

## REPORT ON CORPORATE GOVERNANCE

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

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

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

### GOVERNANCE FRAMEWORK

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

#### Board Leadership:

- Your Company has a well-balanced Board of Directors with members from diverse backgrounds, who have years of experience and expertise in various fields.
- Out of 8 members on the Board, 3 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence.
- 6 out of 8 members are Non-Executive Directors.
- The Managing Director is responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors.
- The Board over the period of years, has created a culture of leadership to provide long term vision and policy approach to improve performance and quality of governance in your Company. It has played a primary role in providing strategic direction to the management coupled with giving

responsibility and accountability to deliver value with highest level of transparency and integrity.

**Board Committees:**

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

**Managing Director:**

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

**II. BOARD OF DIRECTORS:**

**i) Composition of Board:**

Your Company has a Broad based Board of Directors with composition of Non-Executive, Executive and Independent Director in compliance with Clause 49 of the Listing Agreement as well as the Companies Act, 2013. Your Company also has a woman Director which brings diversity on the Board.

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

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

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

**ii) Independent Directors:**

Your Company had at its last Annual General Meeting (AGM) held on September 6, 2014, appointed Mr. Sanjaya Kulkarni, Mr. Parantap Dave and Mr.T. S. Sarangpani as Independent Directors pursuant to sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and Clause 49 of the Listing Agreement for the period of five (5) consecutive years upto March 31, 2019. The Independent Directors have submitted



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

### iii) Number of Board Meetings:

- During the financial year ended March 31, 2015, five (5) meetings of the Board of Directors were held. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held	
May 27, 2014 August 05, 2014 September 06, 2014	November 14, 2014 February 06, 2015

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

- The details of nature of directorships, relationship inter-se, number of directorships, Committee chairmanships/ memberships held by them in other public companies and shareholding are detailed below as on March 31, 2015:

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

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

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

\*\*\* No inter - se relationship with any of the Directors of the Company

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

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

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

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

- The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on March 31, 2015, are given below:-

Sr No.	Name of the Director	Other Directorship #	Committee Positions ##	
			Chairman	Member
1.	Mr. Sanjaya Kulkarni, Chairman	<ul style="list-style-type: none"> <li>■ Time Technoplast Limited.</li> <li>■ Agro Tech Foods Limited.</li> <li>■ TPL Plastech Limited.</li> <li>■ Ned Energy Limited.</li> <li>■ Su-Kam Power Systems Limited.</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>■ TPL Plastech Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>■ Agro Tech Foods Limited</li> <li>■ Time Technoplast Limited</li> </ul> <b>Stakeholder Relationship Committee</b> <ul style="list-style-type: none"> <li>■ Agro Tech Foods Limited</li> </ul>
2.	Mr. Parantap Dave	<ul style="list-style-type: none"> <li>■ MAS Services Limited.</li> <li>■ Sarla Performance Fibers Limited.</li> </ul>	-	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>■ Sarla Performance Fibers Limited</li> </ul> <b>Stakeholder Relationship Committee</b> <ul style="list-style-type: none"> <li>■ Sarla Performance Fibers Limited</li> </ul>
3.	Mr. Rishi Navani	<ul style="list-style-type: none"> <li>■ Siesta Hospitality Services Limited.</li> <li>■ Five Star Business Credits Limited.</li> </ul>	-	-

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

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

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

#### iv) Board Meeting, Agenda and Procedure:

- The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the board.
- The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, Board also meets as and when necessary to address specific issues concerning the business of your company.
- The Board meetings are governed by well-designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.

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- The Companies Act, 2013 read with the relevant rules issued thereunder, now facilitate conducting meetings of Board and its Committees through permitted audio-visual means or video conferencing. Accordingly, during the year, the Board members were, in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, provided with an option to participate at Board Meetings through video conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video-conferencing.
- The proceedings of each meeting of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

### v) Familiarisation Programme:

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

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

- Pre-School Visits
- High School visits

### vi) Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on February 06, 2015, without the attendance of Non-Independent Directors and members of the management.

