

**Versatile and experienced staff** - We have employed experienced and qualified teachers for our self operated preschools all over India. We hire the best talent in the industry and most of our teachers are well qualified in early childhood education. Our teaching staff undergoes incessant training sessions and regular workshops are conducted to impart knowledge about the latest technology that can be used to enhance the learning pattern of children.

**Strong and established brand** - Tree House is a strong and an established brand in the preschool industry. Our proven track record, pan India presence and scalable business model contributes towards a sustaining a brand name.

**Geographical presence** - We started our operations in 2003 in 1 city and today we have preschools in 37 cities in India.

#### Tree House offerings

Tree House proffers the following courses and activities at its preschools:

**Playgroup** - We offer this course for children between the age group of 1.5 years to 2.5 years for 2 hours daily on weekdays. The course is based on play-way method with an aim to prepare children to attend a school;

**Nursery** - We offer this two hour course daily on weekdays to children between the age group of 2.5 years to 3.5 years. In this course, we teach children, interalia, writing and reading, value education through a combination of the Montessori and play-way method. The course is aimed at helping children to undergo a transition to formal school;

**Vacation camp** - We organise vacation camps during summer for a period of four weeks or Diwali or Christmas holidays for children between the age group of 2 years to 12 years. We conduct various activities during the camp to ensure that children utilise their time doing constructive things and learning;

**Junior KG** - We offer this three hour course daily on weekdays to children between the age group of 3.5 years and 4.5 years. We teach this course through a combination of Montessori and play-way method to prepare the children for reading, writing and mathematics;

**Senior KG** - This three hour course is offered daily on weekdays to children between the age group of 4.5 years to 5.5 years. Children are taught English, mathematics and general knowledge, amongst other things to prepare them for formal education, to build their inter-personal skills and to develop their independence;

**Mother toddler** - This course is specifically designed for toddlers between the age of 7 months to 18 months to stimulate the mental, physical, emotional and social growth of a toddler. The course is usually for a period of one year which is held thrice a week for duration of one hour.

**Teacher training** - The three month course is offered to women only. The course comprises theory classes and practical internship at our preschools. Additionally, we conduct workshops and provide interactive learning for candidates. The course provides qualifications to be a teacher at a preschool.

**Activity or hobby class** - We offer activities which includes dance (western / Indian / classical), music, art and craft, yoga, spoken English and Mathematics workshops at some of our select preschools; and

**Day care services** - We offer day care services at some of the self-operated preschools under the brand name 'Muskaan'. These services are usually offered for children who attend our preschools and continue to remain at our preschools after their course till such time that their parents are able to attend to them.

#### Human Resources (HR)

Tree House has a very sound and an efficient team of professionals. The HR team ensures the implementation of significant HR policies for the Company's growth and credibility. The recruitment team focuses on hiring new talent and implements the retainment policy for the existing employees. There is a lot of emphasis on training and development so that there are emerging leaders and creation of extensive talent pool. Incessant communication with the employees and franchise is done via emails and various meetings are conducted.

#### Internal control system and their adequacy

The Company has proper and adequate systems of internal controls to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported correctly and to ensure compliance with policies and statutes.

The well documented policy guidelines, authorisation and approval procedures are in the process of implementation stage. The Company's Audit Committee comprising Company's Directors is at the foundation of the system. The Audit Committee members meet regularly and review the quarterly report submitted by the Internal Auditors.

# *Directors' Report*



To

The Members,

Your Directors are pleased to present the sixth Annual Report of your Company together with the Audited Statement of Accounts and the Report of the Auditors' thereon for the financial year ended, March 31, 2012. The summarised financial results are as under:

### FINANCIAL RESULTS

Particulars	(₹ in Lakhs)	
	2011-2012	2010-2011
Gross Income	8,109	4,115
Profit before Depreciation & Tax	3,938	1,758
Depreciation	780	396
Net Profit Before Tax	3,158	1,362
Provision for Tax	992	443
Profit after Tax	2,166	919
Appropriations:		
Proposed dividend on equity shares	337	-
Tax on dividend	55	-
Balance carried to balance sheet	1775	919
Paid up share Capital	3,371	2,402
Reserves & Surplus	22,267	9,862

### REVIEW OF OPERATION

During the year under review, the Company has achieved an aggregate income of ₹ 8,109 Lakhs, which is an increase of 97.1% as compared to ₹ 4,115 Lakhs in the previous year. The profit after tax has increased to ₹ 2,166 Lakhs, which is an increase of 135.7% from ₹ 919 Lakhs in the previous year. Your Directors are continuously looking for avenues for future growth of the Company in the education sector and are geared up to grab any opportunities available.

