)**

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

The Company has paid annual listing fees to the stock exchanges for the financial year 2020-21 and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to NSDL & CDSL.

## 6. Stock Codes:

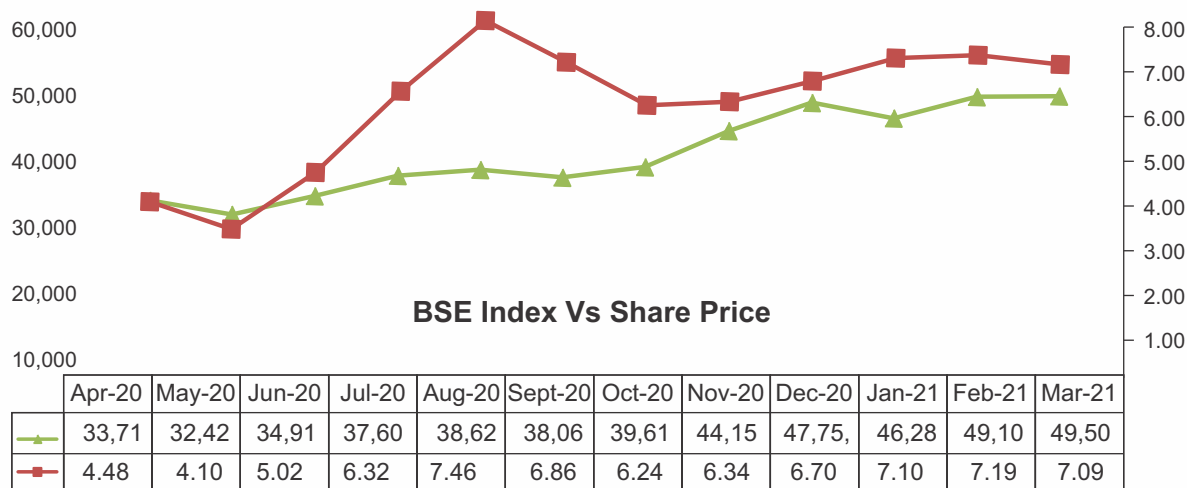
Stock Exchanges	Code
BSE	533540
NSE	TREEHOUSE
MCX-SX	TREEHOUSE
Demat ISIN Numbers in NSDL and CDSL	INE040M01013
CIN	L80101MH2006PLC163028

## 7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2021 at BSE Ltd and at National Stock Exchange of India Ltd were as under:

Month	Bombay Stock Exchange					National Stock Exchange				
	(Face Value of Rs. 10/- Per Share)					(Face Value of Rs. 10/- Per Share)				
	High	Low	Close	Volume	Sensex Close	High	Low	Close	Volume	NSE Close
Apr-20	5.14	3.14	4.48	59,021	33,718	5.35	3.20	4.55	3,64,509	9,860
May-20	4.70	3.75	4.10	20,250	32,424	4.70	3.70	4.15	2,74,519	9,580
Jun-20	5.12	3.99	5.02	1,60,970	34,916	5.25	3.95	5.00	15,93,011	10,302
Jul-20	6.32	4.39	6.32	2,04,626	37,607	6.15	4.35	6.15	13,05,992	11,073
Aug-20	10.02	6.30	7.46	11,08,207	38,628	9.80	6.15	7.15	26,34,844	11,388
Sep-20	8.80	6.65	6.86	1,89,630	38,068	8.85	6.70	6.85	8,92,682	11,248
Oct-20	7.01	6.04	6.24	24,914	39,614	7.20	6.00	6.10	2,88,263	11,642
Nov-20	7.20	6.19	6.34	85,117	44,150	7.30	6.00	6.35	10,45,681	12,969
Dec-20	7.30	5.60	6.70	3,22,542	47,751	7.40	5.55	6.70	27,91,947	13,982
Jan-21	8.71	6.54	7.10	2,79,689	46,286	6.80	6.55	6.95	13,43,219	13,635
Feb-21	8.00	6.84	7.19	1,98,067	49,100	8.25	6.75	6.75	7,75,566	14,529
Mar-21	8.20	6.49	7.09	4,29,047	49,509	8.25	6.30	7.25	13,38,844	14,691

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





## ANNUAL REPORT 2020-2021

### 9. Registrar and Share Transfer Agents:

M/s. Link Intime(India) Private Limited  
C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083  
Tel. No:022 - 2594 6970 / 022 - 2594 6960 / 022 - 6171 5400  
Fax:022 - 2594 6969 . Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

Registrar and Share Transfer Agents at the above mentioned addresses.