### vii) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for the Board of Directors and Senior Management (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is posted on the website of the Company [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CodeofConduct\\_011014.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CodeofConduct_011014.pdf).

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

### viii) Directors' Profile:

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

#### Mr. Sanjaya Kulkarni

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

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

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

**Mr. Rajesh Bhatia**

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

**Other Directorship of Mr. Rajesh Bhatia is as follows:**

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	Khemi Investments and Consultancy Private Limited	Director
2.	Madhav Education and Research Institute India Private Limited	Director
3.	Rage Shares and Stocks Private Limited	Director
4.	JT Infrastructure Private Limited	Director
5.	Mehta Tree House Infrastructure Private Limited	Director
6.	Naivaidyam Food & Beverages Private Limited	Director

**Mr. T.S. Sarangpani**

Mr. T.S. Sarangpani is an Independent Director of your Company. He holds a bachelor of engineering degree and masters of business administration from the University of Madras. Mr. Sarangpani has approximately 34 years of experience in the financial services industry. He started his career with ICICI Bank Limited. After spending seven years with them in the project finance area, he moved to the manufacturing industry where he worked at International Instruments, Bangalore and Nuchem Plastics, New Delhi. Since 1990, Mr. Sarangpani was associated with the financial services industry in areas such as venture capital, setting funds for international investors and investing in India and investment banking with emphasis in corporate finance. During this period, he was associated with the 20th Century Venture Capital; TAIB Bank in Bahrain, West Merchant Bank at London, and WestLB, a Germany based commercial bank. Currently he is director in your Company only. Mr. T.S. Sarangpani holds no Directorship in any other company.

**Mr. Parantap Dave**

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

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

### Other Directorship of Mr. Parantap Dave is as follows:

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	Dhanipa Management Services Pvt Ltd	Director
2.	Spectrum International Private Limited	Director
3.	Mas Services Ltd	Director
4.	Sajeev Agri Private Limited	Director
5.	Capital Advisors Private Limited	Director
6.	Sankalp Siddhi Corporate Advisory Private Limited	Director
7.	Sarla Performance Fibers Limited	Director

### Mr. Vishal Shah

Mr. Vishal Shah is an executive Director of your Company. He holds bachelor of commerce degree from Mumbai University and masters of business administration in finance from Narsee Monjee Institute of Management Studies, Mumbai. Mr. Shah has approximately ten years of experience in the education industry. He worked with Apple Finance Limited as trainee in 1994-1996. In 1996, he joined Indsec Securities and Finance Limited as an assistant vice president. He has been associated with this Company since its inception in 2007. He oversees the marketing and administration department of the Company. His responsibilities include marketing, setting up of new centers, identifying properties for expansion, appointing franchisees and procurement.

### Other Directorship of Mr. Vishal Shah is as follows:

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	Dhiranand Engineers Pvt Ltd	Director
2.	JT Infrastructure Private Limited	Director
3.	Kusters Calico Machinery Private Limited	Director
4.	Mehta Tree House Infrastructure Private Limited	Director

### Mrs. Geeta Bhatia

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

### Other Directorship of Mrs. Geeta Bhatia is as follows:

Sr. No.	Name of the Firm/Company	Nature of Interest
1.	Khemi Investments and Consultancy Private Limited	Director
2.	Madhav Education and Research Institute India Private Limited	Director
3.	Rage Shares and Stocks Private Limited	Director
4.	JT Infrastructure Private Limited	Director
5.	Mehta Tree House Infrastructure Private Limited	Director
6.	Naivaidyam Food & Beverages Private Limited	Director

### Mr. Rishi Navani

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

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

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

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

**Mr. Ashu Garg**

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

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

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

**ix) Support and Role of Company Secretary**

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

**III. BOARD COMMITTEES:**

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

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### i) Audit Committee :

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with revised Clause 49 of the Listing Agreement. The Audit Committee comprises two Non-Executive Directors and one Executive Director who are well versed with financial matters and corporate laws.

