

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

Your Company believes that Corporate Governance is a set of guidelines which help to 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.

II. BOARD OF DIRECTORS:

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

i. Composition & Category of Directors:

The details of composition of Board of Directors, categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given herein below.

Name of Director	Category	No of shares held	Particulars of Attendance		No. of Directorships in other Public Companies		Number of Committee in positions held in other Public Companies		Directorship other entity (Category of Directorship)
			Last AGM	Board Meeting	Chairman	Member	Chairman	Member	
Mr. Jugal Shah	Executive	0	NA	1	0	0	0	0	0
Mr. Suraj Manghnani	Independent	49	Yes	4	0	0	0	0	0
Mr. Deepak Valecha	Independent	0	Yes	5	0	0	0	0	0
Mrs. Amita Karia	Independent Woman	0	NA	NA	0	2	0	0	RMG Alloy Steel Limited (Independent, Non- Executive) Relcon Infra projects Ltd (Independent, Non- Executive) Welspun Steel Limited (Independent, Non- Executive) Welspun Delhi Meerut Expressway Private Limited, (Independent, Non-Executive)



ANNUAL REPORT 2018-2019

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

ii. Directors' Profile:

A brief resume of the 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. Suraj Manghnani (DIN: 06625583)
Non-Executive Independent Director

Mr. Suraj Manghnani is a Non-Executive Independent Director of your Company. He holds BSC International Business Management Degree from Kedge Business School, Marseille France. Mr. Suraj Manghnani has more than 2 years of experience in the field of business related to education sector.

Other Directorship of Mr. Suraj Manghnani is as follows:

SR. NO.	NAME OF THE FIRM/COMPANY	NATURE OF INTEREST
1.	HIMALAYA HOLISTIC PRIVATE LIMITE	DIRECTOR

Mr. Deepak Valecha (DIN: 07736480)
Non-Executive Independent Director

Mr. Deepak Valechais a Non-Executive Independent Director of your Company. He holds Bachelor of Management Studies Degree from Mumbai University, M.com from CMJ University, Meghalaya, M.com (Accounts & Finance) from Mumbai University and MMS (Marketing). Mr. Deepak Valecha has more than 7 years of experience in the educational field as Lecturer cum Assistant Coordinator.

Mr. Jugal Shah (DIN: 08334114)
Executive Director - Appointment: 21.01.2019

Mr. Jugal Shah is a Additional (Executive) Director of your Company. He holds degrees such as Master of Business Administration (MBA) in Marketing - From Punjab Technical University, PGPM (Major - Marketing & Minor - IB) from – United World School of Business , B. Com - ShriChinai College of Commerce & Economics and has Experience of more than 5 years in the field of marketing.

Mrs. Amita Karia (DIN: 07068393)
Non-Executive Independent Director - Appointment: 12.02.2019

Mrs. Amita Kariais a Additional (Non – Executive Independent) Director of your Company. She holds degree of law from Mumbai University, an Associate Member of the Institute of Company Secretaries of India (ICSI) and has Experience of more than 5 years in the field of secretarial and regulatory compliances.

Other Directorship of Mrs. Amita Karia is as follows:

SR. NO.	NAME OF THE FIRM/COMPANY	NATURE OF INTEREST
1.	WELSPUN STEEL LIMITED	Independent Director
2.	RMG ALLOY STEEL LIMITED	Independent Director
3.	RELCON INFRAPROJECTS LTD.	Director
4.	WELSPUN DELHI MEERUT EXPRESSWAY PRIVATE LIMITED	Director
5.	EXPRESSWAY PRIVATE LIMITED	(Independent, Non-Executive)

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

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



ANNUAL REPORT 2018-2019

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

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

iv. Number of Board Meetings:

During the financial year ended March 31, 2019, five (5) meetings of the Board of Directors were held on May 30, 2018, August 11, 2018, November 12, 2018, January 21, 2019 and February 12, 2019.

