

# Tree House Education & Accessories Ltd.

Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School, Vile Parle West, Mumbai - 400 056.  
Tel: +91 22 26201029 CIN : L80101MH2006PLC163028



Date: 05 November 2020

|                                                                                                        |                                                                                                         |                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>To,</b><br><b>BSE Limited</b><br>Phiroze Jeejeebhoy<br>Tower Dalal Street, Fort<br>Mumbai - 400 001 | <b>To,</b><br><b>The National Stock<br/>Exchange of India Ltd.</b><br>Bandra (East)<br>Mumbai - 400 051 | <b>To,</b><br><b>Metropolitan Stock Exchange<br/>of India Ltd.</b><br>Exchange Square, CTS No. 25,<br>Suren Road, Andheri (East),<br>Mumbai - 400 093 |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir(s),

Sub: Corrigendum to Annual Report for the F.Y 2019-20.

Ref: Scrip Code: 533540 / TREEHOUSE

With reference to the captioned subject, we hereby inform you that the few inadvertently typo errors were noticed in Consolidated Independent Auditor's Report as enclosed in the 14<sup>th</sup> Annual Report of the Company after the same was sent to the Members/Shareholders through electronic mode on October 29, 2020.

We also would like to inform you that we have sent this Corrigendum along with the revised Annual Report to all shareholders whose email address are available with Depository and Registrar & Transfer Agent through mail on 05<sup>th</sup> November 2020.

We further wish to inform you that the said corrections have no impact on the financial statements of the Company for the financial year ended March 31, 2020 and that this Corrigendum should be read in conjunction with the Annual report 2019-2020.

In this Connection, we sincerely regret for inconvenience caused to you.

We request you to kindly take the above information on records.

Thanking you,

Yours truly,

For Tree House Education & Accessories Limited

Guddi Bajpai

Company Secretary and Compliance Officer

Encl: as above



# ANNUAL REPORT 2019-2020

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## BOARD OF DIRECTORS

### 1) Mr. Deepak Valecha

DIN: 07736480  
Independent Director

#### Education:

- Bachelor of Management Studies from Mumbai University
- M.com from CMJ University, Meghalaya
- M.com (Accounts & Finance) from University of Mumbai
- MMS (Marketing)

#### Experience:

- More than 7 years of experience in the education field.

### 2) Mr. Suraj Manghnani

DIN: 06625583  
Independent Director

#### Education:

- BSC International Business Management, Kedge Business School, Marseille France.

#### Experience:

- More than 2 years of experience in the field of education sector.

### 3) Mr. Jugal Shah

DIN: 08334114  
Executive Director

#### Education:

- MBA (Marketing) - Punjab Technical University.
- PGPM (Major - Marketing & Minor - IB) - UnitedWorld School of Business
- B. Com - Shri Chinai College of Commerce & Economics

#### Experience:

- More than 5 years of experience in the field of marketing.

### 4) Mrs. Amita Karia

DIN: 07068393  
Independent Woman Director  
(Resigned w.e.f. 12.03.2020)

#### Education:

- Law graduate from Mumbai University.
- Associate Member of the Institute of Company Secretaries of India (ICSI).

#### Experience:

- More than 5 years of experience in the field of secretarial and regulatory compliances.

### 5) Mrs. Babita Bhatia

DIN: 08767969  
Additional Non- Executive Non- Independent Woman Director (w.e.f. 23.06.2020)

#### Education:

- Master of Business Administration (Finance), Newport University, California.
- Diploma in Film/Video Production, Xavier Institute of Communications.
- Bachelor of Commerce (B.Com.), Jai Hind College.

#### Experience:

- Has experience in the field of education - Worked with Vidya Vikas College of Arts, Science and Commerce.

### 6) Ms. Nidhi Busa

DIN: 08792362  
Additional Non-Executive Independent Woman Director (w.e.f. 01.09.2020)

#### Education:

- Company Secretary - The Institute of Company Secretaries of India ("ICSI")
- LLB (Mumbai University)
- Bachelor of Commerce (A & F) (Mumbai University)

### 7) Mr. Milin Ramani

DIN: 07697636  
Additional Non- Executive Independent Director (w.e.f. 01.09.2020)

#### Education:

- Company Secretary (The Institute of Company Secretaries of India ("ICSI"))
- Bachelor of Commerce (B.Com)



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Deepak Valecha**

Independent Director

**Mr. Suraj Manghnani**

Independent Director

**Mr. Jugal Shah**

Executive Director

**Mrs. Amita Sachin Karia**

Independent Woman Director

(upto March 12, 2020)

**Mrs. Babita Bhatia**

Non-Executive Non Independent Woman Director

(w.e.f. June 23, 2020)

**Ms. Nidhi Busa**

Non-Executive Independent Woman Director

(w.e.f. September 01, 2020)

**Mr. Milin Ramani**

Non-Executive Independent Director

(w.e.f. September 01, 2020)

### CHIEF EXECUTIVE OFFICER:

**Mr. Rajesh Bhatia**

### CHIEF FINANCIAL CONTROLLER & CHIEF OF COMPLIANCE

**Mr. Navin Kumar Mane**

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Guddi Bajpai**

### BOARD COMMITTEES

- Audit Committee
- Nomination & Remuneration Committee

- Stakeholders' Relationship Committee
- Committee of Board
- Compensation Committee

### STATUTORY AUDITOR

**M/s. S. Dedhia & Co.,**

Chartered Accountants, Mumbai

### BANKERS

RBL Bank

IndusInd Bank,

HDFC Bank Ltd.

Kotak Mahindra Bank Ltd.

ICICI Bank Ltd.

Corporation Bank Ltd.

Indian Bank Ltd.,

### REGISTRAR & TRANSFER AGENTS

**LinkIntime India Pvt. Ltd.**

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

**E-mail:** [rnt.helpdesk@linkintime.com](mailto:rnt.helpdesk@linkintime.com)

### REGISTERED OFFICE

101, Sapphire Plaza, Dadabhai Road,  
Opp. CNMS School, Vile Parle (West)  
Mumbai - 400056. Tel.: 022 - 26201029  
**Email:** [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net)  
**CIN:** L80101MH2006PLC163028

### WEBSITE

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



## ANNUAL REPORT 2019-2020

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED WILL BE HELD ON SATURDAY, NOVEMBER 21, 2020 AT 10.30 A.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt;
  - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020, together with the Reports of the Directors' and the Auditor's thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020, and the Report of the Auditor's thereon.
2. To appoint a Director in place of Mr. Jugal Bharat Shah (DIN 08334114), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

3. To appoint Mrs. Babita Bhatia (DIN: 08767969) as an Non Executive Non Independent Woman Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152, and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), Mrs. Babita Bhatia (DIN: 08767969) who was on recommendation of Nomination and Remuneration Committee appointed as an Additional Director of the Company by the Board of Directors with effect from June 23, 2020 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Babita Bhatia as a candidate for the office of the Company, be and is hereby appointed as an Non Executive Non Independent Woman Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To approve the appointment of Ms. Nidhi Kaushik Busa (DIN: 08792362) as an Independent Woman Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** pursuant to Section 149, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Ms. Nidhi Busa (DIN: 08792362), who was on recommendation of Nomination and Remuneration Committee appointed as an Additional Director of the Company by the Board of Directors with effect from September 01, 2020 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Woman Director of the Company to hold office for five consecutive years i.e. for a period up to August 31, 2025, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) and/or Company Secretary of the Company, be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."



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5. To approve the appointment of Mr. Milin Ramani (DIN: 07697636) as an Independent Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 149, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Milin Ramani (DIN: 07697636), who was on recommendation of Nomination and Remuneration Committee appointed as an Additional Director of the Company by the Board of Directors with effect from September 01, 2020 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a period up to August 31, 2025, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) and/or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve the appointment and remuneration of the Cost Auditor for the financial year ending March 31, 2021.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or re-enactment thereof for the time being in force, the Company hereby ratifies the remuneration of Rs. 20,000/- p.a. (Rupees twenty Thousand only) payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration Numbers 00294), who are appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2020-21 ”

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For Tree House Education & Accessories Limited

Date: October 19, 2020

Place: Mumbai

Sd/-

Jugal Shah

Executive Director

(DIN: 08334114)

## NOTES

1. Considering the present extraordinary circumstances due to Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General circular Nos.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 including any amendments/ clarifications thereto (hereinafter collectively referred to as "the Circulars") have allowed the Companies to convene the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the said MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM.
2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mihenhalani@gmail.com with a copy marked to evoting@nsdl.co.in and compliance@treehouseplaygroup.net.
5. The members of the Company, at Annual General Meeting (AGM) held on September 25, 2017 approved the appointment of M/s. S. Dedhia & Co., Chartered Accountants (Firm Registration No. 117695W), Mumbai as the Statutory Auditor of the Company for a term of Five years, subject to ratification by members at every AGM. However, the members may take note that the Ministry of Corporate Affairs has vide notification dated May 7, 2018 has dispensed the requirement of ratification in appointment of auditor by members at AGM. Hence, the existing auditor shall deemed to be appointed for a period of five years starting from Financial Year 2017-18.
6. GREEN INITIATIVE: - SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime India Private Limited in case the shares are held by them in physical form.
7. Members whose shareholding is in physical form are requested to immediately notify change in their address and bank account details, if any, to the Registrar and Transfer Agent of the Company, viz, Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083, quoting their Folio Number(s).
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.
9. Members are requested to address all correspondence, to the Registrar and Share Transfer Agent, Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083.
10. Members who wish to claim their unclaimed dividend are requested to correspond with Registrar and Share Transfer Agent of the company. Members are requested to note that dividends not claimed within seven (7) years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.