- a) The Audit Committee met four times in the financial year ended March 31, 2015 on 27.05.2014, 05.08.2014, 14.11.2014 and 06.02.2015. The necessary quorum was present for all the meetings.
- b) The composition of the Committee during financial year ended March 31, 2015 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	4	4
Mr. Parantap Dave	Independent, Non-Executive	Member	4	4
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	4	4

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

- c) The terms of reference for the Audit Committee are broadly as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - To review the functioning of the Whistle Blower mechanism;
  - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ii) Nomination and Remuneration Committee:**
- During the financial year ended March 31, 2015, the nomenclature of Remuneration Committee was changed to "Nomination and Remuneration Committee" in compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement.

- a) The Nomination and Remuneration Committee met once in the financial year ended March 31, 2015 on 06.02.2015.
- b) The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of meetings held and attended by the members of the Committee during the financial year ended March 31, 2015:

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

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

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

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a 'Remuneration Policy', relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Directors on the Board of Company;
- To devise a policy on Board diversity;
- Any other matter as the Nomination and Remuneration Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

### d) Remuneration & Sitting fees:

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

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

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

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

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

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

**e) Details of remuneration & sitting fees:**

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

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

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

**Note:**

- Mrs. Geeta Bhatia, Non-Executive Director of the Company holds 6,035,000 equity Shares of the Company independently and 2,920,833 equity shares of the Company Jointly with Mr. Rajesh Bhatia as on March 31, 2015.
- Please refer Annexure B to Directors Report for "Employee Stock Option 2010" and Employee Stock Option 2012"
- Remuneration paid to Managing Director, Executive Director and other employees of the Company for the financial year ended March 31, 2015:

Name	Category	Remuneration (In ₹)
Mr. Rajesh Bhatia	Managing Director	4,800,000 per annum
Mr. Vishal Shah	Executive Director	1,800,000 per annum

**Note:**

- Appointment, terms, conditions and payment of remuneration to the Managing Director is governed by the resolution(s) passed by the Nomination and Remuneration Committee, Board of Directors and Members of the Company and approval from the Government of India, Ministry of Corporate Affairs, if necessary.
- Mr. Rajesh Bhatia, Managing Director is holding 3,582,595 equity shares of the Company independently and 2,920,833 equity shares of the Company jointly with Mrs. Geeta Bhatia as on March 31, 2015.
- Mr. Vishal Shah, Director of the Company is holding 431,045 equity shares of the Company independently and 54,032 equity shares of the Company jointly as on March 31, 2015
- Please refer Annexure B to Directors Report for "Employee Stock Option 2010" and Employee Stock Option 2012"

**iii) Stakeholders' Relationship Committee:**

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

- a) The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met Four times in the financial year ended March 31, 2015 on 15.04.2014, 15.07.2014, 14.11.2014 and 06.02.2015. The necessary quorum was present for all the meetings.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

- b) The composition of the Stakeholders' Relationship Committee during financial year ended March 31, 2015 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Parantap Dave	Independent, Non-Executive	Chairman	4	4
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Member	4	4
Mrs. Geeta Bhatia	Non-Independent, Non-Executive	Member	4	4
Mr. Vishal Shah	Non-Independent, Executive	Member #	4	2
Mr. T. S. Sarangpani	Independent, Non-Executive	Member ##	N.A	N.A

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

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

- c) The terms of reference of the Committee includes to look into the redressal of grievances of shareholders, resolve their grievances including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declaration of dividends.
- d) The company during the year received no complaints. There were NIL complaints pending disposal as on March 31, 2015.
- e) Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2015 are as follows:

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

### iv) Corporate Social Responsibility (CSR) Committee:

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

- a) The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:
- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
  - To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
  - To monitor the CSR policy of the Company from time to time;
  - Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
- b) The Committee met once in financial year ended March 31, 2015 on 08.01.2015. The necessary quorum was present for the meeting.