Pursuant to Section 149(8) read with Schedule V of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements), 2015, a meeting of Independent Directors was held on February 19, 2019, without the attendance of Non-Independent Directors and members of the management. The said meeting was attended by all the Independent Directors namely Mr. Deepak valecha, Mr. Suraj Manghnani and Mrs. Amita Karia.

It is hereby confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements), 2015 and are independent of the management. No independent Director has resigned during the Financial Year 2018-19.

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

v. Familiarisation Programme:

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarization programmes have been hosted on the website of the Company and can be assessed on the link: http://www.nseprimeir.com/z_TreeHouse/pdffiles/TREEHOUSE_Policy_FAMILIARIZATION_PROGRAMME_ID.pdf

vi. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for the Board of Directors and Senior Management (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is hosted on the website of the Company 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 Executive Director is attached as Annexure – Gand forms part of the Annual Report of the Company.

vii. 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 Regulations,



ANNUAL REPORT 2018-2019

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

i. Audit Committee :

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee met five times in the financial year ended March 31, 2019 on 30.05.2018, 11.08.2018, 12.11.2018, 21.01.2019 and 12.02.2019. The necessary quorum was present for all the meetings.

a The composition of the Committee during financial year ended March 31, 2019 and the details of meetings held and attended by the members are as under:

Name	Category Director	Position	Number of meetings held during year ended March 31, 2019	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	5	5
Mr. Suraj Manghnani	Independent, Non-Executive	Member	5	4
Mr. Rajesh Bhatia*	Non-Independent, Executive	Member	5	4
Mr. Jugal Shah**	Executive	Member	5	1

* Mr. Rajesh Bhatia has resigned from Committee w.e.f. 21.01.2019

** Mr. Jugal Shah was appointed as member of the Committee w.e.f. 21.01.2019

b. Terms of Reference:

The terms of reference of the Audit Committee covering the matters specified under Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. 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:

- a. The Nomination and Remuneration Committee met twotimes in the financial year ended March 31, 2019 on 30.05.2018 and 21.01.2019.
- 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 Committeeduring the financial year ended March 31, 2019:

Name	Category Director	Position	Number of meetings held during year ended March 31, 2019	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	2	2
Mr. Suraj Manghnani	Independent, Non- Executive	Member	2	2
Mrs. Geeta Bhatia#	Non-Independent, Non- Executive	Member	2	2
Mrs. Amita Karia##	Non-Independent, Non- Executive	Member	2	NA

Mrs. Geeta Bhatia has resigned from the Committee w.e.f. 21.01.2019

Mrs. Amita Karia has been appointed in the Committee w.e.f. 12.02.2019

c. Terms of Reference:



ANNUAL REPORT 2018-2019

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015. The terms of reference of the Committee are broadly as under:

- 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 Performance Evaluation Criteria for Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of performance evaluation criteria including their role and responsibilities, expertise, skills, leadership qualities, understanding of business, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls.

iii. Stakeholders' Relationship Committee:

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

- 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, 2019 on 30.05.2018, 11.08.2018, 12.11.2018 and 12.02.2019. The necessary quorum was present for all the meetings.
- The composition of the Stakeholders' Relationship Committee during financial year ended March 31, 2019 and the details of meetings held and attended by the members are as under:

Name	Category Director	Position	Number of meetings held during year ended March 31, 2019	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Mr. Suraj Manghnani	Independent, Non- Executive	Member	4	3
Mrs. Geeta Bhatia#	Non-Independent, Non- Executive	Member	4	3
Mr. Rajesh Bhatia##	Non-Independent, Executive	Member	4	3
Mr. Jugal Shah###	Non-Independent, Executive	Member	4	1
Mrs. Amita Karia##	Non-Independent, Non- Executive	Member	4	NA

Mrs. Geeta Bhatia resigned from the Committee w.e.f 21.01.2019

##Mr. R ajesh Bhatia resigned from the Committee w.e.f 21.01.2019

###Mr. Jugal Shah was appointed member of the Committee w.e.f. 21.01.2019



ANNUAL REPORT 2018-2019

####Mrs. Amita Karia was appointed member of the Committee w.e.f 12.02.2019

- 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.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was One (1). As on March 31, 2019 there are NIL complaints pending with the Company.