### IEPF RELATED INFORMATION:

The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the Company's website.



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Further, the Company will be transferring the dividend and the shares to the IEPF Authority for its Dividend Account of the financial year 2012-13 which is due in October, 2020. The Company has send individual correspondence to the shareholders and published a newspaper advertisement for claiming the un-paid/unclaimed dividend in respect of which dividend has not been en-cashed or claimed by the members for 7 consecutive years or more. The shareholders are once again requested to claim their un-paid/unclaimed dividend to avoid the transfer to IEPF.

Members who have not yet en-cashed their Final Dividends from financial year 2012-13 and thereafter are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

11. The Company is concerned about the environment and utilizes natural resources in a sustainable way, we request you to update your email address with your Depository Participant to enable us to send you the quarterly reports and other communications via email.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net), websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.msei.in](http://www.msei.in) respectively.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
15. Relevant documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of Annual General Meeting.
16. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the company as on the cut-off-date i.e. November 14, 2020.
17. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
18. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. Instructions for e-voting and joining the AGM are as follows:

### A. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

- II. The details of the process and manner for remote e-voting are explained herein below:

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

## Details on Step 1 is mentioned below:

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:                                                                                                                                        |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL      | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL      | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****                                                      |
| c) For Members holding shares in Physical Form                 | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***  |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.



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### Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mihenhalani@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net).  
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net).
2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting



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instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL

2. Facility of joining the AGM through VC / OAVM shall open 1(one) hour before the time scheduled for the AGM. Voting facility for the members during AGM will be throughout the meeting as well as post AGM 30 minutes.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990.
4. Members are encouraged to join the Meeting through Laptops for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net). On Monday, November 09, 2020, the same will be replied by the company at the time of AGM.
21. As meeting will be conducted through VC / OAVM facility voting through ballot paper will not be made available at AGM and members have to cast their vote by remote e-voting only.
22. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
23. The remote e-voting period commences on November 18, 2020 at 9:00 a.m. and ends on November 20, 2020 at 5:00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of November 14, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
24. The Register of Members and Share Transfer Books of the Company will remain closed from, Monday, November 16, 2020 to Saturday, November 21, 2020 (both days inclusive).
25. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. November 14, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800-222-990.
26. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
27. M/s. Mihen Halani & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process and votes cast through Ballot Paper at the AGM in a fair and transparent manner.
28. Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI Listing Regulations, and Secretarial Standard - 2 (SS-2):

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| Name of the Director                                                                   | Mr. Jugal Shah                                                                                                                                                                                                                                                | Mrs. Babita Bhatia                                                                                                                                                                                                                                                            | Ms. Nidhi Busa                                                                                                                                                                                                                  | Mr. Milin Ramani                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Age                                                                                    | 33                                                                                                                                                                                                                                                            | 50                                                                                                                                                                                                                                                                            | 28                                                                                                                                                                                                                              | 27                                                                                                                                                                                               |
| Director Identification Number (DIN)                                                   | 08334114                                                                                                                                                                                                                                                      | 08767969                                                                                                                                                                                                                                                                      | 08792362                                                                                                                                                                                                                        | 07697636                                                                                                                                                                                         |
| Date of Appointment on the Board                                                       | 21/01/2019                                                                                                                                                                                                                                                    | 23/06/2020                                                                                                                                                                                                                                                                    | 01/09/2020                                                                                                                                                                                                                      | 01/09/2020                                                                                                                                                                                       |
| Qualifications                                                                         | <ul style="list-style-type: none"> <li>• MBA (Marketing) - Punjab Technical University.</li> <li>• PGPM (Major - Marketing &amp; Minor - IB) - United World School of Business</li> <li>• B. Com - Shri Chinai College of Commerce &amp; Economics</li> </ul> | <ul style="list-style-type: none"> <li>• Master of Business Administration (Finance), Newport University, California,</li> <li>• Diploma in Film/Video Production, Xavier Institute of Communications,</li> <li>• Bachelor of Commerce (B.Com.), Jai Hind College.</li> </ul> | <ul style="list-style-type: none"> <li>• Company Secretary The Institute of Company Secretaries of India ("ICSI")</li> <li>• LLB (Mumbai University)</li> <li>• Bachelor of Commerce (A &amp; F) (Mumbai University)</li> </ul> | <ul style="list-style-type: none"> <li>• Company Secretary (The Institute of Company Secretaries of India ("ICSI"))</li> <li>• Bachelor of Commerce (B.Com)</li> </ul>                           |
| Expertise in specific functional area                                                  | Marketing                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Media Planning</li> <li>• Mass Media Research</li> <li>• Print Production and Photography</li> <li>• Legal Environment and Advertising Ethics</li> <li>• Contemporary Issues</li> </ul>                                              | <ul style="list-style-type: none"> <li>• She has experience in the field of secretarial and other legal compliances with various other regulatory bodies.</li> </ul>                                                            | <ul style="list-style-type: none"> <li>• He has sound experience in the field of secretarial and other regulatory compliances.</li> </ul>                                                        |
| Number of shares held in the Company                                                   | NIL                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                             | NIL                                                                                                                                                                                              |
| Terms and Conditions                                                                   | NA                                                                                                                                                                                                                                                            | As per resolution stated in item no.3                                                                                                                                                                                                                                         | As per resolution stated in item no.4                                                                                                                                                                                           | As per resolution stated in item no.5                                                                                                                                                            |
| Justification for appointment of Independent Director                                  | NA                                                                                                                                                                                                                                                            | NA                                                                                                                                                                                                                                                                            | As per resolution stated in item no.4                                                                                                                                                                                           | As per resolution stated in item no.5                                                                                                                                                            |
| List of the directorships held in other listed entities                                | NIL                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>• Comfort Commotrade Limited</li> <li>• Luharuka Media &amp; Infra Limited</li> <li>• Comfort Fincap Limited</li> <li>• Comfort Intech Limited</li> </ul> |
| Chairman / Member in the Committees of the Boards of companies in which he is Director | NIL                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                             | Members of Audit Committee and Stakeholders' Relationship Committee of all the companies as mentioned in above. Chairman of Stakeholders' Relationship Committee of Comfort Intech Limited       |
| Relationships between Directors inter-se                                               | NIL                                                                                                                                                                                                                                                           | Sister of Mr. Rajesh Bhatia - (CEO)                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                             | NIL                                                                                                                                                                                              |

## Annexure to Notice

### Explanatory Statement under pursuant to Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### In respect of Item No. 3 in notice.

On recommendation of Nomination and remuneration Committee, the Board of Directors, appointed Mrs. Babita Bhatia (DIN:08767969) as an Additional Director of the Company with effect from June 23, 2020, pursuant to Section 161 of the Companies Act, 2013, read with Article 39 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Babita Bhatia will hold office up to the date of this Annual General Meeting. The Nomination and Remuneration Committee has recommended the Board to regularize the appointment of, Ms. Babita Bhatia as Non-Executive Non Independent Woman Director, under the provisions of section 152 read with section 160 of the Companies Act, 2013.

The Company has received from Mrs. Babita Bhatia (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013, of the Companies Act, 2013.

The Board seeks the approval of members for the appointment of Mrs. Babita Bhatia as a Non-Executive Non Independent Woman Director of the Company.

Except Mrs. Babita Bhatia, Mr. Rajesh Bhatia and their relatives, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in appointment of Mrs. Babita Bhatia as a Non-Executive Non Independent Woman Director of the Company, except to the extent of their shareholding, if any, in the Company in the resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

#### In respect of Item No. 4 in notice.

On recommendation of Nomination and Remuneration Committee, the Board of Directors, appointed Ms. Nidhi Busa as an Additional Director of the Company with effect from September 01, 2020, pursuant to Section 161 of the Companies Act, 2013, read with Article 39 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Nidhi Busa will hold office up to the date of this Annual General Meeting. The Nomination and Remuneration Committee has recommended the Board to regularize the appointment of Ms. Nidhi Busa for the office of Independent Director, under the provisions of section 149 read with sections 152 and 160 of the Companies Act, 2013.

The Company has received from Ms. Nidhi Busa (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the resolution seeks the approval of members for the appointment of Ms. Nidhi Busa as an Independent Director of the Company for a period up to August 31, 2025. She will not be liable to retire by rotation. In the opinion of the Board, Ms. Nidhi Busa, the Independent Director proposed to be appointed, fulfills the conditions specified under the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Nidhi Busa as an Independent Woman Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

None of the director, key managerial personnel or their relatives, except Ms. Nidhi Busa, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.



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### In respect of Item No. 5 in notice.

On recommendation of Nomination and Remuneration Committee, the Board of Directors, appointed Mr. Milin Ramani as an Additional Director of the Company with effect from September 01, 2020, pursuant to Section 161 of the Companies Act, 2013, read with Article 39 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Milin Ramani will hold office up to the date of this Annual General Meeting. The Nomination and Remuneration Committee has recommended the Board to regularize the appointment of Mr. Milin Ramani for the office of Independent Director, under the provisions of section 149 read with sections 152 and 160 of the Companies Act, 2013.