### 11. Share Transfer System:

Our Registrar and Transfer Agent registers securities sent for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Shares under objection are returned within two weeks. However, SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which from 1st April, 2019, onwards securities can be transferred only in dematerialized form. It is also clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.

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

### 12. Dematerialization of Shares and Liquidity:

About 99.98% of total equity share capital is held in Dematerialized (Demat) form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2021.

The break-up of Equity shares held in physical and Demat form as on March 31, 2021 is given below:

Particulars	Shares	% of total shares
<b>Physical Shares (i)</b>	<b>10004</b>	<b>0.02</b>
<b>Demat Shares</b>		
NSDL	27437654	64.85
CDSL	14863066	35.13
Demat Shares (Total) (ii)	4,23,00,720	99.98
<b>Total (i + ii)</b>	<b>4,23,10,724</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.

### 13. Compliance Officer:

Ms. Guddi Bajpai  
Company Secretary & Compliance Officer (w.e.f. 30th May, 2018)  
Tel. No: 7777051465  
Email ID: [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net)

### 14. Bank Details for electronic shareholding:

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



## ANNUAL REPORT 2020-2021

### 15. Distribution of Share Holding as on March 31, 2021

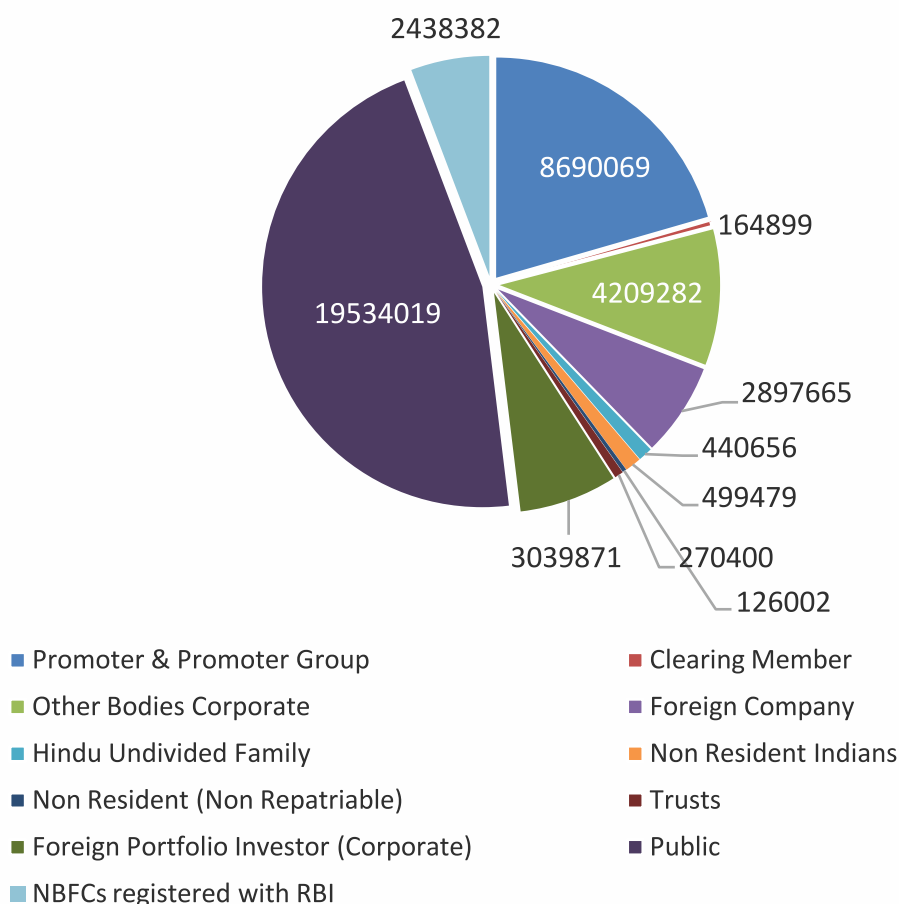
SHAREHOLDING OF NOMINAL		NUMBER OF SHAREHOLDERS	% TO TOTAL	Share Amount (Rs)	% of Total Share Amount
1	500	12318	76.0652	1815926	4.2919
501	1000	1724	10.6459	1439204	3.4015
1001	2000	975	6.0207	1525289	3.605
2001	3000	352	2.1736	906330	2.1421
3001	4000	176	1.0868	629876	1.4887
4001	5000	177	1.093	838439	1.9816
5001	10000	249	1.5376	1842259	4.3541
10001	And above	223	1.3771	33313401	78.7351
<b>Total</b>		<b>16194</b>	<b>100.0000</b>	<b>42310724</b>	<b>100.0000</b>