- d. Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2019 are as follows:

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

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

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, 2019 on 12.02.2019. The necessary quorum was present for the meeting.

- c. The composition of the Committee during the financial year ended March 31, 2019, the details of meetings held and attended by the members are as under:

Name	Category Director	Position	Number of meetings held during year ended March 31, 2019	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	1	1
Mr. Suraj Manghnani	Independent, Non- Executive	Member	1	0
Mr. Rajesh Bhatia#	Non-Independent, Executive	Member	1	0
Mr. Jugal Shah##	Non-Independent, Executive	Member	1	1

Mr. Rajesh Bhatia has resigned from the Committee w.e.f. 21.01.2019

##Mr. Jugal Shah was appointed member of the Committee w.e.f. 21.01.2019



ANNUAL REPORT 2018-2019

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: 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 composition of the Committee during the financial year ended March 31, 2019.

Name	Category Director	Position	Number of meetings held during year ended March 31, 2019	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mrs. Geeta Bhatia#	Non- Executive	Member	-	-
Mr. Rajesh Bhatia##	Non-Independent, Executive	Member	-	-
Mr. Jugal Shah###	Non-Independent, Executive	Member	-	-
Mrs. Amita Karia##	Non-Independent, Non- Executive	Member	-	-

Mrs. Geeta Bhatia has resigned from the Committee w.e.f. 21.01.2019

Mr. Rajesh Bhatia has resigned from the Committee w.e.f. 21.01.2019

Mr. Jugal Shah was appointed as member of the Committee w.e.f. 21.01.2019

Mrs. Amita Karia was appointed as member of the Committee w.e.f. 12.02.2019

No meeting of the Committee of Board held during the financial year 2018-19.

b. 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. Compensation Committee

The Compensation Committee was constituted pursuant to the provisions of the Companies Act, 2013 and any other applicable provisions under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014.

a. The composition of the Committee during the financial year ended March 31, 2019, the details of meetings held and attended by the members are as under:



ANNUAL REPORT 2018-2019

Name	Category Director	Position	Number of meetings held during year ended March 31, 2019	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mr. Suraj Manghnani	Independent, Non- Executive	Member	-	-
Mrs. Geeta Bhatia#	Non-Independent, Non- Executive	Member	-	-
Mrs. Amita Karia##	Non-Independent, Non- Executive	Member	-	-

Mrs. Geeta Bhatia has resigned from the Committee w.e.f. 21.01.2019

Mrs. AmitaKaria was appointed as Member of the Committee w.e.f. 12.02.2019.

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

- Prepare and recommend Board of Directors ESOP Scheme, trust deed.
- Determine the number of Options to be granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- Determine the Vesting and/or Lock-in period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- Determine the Employees eligible for participation in the Plan.
- Determine the performance parameters for Grant of Options granted to an Employee, under the Plan.
- Lay down the conditions under which Options granted to or Vested in Employees may lapse in case of termination of employment for misconduct, etc.
- Determine the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period.
- Specify time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Change in Capital Structure, and Corporate Action etc.
- Provide for the right of an Employee to Exercise all the Options Vested in him at one time or at various points of time within the Exercise Period.
- Lay down the method for satisfaction of any tax obligation arising on the Exercise of the Option or otherwise including but not limited to procedure and mode of recovering Fringe Benefit Tax (FBT).
- Lay down the procedure for cashless Exercise of Options, if any.
- Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded/deputed to its subsidiary and/or holding company at the instance of the Employer Company.
- Frame suitable rules, policies and systems to ensure that there is no violation of:
 - SEBI (Insider Trading) Regulations, 2015, and
 - SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003
- Exercise such powers as may be necessary or expedient in connection with the effective and efficient implementation or administration of the Plan.