The Company has received from Mr. Milin Ramani (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the resolution seeks the approval of members for the appointment of Mr. Milin Ramani as an Independent Director of the Company for a period up to August 31, 2025. He will not be liable to retire by rotation. In the opinion of the Board, Mr. Milin Ramani, the Independent Director proposed to be appointed, fulfills the conditions specified under the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Milin Ramani as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

None of the director, key managerial personnel or their relatives, except Mr. Milin Ramani, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

### In respect of Item No. 6 in notice for appointment and remuneration of Cost Auditor.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Auditor to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021. Mentioned below is the detail of the Cost Auditor appointed by the Board in their meeting held on 21st August, 2020.

| Name of the Cost Auditor         | Audit fees (In Rs.) | F.Y.    |
|----------------------------------|---------------------|---------|
| M/s. Kishore Bhatia & Associates | Rs. 20,000/-        | 2020-21 |

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members at general meeting of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel or their relatives, in any way, concerned or interested in the said resolution.

By order of the Board of Directors  
For Tree House Education & Accessories Limited

Date: **October 19, 2020**  
Place: **Mumbai**

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

## BOARD'S REPORT

Dear Members,

Your directors take great pleasure in presenting the Fourteenth Annual Report of business and operations of your company along with Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2020.

### FINANCIAL RESULTS

The Financial Performance of your Company for the financial year ended March 31, 2020 is summarized below:

(Rs. In Lakhs)

| Particulars                                                                                       | Standalone |         | Consolidated |         |
|---------------------------------------------------------------------------------------------------|------------|---------|--------------|---------|
|                                                                                                   | 2019-20    | 2018-19 | 2019-20      | 2018-19 |
| Total Revenue                                                                                     | 952        | 469     | 952          | 472     |
| Expenditures excluding depreciation                                                               | 911        | 939     | 911          | 939     |
| Profit before Depreciation and Tax                                                                | 41         | (470)   | 41           | (467)   |
| Depreciation                                                                                      | 2910       | 3245    | 2910         | 3245    |
| Net Profit Before exceptional Items and Tax                                                       | (2869)     | (3715)  | (2869)       | (3712)  |
| Share of net profit/(loss) of associates and joint ventures accounted for using the equity method | Nil        | Nil     | (1)          | 395     |
| Exceptional Items                                                                                 | Nil        | 498     | Nil          | 498     |
| Net Profit Before Tax                                                                             | (2869)     | (4213)  | (2870)       | (3815)  |
| Provision for Tax                                                                                 | (55)       | (7)     | (55)         | (7)     |
| Profit after Tax                                                                                  | (2815)     | (4206)  | (2815)       | (3808)  |
| Appropriations:                                                                                   |            |         |              |         |
| Proposed Dividend on equity Shares                                                                | Nil        | Nil     | Nil          | Nil     |
| Tax on Dividend                                                                                   | Nil        | Nil     | Nil          | Nil     |
| Balance Carried to Balance Sheet                                                                  | (2815)     | (4201)  | (2815)       | (3803)  |
| Paid up Share Capital                                                                             | 4231       | 4231    | 4231         | 4231    |
| Reserves & Surplus                                                                                | 27807      | 30621   | 28144        | 30960   |

\*previous year figures have been regrouped / rearranged wherever necessary.

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During year the Company has incurred a loss of INR 2815 lakhs after tax against loss of INR 4201 lakhs after tax in previous year.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

Your company does not have any subsidiary company. However, the Company has one associate Companies viz., J T Infrastructure Private Limited.

The particulars of Associate Companies/Joint Venture as on March 31, 2020 have been included in form MGT-9 which can be assessed on the link:- [https://www.nseprimeir.com/z\\_TreeHouse/files/MGT\\_-9\\_31.03.2020.zip](https://www.nseprimeir.com/z_TreeHouse/files/MGT_-9_31.03.2020.zip)

Further, the report on the performance, financial position and overall contribution to company's profitability of each of the subsidiaries, associates and joint ventures and salient features of the financial statements in the prescribed Form AOC-1 is marked and annexed as "Annexure A" to this report.



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### DIVIDEND

The Company has incurred a huge loss during the year. Hence, board does not recommend any dividend on the equity shares of the Company for the year under review.

### SHARE CAPITAL

During the year under review, no changes took place in the Share Capital of the Company. The paid up Equity Share Capital of the Company as on 31st March, 2020 is INR 423,107,240 (Indian Rupees Forty two crores, thirty one lacs, seven thousand two hundred and forty only) comprising of 42,310,724 Equity Shares of Rs. 10 /each.

### INTERNAL FINANCIAL CONTROLS

The Board of directors has laid down internal financial controls to be followed by the Company for ensuring the orderly and efficient conduct of its business and the said internal financial controls are adequate and are operating effectively. Internal Audits are regularly carried out to review the internal financial controls and the Internal Audit Reports along with recommendations contained therein are reviewed by the Audit Committee. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Companies Act, 2013 requiring disclosure in the financial statements giving particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to your company as no transactions of such nature has been undertaken or entered into by your company.

### PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposit under Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, in relation to the Audited Financial Statements for the Financial Year 2019-20. Your Directors confirm that:

- The Financial Statements of the Company for year ended March 31, 2020, have been prepared on a going concern basis following applicable Indian accounting standards and that no material departure have been made from the same;
- In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable Indian accounting standards, have been followed along with proper explanation relating to material departures;
- Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at March 31, 2020 and of the profits and loss of the company for financial year ended March 31, 2020.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- Requisite internal financial controls laid down and that financial controls are adequate and were operating effectively; and
- Proper systems to ensure compliance with the provisions of all applicable laws in place and that such systems were adequate and operating effectively.

### DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Your Company's Board comprises of mix of executive and non-executive directors with considerable experience and expertise in various fields and business strategy. The details of the directors and their meetings held during the year have been given in the Corporate Governance Report, which forms part of this report.

The list of Directors & Key Managerial Person's of the Company as on March 31, 2020 are as follows:



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1. Mr. Suraj Manghnani (DIN: 06625583), Independent Director
2. Mr. Deepak Valecha (DIN: 07736480), Independent Director
3. Mr. Jugal Shah (DIN: 08334114), Executive Director
4. Mr. Rajesh Bhatia (PAN: AAHPB9438N), Chief Executive Officer (CEO)
5. Mr. Navin Kumar Mane (PAN: ATBPK9664Q), Chief Financial Officer
6. Ms. Guddi Bajpai (PAN: AWYPB2768G), Company Secretary & Compliance Officer

### a) Changes in Directors and Key Managerial Personnel:

During the year under review and till the date of this Report, the following changes took place in the Board of Directors and the Key Managerial Personnel of the Company:

1. Mrs. Amita Karia (DIN: 07068393) has resigned from the post of Independent Woman Director of the Company w.e.f. March 12, 2020.
2. Mrs. Babita Bhatia (DIN: 08767969) has been appointed as Additional Non-Executive Non Independent Woman Director w.e.f. June 23, 2020.
3. Ms. Nidhi Busa (DIN: 08792362) has been appointed as Additional Non-Executive Independent Woman Director w.e.f. September 01, 2020.
4. Mr. Milin Ramani (DIN: 07697636) has been appointed as Additional Non-Executive Independent Director w.e.f. September 01, 2020

Pursuant to provisions of section 152 of the Companies Act, 2013 and subject to Articles of Association, Mr. Jugal Shah, Director of the Company is liable to retire by rotation at an ensuing Annual General Meeting and, being eligible has offered himself for re-appointment. The Board has recommended for the same. Details about the directors being appointed/ re-appointed are given in the Notice of the 14th Annual General Meeting being sent to the members along with the Annual Report.

None of the Directors are disqualified for being appointed as the Director of the Company in terms of section 164 of the Companies Act, 2013. During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, perquisites and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

### b) Declaration by Independent Director(s)

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of section 149(6) of the Companies Act, 2013 and there is no change in the circumstances as on the date of this report which may affect their respective status as an independent director. Your Board confirms that in its opinion the independent directors fulfil the conditions prescribed under the SEBI (LODR), Regulations, 2015 and they are independent of the management. All the independent directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon ("IICA") as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and as applicable shall undergo online proficiency self-assessment test within the time prescribed by the IICA.

Furthermore, a brief profile of each of these Independent Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold Directorships and/or membership/chairmanship of Committees of the Board, as stipulated under specified regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulation") is given in the Corporate Governance Report which is forming part of this Report.

### c) Annual Evaluation of the Board

Evaluation of the directors is done on an annual basis. The process is led by the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, and effective functioning of the Board. The evaluation process also involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors and also considers the time spent by each of the directors, accomplishment of specific responsibilities and expertise, conflict of interest, integrity of director, active participation and contribution during discussions.



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### d) Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act can be assessed on the link.

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_Terms\\_ConditionsofID\\_300914.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Terms_ConditionsofID_300914.pdf)

### e) Familiarisation Programme For Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Bank as well as with the nature of industry and business model of the company through various internal programmes and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time.

## BOARD MEETING AND BOARD COMMITTEES

The details of Board Meetings held during the year, attendance of the directors at the meetings and constitution of various Committees of the Board are included separately in the Corporate Governance Report which forms part of this report.

## CORPORATE GOVERNANCE

Your Company has complied with Regulation 34 of SEBI (Listing Obligations and Disclosure Regulations) Requirements, 2015 of the stock exchanges. A report on Corporate Governance as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Regulations) Requirements, 2015 along with Independent Auditor's Certificate on compliance with the Corporate Governance, forms part of this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## DISCLOSURES RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

Disclosure of the ratio to the remuneration of each director to the median employee's remuneration and other details required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as "Annexure B".