### 16. Shareholding Pattern as on March 31, 2021:

The shareholding of different categories of the shareholders as on March 31, 2021 is given below:-

Sr. No	Category of Shareholders	Total Shareholding	% of Shareholding
1.	Promoter & Promoter Group	8690069	20.5387
2.	Clearing Member	164899	0.3897
3.	Other Bodies Corporate	4209282	9.9485
4.	Foreign Company	2897665	6.8485
5.	Hindu Undivided Family	440656	1.0415
6.	Non Resident Indians	499479	1.1805
7.	Non Resident (Non Repatriable)	126002	0.2978
8.	Trusts	270400	0.6391
9.	Foreign Portfolio Investor (Corporate)	3039871	7.1846
10.	Public	19534019	46.168
11.	NBFCs registered with RBI	2438382	5.763
	<b>TOTAL</b>	<b>42310724</b>	<b>100</b>

## Category of Shareholders



### 17. Registered Office:

L80101MH2006PLC163028

101, Sapphire Plaza, Dadabhai Road, opp. CNMS School,

Vile Parle (west) Mumbai - 400056, Maharashtra, India

### 18. Outstanding GDRs or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2021.

### 19. Addresses for Correspondence

#### Investors Correspondence:

**M/s. Link Intime (India) Private Limited**

C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083

Tel. No : 022 - 2594 6970 / 022 - 2594 6960 / 022 - 6171 5400

Fax : 022 - 2594 6969

Email ID : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)





## ANNUAL REPORT 2020-2021

### 20. Any query on Annual Report:

#### **Tree House Education and Accessories Limited**

Registered Office:

L80101MH2006PLC163028

101, Sapphire Plaza, Dadabhai Road,

opp. CNMS School, Vile Parle (west) Mumbai - 400056, Maharashtra, India

Tel: 07777051465

### 21. Plant Locations

The Company does not have any plants.

### 3) OTHER DISCLOSURES:

#### **i. Related Party Transaction:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length basis. 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 Indian Accounting Standards (AS- 18) has been made in the notes to the Financial Statements. Please refer Note No. 33 of the financial statement for related party statement. [https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTION\\_Policy.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

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

#### **ii. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

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, except noticed and mentioned by secretarial auditor in his report.

#### **iii. Vigil Mechanism / Whistle Blower Policy:**

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

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

In accordance with Listing Agreement / SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, your Company has adopted Whistle Blower Policy and Vigil Mechanism with object to provide its employees and a mechanism whereby concern can be raised with Complaint Management Committee. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Audit Committee of the Board of Directors of the Company. Whistle Blower Policy is available on company website [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_WhistleBlowerPolicy\\_Revised\\_14022016.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_Revised_14022016.pdf)

#### **iv. Prevention of Sexual Harassment at Workplace:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. Policy on Prevention of Sexual Harassment at Workplace is available on company's website: [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_Sexual%20Harrasment%20Policy\\_Revised\\_14022016.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Treehouse_Sexual%20Harrasment%20Policy_Revised_14022016.pdf)

The following is reported pursuant to Section 22 of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints received in the year : Nil
- Number of complaints disposed off during the year : Nil
- Number of cases pending more than ninety days: Nil
- Nature of action taken by the employer or district officer: Not applicable.