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

Sitting fees to Non-Executive Directors: Non- Executive Directors are paid only sitting fees for attending meeting.

V. Details of Remuneration Paid to Executive Director:

Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:

- all elements of remuneration package of individual directors summarized under major groups, such as salary
- details of fixed component – Fixed Monthly Salary
- service contracts, notice period, severance fees

VI. 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
12th Annual General Meeting	September 22, 2018; 9.00 a.m. Venue: Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	To sell / dispose off the assets of the Company more than 20% of the paid up share capital and reserves of the Company under section 180 of the Companies Act, 2013.
11th Annual General Meetings	September 25, 2017; 9.00 a.m.; Venue: Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution was passed
10th Annual General Meetings	September 26, 2016; 9.00 a.m. Venue: Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution passed.

ii. Postal Ballot:

During the financial year ended March 31, 2019 the Company has not passed any resolution by postal ballot. No special resolutions are proposed to be conducted through postal ballot

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 Regulations, 2015 and are published in the newspapers i.e. "Free Press Journal" (English daily newspapers) and "Navshakti" (Marathi regional language newspapers) and are displayed on website (www.treehouseplaygroup.net).

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.

iii. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE), National Stock



ANNUAL REPORT 2018-2019

Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 12, 2019
Day	Thursday
Time	9 A.M.
Venue	Mayor hall, All India Institute of local self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (w), Mumbai 400 058.

2. Financial Year:

Financial Year - 1st April to 31st March

3. Dividend payment date:

No dividend has been declared for the Financial Year ended 2018-19.

4. Date of Book Closure:

Saturday, September 07, 2019 to Thursday, September 12, 2019 (both days inclusive).

5. Listing on Stock Exchange:

The Equity Shares of the Company are listed on:

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited (NSE)

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

Metropolitan Stock Exchange of India Limited (MCX-SX)

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

The Company has paid annual listing fees to the stock exchanges for the financial year 2018-19 and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to NSDL & CDSL.

6. Stock Codes:

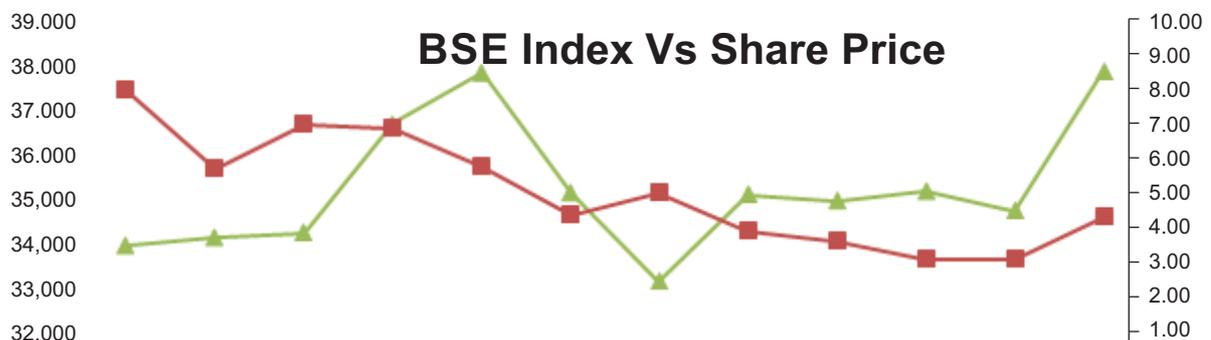
Stock Exchange	Code
BSE	533540
NSE	TREEHOUSE
MCX-SX	TREEHOUSE
Demat ISIN Numbers in NSDL and CDSL	INE040M01013
CIN	L80101MH2006PLC163028

7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2019 at the BSE Ltd. and at National Stock Exchange of India Ltd. were as under:

Month	Bombay Stock Exchange					National Stock Exchange			
	(Face Value of Rs. 10/- Per Share)					(Face Value of Rs. 10/- Per Share)			
	High	Low	Close	Volume	Sensex Close	High	Low	Close	Volume
Apr-18	11.00	8.90	9.00	107,339	35,160	9.30	9.00	9.05	33,946
May-18	9.20	6.50	6.73	156,157	35,322	7.20	6.80	6.85	25,785
Jun-18	11.95	6.05	8.02	533,360	35,423	8.40	8.00	8.15	34,851
Jul-18	9.01	6.70	7.88	176,487	37,607	8.05	7.85	8.05	25,245
Aug-18	9.30	6.52	6.80	182,897	38,645	7.05	6.65	6.70	99,015
Sep-18	6.98	5.24	5.38	112,380	36,227	5.55	5.25	5.40	58,261
Oct-18	6.03	3.61	6.03	313,286	4,442	6.00	5.90	6.00	27,038
Nov-18	6.97	4.76	4.95	290,665	36,194	5.15	4.75	5.05	204,786
Dec-18	5.19	4.35	4.66	53,546	36,068	4.80	4.50	4.70	2,274
Jan-19	4.90	3.85	4.14	59,483	36,257	4.25	3.90	4.05	36,434
Feb-19	4.60	3.33	4.12	58,509	35,867	4.40	4.20	4.20	4,890
Mar-19	7.09	4.06	5.35	285,123	38,673	5.70	5.20	5.70	40,909

8. Performance in comparison to Bombay Stock Exchange Limited SENSEX



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sept-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
▲ (BSE Index)	35,1	35,3	35,4	37,6	38,6	36,2	34,4	36,1	36,0	36,2	35,8	38,6
■ (Share Price)	9.00	6.73	8.02	7.88	6.80	5.38	6.03	4.95	4.66	4.14	4.12	5.35



ANNUAL REPORT 2018-2019

9. Registrar and Share Transfer Agents:

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

10. Investor's Complaints to be addressed to:

Registrar and Share Transfer Agents at the above mentioned addresses.

11. 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 Regulation 40(9) & 40(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

12. Dematerialization of Shares and Liquidity:

About 99.97% of total equity share capital is held in Dematerialized (Demat) form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2019.

The break-up of Equity shares held in physical and Demat form as on March 31, 2019 is given below:

Particulars	Shares	% of total shares
Physical Shares (i)	10,004	0.03
Demat Shares		
NSDL	3,16,12,448	74.71
CDSL	1,06,88,272	25.26
Demat Shares (Total) (ii)	42,300,720	99.97
Total (i + ii)	4,23,10,724	100

