

Tree House Education & Accessories Ltd.

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



REPORT OF THE AUDIT COMMITTEE OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED FOR RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF THE COMPANY WITH ZEE LEARN LIMITED AT ITS MEETING HELD ON AUGUST 16, 2016.

Members Present:

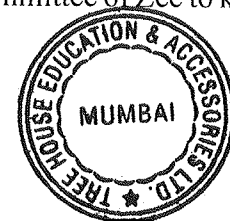
Mr. Ram Kumar Gupta : Chairman
Mr. Chanakya Dhanda : Member
Mr. Rajesh Bhatia : Member

1. Background:

The Board of Directors of Tree House, had on 4th December, 2015, intimated the Stock Exchanges of its in-principle approval for exploring consolidation options with Zee. In pursuance thereof, the Board of Directors, at its meeting held on 23rd December, 2015, unanimously approved the Scheme of Amalgamation ("Scheme") of Tree House with Zee, subject to approval of shareholders and / or creditors of the Company and applicable regulatory authorities including SEBI / Stock Exchanges and Hon'ble Bombay High Court.

In pursuance of the aforesaid, necessary steps were taken for making requisite applications to the BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange of India Limited to secure their approval in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval towards which was granted to the Company by BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange of India Limited vide their letters dated 16th March, 2016.

Subsequently, the Board of Directors, at its meeting held on 2nd June, 2016, *inter alia* considered the communication received from the Merger Evaluation Committee of Zee to keep



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on hold the Scheme. Towards this, the Board of Directors had authorised the Amalgamation Committee to suggest the way forward to salvage the deal of amalgamation to ensure consolidation of business in the best interest of the shareholders. Requisite intimation in this regard was thereafter made to the Stock Exchanges.

The Amalgamation Committee has suggested to the Audit Committee to modify the scheme.

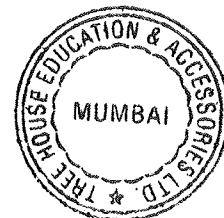
This report is made by the Audit Committee after perusing *inter alia* the following necessary documents (“Documents”):

- a. Draft modified Scheme;
- b. Valuation Report dated August 16, 2016 issued by M/s N. M. Raiji & Co, Chartered Accountants and M/s Maheshwari & Co, Chartered Accountants;
- c. Fairness Opinion dated August 16, 2016 ,issued by Inga Capital Private Limited;
- d. Audited financial statements of Tree House for the year ending March 31, 2016, March 31, 2015 and March 31, 2014 and ZLL for the year ending March 31, 2016, March 31, 2015 and March 31, 2014

2. Proposed Scheme:

Salient features of the proposed Scheme are as follows:

- a. The modified Scheme provides for amalgamation of Tree House with ZLL;
- b. The accounting treatment to be followed for the modified Scheme of Amalgamation will be as per accounting standard 14 issued by the ICAI;



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- c. Proposed appointed date for the scheme is 31st March, 2017 (Close of business hours);
- d. Based on the Share Entitlement Report of independent valuers, M/s. N.M. Raiji & Co. (Chartered Accountants) and M/s. Maheshwari & Co. (Chartered Accountants) the share exchange ratio for the amalgamation of Tree House with ZLL is as under:

10 (Ten) equity shares of Zee Learn of INR 1 each fully paid up for every 10 (Ten) equity shares of Tree House of INR 10 each fully paid up


3. Recommendation of the Audit Committee:

Having considered the Documents, the Audit Committee found the draft modified Scheme to be in the best interests of all the stakeholders of the Company and recommended the draft modified scheme for favorable consideration by the board of directors of the Company, BSE Limited, the National Stock Exchange of India Limited, Metropolitan Stock Exchange of India Limited and the Securities and Exchange Board of India.

Date: 16th August, 2016

Place: Mumbai




Chairman