**v. Policy on Material Subsidiary –**

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

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

The Policy on Material Subsidiary is available on company's website at [https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_for\\_determining\\_Material\\_Subsidiary\\_ies\\_.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsidiary_ies_.pdf)

**vi. Details of compliance with mandatory and non-mandatory requirements of Listing Regulations 2015.**

a. Your Company has complied with all the mandatory requirements of Listing Regulations 2015 except those noticed by the secretarial auditor of the company in their report annexed to the Board's Report.

**b. Compliance with non-mandatory requirements under listing regulations 2015:**

The status of compliance with non-mandatory recommendations as specified in Part E of Schedule II of the Listing Regulations 2015 with Stock Exchanges is provided below:

**i. 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).

**ii. Audit qualifications**

There are no Audit Qualifications on the Company's financial statements for the financial year 2020-21. However in point 2.f(i) auditor has observed that the company is facing forensic audit by NSE, the outcome of the same is awaited and the financial or other impact on the company cannot be measured now. Further on the legal matters which are going on against past directors of the company, the company will not have any financial impact. Other observations are self explanatory.

**iii. Separate posts of Chairman and CEO:**

There are separate posts of Chairman and CEO in the Company.

**iv. Reporting of Internal Auditor**

The Internal auditor directly reports to the Audit Committee.

**vii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Particulars	Amount (Rs.)
<b>Paid to Statutory Auditors</b>	
Statutory Audit	4,50,000
Income Tax Audit	75,000
Certification Fees	0
<b>To other entities in the same network</b>	<b>0</b>
<b>Total</b>	<b>5,25,000</b>



## ANNUAL REPORT 2020-2021

- viii. The company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations 2015 except noticed and mentioned by secretarial auditor in his report.
- ix. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure - F**.
- x. Compliance with Accounting Standards / Ind AS  
All applicable Ind AS have been consistently applied. Financial statements of the Company are prepared in accordance with the Indian Accounting Standards.
- xi. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations  
The Company has not raised funds through preferential allotment or qualified institutional placement.

### Certificate on Compliance with the conditions of Corporate Governance

To,  
The Members  
**Tree House Education & Accessories Limited**  
**CIN: L80101MH2006PLC163028**

We have examined the compliance of conditions of Corporate Governance by the Tree House Education & Accessories Ltd, for the financial year ended March 31, 2021 as stipulated in Clause E of Schedule V of the SEBI (LODR) Regulations, 2015.

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, 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 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Regulations.

We state that in respect of investor's grievance received during the year ended 31st March, 2021, the Registrar and Transfer Agent of the Company have certified that as at 31st March, 2021, there were no investors' grievances remaining unattended / pending for satisfaction.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015;

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 S. Dedhia & Co,**  
**Chartered Accountants**  
(Firm Registration No: 117695W)

**CA Sandeep Dedhia**  
**(Proprietor)**  
(Membership No.102606)

**Place:** Mumbai

**Date:** June 25, 2021



## ANNUAL REPORT 2020-2021

### Annexure D

#### CEO / CFO Certificate

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To,  
The Board of Directors  
**Tree House Education & Accessories Limited**  
Office No.101, Sapphire Plaza, Dadabhai Road,  
opp. CNMS School, Vile Parle (west),  
Mumbai - 400056

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

Sd/-  
**Rajesh Bhatia**  
Chief Executive Officer

Sd/-  
**Navin Kumar**  
Chief Financial Officer

**Date:** June 25, 2021

**Place:** Mumbai



## ANNUAL REPORT 2020-2021

### Annexure E

#### Certificate on Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the senior management personnel of the Company have confirmed compliance with the Code of conduct for the financial year ended March 31, 2020.