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

13. Compliance Officer:

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

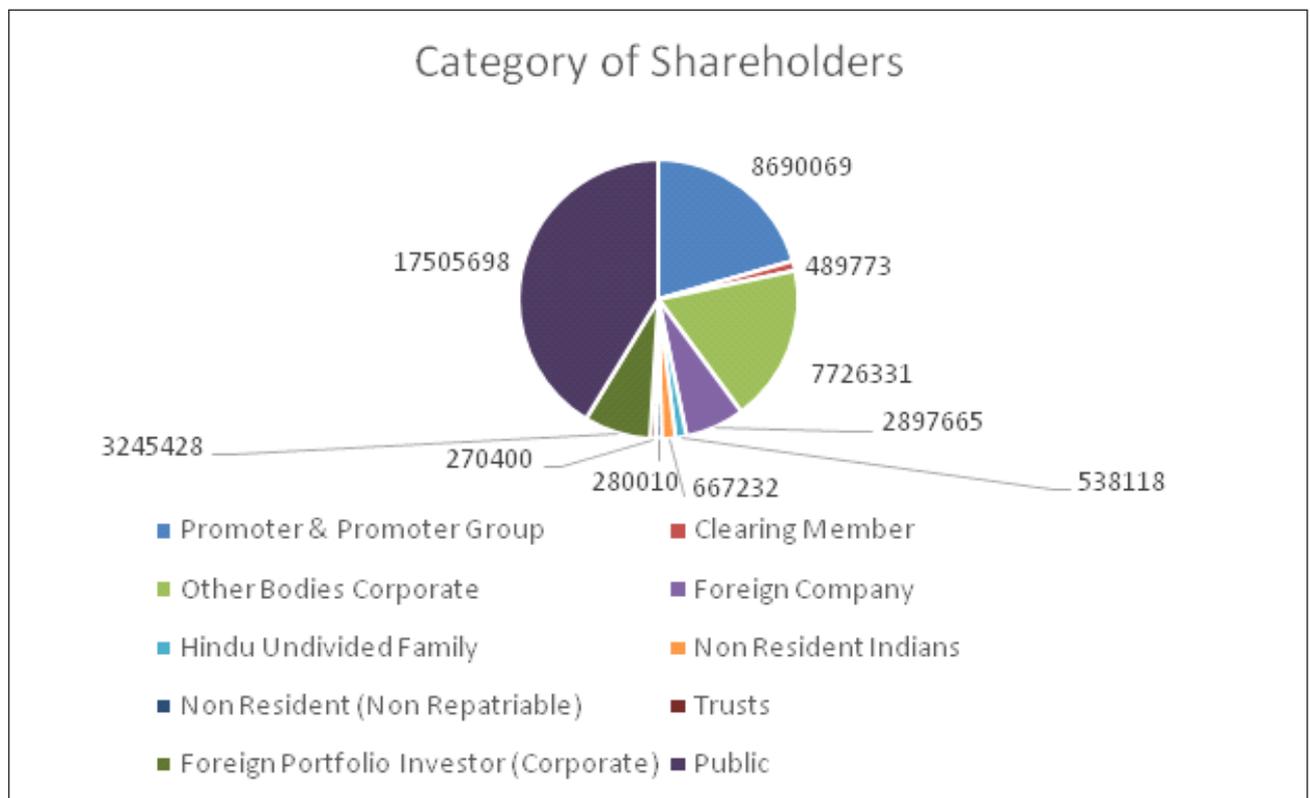
14. Bank Details for electronic shareholding:

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.

15. Shareholding Pattern as on March 31, 2019:

The shareholding of different categories of the shareholders as on March 31, 2019 is given below:-

Sr. No.	Category of Shareholders	Total Shareholding	% of Shareholding
1.	Promoter & Promoter Group	8690069	20.5387
2.	Clearing Member	489773	1.1576
3.	Other Bodies Corporate	7726331	18.2609
4.	Foreign Company	2897665	6.8485
5.	Hindu Undivided Family	538118	1.2718
6.	Non Resident Indians	667232	1.577
7.	Non Resident (Non Repatriable)	280010	0.6618
8.	Trusts	270400	0.6391
9.	Foreign Portfolio Investor (Corporate)	3245428	7.6705
10.	Public	17505698	41.3741
	TOTAL	42,310,724	100.0000



16. Registered Office:

L80101MH2006PLC163028
C-702, Morya House, Off. New Link Road,
Andheri (West), Mumbai – 400053
Maharashtra, India

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2019.

18. Addresses for Correspondence

Investors Correspondence:



ANNUAL REPORT 2018-2019

M/s. Link Intime (India) Private Limited

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

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

Fax : 022 - 2594 6969

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

19. Any query on Annual Report:

Tree House Education and Accessories Limited

Registered Office:

C-702, Morya House,

Off.New Link Road,

Andheri (W), Mumbai 400 053

Tel: 07777051421

IX. DISCLOSURES:

i. Related Party Transaction:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length 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 Indian Accounting Standards (AS- 18) has been made in the notes to the Financial Statements. Please refer Note No. 33 of the financial statement for related party statement.