During the year the Company opened 130 preschools, and now operates in 37 cities in all over India.

### DIVIDEND

Considering the good performance during the year 2011-12, your Directors have recommended a maiden dividend of ₹ 1/- per Equity Share of ₹ 10/- each (10%) for the year under review. The proposed dividend, if approved, shall be payable to the Shareholders and beneficial owners as per the details furnished by NSDL and CDSL, determined with reference to the book closure dates from July 31, 2012 to August 07, 2012 (both days inclusive).

### FIXED DEPOSITS

The Company has not accepted any public deposit and, as such, no amount of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

### SHARE CAPITAL

During the year under review, the Company has increased its Authorised Share Capital from ₹ 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of ₹ 10/- each to ₹ 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lakhs Only) divided into 3,55,00,000 (Three Crores Fifty Five Lakhs) Equity Shares of ₹ 10/- each.

During the year the Company entered the capital market with an Initial Public Offering (IPO) which opened on August 10, 2011, where the Company offered 84,32,189 Shares. The ₹ 10/- shares were offered at ₹ 135/- (discount of ₹ 6/- was offered to the retail investors). The issue was oversubscribed and the Company raised a total amount of ₹ 112 Crores. Before the IPO the Company also placed 12,64,154 equity shares as a Pre IPO Placement at a price of ₹ 150/- each to various investors.

The Shares of your Company were listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on August 26, 2011.

## DIRECTORS

The Board of Directors had appointed Mr. Jayant Sinha, as an Additional Director of the Company with effect from November 10, 2011. As an Additional Director, Mr. Jayant Sinha holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item No. 7 of the Notice.

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956 (the "Act") and Articles of Association of the Company, Mr. Sanjaya Kulkarni and Mr. Parantap Dave Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

## EMPLOYEE STOCK OPTION SCHEME

### I) Tree House Education ESOP 2010

During the year 2010-11 the Company granted 14,00,000 options to the employees on January 04, 2011 which are administered through the Treehouse Employees Welfare Trust ("Trust"). Under this plan, Company has allotted 14,00,000 equity shares to Trust.

Summary of TREEHOUSE ESOP 2010 (through trust route) as on March 31, 2012 is as follows:

Total no. of stock options available under the plan	14,00,000
Exercise price	₹ 71/- per option
Exercise period	upto 5 years
Total no. of stock options granted under the scheme	14,00,000
Stock options lapsed	Nil
Stock options vested but not exercised	13,25,000
Stock options exercised	Nil
Outstanding Stock options	14,00,000

### II) Treehouse ESOP 2012

During the year 2011-12, the Company has introduced another ESOP Plan viz. Tree House Employees Stock Option Plan - 2012 (Tree House ESOP 2012) on February 09, 2012 for a total of 4,00,000 Shares. Under this plan, the Company proposes to grant initially 4,00,000 options to the eligible employees after completion of appraisal process.

## PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended by time to time.

## AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three Directors viz. Mr. Sanjaya Kulkarni (Chairman), Mr. Rajesh Bhatia and Mr. Parantap Dave.

The Internal Auditors of the Company report directly to the Audit Committee. Brief descriptions of the terms of reference of the Audit Committee have been furnished in the Report on Corporate Governance.

## AUDITORS

M/s. Jogish Mehta & Co. Chartered Accountants and M/s. Walker Chandok & Co. Chartered Accountants, who are the Joint Statutory Auditors of the Company, will hold office, in accordance with the provisions of the Act upto the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

## AUDITORS' REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. Further, during the year, the Company has neither earned nor used any foreign exchange.

## CORPORATE GOVERNANCE

The Company is adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are complied with. A separate report on Corporate Governance is enclosed as a part of the Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges is set out in a separate section forming part of the Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act") the Directors hereby confirm that-

- in preparation of the Annual Accounts for the year 2011-2012 the applicable accounting standards have been followed and there are no material departures;

2. they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. they have prepared the Annual Accounts for the financial year ended March 31, 2012 on a going concern basis.