For and on behalf of the Board of Directors

Sd/-

Jugal Shah

Director

(DIN: 08334114)

Date: June 25, 2021

### Annexure F

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of Tree House Education & Accessories Ltd

CIN: L80101MH2006PLC163028

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tree House Education & Accessories Ltd having CIN L80101MH2006PLC163028 and having registered office at Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School, Vile Parle (west), Mumbai – 400056, MH, IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kaushal Doshi & Associates

Practicing Company Secretary

KaushalDoshi

(Proprietor)

COP No: 13143

FCS No: 10609

UDIN: F010609C000710088

Date: 30.07.2021

Place: Mumbai



# ANNUAL REPORT 2020-2021

## INDEPENDENT AUDITOR'S REPORT

TO  
THE BOARD OF DIRECTORS  
**TREE HOUSE EDUCATION & ACCESSORIES LIMITED**

### Report on the Standalone Indian AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **TREEHOUSE EDUCATION & ACCESSORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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 under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Basis of Forming an Opinion

1. We draw your attention to the Standalone Ind AS Financial Statements, with regard to Fixed Assets. The Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, converted franchise centres and own centres in a phased manner. During the year 2020-21, the COVID-19 Pandemic has forced non-opening of pre-schools and hence all such assets held by the Company at those centres are reclassified as "Assets for Write Off/Sale".





## ANNUAL REPORT 2020-2021

2. We draw attention to the Standalone Ind AS Financial Statements with regards to Trade Receivables. In our opinion the deliverables and receipts are outstanding for a longer period of time. The Company has provided for bad and doubtful debts of Rs. 439.44 lakhs. The Company has also written off debts of Rs. 53.84 lakhs as bad.
3. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of stocks as compared to book records.
4. The Company has written off lease deposits of Rs. 60.37 lakhs given for centres as the same were irrecoverable. The management has booked impairment loss on K-12 school deposits of Rs. 828.11 lakhs based on Discounted Cash Flow method for the year ended 31st March, 2021.
5. Confirmation letters have been sent by the Company to sundry creditors and debtors and parties to whom loans & advances, deposits have been granted for confirming the balances lying in their ledger accounts in books of the Company. The balances under these heads have been shown as per books of accounts and are subject to confirmation, reconciliation and adjustment, if any.
6. The Company has defaulted in repayment of loans availed from financial institutions due to which these borrowings have been classified as short term borrowings. The management has informed us that the Company has received notices from financial institutions under "SARFAESI Act". The amount classified as short term borrowings is at Rs. 3340.05 lakhs.
7. Forensic Audit of the Company for the period from F.Y.2011-12 to 2017-18 is underway. The Company is defending/pursuing legal cases on various forums against itself and its past directors.
8. It is worthwhile to mention that Corporate Governance and legal compliances have always been the topmost priority of the Company and Company ensures that all available information about the impact of these events on the company and its operations is communicated in a timely and cogent manner to its investors and stakeholders.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 standalone state of affairs of the Company as at March 31, 2021 and its loss (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of section 143(11) of the Act ("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 B statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
  - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:



## ANNUAL REPORT 2020-2021

- i. There are pending litigations and suits filed against the company and its directors which may impact its financial position. The Company has not disclosed the impact of such pending litigations.
- ii. SEBI vide its Order dated May 24, 2021 has restrained Mr. Rajesh Bhatia (Key Management Personnel) and Mrs. Geeta Rajesh Bhatia (relative of Key Management Personnel) from accessing the securities market and dealing in securities directly or indirectly in any manner whatsoever for a period of one year from the date of the said order and levied penalty as stated in the said order.
- iii. NSE vide its notice dated August 20, 2020 and November 17, 2020 has levied fine of Rs. 5,36,900/- and Rs 3,65,800/- for the quarters ended June 30, 2020 and September 30, 2020 respectively for non-compliance with SEBI (LODR) Regulations, 2015 ("Listing Regulations"). The Company has represented in the matter before NSE and the decision is awaited.
- iv. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- v. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

**For S. Dedhia & Co,**  
Chartered Accountants  
F.R.N. 117695W

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN : 21102606AAAABE2979

**Date:** 25/06/2021  
**Place:** Mumbai



## ANNUAL REPORT 2020-2021

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

Referred to in paragraph 11(f) of the Independent Auditors Report of even date to the members of TreeHouse Education & Accessories Limited on the Standalone Ind AS financial statement for the year ended March 31, 2021.