http://www.nseprimeir.com/z_TreeHouse/pdf-

[files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

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

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

Your Company has complied with all the requirements of the Stock Exchanges(s) and Securities Exchange Board of India (SEBI) on matters related to Capital Markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard. However Company has received an Confirmatory order dated 16th November, 2018 under sections 11(1), 11(4) and 11B of The Securities And Exchange Board Of India Act, 1992 and Regulation 11 of The SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii. Vigil Mechanism / Whistle Blower Policy:

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

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

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



ANNUAL REPORT 2018-2019

iv. Prevention of Sexual Harassment at Workplace:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. Policy on Prevention of Sexual Harassment at Workplace is available on company's website:

http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Sexual%20Harrasment%20Policy_Revised_14022016.pdf

Further, Company has not received any complaint during the Financial Year. No complaints were filed, disposed during the financial year or are pending as on end of the financial year.

v. Policy on Material Subsidiary–

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

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

The Policy on Material Subsidiary is available on company's website. http://www.nseprimeir.com/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsubsidiary_ies_.pdf

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

a. Your Company has complied with all the mandatory requirements of Listing Regulations 2015.

b. COMPLIANCE WITH NON MANDATORY REQUIREMENT UNDER LISTING REGULATIONS 2015:

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

i. Shareholder Rights

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

ii. Audit qualifications

There are no Audit Qualifications on the Company's financial statement for the financial year 2018-19.

iii. Separate posts of Chairman and CEO:

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

iv. Reporting of Internal Auditor

The Internal auditor directly report to the Audit Committee.

vii. The company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations 2015.

viii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part-. Statutory Audit Rs.6,00,000/- and for Tax Audit Rs.75,000/-.

ix. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as Annexure - I.



ANNUAL REPORT 2018-2019

Annexure G

Certificate on Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the senior management personnel of the Company have confirmed compliance with the Code of conduct for the financial year ended March 31, 2019.

For and on behalf of the Board of Directors

Date: May 30, 2019

Sd/-
Jugal Shah
Additional Director
(DIN: 08334114)

Annexure H

CEO / CFO Certificate

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

To,
The Board of Directors
Tree House Education & Accessories Limited
C/702, Morya House,
Off. New Link Road,
Andheri (West),
Mumbai 400 053

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

Yours sincerely,

Sd/-
Rajesh Bhatia
Chief Executive Officer

Sd/-
Navin Kumar
Chief Financial Officer

Date: May 30, 2019
Place: Mumbai



ANNUAL REPORT 2018-2019

Annexure I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
TREE HOUSE EDUCATION & ACCESSORIES LIMITED
CIN: L80101MH2006PLC163028

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tree House Education & Accessories Limited having CIN:L80101MH2006PLC163028 and having its registered office situated at 702 C, Morya House, off New Link Road, Andheri (West), Mumbai – 400 053, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

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

Note: During the year under review Mr. Rajesh Bhatia and Mrs. Geeta Bhatia ceased to be directors of the Company w.e.f. January 21, 2019 due to disqualification under section 164(2) of the Companies Act, 2013

For KAUSHAL DOSHI & ASSOCIATES
Practicing Company Secretary
Sd/-
Kaushal Doshi
(Proprietor)
CP No: 13143/ACS No: 32178

Date: 10.08.2019
Place: Mumbai



ANNUAL REPORT 2018-2019

Certificate on Compliance with the conditions of Corporate Governance

To,
The Members
Tree House Education & Accessories Limited

We have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended March 31, 2019 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation") as stipulated in clause E of Schedule V of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

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

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

Note: During the year under review Mr. Rajesh Bhatia and Mrs. Geeta Bhatia ceased to be directors of the Company w.e.f. January 21, 2019 due to disqualification under section 164(2) of the Companies Act, 2013

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

**Sd/-
CA Sandeep Dedhia
(Proprietor)
(Membership No.102606)
Place: Mumbai
Date: May 30, 2019**



ANNUAL REPORT 2018-2019

INDEPENDENT AUDITOR'S REPORT TO ALL THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Report on the Standalone Indian AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **TREE HOUSE EDUCATION & ACCESSORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone AS Financial Statements