## PARTICULARS OF EMPLOYEES

During the year under review, there are no employees who comes within the purview of Section 134 (3)(q) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## AUDITORS

### a) Statutory Auditors

The Statutory Auditors, M/s. S. Dedhia & Co. Chartered Accountants having ICAI Firm Registration No. 117695W, was appointed in 11th Annual General Meeting to hold office from the conclusion of 11th Annual General meeting till conclusion of 16th Annual General Meeting (i.e. for a term of consecutive five years) subject to ratification of the appointment by the members at every Annual General Meeting. The requirement to place the matter relating to ratification in appointment of Auditors by Members at every Annual General Meeting is done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

M/s. S. Dedhia & Co., Chartered Accountants have expressed their willingness to continue as Statutory Auditors of the Company and have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

The Independent Auditors' Report of M/s. S. Dedhia & Co., on the Financial Statements of the Company for the Financial Year 2019-20 is a part of the Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S. Dedhia & Co. in their Report dated July 09, 2020.



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### b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s Kaushal Doshi & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2020.

The Secretarial Audit Report is annexed herewith as "Annexure C". There are no qualifications, made by M/s Kaushal Doshi & Associates in their Report, however observation made by them are self explanatory.

### c) Cost Auditors

The company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. The Board of Directors had appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditors of your Company for the financial year 2019-20 to conduct the audit of the cost records of your Company.

Pursuant to Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Cost record and Audit) Rules, 2014, the Board of Directors of your Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants as the Cost Auditor for the financial year 2020-21 on the recommendations made by the Audit committee. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would be not exceeding INR 20,000 (Rupees Twenty Thousand Only) excluding taxes and out of pocket expenses, if any. Your directors recommend approval of said remuneration to the Cost Auditors of the Company.

Your company has received consent from M/s. Kishore Bhatia & Associates, Cost Accountants, to act as the Cost Auditor of your company for the financial year 2020-21 along with certificate confirming their Independence.

Further, the Company has made an application to Ministry of Corporate Affairs ("MCA") for claiming exemption under section 148 of the Companies Act, 2013, as the provisions of Cost Audit are not applicable to the Company from F.Y. 2020-21 onwards. The Company is yet to receive clarification from MCA in this regard and on directions of the MCA, the Company will be complying with the provisions of Cost Audit from F.Y. 2020-21 onwards.

### d) Internal Auditor

M/s. Dharmesh Parekh & Associates., Practicing Chartered Accountant, Mumbai performed the duties of internal auditors of the company for the Financial Year 2019-20 and their report is reviewed by the audit committee from time to time.

### Auditor's report and Secretarial audit report

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, adverse remarks or disclaimer however observation by secretarial auditor are self explanatory.

### EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return of the Company as on March 31, 2020 in Form MGT-9 in accordance with Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at [https://www.nseprimeir.com/z\\_TreeHouse/files/MGT\\_-9\\_31.03.2020.zip](https://www.nseprimeir.com/z_TreeHouse/files/MGT_-9_31.03.2020.zip)

### RELATED PARTY TRANSACTIONS

During the Financial Year 2019-20, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions section 188 of the Companies Act, 2013, and Rules made thereunder read with Regulation 23 of the SEBI (LODR) Regulations, 2015. However, the Company has not entered into transactions with related parties which qualify as material transactions under the SEBI (LODR) Regulations, 2015 and provisions of section 188 of the Companies Act, 2013; therefore Form AOC-2 does not form part of this report.

The details of the related party transactions as required under "Ind.As-24" are set out in Note Nos. 32 to the standalone financial statements forming part of this Annual Report.



## ANNUAL REPORT 2019-2020

The Policy on related party transactions may be accessed on the Company's website at a link:  
[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)

### VIGIL MECHANISM & WHISTLE BLOWER POLICY:

The Board has approved and adopted Vigil Mechanism that provides a formal mechanism for all Directors and employees of the Company to approach the Chairman of the Audit Committee of the Board and make protective disclosures about the unethical behaviour, actual or suspected fraud. The Vigil Mechanism comprises the Whistle Blower Policy which requires every Director or employee to promptly report to the Management any actual or possible violation of the Code or any event wherein he or she becomes aware of that which could affect the business or reputation of the Company. Under the Policy, every Director or employee of the Company has an assured access to the Chairman of the Audit Committee.

The Policy on Vigil Mechanism & Whistle Blower may be accessed on the Company's website at a link:  
[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_WhistleBlowerPolicy\\_Revised\\_14022016.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_Revised_14022016.pdf)

### RISK MANAGEMENT

The risk management is overseen by the Audit Committee of the Company on a continuous basis to identify, assess, monitor and mitigate various risks to key business objectives.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls are regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

### CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on February 06, 2015 approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014, on the recommendations of the CSR committee. The Corporate Social Responsibility Policy may be accessed on Company's website at a link:

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_070215.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf)

Further section 135 of the Companies Act, 2013 states as under :

- (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

Further, as per Rule 3 of the Companies (Corporate Social Responsibility Policies), Rules, 2014, every company which ceases to be a company covered under subsection (1) of section 135 of the Act for three consecutive financial years shall not be required to; (i) constitute a CSR Committee (ii) comply with the disclosure under Board's Report (iii) spent at least two per cent. of the average net profits of the company made during the three immediately preceding financial years

Accordingly, the Board of Directors on the recommendation of CSR Committee at their Meeting held on 12.02.2020 have dissolved the CSR Committee formed under provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as during the preceding three consecutive financial years, the Company does not have net worth of rupees five hundred crore or more, nor its turnover is one thousand crore or more and, has also incurred a loss. Thus provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014 is not applicable to the Company from F.Y. 2019-20 onwards.

Further, the company ensures that it will comply with the provisions and rules of the Companies Act 2013 relating to Corporate Social Responsibility, whenever it will be applicable to the Company.



## ANNUAL REPORT 2019-2020

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

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it doesn't own any manufacturing facility.

However, the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

### HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focussed people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement..

### DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also filed its Annual Report as required under the said Act. The Company has a qualified Internal Committee, who along with the external member review the policy and framework on a regular basis. Additionally the company ensures that every new employee undergoes an awareness program which will sensitise them to uphold the dignity of their colleagues at workplace, particularly with respect to prevention of sexual harassment. During the year, no such case was reported.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

For the year under preview your Company did not have any funds lying unpaid or unclaimed for a period of Seven years. Therefore there were no funds which were required to be transferred to investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary forms and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. September 12, 2019), with Ministry of Corporate Affairs.

Further, the Members may note that the Company will be transferring the un-paid/unclaimed dividend and the shares to the IEPF Authority for its un-paid/unclaimed dividend Account of the financial year 2012-13 which is due in October, 2020. The Company had sent individual correspondence to respective shareholders and published newspaper advertisement for claiming the un-paid/unclaimed dividend in respect of which dividend has not been en-cashed or claimed by the members for 7 consecutive years or more. The shareholders are once again requested to claim their un-paid / unclaimed to avoid the transfer to IEPF.

Members who have not yet en-cashed their Final Dividends for financial year 2012-13 and 2013-14 and thereafter are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

### EMPLOYEE'S STOCK OPTION SCHEME

During the year, the Company did not grant any Employees Stock Option Scheme. However, the Details of ESOP Scheme as required under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as required to be provided under the Securities and Exchange Board of India(Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020 are available on website of the company and can be assessed at link:

[https://www.nseprimeir.com/z\\_TreeHouse/files/ESOP\\_details\\_as\\_on\\_31.03.2020.zip](https://www.nseprimeir.com/z_TreeHouse/files/ESOP_details_as_on_31.03.2020.zip)



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### CEO/CFO CERTIFICATION

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the certification by the Chief Executive Officer and Chief Financial Officer on the financial statements and Internal Controls relating to financial reporting has been obtained and annexed as “**Annexure D**” to this Report.

### IMPACT OF COVID - 19 ON THE COMPANY

Impact of Covid-19 on the Company has been explained in Management discussion and Analysis which forms part of this report. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 issued by the Securities and Exchange Board of India dated May 20, 2020, the Company has made Disclosure of material impact of COVID-19 pandemic to the Stock Exchanges.

### MISCELLANEOUS

- The Company does not have any equity shares with differential rights.;
- During the year, your Company has not issued any sweat equity shares. Therefore, no disclosures as required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014;
- During the year under Report, no funds were raised through preferential allotment or qualified institutional placement.
- The Company has received an order from Securities Appellate Tribunal(SAT) Mumbai dated November 07, 2019, Appeal No. 78 of 2019 where it has quashed and set aside the impugned orders (both the confirmatory order dated November 16, 2018 and ad interim ex parte order dated March 7, 2018) as far as the directions restraining the appellants from dealing in the securities market in any manner. However, direction relating to forensic audit of Tree House was upheld.

Further as ordered by SAT Company is fully cooperating with the forensic Auditor to enable the Auditor to carry out and complete the forensic audit at the earliest.