### ACKNOWLEDGEMENTS

The Directors thank all government, regulatory bodies and shareholders for their consistent support and also place on record appreciation to the contribution made by Company's staff and teachers at all levels, without whom the Company would not have attained such great heights in such a short period of its business. The Directors also commend the continuing commitment and dedication of the employees at all levels which has been critical for the Company's growth. The Directors look forward to their continued support in future.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Rajesh Bhatia

Vishal Shah

Place: Mumbai

Managing Director

Director

Date: May 29, 2012

# *Report On Corporate Governance*



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

The equity shares of the Company are listed and admitted to dealings on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Pursuant the provisions of the Clause 49 of the Listing Agreement, a report on Corporate Governance for the financial year ended March 31, 2012, is furnished below:

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

## 2. BOARD OF DIRECTORS

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

The Company has a non-executive Chairman and the number of Independent Directors is 1/3 of the total number of Directors. As on March 31, 2012, the Company has 9 Directors on its Board, of which 3 Directors are independent. Since, the number of Non-Executive Directors (NEDs) is more than 1/3 of the total number of Directors, the Company is in compliance with the Clause 49 of the Listing Agreement pertaining to compositions of Directors.

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

Name of Directors	Designation	Category	No. of other Directorships	Attendance at Board Meetings	Attendance at Last AGM
Mr. Sanjaya Kulkarni	Chairman	Non-Executive Independent	9	10	Yes
Mr. Rajesh Bhatia	Managing Director	Executive	4	10	Yes
Mrs. Geeta Bhatia	Director	Non Executive non Independent	4	9	Yes
Mr. Vishal Shah	Director	Executive	2	10	Yes
Mr. Parantap Dave	Director	Non-Executive Independent	6	8	Yes
Mr. T.S. Sarangpani	Director	Non-Executive Independent	Nil	5	No
Mr. Ashu Garg	Nominee Director	Non-Executive Independent	6	9	Yes
Mr. Rishi Navani	Nominee Director	Non-Executive Independent	3	10	Yes
Mr. Jayant Sinha	*Director	Additional Director	5	2	N.A.

\* Appointed as Additional Director in board meeting held on November 10, 2011

None of the Directors are related with each other (inter-se) within the meaning of Clause 49 IV (G) (ia) of the Listing Agreement except Mr. Rajesh Bhatia and Mrs. Geeta Bhatia who are related to each other as husband and wife.

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

The Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management etc that may have potential conflict with the interest of the Company at Large.

None of the Directors on the Board are members of more than ten committees or chairman of more than five committees across all the companies in which they are directors. Necessary disclosures regarding the committee positions in other companies as on March 31, 2012 have been made by the Directors.

### Meetings of the Board of Directors:

The Board of Directors met ten times during the year under review on April 25, 2011, April 29, 2011, May 09, 2011, June 18, 2011, July 28, 2011, August 06, 2011, September 16, 2011, November 10, 2011, December 22, 2011 and February 09, 2012

### Information supplied to the Board:

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

- Quarterly and Half yearly results of the Company
  - Minutes of the Audit Committee and other Committee meetings
  - Details of Agreements entered into by the Company
  - Particulars of Non-Compliance of any statutory or Listing requirements
- ii) Declaration by the Managing Director under Clause 49(I)(D) of the Listing Agreement regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.
- iii) In the preparation of the Annual Accounts, the applicable accounting standards have duly been followed and there are no material departures.

### Minutes of the Board Meeting

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

## 3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the composition provisions of clause 49 of the Listing Agreement entered into with the Stock Exchanges read with section 292 of the Companies Act, 1956.

### Terms of Reference:

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

1. Review of the quarterly, half yearly and annual financial results of the Company before submission to the Board. ;
2. Overseeing the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
3. Holding periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of auditors;
4. Making recommendations to the Board on any matter relating to the financial management of the Company, including the audit report;
5. Recommendations with respect to appointment and removal of statutory auditors, fixation of audit fees and also approval of fee for any other services by the auditors;

6. Investigating into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary; and
7. Making recommendations to the Board on any matter relating to the financial management of the Company.

### Composition:

The Audit Committee of the Company comprises of three Directors viz. Mr. Sanjaya Kulkarni (Chairman), Mr. Rajesh Bhatia and Mr. Parantap Dave.