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

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

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

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

The CSR Policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure E to the Directors Report. The CSR policy is posted on the website of the Company [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_070215.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf)

**v) Committee of Board:**

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

- a) The Committee met thrice in financial year ended March 31, 2015 on 10.04.2014, 20.06.2014 and 26.06.2014. The necessary quorum was present for all the meetings.
- b) The composition of the Committee during the financial year ended March 31, 2015, the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings during year ended March 31, 2015	
			Held	Attended
Mr. Sanjaya Kulkarni	Independent, Non-Executive	Chairman	3	3
Mr. Parantap Dave	Independent, Non-Executive	Member	3	3
Mrs. Geeta Bhatia	Non-Executive	Member	3	3

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

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

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

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

**c) Role of the Committee:**

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

**vii) Compensation Committee:**

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

- a) The Committee met once in financial year ended March 31, 2015 on 11.09.2014. The necessary quorum was present in the said meeting.
- b) The composition of the Committee during the financial year ended March 31, 2015, the details of meetings held and attended by the members are as under:

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

**c) The Terms of reference and powers of Committee are as follows:**

- Prepare and recommend Board of Directors ESOP Scheme, trust deed.
- Determine the number of Options to be granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- Determine the Vesting and/or Lock-in period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- Determine the Employees eligible for participation in the Plan.
- Determine the performance parameters for Grant of Options granted to an Employee, under the Plan.
- Lay down the conditions under which Options granted to or Vested in Employees may lapse in case of termination of employment for misconduct, etc.
- Determine the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period.
- Specify time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure, and Corporate Action etc.

- Provide for the right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- Lay down the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise including but not limited to procedure and mode of recovering Fringe Benefit Tax (FBT).
- Lay down the procedure for cashless Exercise of Options, if any.
- Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the Employer Company.
- Frame suitable rules, policies and systems to ensure that there is no violation of:
  - SEBI (Insider Trading) Regulations, 1992, and
  - SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
  - Exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Plan.

**iv) MD/CFO Certification:**

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**v) General Body Meetings:**

**i) Annual General Meeting (AGM):**

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

Meeting	Date and Time Venue	Special resolutions passed
8th Annual General Meetings	September 6, 2014; 10.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	To approve amendment of Articles of Association of the Company
7th Annual General Meetings	September 7, 2013; 10.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	-
6th Annual General Meetings	August 7, 2012; 10.30 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

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

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

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

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

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

### iii) Postal Ballot:

During the financial year ended March 31, 2015, the Company has passed the following resolutions by postal ballot:

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favor of the resolution		Votes against the resolution	
			No. of Votes	% to total votes	No. of Votes	% to total votes
1.	17.03.2015	Special Resolution for Appointment of Mr. Rajesh Bhatia, Managing Director of the Company	26,249,085	100%	0	0.00%
2.	17.03.2015	Special Resolution for Remuneration payable to Mr. Vishal Shah, Executive Director of the Company	32,259,413	99.9978%	716	0.0022%

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

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

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

### vii) Disclosures:

#### i) Related Party Transaction:

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

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

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

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

#### iii) Vigil Mechanism / Whistle Blower Policy:

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

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

In accordance with clause 49 of the Listing Agreement, your Company has adopted Whistle Blower Policy and Vigil Mechanism with object to provide its employees and a mechanism whereby concern can be raised with Complaint Management Committee. The employees may, where the matters are of grave nature,

make Protected Disclosures directly to the Chairperson of the Audit Committee of the Board of Directors of the Company. Policy is available on company website [www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_WhistleBlowerPolicy\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_300914.pdf)

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

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

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

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

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

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

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

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

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

### vi) Risk Management Policy :

The Audit Committee is empowered to take the necessary steps for mitigating risk for which Risk Management Policy was framed under Clause 49 (III) (VI) of Listing Agreement.

#### a) Terms of reference of such Policy are stated as below:

- To approve structures, analyze risks and benefits, seek independent opinion with regard to structure or views.
- Reviewing and approving risk related disclosures.
- Responsible for day to day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting.
- Providing updates to the Board on enterprise risks and action taken.
- Ensure compliance with policies and procedures laid down by the Company for specific business units.
- Maintenance and development of a supportive culture, in relation to the management of risk appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
- Advising Board on all high level risk matters.
- To review the effectiveness of the internal control system and risk management framework in relation to the achievement of business objectives.
- Reporting risk events and incidents in a timely manner.