- There were no material changes and commitments occurred between and the end of financial year of the company affecting the financial position of the Company. Further, there has been no change in the nature of business of the Company.
- The Company has complied with Secretarial Standards on meetings of the Board of Directors and on General Meetings, issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

### ACKNOWLEDGMENT

Your Directors take this opportunity to thank the government, regulatory bodies, shareholders and other stakeholders at large 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 achieved the desired growth. 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

**Tree House Education and Accessories Limited**

Sd/-  
**Jugal Shah**  
Executive Director  
(DIN: 08334114)

Sd/-  
**Deepak Valecha**  
Independent Director  
(DIN: 07736480)

Date: 11<sup>th</sup> September, 2020  
Place : Mumbai

## Annexure A Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiaries

1. Name of Subsidiaries : NA
2. Names of subsidiaries which are yet to commence operations: NA
3. Names of subsidiaries which have been liquidated or sold during the year: NA

### Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(Amount in Rupees)

| Name of Associates/Joint Ventures                                                   | JT Infrastructure Private Limited (Associate) |
|-------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>1. Latest audited Balance Sheet Date</b>                                         | <b>Mar 31, 2020</b>                           |
| <b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>    |                                               |
| No.                                                                                 | 99,80,000                                     |
| Amount of Investment in Associates/Joint Venture                                    | 9,98,00,000                                   |
| Extent of Holding %                                                                 | 50%                                           |
| <b>3. Description of how there is significant influence</b>                         | By virtue of shareholding                     |
| <b>4. Reason why the associate/joint venture is not consolidated</b>                | NA                                            |
| <b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b> | 27,13,13,191                                  |
| <b>6. Turnover</b>                                                                  | 0                                             |
| <b>7. Contribution to Company's Profitability</b>                                   | -                                             |
| <b>8. Profit / Loss for the year</b>                                                | -1,10,533                                     |
| i. Considered in Consolidation                                                      | -55,266                                       |
| ii. Not Considered in Consolidation                                                 | -55,266                                       |

### Notes:

1. Names of associates or joint ventures which are yet to commence operations: NA
2. Names of associates or joint ventures which have been liquidated or sold during the year: NA
3. JT Infrastructure Private Limited was successful in restoring the status as 'Active' on MCA Portal and further it is in due process of completing pending Annual Filings under "Companies Fresh Start Scheme, 2020".

## Annexure B

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial year 2019-20 is as follows:**

| Name of Director    | Total Remuneration (Rs.) | Ratio of remuneration of director to the median remuneration |
|---------------------|--------------------------|--------------------------------------------------------------|
| Mr. Suraj Manghnani | NA                       | NA                                                           |
| Mr. Jugal Shah      | 12,00,000                | 12.63 Times                                                  |
| Mrs. Amita Karia#   | NA                       | NA                                                           |
| Mr. Deepak Valecha  | NA                       | NA                                                           |

**Note:**

# Resigned w.e.f. 12.03.2020

**B. Details of percentage increase in the remuneration of each Director and CEO, CFO & Company Secretary in the financial year 2019-20 are as follows:**

| Name                                             | Designation                | Remuneration (Rs.) |             | Increase % |
|--------------------------------------------------|----------------------------|--------------------|-------------|------------|
|                                                  |                            | 2019-20            | 2018-19     |            |
| Mr. Jugal Shah                                   | Executive Director         | 12,00,000          | *2,35,483   | 0          |
| Mr. Suraj Manghnani                              | Independent Director       | 0                  | 0           | -          |
| Mr. Deepak Valecha                               | Independent Director       | 0                  | 0           | -          |
| Mrs. Amita Karia<br>(Resigned w.e.f. 12.03.2020) | Independent Women Director | 0                  | 0           | -          |
| Mr. Rajesh Bhatia                                | CEO                        | 24,00,000          | **4,44,469  | 0          |
| Mr. Navin Kumar Bhandaradamane                   | CFO                        | 26,70,000          | 27,00,000   | 0          |
| Ms. Guddi Bajpai                                 | Company Secretary          | 4,64,000           | ***3,83,129 | 5.41%      |

\* (paid from 21.01.2019)

\*\* (paid from 22.01.2019)

\*\*\* (paid from 18.05.2018)

**C. Percentage increase in the median remuneration of all employees in the financial year 2019-20:**

| Particulars                                   | 2019-20 (Rs.) | 2018-19 (Rs.) | Increase % |
|-----------------------------------------------|---------------|---------------|------------|
| Median remuneration of all employee per annum | 95,033        | 10,5600       | -11%       |



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### D. Number of employees on the rolls of the Company as on March 31, 2020:

| Employees        | 2019-2020 | 2018-2019 |
|------------------|-----------|-----------|
| Corporate Office | 12        | 17        |
| Teaching Staff   | 11        | 10        |
| <b>TOTAL</b>     | <b>23</b> | <b>27</b> |

### Explanation on the relationship between average increase in remuneration and Company Performance:

The increase in average remuneration of all employees in the financial year 2019-20 as compared to the financial year 2018-19 was 21%, whereas the loss for the financial year 2018-19 was Rs.42 crores and the loss for the financial year 2019-20 is Rs.28 crores.

### E. The key indices of Company's performance are:

| Particulars                             | 2019-2020 (In lakhs) | 2018-2019 (In lakhs) | Growth % |
|-----------------------------------------|----------------------|----------------------|----------|
| Net Revenue from Operations             | 276                  | 366                  | (24.6)   |
| Profit Before Tax and Exceptional Items | (2869)               | (3,716)              | 22.79    |
| Profit After Tax                        | (2815)               | (42,01)              | 33.00    |

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Your Company maintains a simple compensation structure which allows the employees to have flexibility in the way in which they realize their salaries.

Thus, there will be a positive correlation in the increase in remuneration of employees and your Company's performance; however, a perfect correlation will not be visible given the dependency on the other factors stated above.

### F. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

No increase in remuneration of the Managerial Personnel in the financial year except an increase of 5.4% increment given to company secretary.

### G. CEO and CFO are paid in excess of the highest paid Director of the Company.

### H. Affirmation:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration decided by Nomination and Remuneration Committee of your Company.



## ANNUAL REPORT 2019-2020

### Annexure C

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014]

To,

The Members,

**TREE HOUSE EDUCATION & ACCESSORIES LIMITED**

**CIN: L80101MH2006PLC163028**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tree House Education & Accessories Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made there under;
- iii. The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) The Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable during the period under review**;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable during the period under review, and**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the period under review.**



## ANNUAL REPORT 2019-2020

vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

We have also examined compliance with the applicable clauses of following:

- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI");
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s).

To the best of our knowledge and belief, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that:

- a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.  
The committee of the Board is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent adequately in advance as deem fit to the Board and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year;

- Show Cause Notice received by promoters of the Company under Section 11(1), 11(4), 11B(1), 11B(2) and 11(4A) of the Securities and Exchange Board of India Act, 1992 read with SEBI (Procedure for holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of Insider trading activities of certain entities in the scrip of the listed entity. As informed to us, Mr. Bhatia attended the meeting on the schedule date and time and no further intimation is received till date in the matter.
- Pursuant to SEBI (Prohibition of fraudulent and unfair trade Practices) Regulations, 2013, the SEBI has passed confirmatory order and ad-Interim Ex-Parte Order dated November 16, 2018 and March 7, 2018 respectively whereby SEBI has restricted the Company, Rajesh Bhatia, Geeta Bhatia, Giridharilal Bhatia, Vishal Shah and Hiten Trivedi from accessing the market and directing NSE to conduct detailed forensic audit of the books of accounts of the Company. The said order was challenged by the Company before Hon'ble Securities Appellate Tribunal (SAT). The SAT passed favorable order on dated November 7, 2019. As informed to us, the matter was partly allowed and restriction from accessing the securities market was quashed. However, the order relating to conduct of forensic audit was upheld. Also, the Company is fully co-operating with the forensic Auditor to enable the auditor to carry out and complete the forensic audit at the earliest.

We further report that during the audit period, the Company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

**For Kaushal Doshi & Associates  
Practicing Company Secretary**

Date: **31/08/2020**  
Place: **Mumbai**

sd/-  
**Kaushal Doshi**  
**Proprietor**  
**CP No: 13143**  
**FCS No: 10609**

*Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms as integral part of this report.*



## ANNUAL REPORT 2019-2020

### Appendix A

To,  
The Members,  
**Tree House Education & Accessories Limited**

CIN: L80101MH2006PLC163028

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Kaushal Doshi & Associates  
Practicing Company Secretary**

Date: **31/08/2020**  
Place: **Mumbai**

sd/-  
**Kaushal Doshi**  
Proprietor  
CP No: 13143  
FCS No: 10609  
UDIN: F010609B000638610

## Management discussion and Analysis

### Overview of Operations of Our Company

The company has earned income of Rs.117.93 lakhs from pre-school business and Rs.86.85 lakhs as royalty from franchise centres. In addition the company has earned rent of Rs.62.67 lakhs from the school buildings rented to K12 schools.

### Company's Strengths:

The Brand is owned by the Company and is earning Royalty income for the company.

### Financial Highlights for 2019-20

Rs. in Lakhs

| Particulars               | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---------------------------|-----------------------|-----------------------|
| Revenue                   | 276                   | 366                   |
| Operational EBIDTA        | (210)                 | (3)                   |
| Profit (loss) before tax  | (2870)                | (3716)                |
| Profit (Loss) after taxes | (2815)                | (4207)                |
| Earning Per Share         | (6.78)                | (9.93)                |

### Impact of Covid-19:

In March 2020, the WHO declared COVID-19 outbreak as a pandemic which has wreaked havoc across the country and the world. On 25th March, 2020, the Government of India declared the said pandemic as a health emergency and ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company fell under non-essential category, these restrictions had stopped the operations of the company along with its owned and various franchisee centers.

As company's owned and franchisee centers were closed due to lockdown, the admissions of the student have been severely impacted for the current year.

The current Covid-19 pandemic has also severely impacted the services provided by the company and the liquidity flow of the Company.