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

Auditors' Responsibility

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

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Basis of Forming an Opinion

1. We draw your attention to the Standalone Ind AS Financial Statements, with regard to Fixed Assets. The Company has discontinued most of the centres operated by the Company during F.Y. 2016-17 and have converted some of them into franchisee during F.Y. 2016-17 & 2017-18. The Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, franchise centres



ANNUAL REPORT 2018-2019

and own centres in a phased manner.

2. During the year the company has allotted new franchises to 18 centres. There were in all 133 centres operative during the year 2018-19.
3. We draw attention to the Standalone Ind AS Financial Statements with regards to Trade Receivables. In our opinion the deliverables and receipts are outstanding for a longer period of time.
4. The Company has defaulted in repayment of loans availed from financial institutions due to which these borrowings have been classified as short term borrowings. The management has informed us that the Company has received notices from financial institutions under "SARFAESI Act". The amount classified as short term borrowings is at Rs. 7065.91 lakhs.
5. The Company has disposed off its investment held in M T Infrastructure Pvt. Ltd. The part payment of Rs 30.00 lakhs received against the said sale has been held in separate account by HDFC Bank. Similarly the Company has received advance of Rs. 260.00 lakhs against sale of school building at Baroda which is also held by HDFC Bank in separate account, since the company's accounts are classified as NPA. The HDFC Bank has informed the Company that the said amount of Rs. 290.00 lakhs shall be adjusted against principal outstanding. The Company has therefore classified the said separate account with HDFC Bank under the grouping of Loans Liabilities. Also the Company has received advance of Rs. 300.00 lakhs against land at goregaon, which is also held by HDFC Bank in the said separate account.
6. The policies, procedures and overall internal controls needs to be strengthen in order to provide proper evidences regarding recover ability of receivables, valuations of financial assets including deposits, write off of fixed assets including impairments and accounting for direct & indirect taxes including other statutory compliances.
7. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of stocks as compared to book records. However during the year under audit the company has bifurcated the inventory into non-moving, obsolete, redundant.
3. Confirmation letters have been sent by the Company to sundry creditors and parties to whom loans & advances, deposits have been granted for confirming the balances lying in their ledger accounts in books of the Company. In view of confirmations having been received from only few of the parties, the balance under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment, if any.
4. SEBI has appointed Forensic Auditor for conducting Forensic Audit of the Company for the period beginning from F.Y. 2011-12 to 2017-18. In the process, Company has filed an appeal before Securities Appellate Tribunal and the decision thereof is awaited.
5. Some landlords and creditors have initiated legal proceedings against the Company, which may result in compensation, interest and other penalties.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the a fore said standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the standalone state of affairs of the Company as at March 31, 2019 and its loss (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of section 143(11) of the Act ("The Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss(including other comprehensive income) and the Cash



ANNUAL REPORT 2018-2019

Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors of the Company as on March 31, 2019, and taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has numerous pending litigations and suits filed against the company and its directors which may impact its financial position. The Company has not disclosed the impact of such pending litigations.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

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

CA Sandeep Dedhia
Proprietor
M. No. 102606

Date : **30/05/2019**
Place : **Mumbai**



ANNUAL REPORT 2018-2019

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

Referred to in paragraph 11(f) of the Independent Auditors Report of even date to the members of Tree House Education & Accessories Limited on the standalone Ind AS financial statement for the year ended March 31, 2019.

We have audited the internal financial controls over financial reporting of “TREE HOUSE EDUCATION & ACCESSORIES LIMITED” (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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



ANNUAL REPORT 2018-2019

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

DISCLAIMER OF OPINION

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

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

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

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

CA Sandeep Dedhia
Proprietor
M. No. 102606

Date : **30/05/2019**
Place : **Mumbai**