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

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

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

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

##### i) The Board of Directors:

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

##### ii) Shareholder Rights:

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

##### iii) Audit qualifications:

Company may move towards a regime of unqualified financial statements.

##### iv) Separate posts of Chairman and Managing Director:

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

##### v) Reporting of Internal Auditor:

The Internal auditor directly report to the Audit Committee.

**vii) Means of Communication:****i) Quarterly/Half yearly/Annual results:**

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

**ii) Website and News Releases:**

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

**iii) Stock Exchange:**

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

**iv) NEAPS (NSE Electronic Application Processing System):**

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

**v) BSE Corporate Compliance & Listing Centre:**

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

**viii) General Information to Shareholders :****1 Annual General Meeting (AGM):**

Date	September 25, 2015
Day	Friday
Time	10.00 am
Venue	Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.

**2. Financial Year:**

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

**3. Financial Calendar:**

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

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

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#### 4. Date of Book Closure:

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

#### 5. Dividend Payment Date:

September 30, 2015 onwards

#### 6. Listing on Stock Exchange:

The Equity Shares of the Company are listed on:

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

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001

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

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

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

Suren Road, Andheri (E),  
Mumbai 400 093

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

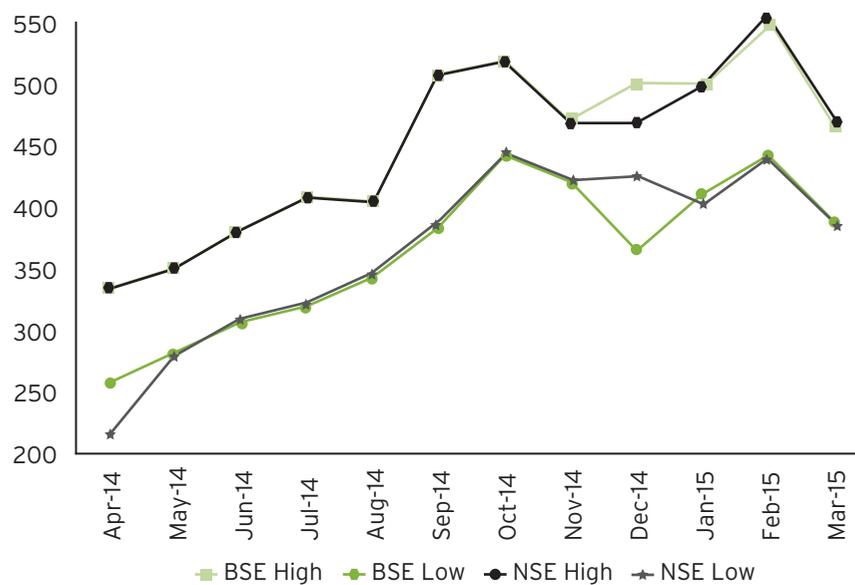
#### 7. Stock Codes:

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

**8. Market Price Data:**

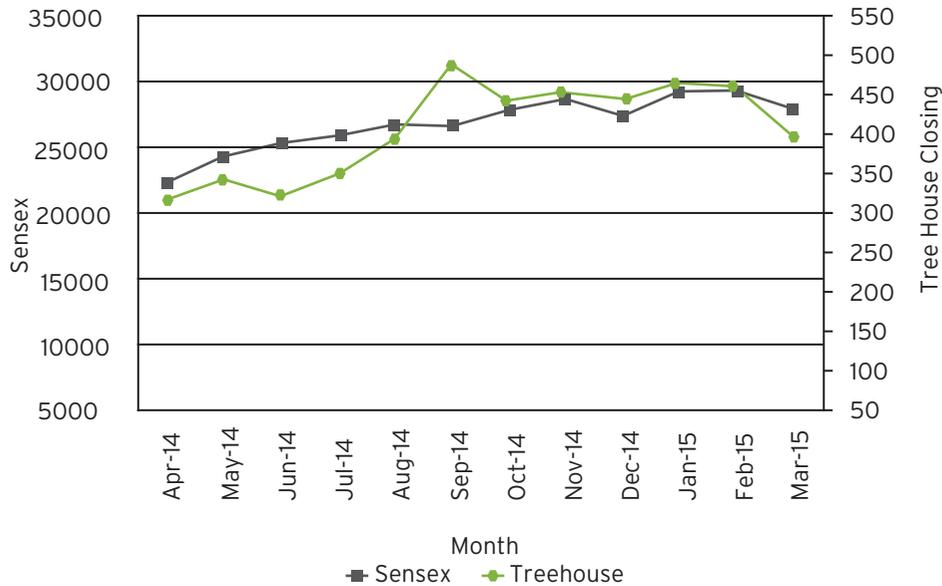
The high / low market price of the shares during the year ended March 31, 2015 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

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



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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



### 10. Registrar and Share Transfer Agents:

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

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

Registrar and Share Transfer Agents at the above mentioned addresses.

### 12. Share Transfer System:

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

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

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

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

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

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

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

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

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

**15. Compliance Officer:**

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

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

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

**17. Bank Details for electronic shareholding:**

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

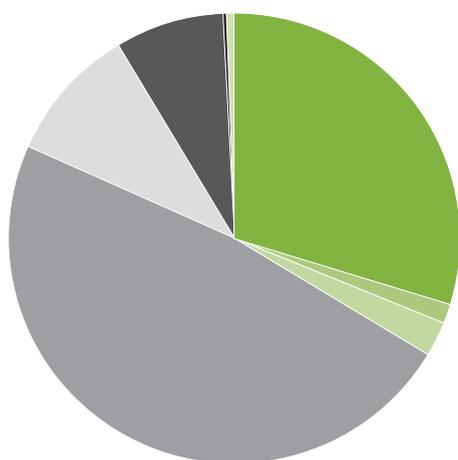
## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

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

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



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

### 20. Registered Office:

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

### 21. Permanent Account Number (PAN):

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

### 22. Pending Investors' Grievances:

Any Member / Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

**23. Reconciliation of Share Capital Audit:**

In keeping with the requirements of SEBI and the Stock Exchanges, a Secretarial Audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and a total issued and listed capital. The said audit confirms that the total issued/paid-up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

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

The Company has obtained and filed with the stock exchanges, the half yearly certificates received from Mr. Mihen Halani, Practicing Company Secretary for due compliance with shares transfer formalities as required under Clause 47(c) of the listing Agreement.

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2015.

**26. Addresses for Correspondence:**

Investor's Correspondence:

M/s. Linked Intime (India) Private Limited  
No.C-13, Pannalal Silk Mills Compound,  
Lal Bahadur Shastri Road, Bhandup (W),  
Mumbai 400 078

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

Fax : 022 - 2594 6969

Email ID: nt.helpdesk@linkintime.co.in

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

Tree House Education and Accessories Limited

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### DECLARATION REGARDING CODE OF CONDUCT

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

Sd/-

**Managing Director**

Mumbai, May 27, 2015

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### M. D. / CFO CERTIFICATION

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

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

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

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

Yours sincerely,

Sd/-

**Rajesh Bhatia**

Managing Director

Sd/-

**Utsav Shrivastava**

Chief Financial Officer

Date: May 27, 2015

Place: Mumbai

## AUDITORS' CERTIFICATE

To the Members of,

Tree House Education & Accessories Limited.

We have examined the compliance of conditions of Corporate Governance by **Tree House Education & Accessories Limited**, ('the Company'), for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.

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

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jogish Mehta & Co.  
Chartered Accountants

**Jogish N. Mehta**

Proprietor

Membership No.: F/38974

Firm Registration Number: 104326W

Place: Mumbai

Date: May 27, 2015.