Some of the major factors which the company estimates will impact it due to CoVID-19 are as follows:-

- 1) Cash flow crunch.
- 2) Closure of centers.
- 3) Reduction in collection of royalty payments.
- 4) Decrease in number of students for the current academic year 2020-21.
- 5) Reduction in fees structure due to closure of centers and hence less number of working days.
- 6) Delay in serving debt obligation to the banks.
- 7) Due to closure of franchised branches impairment of assets situated at franchisee branches wherever applicable.

It is important to note that the current Covid 19 impact will affect parent behavior towards sending children in the age group of 2.5 years to 6 years (PG, Nursery, Junior KG, and Senior KG) and the reluctance of parents to send children to school will have a meaningful impact on the revenue streams of the company.

### Internal Control system and Risk Management:

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls on regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information. During the year such controls were tested and no reportable material weakness in the design or operation was observed.



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### Opportunities & Threats:

#### Opportunities:

- Due to the Covid19 pandemic, the company does not see any business opportunity in the near future. However the company's existing business is continuing.

#### Threats:

- Company sees Covid-19 as the major threat to the business.
- Competitors may reduce franchisee & royalty fees putting pricing pressure.
- Brand name is in risk due to bad performance of franchisee owners.
- Unskilled staff at franchisee centres.
- Non payment of royalty and shifting of brand loyalty.

### Industry Structure and developments.

#### Industry Overview

India - One of the largest education markets in the world

The Indian education sector is one of the largest education markets (in terms of the potential number of students) in the world..

#### Key Market Segments

##### Pre-school Market

While science and child development experts have long proven that, first 6 years of a human being's life are the most critical, in India this is still a nascent concept, there is need to spread higher awareness of importance of early childhood education.

##### K-12 Market

K-12 schools form the core and largest segment of the Indian education system. India has one of the world's largest networks of schools. Still, the country needs new schools to meet the demand of quality K-12 education.

#### Supplemental Education

While the number of schools in India makes for impressive reading, the quality of education imparted in these schools leaves a lot to be desired. There have been multiple reports in recent times that point to the low learning levels of students in Indian schools. The challenge here however, is not to repeat what happens in school but to create a more customized and hands on learning environment.

#### Segment - wise or product -wise performance.

The activities of the Company comprise of only one business segment i.e. "providing education and related services including leasing of education infrastructure". The company operates in only one segment.

- (i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

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### Changes in Key Financial Ratios:

| Particulars                      | 2019-20  | 2018-19  | Change  | Remarks                                                                                                     |
|----------------------------------|----------|----------|---------|-------------------------------------------------------------------------------------------------------------|
| (i) Debtors Turnover             | 0.14     | 0.16     | (15.22) |                                                                                                             |
| (ii) Inventory Turnover          | - NA -   | - NA -   | - NA -  |                                                                                                             |
| (iii) Interest Coverage Ratio    | (5.88)   | (6.27)   | 6.16    |                                                                                                             |
| (iv) Current Ratio               | 0.64     | 0.36     | 78.19   | (Repayment of bank loan has reduced the current liabilities)                                                |
| (v) Debt Equity Ratio            | 0.14     | 0.27     | (49.52) | (Liability towards the bank loans have reduced due to repayment of loans)                                   |
| (vi) Operating Profit Margin (%) | 89.90    | 91.88    | (2.16)  |                                                                                                             |
| (vii) Net Profit Margin (%)      | (295.80) | (855.94) | 65.44   | (Due to Profit on sale of Land and Building, the net loss has drastically reduced)                          |
| (viii) Return on Net Worth (%)   | (9.56)   | (13.04)  | 26.68   | (Reduction in Loss due to profit from sale of Fixed Assets and this has resulted in reduction in Net worth) |

### For Tree House Education & Accessories Limited

Sd/-  
Jugal Shah  
Director  
DIN: 08334114

Sd/-  
Deepak Valecha  
Director  
DIN:07736480

## 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:

#### 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, 2020 are given herein below.

| Name of Director                                 | Category                               | No of shares held | Particulars of Attendance |               | No. of Directorships in other Public Companies |        | Number of Committee positions held in other Public Companies |        | Directorship in other entity (Category of Directorship)                                                                                                                                                                                              |
|--------------------------------------------------|----------------------------------------|-------------------|---------------------------|---------------|------------------------------------------------|--------|--------------------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  |                                        |                   | Last AGM                  | Board Meeting | Chairman                                       | Member | Chairman                                                     | Member |                                                                                                                                                                                                                                                      |
| Mr. Jugal Shah                                   | Executive                              | 0                 | NA                        | 4             | 0                                              | 0      | 0                                                            | 0      | 0                                                                                                                                                                                                                                                    |
| Mr. Suraj Manghnani                              | Independent                            | 48                | Yes                       | 2             | 0                                              | 0      | 0                                                            | 0      | 0                                                                                                                                                                                                                                                    |
| Mr. Deepak Valecha                               | Independent                            | 0                 | Yes                       | 4             | 0                                              | 0      | 0                                                            | 0      | 0                                                                                                                                                                                                                                                    |
| Mrs. Amita Karia (Resigned w.e.f. 12.03.220)     | Independent Women                      | 0                 | No                        | 4             | 0                                              | 2      | 0                                                            | 0      | RMG Alloy Steel Limited (Independent, Non-Executive)<br>Relcon Infraprojects Ltd (Independent, Non-Executive)<br>Welspun Steel Limited (Independent, Non-Executive)<br>Welspun Delhi Meerut Expressway Private Limited, (Independent, Non-Executive) |
| Mrs. Babita Bhatia (Appointed w.e.f. 23.06.2020) | Non – Executive, Non-Independent Women | 0                 | NA                        | NA            | 0                                              | 0      | 0                                                            | 0      | 0                                                                                                                                                                                                                                                    |

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| Name of Director                                    | Category          | No of shares held | Particulars of Attendance |               | No. of Directorships in other Public Companies |        | Number of Committee positions held in other Public Companies |        | Directorship in other entity (Category of Directorship)                                                                                                                                           |
|-----------------------------------------------------|-------------------|-------------------|---------------------------|---------------|------------------------------------------------|--------|--------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     |                   |                   | Last AGM                  | Board Meeting | Chairman                                       | Member | Chairman                                                     | Member |                                                                                                                                                                                                   |
| Ms. Nidhi Busa<br>(Appointment w.e.f. 01.09.2020)   | Independent Women | 0                 | NA                        | NA            | 0                                              | 0      | 0                                                            | 0      | 0                                                                                                                                                                                                 |
| Mr. Milin Ramani<br>(Appointment w.e.f. 01.09.2020) | Independent       | 0                 | NA                        | NA            | 0                                              | 4      | 1                                                            | 3      | <ul style="list-style-type: none"> <li>• COMFORT COMMOTRA DE LIMITED</li> <li>• LUHARUKA MEDIA &amp; INFRA LIMITED</li> <li>• COMFORT FINCAP LIMITED</li> <li>• COMFORT INTECH LIMITED</li> </ul> |

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, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

None of the Directors have pecuniary or Business relationship with the Company except as mentioned elsewhere in the Annual Report. All the Directors have informed the Company periodically about their Directorship and Membership in the Board/Committees of the Board of other companies. As per disclosure received, none of the Directors is a Director in more than ten (10) Public Limited Companies. Further, none of the Director acts as a member of more than ten (10) committees or acts as a chairman of more than five (5) committees across all Public Limited Companies in which they are Director. Further, none of the Directors acts as Independent Director in more than 8/7 Listed Companies.

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

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

### 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.



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Other Directorship of Mr. Suraj Manghnani is as follows:

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

**Mr. Deepak Valecha (DIN: 07736480)**

**Non-Executive Independent Director**

Mr. Deepak Valecha is 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**

Mr. Jugal Shah is a 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 – Shri Chinai 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 Woman Director- (Resigned : 12.03.2020)**

Mrs. Amita Karia is a Non - Executive Independent Woman 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) |

**Mrs. Babita Bhatia (DIN: 08767969)**

**Additional Non-Executive Non- Independent Woman Director - (appointed: 23.06.2020)**

Mrs. Babita Bhatia is an additional Non-Executive Non-Independent Woman Director of your Company. She holds degree of Master of Business Administration (Finance), Newport University, California. Diploma in Film/Video Production, Xavier Institute of Communications. Bachelor of Commerce (B.Com.), Jai Hind College and has Experience in the field of teaching.

**Ms. Nidhi Busa (DIN: 08792362)**

**Additional Non- Executive Independent Woman Director (appointed: w.e.f. 01.09.2020)**

Ms. Nidhi Busa is an additional Non- Executive Independent Woman Director of your company. She holds degree of Company Secretary - The Institute of Company Secretaries of India ("ICSI"), LLB (Mumbai University), Bachelor of Commerce (A & F) (Mumbai University) and experience in the field of secretarial and other regulatory compliances with various other regulatory bodies.

**Mr. Milin Ramani (DIN: 07697636)**

**Additional Non- Executive Independent Director (appointed: w.e.f. 01.09.2020)**

Mr. Milin Ramani is an additional Non- Executive Independent Director of your company. He holds degree of Company Secretary - The Institute of Company Secretaries of India ("ICSI"), Bachelor of Commerce (B.com) (Mumbai University) and has experience in the field of secretarial and other regulatory compliances with various other regulatory bodies.