We have audited the internal financial controls over financial reporting of “**TREEHOUSE EDUCATION & ACCESSORIES LIMITED**” (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS’ RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Notes”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit and evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Because of the matter described in Disclaimer of opinion paragraph below, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and
- (3) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods



## ANNUAL REPORT 2020-2021

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Disclaimer of Opinion

According to information and explanation given to us, and based on our audit the Company's internal financial control over financial reporting in the current financial year to cover the essential components of Internal controls stated in Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by ICAI are not commensurate to the size of the Company.

The Internal Audit carried out by an independent firm on areas required to be covered as per the Guidance Note on Audit of Internal Financial Controls over Financial Reporting reports that the internal controls operating in the company are not commensurate to the size of the Company.

We have considered the disclaimer report above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the company, and the disclaimer does not affect our opinion on the standalone financial statements of the company.

### For S. Dedhia & Co.

Chartered Accountants  
F.R.N. 117695W

### CA Sandeep Dedhia

Proprietor  
M. No. 102606  
UDIN : 21102606AAAABE2979

**Date :** 25/06/2021

**Place :** Mumbai

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

Referred to in paragraph 1 under the heading “Report and Other Legal Regulatory Requirements” of Independent Auditors’ Report of even date to the Members of TreeHouse Education & Accessories Limited on the Standalone Ind AS financial statements as of and for the year ended March 31, 2021.

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management has identified the fixed assets consisting of furniture & fixtures and leasehold improvements into those lying at closed centres, franchise centres and own centres.
- b) As explained to us by the management it is known that the company has carried out a phased programme of verification of fixed assets consisting of furniture & fixtures, leasehold improvements and teaching aids & equipments located at franchise centres and no material discrepancies were noticed on such verification. It is further explained by the management that the fixed assets consisting of furniture & fixtures and leasehold improvements lying at the centres closed during F.Y. 2015-16 & 2016-17 could not be physically verified as the company did not have access to those centres.
- c) During the year 2020-21, the Company has carried out physical verification of above fixed assets lying at Head Office, Centres at Bandra and Khar and those lying at godown. The COVID-19 Pandemic has forced non-opening of pre-schools and hence all such assets held by the Company at those centres are reclassified as “Assets for Write Off/Sale”. The written down value of assets held as “Assets for Write Off/Sale” as on March 31, 2021 is Rs 69,38,73,714/-.
- d) The title deeds of immovable properties are held in the name of the Company are pledged with banks & financial institutions.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties, during the year covered in the register maintained u/s 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the loans and investments made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- vi. Pursuant to the rules made by the Central Government of India the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. As per records of the Company and according to the information and explanations given to us the Company is not regular in depositing in undisputed applicable statutory dues including Provident Fund, Income-tax, MVAT/CST, GST and any other statutory dues to the appropriate authorities though there has been a delay in few cases. As on 31st March, 2021 following are the amounts in arrears for a periods of more than six months from the date they became payable:

Sr No	Name of the Statute	Nature of Dues	Unpaid Liabilities > 6 months
1	Income Tax Act, 1961	TDS	2,61,05,363/-
2	Goods & Service Tax Act, 2017	GST	14,92,929/-
3	Maharashtra Vat Act, 2002	MVAT & CST	29,75,786/-
4	The Employees’ Provident Funds And Miscellaneous Provisions Act, 1952	PF	25,11,240/-
5	Profession tax Act under respective states	Profession Tax	2,01,035/-
	<b>TOTAL</b>		<b>3,32,86,353/-</b>



## ANNUAL REPORT 2020-2021

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in the repayment of loans or borrowings to financial Institutions, banks or government during the year. The Company did not have any outstanding debentures at the balance sheet date.
- ix. According to the information and explanation given to us the Company has not raised moneys by way of initial public offer, further public offer including debt instruments during the year. 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 they were obtained.
- x. During the course of 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 by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the Management.
- xi. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii. In view of the losses, managerial remuneration has been paid in accordance with the provisions of Section 197 read with Schedule V of the Act.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management no such transactions as specified in section 177 and 188 of the Act have been entered by the company during the year. Therefore the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The company has not entered into any non-cash transactions with its directors or persons connected with him as specified in section 192 of the Act. Accordingly the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For S. Dedhia & Co,**  
Chartered Accountants  
F.R.N. 117695W

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN : 21102606AAAABE2979

**Date:** 25/06/2021  
**Place:** Mumbai