### Meetings of the Committee and Attendance during the year:

During the year, five Audit Committee meetings were held on May 09, 2011, September 16, 2011, November 10, 2011, December 22, 2011 and February 09, 2012

Meetings of the Audit Committee and Attendance of the Members during 2011-12	Meetings held	Meetings Attended
Mr. Sanjaya Kulkarni	5	5
Mr. Rajesh Bhatia	5	5
Mr. Parantap Dave	5	5

## 4. REMUNERATION COMMITTEE

### Terms of Reference:

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

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

### Composition:

The Remuneration Committee of the Company is constituted with three Directors, viz. Mr. Sanjaya Kulkarni (Chairman), Mrs. Geeta Bhatia and Mr. Parantap Dave.

### Meetings of the Committee and Attendance:

No meeting of Remuneration Committee was held during the year under consideration.

### Remuneration Policy:

The remuneration of Whole-time Directors is fixed by the Remuneration Committee as constituted above. The Non - Executive Directors are not paid any remuneration. The remuneration of Employees other than Whole - time Directors is approved by the Remuneration Committee based on recommendations made to it.

## Details of remuneration paid to Directors:

## (i) Executive Directors:

₹			
Name of Directors	Salary	Commission	Total
Mr. Rajesh Bhatia	35,99,995	-	35,99,995
Mr. Vishal Shah	16,00,000	-	16,00,000

## Note:

- Appointment, terms, conditions and payment of remuneration to the Managing Director is governed by the resolution(s) passed by the Remuneration Committee, Board of Directors and Members of the Company and approval from the Government of India, Ministry of Corporate Affairs, if necessary. The remuneration structure comprises salary, perquisites and allowance, etc.
- 13,00,000 options are granted to Mr. Vishal Shah, Director of the Company under "TREEHOUSE EMPLOYEES STOCK OPTION PLAN 2010"
- Mr. Rajesh Bhatia, Managing Director is holding 27,85,000 equity shares of the Company independently and 11,20,833 equity shares of the Company jointly with Mrs. Geeta Bhatia as on the date of this Report.
- Mr. Vishal Shah, Director of the Company is holding 2,22,100 equity shares of the Company as on the date of this Report.

## (ii) Details of sitting fees paid to the Non-Executive Directors for the financial year 2011 - 2012:

Name of non - executive Directors	Sitting Fees (in ₹)
Mrs. Geeta Bhatia	20,000
Mr. Sanjaya Kulkarni	30,500
Mr. Parantap Dave	30,500
Mr. T.S. Sarangpani	20,000

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

Non-Executive Directors of the Company are paid sitting fees of ₹ 20,000/- (Rupees Twenty Thousand only) per Board Meeting, ₹ 8,000/- (Rupees Eight Thousand Only) per Audit Committee Meeting, ₹ 2,500/- (Rupees Two Thousand Five Hundred Only) per Investor's Grievance Committee Meeting and ₹ 2,500/- (Rupees Two Thousand Five Hundred Only) per Remuneration Committee Meeting during the financial year under review, subject to deduction of applicable taxes, levies etc., if any, for attending; the same is applicable from February 09, 2012.

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

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

Sr. No.	Name of Director	No. of equity shares held
1.	Mrs. Geeta Bhatia	60,25,000
2.	Mr. Sanjaya Kulkarni	64,235
3.	Mr. T.S. Sarangpani	50,000
4.	Mr. Parantap Dave	--
5.	Mr. Ashu Garg	--
6.	Mr. Rishi Navani	--
7.	Mr. Jayant Sinha	--

## 5. INVESTOR'S GRIEVANCE COMMITTEE

### Composition

The investor's Grievance Committee of the Company comprises of three Directors viz. Mr. Parantap Dave (Chairman), Mr. Sanjaya Kulkarni and Mrs. Geeta Bhatia.

### Terms of Reference:

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

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

The investor's complaints received by the Company during the financial year were attended to the satisfaction of the investors. The Company does not have any pending share transfers and investors complaints as on date of Director's Report.

### Meetings and attendance during the year:

During the financial year under review, the Investors' Grievances Committee met three times, i.e. on August 02, 2011; October 10, 2011; and January 10, 2012.