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

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

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

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

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

| Sr. No. | Name of the Director                                           | Area of Skills / Expertise / Competence                                                                                                                                                                                                                                                                                                                                        |
|---------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | DEEPAK VALECHA,<br>(Independent Director)                      | Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment. |
| 2       | JUGAL SHAH, (Executive Director)                               | Strategic policy formulation and advising, Regulatory framework knowledge, advising on Risk mitigation and Compliance requirements, Knowledge in Marketing, Education, execution of policies framed by the Board identifying the growth areas for expanding the business and advising on Business Risks & environment.                                                         |
| 3       | SURAJ MANGHNANI,<br>(Independent Director)                     | Regulatory framework knowledge, financial performance, Knowledge in Marketing, Education, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment.                                                                                                                                     |
| 4       | AMITA KARIA (Independent Woman Director)*                      | Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment. |
| 5       | BABITA BHATIA (Non-Executive, Non- independent Woman Director) | Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, Education, Strategic Leadership, execution of policies framed by the Board                                                                                                                                                                                                   |
| 6       | NIDHI BUSA (Independent Woman Director)                        | Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment. |

| Sr. No. | Name of the Director                   | Area of Skills / Expertise / Competence                                                                                                                                                                                                                                                                                                                                        |
|---------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7       | MILIN RAMANI<br>(Independent Director) | Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment. |

\*Due to family and other personal commitments, Mrs. Amita Karia an independent Director has resigned during the Financial Year 2019-20. Further, the Board has confirmed that there are no other material reasons other than those provided in the resignation letter.

### iii. Number of Board Meetings:

During the financial year ended March 31, 2020, four (4) meetings of the Board of Directors were held on May 30, 2019, August 10, 2019, November 14, 2019, and February 12, 2020.

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

### iv. 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/pdf/files/TREEHOUSE\\_Policy\\_FAMILIARIZATION\\_PROGRAMME\\_ID.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf/files/TREEHOUSE_Policy_FAMILIARIZATION_PROGRAMME_ID.pdf)

### v. 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](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CodeofConduct_011014.pdf).

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

### vi. 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.

### vii. Meeting of Independent Director

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 12, 2020, 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.

## 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, 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 four times in the financial year ended March 31, 2020 on **30.05.2019, 10.08.2019, 14.11.2019, and 12.02.2020**. The necessary quorum was present for all the meetings.

- a. The composition of the Committee during financial year ended March 31, 2020 and the details of meetings held and attended by the members are as under:

| Name               | Category                   | Position | Number of meetings held during the year ended March 31, 2020 |          |
|--------------------|----------------------------|----------|--------------------------------------------------------------|----------|
|                    |                            |          | Held                                                         | Attended |
| Mr. Deepak Valecha | Independent, Non-Executive | Chairman | 4                                                            | 4        |
| Mr. jugal shah     | Executive                  | Member   | 4                                                            | 4        |
| Mrs. Amita Karia*  | Independent, Non-Executive | Member   | 4                                                            | 4        |

\* resigned w.e.f. 12.03.2020

### b. Terms of Reference:

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

### ii. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR Regulations. The Nomination and Remuneration Committee comprises of three directors out of which majority are independent director and Chairperson of the committee is an independent director.

- a. The Nomination and Remuneration Committee met two times in the financial year ended March 31, 2020 on 30.05.2019 and 10.08.2019.
- 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 Committee during the financial year ended March 31, 2020:

| Name                | Category                   | Position | Number of meetings held during the year ended March 31, 2020 |          |
|---------------------|----------------------------|----------|--------------------------------------------------------------|----------|
|                     |                            |          | Held                                                         | Attended |
| Mr. Deepak Valecha  | Independent, Non-Executive | Chairman | 2                                                            | 2        |
| Mr. Suraj Manghnani | Independent, Non-Executive | Member   | 2                                                            | 1        |
| Mrs. Amita Karia*   | Independent, Non-Executive | Member   | 2                                                            | 2        |

\* resigned w.e.f. 12.03.2020

## c. Terms of Reference:

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

## d. Performance Evaluation Criteria:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI LODR Regulations, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Shareholders / Investors Relations and Grievance Committee. The Directors expressed their satisfaction with the evaluation process.

## e. Remuneration Policy

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

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

[http://www.nseprimeir.com/z\\_TreeHouse/pdf/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf/Nomination_and_Remuneration_Policy.pdf)

## iii. Stakeholders' Relationship Committee:

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

- 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, 2020 on 30.05.2019, 10.08.2019, 14.11.2019 and 12.02.2020. The necessary quorum was present for all the meetings.
- The composition of the Stakeholders' Relationship Committee during financial year ended March 31, 2020 and the details of meetings held and attended by the members are as under:

| Name                | Category                   | Position | Number of meetings held during the year ended March 31, 2020 |          |
|---------------------|----------------------------|----------|--------------------------------------------------------------|----------|
|                     |                            |          | Held                                                         | Attended |
| Mr. Deepak Valecha  | Independent, Non-Executive | Chairman | 4                                                            | 4        |
| Mr. Suraj Manghnani | Independent, Non-Executive | Member   | 4                                                            | 2        |
| Mr. Jugal Shah      | Executive                  | Member   | 4                                                            | 4        |
| Mrs. Amita Karia*   | Independent, Non-Executive | Member   | 4                                                            | 4        |

\* resigned w.e.f. 12.03.2020

- The terms of reference of the Stakeholders' Relationship Committee are as contained under Regulation 20 read with Part D of Schedule II of the SEBI LODR Regulations and Section 178 of the Companies Act, 2013.
- As on March 31, 2020 there are NIL complaints pending with the Company. Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2020 are as follows:

|                                                  |     |
|--------------------------------------------------|-----|
| No. of complaints received during the year       | 2   |
| No. of complaints resolved during the year       | 2   |
| No. of complaints pending at the end of the year | Nil |

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

#### iv. 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, 2020 on **12.02.2020**. The necessary quorum was present for the meeting.
- c. The composition of the Committee during the financial year ended March 31, 2020, the details of meetings held and attended by the members are as under:

| Name                | Category                   | Position | Number of meetings held during the year ended March 31, 2020 |          |
|---------------------|----------------------------|----------|--------------------------------------------------------------|----------|
|                     |                            |          | Held                                                         | Attended |
| Mr. Deepak Valecha  | Independent, Non-Executive | Chairman | 1                                                            | 1        |
| Mr. Suraj Manghnani | Independent, Non-Executive | Member   | 1                                                            | 0        |
| Mr. Jugal Shah      | Executive                  | Member   | 1                                                            | 1        |

The CSR policy is posted on the website of the Company: [http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_070215.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pdf). The Board of Directors on the recommendation of CSR Committee at their Meeting held on 12.02.2020 have dissolved the CSR Committee formed under provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as during the preceding three consecutive financial years, the Company does not have net worth of rupees five hundred crore or more, nor its turnover is one thousand crore or more and, has also incurred a loss.. Thus provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014 is not applicable to the Company from F.Y. 2019-20 onwards.

## 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, 2020.

| Name               | Category<br>(Director)     | Position | Number of meetings held during<br>the year ended March 31, 2020 |          |
|--------------------|----------------------------|----------|-----------------------------------------------------------------|----------|
|                    |                            |          | Held                                                            | Attended |
| Mr. Deepak Valecha | Independent, Non-Executive | Chairman | -                                                               | -        |
| Mr. Jugal Shah     | Executive                  | Member   | -                                                               | -        |
| Mrs. Amita Karia * | Independent, Non-Executive | Member   | -                                                               | -        |

\* resigned w.e.f. 12.03.2020

No meeting of the Committee of Board held during the financial year 2019-20.

## b. Powers and terms reference of the Committee of Board:

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

## vi. Compensation Committee:

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

a. The composition of the Committee during the financial year ended March 31, 2020, the details of meetings held and attended by the members are as under:

| Name                | Category<br>(Director)     | Position | Number of meetings held during<br>the year ended March 31, 2020 |          |
|---------------------|----------------------------|----------|-----------------------------------------------------------------|----------|
|                     |                            |          | Held                                                            | Attended |
| Mr. Deepak Valecha  | Independent, Non-Executive | Chairman | -                                                               | -        |
| Mr. Suraj Manghnani | Independent, Non-Executive | Member   | -                                                               | -        |
| Mrs. Amita Karia *  | Independent, Non-Executive | Member   | -                                                               | -        |

\*resigned w.e.f. 12.03.2020

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

- Prepare and recommend Board of Directors ESOP Scheme, trust deed.
- Determine the number of Options to be granted, to each Employee and in the aggregate, and the times at which such Grants shall be made.
- Determine the Vesting and/or Lock-in period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place.
- Determine the Employees eligible for participation in the Plan.
- Determine the performance parameters for Grant of Options granted to an Employee, under the Plan.