Meetings of the Investors Grievance Committee and Attendance of the Members during 2011-12	Meetings held	Meetings Attended
Mr. Parantap Dave	3	3
Mr. Sanjaya Kulkarni	3	3
Mrs. Geeta Bhatia	3	3

## 6. IPO COMMITTEE

### Composition:

The IPO Committee of the Company comprises of three Directors viz. Mr. Rajesh Bhatia (Chairman), Mr. Sanjaya Kulkarni and Mr. Parantap Dave

### Terms of Reference:

The IPO Committee had been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required, handling all matters relating to appointment of intermediaries and advisors in relation to the IPO, opening of bank accounts in terms of the escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges, finalising the price band and approving the basis for allocation and confirm allocation of the Equity Shares to various categories of persons, and do all acts and take all decisions as may be necessary for the purposes of the IPO and listing of the Equity Shares.

### Meetings and attendance during the year:

During the financial year under review, the IPO Committee met eight times, i.e. on June 18, 2011; August 02, 2011; August 06, 2011; August 09, 2011; August 11, 2011; August 13, 2011; August 18, 2011 and August 23, 2011.

Meetings of the IPO Committee and Attendance of the Members during 2011-12	Meetings held	Meetings Attended
Mr. Rajesh Bhatia	8	8
Mr. Sanjaya Kulkarni	8	8
Mr. Parantap Dave	8	8

## 7. GENERAL BODY MEETINGS

### i) Annual General Meetings:

Details of previous three Annual General Meetings:

Day	Date	Time	Venue
Wednesday	September 30, 2009	3.00 p.m.	702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai - 400 053
Thursday	September 30, 2010	3.00 p.m.	702 'C', Morya House, Off New Link Road, Andheri (West), Mumbai - 400 053
Monday	May 09, 2011	6.30 p.m.	301, Embassy Chambers, 3rd Road, Khar (West), Mumbai - 400 052

### ii) Special Resolution passed through Postal Ballot:

During the financial year under review, in pursuance of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, a Special Resolution was passed on Thursday, February 02, 2012, by the Members of the Company through Postal Ballot voting process, for the following purpose:

- a) Increase in authorised share capital of the Company from ₹ 35 Crores to ₹ 35.50 Crores;
- b) Approval from members for adoption of new Employees Stock Option Plan; and
- c) Amendment in utilisation of IPO Proceeds.

Whilst the said resolution was not mandatorily required to be passed through General Meeting process, the Company, in order to facilitate wider participation in the approval process by the Members residing at different Locations, conducted a Postal Ballot voting process for obtaining approval of the Members of the Company.

### iii) Person who conducted the postal ballot exercise:

Mr. Upendra Shukla, Practicing Company Secretary was appointed as the Scrutiniser by the Board of Directors at their meeting held on December 22, 2011, for receiving and scrutinising the Ballot Papers from the Members and for conducting Postal Ballot exercise in a fair and transparent manner. Mr. Shukla carried out the scrutiny of all the Ballot Papers received upto the close of working hours on Saturday, January 28, 2012 and accordingly submitted his report to the Chairman on Thursday February 02, 2012.

### iv) Procedure followed:

The Company has duly complied with the requirements of Postal Ballot and followed the procedure as stipulated under the provisions of Section 192A and other applicable provisions of the

Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001:

- a. The Postal Ballot Notice along with accompanying documents were sent to all the Members of the Company whose names appeared on the Register of Members/ list of beneficiaries as on the date of dispatch of aforesaid Notice, being Thursday, December 29, 2011.
- b. Notice was given in the newspapers pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, regarding completion of dispatch of the aforesaid Notice.
- c. A calendar of events along with Board Resolution was submitted to the Registrar of Companies, Ministry of Corporate Affairs, Maharashtra, Mumbai.
- d. The Members were requested to send the duly completed Postal Ballot Form with the assent (for) or dissent (against), in the attached pre-paid self addressed envelope, so as to reach the Scrutiniser not later than the close of the working hours on Saturday, January 28, 2012.
- e. The Scrutiniser carried out the scrutiny of all the Ballot Papers received from the Members upto the close of the working hours on Saturday, January 28, 2012 and thereafter submitted his report to the Chairman on Thursday, February 02, 2012.
- f. The Chairman of the Company declared the results of the Postal Ballot on Thursday, February 02, 2012.

### v) Details of voting pattern:

Summary of voting statistics is as below:

Particulars		Number of postal ballot forms	Number of Shares
a)	Total postal ballot forms received	128	2,95,02,621
b)	Less: Invalid postal ballot forms (as per the register)	12	6,70,718
c)	Net valid postal ballot forms (as per the register)	116	2,88,31,903

	Resolution 1			Resolution 2			Resolution 3		
	No. of Ballots	No. of votes / shares	% of votes	No. of Ballots	No. of votes / shares	% of votes	No. of Ballots	No. of votes / shares	% of votes
Assent	115	2,88,31,863	97.73	113	2,88,31,528	97.73	115	2,88,31,863	97.73
Dissent	1	40	00.00	3	375	00.00	1	40	00.00
Rejected	12	6,70,718	02.27	12	6,70,718	02.27	12	6,70,718	02.27
TOTAL	128	2,95,02,621	100.00	128	2,95,02,621	100.00	128	2,95,02,621	100.00

vi) Whether any special resolution is proposed to be conducted through postal ballot: NO

## 8. DISCLOSURES

No transaction of material nature has been entered into by the Company with Directors or management and their relatives etc. that may be a potential conflict with the interests of the Company. The Register of contracts containing transactions in which Directors are interested is placed before the Board regularly.

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

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

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

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

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

"All the Director and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2012"

## 9. MEANS OF COMMUNICATION

### i) Quarterly/ Half yearly/ Annual results:

Quarterly/ Half yearly/Annual results are regularly submitted to the Stock Exchanges where the shares of the Company are listed pursuant to the provisions of Listing Agreement and are published in the newspapers. The Company has also displayed the results as specified under Clause 41 of the Listing Agreement on the Company's website i.e. [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net).

### ii) Newspapers wherein results are normally published:

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

### iii) Any Website, where displayed:

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

### iv) Whether Website also displays official news releases:

Yes, at the Company's website i.e. [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net)

### v) Whether presentations made to institutional investors or to the analysts: No

## 10. GENERAL SHAREHOLDERS INFORMATION

1.	6th Annual General Meeting Schedule Date, Day and time Venue	:	Tuesday, August 07, 2012 at 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
2.	Financial year	:	April 01, 2011, to March 31, 2012
3.	Dates of Book Closure (period)	:	July 31, 2012 to August 07, 2012
4.	Dividend Payment Date	:	August 08, 2012 onward
5.	Listing at Stock Exchanges	:	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
6.	The Listing Fees	:	The Company has paid the annual listing fees to Stock Exchanges for the year 2011-2012, as applicable
7.	Stock Code	:	TREEHOUSE on NSE 533540 on BSE
8.	ISIN no.	:	INE040M01013
9.	CIN No.	:	U80101MH2006PLC163028
10.	Market Price Data	:	High, Low during each month in last financial year*

The performance of the Equity Shares of the Company on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) depicting the liquidity of the Company's Equity Shares for the financial year ended March 31, 2012, on the said exchanges, is given hereunder:-

#### Stock Market data - BSE

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of Shares	Turnover (in Lakhs)
Aug-11	132.80	161.50	104.15	127.10	28,514,848	3,864.94
Sep-11	127.40	183.65	110.50	151.60	19,057,996	3,072.06
Oct-11	152.00	205.00	149.70	196.80	4,669,038	825.66
Nov-11	194.60	211.80	146.00	173.50	1,846,067	346.37
Dec-11	181.00	184.75	140.05	163.55	688,574	114.15
Jan-12	162.65	230.00	161.10	214.15	1,449,949	301.60
Feb-12	215.95	240.70	193.30	209.65	798,501	179.34
Mar-12	206.10	218.05	194.60	212.20	746,778	153.80

#### Stock Market data - NSE

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of Shares	Turnover (in Lakhs)
Aug-11	125.00	131.50	122.60	127.25	3,891,529	4951.83
Sep-11	166.25	167.90	135.60	151.85	520,704	828.98
Oct-11	199.85	199.85	195.20	196.55	67,594	133.61
Nov-11	175.00	178.95	172.60	174.05	17,876	31.20
Dec-11	163.60	165.00	159.85	163.25	21,454	35.01
Jan-12	204.00	215.75	204.00	213.70	74,366	156.92
Feb-12	212.20	218.80	207.00	208.80	23,854	50.56
Mar-12	201.95	214.80	198.25	210.75	42,001	87.01

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

#### 11. Performance Comparison :

Performance of Tree House Share Price in comparison to BSE Sensex