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

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

Sitting fees to Non-Executive Directors: Non- Executive Directors are paid only sitting fees for attending meeting. The details of sitting fees paid to the Non-Executive Independent Director and Non-Executive Non-Independent Directors along with their shareholding for the financial year 2019-20 are given under Extract of Annual Return (Form MGT-9) which can be assessed to the link [https://www.nseprimeir.com/z\\_TreeHouse/files/MGT\\_-9\\_31.03.2020.zip](https://www.nseprimeir.com/z_TreeHouse/files/MGT_-9_31.03.2020.zip)

#### 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

The details of the remuneration paid to executive directors during the financial year 2019-20 along with the shares held by him are given under Extract of Annual Return (Form MGT-9) which can be assessed to the link [https://www.nseprimeir.com/z\\_TreeHouse/files/MGT\\_-9\\_31.03.2020.zip](https://www.nseprimeir.com/z_TreeHouse/files/MGT_-9_31.03.2020.zip)

## 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                                                                                                                                              |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13th Annual General Meeting  | September 12, 2019; 9.00 a.m.<br><b>Venue:</b> Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.  | 1. To deliver document through a particular mode as may be sought by the member.                                                                                        |
| 12th Annual General Meeting  | September 22, 2018; 9.00 a.m.<br><b>Venue:</b> Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.  | 1. To sell / dispose off the assets of the Company more than 20% of the paid up share capital and reserves of the Company under section 180 of the Companies Act, 2013. |
| 11th Annual General Meetings | September 25, 2017; 9.00 a.m.;<br><b>Venue:</b> Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058. | No Special Resolution was passed.                                                                                                                                       |

### ii. Postal Ballot:

During the financial year ended March 31, 2020 the Company has not passed any resolution by postal ballot. No special resolutions are proposed to be conducted through postal ballot

## 1) MEANS OF COMMUNICATION:

### i. Quarterly/Half Yearly/Annual results:

The quarterly, half-yearly and annual financial results of the Company are regularly submitted to the Stock Exchanges where the shares of the Company are listed pursuant to the provision of the Listing Regulations, 2015 and are published in the newspapers i.e. "Free Press Journal" (English daily newspapers) and "Navshakti" (Marathi regional language newspapers) and are displayed on website ([www.treehouseplaygroup.net](http://www.treehouseplaygroup.net)).

### ii. Website and News Releases:

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

### iii. Stock Exchange:

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



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### v. BSE Corporate Compliance & Listing Centre:

BSE Listing is a web-based application designed by BSE Limited 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.

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

My listing is a web-based application designed by Metropolitan Stock Exchange (MSE) 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.

## 2) GENERAL INFORMATION TO SHAREHOLDERS

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

|       |                                                                                                                                                                                                                         |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date  | 21st November, 2020                                                                                                                                                                                                     |
| Day   | Saturday                                                                                                                                                                                                                |
| Time  | 10:30 A.M.                                                                                                                                                                                                              |
| Venue | The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |

### 2. Financial Year:

Financial Year - 1st April to 31st March

### 3. Dividend payment date:

No dividend has been declared for the Financial Year ended 2019-20.

### 4. Date of Book Closure:

Monday, November 16, 2020 to Saturday, November 21, 2020 (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 2019-20 and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to NSDL & CDSL.

## 6. Stock Codes:

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

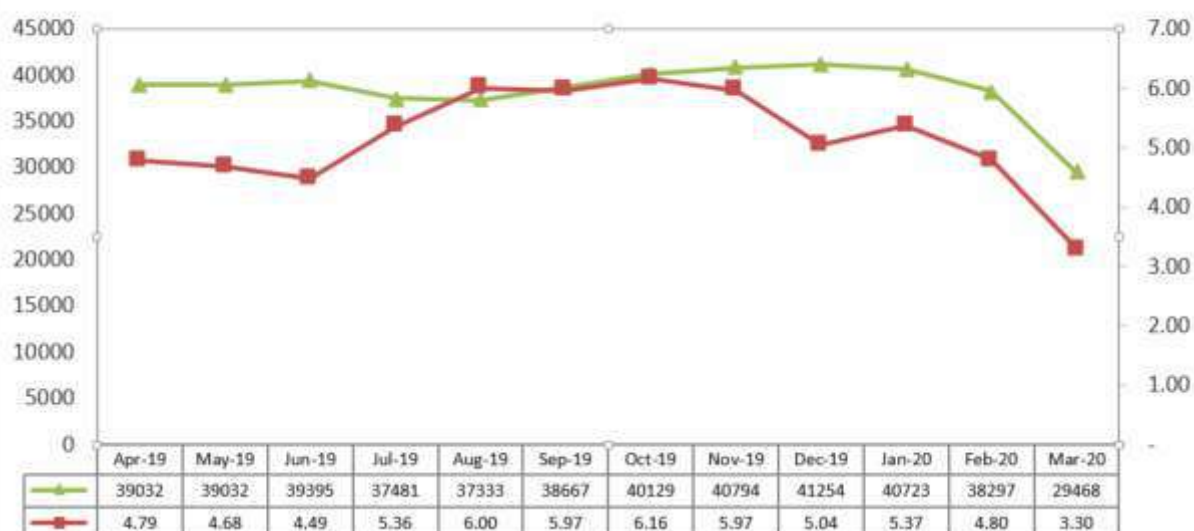
## 7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2020 at the BSE Ltd and at National Stock Exchange of India Ltd were as under:

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

| 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-19 | 5.53                               | 4.55 | 4.79  | 90,121   | 39,031.55    | 4.9                                | 4.5  | 4.9   | 3,38,582  |
| May-19 | 5.02                               | 4.3  | 4.68  | 73,576   | 39,031.55    | 4.85                               | 4.6  | 4.8   | 4,06,533  |
| Jun-19 | 4.8                                | 4.13 | 4.49  | 85,682   | 39,394.64    | 4.6                                | 4.35 | 4.5   | 5,59,486  |
| Jul-19 | 5.91                               | 4.22 | 5.36  | 1,32,277 | 37,481.12    | 5.4                                | 5.05 | 5.25  | 9,48,604  |
| Aug-19 | 6.32                               | 4.46 | 6     | 94,623   | 37,332.79    | 6.3                                | 5.75 | 6.15  | 9,31,719  |
| Sep-19 | 7.7                                | 5.32 | 5.97  | 2,32,996 | 38,667.33    | 5.9                                | 5.55 | 5.8   | 14,86,493 |
| Oct-19 | 6.3                                | 5.32 | 6.16  | 63,271   | 40,129.05    | 6                                  | 5.65 | 5.7   | 8,88,467  |
| Nov-19 | 6.3                                | 5.35 | 5.97  | 55,135   | 40,793.81    | 5.85                               | 5.6  | 5.8   | 4,77,583  |
| Dec-19 | 5.97                               | 4.8  | 5.04  | 38,711   | 41,253.74    | 5.15                               | 4.8  | 5.15  | 4,33,862  |
| Jan-20 | 5.99                               | 5.05 | 5.37  | 54,811   | 40,723.49    | 5.6                                | 5.15 | 5.2   | 5,97,798  |
| Feb-20 | 5.59                               | 4.4  | 4.8   | 11,737   | 38,297.29    | 4.6                                | 4.35 | 4.55  | 2,93,539  |
| Mar-20 | 4.95                               | 3.28 | 3.3   | 59,562   | 29,468.49    | 3.25                               | 3.05 | 3.2   | 4,79,952  |

### BSE Index Vs Share Price



## 9. Registrar and Share Transfer Agents:

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

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

Registrar and Share Transfer Agents at the above mentioned addresses.

## 11. Share Transfer System:

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

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

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

## 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, 2020.

The break-up of Equity shares held in physical and Demat form as on March 31, 2020 is given below:

| Particulars                      | Shares             | % of total shares |
|----------------------------------|--------------------|-------------------|
| <b>Physical Shares (I)</b>       | 10,004             | 0.03              |
| <b>Demat Shares</b>              |                    |                   |
| NSDL                             | 2,89,76,080        | 68.48             |
| CDSL                             | 1,33,24,640        | 31.49             |
| <b>Demat Shares (Total) (ii)</b> | <b>4,23,00,720</b> | <b>99.97</b>      |
| <b>Total (i + ii)</b>            | <b>4,23,10,724</b> | <b>100</b>        |

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

## 13. Compliance Officer:

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

## 14. Bank Details for electronic shareholding:

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

## 15. Distribution of Share Holding as on March 31, 2020

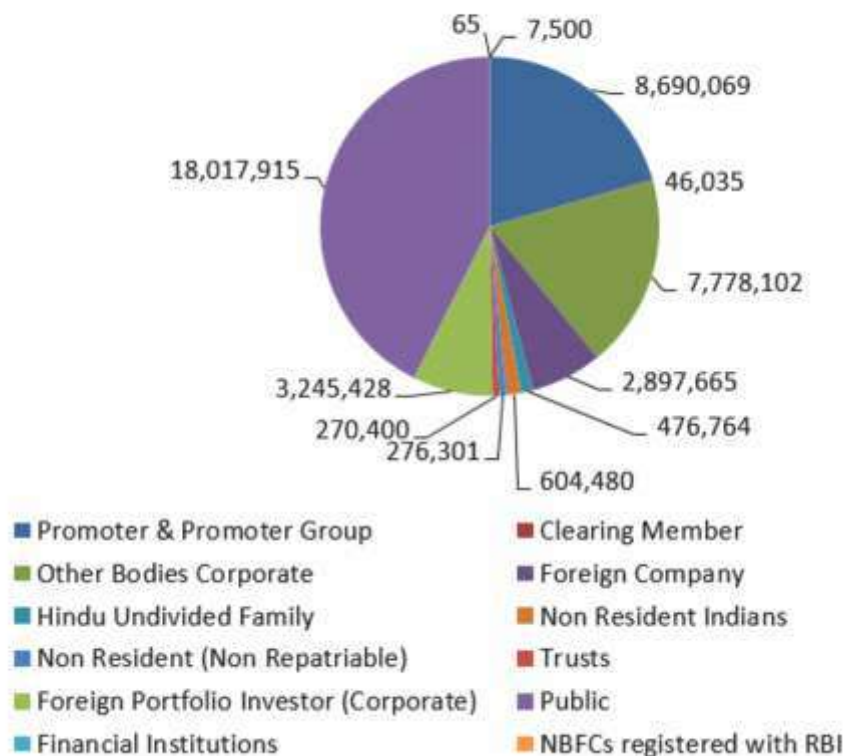
| NUMBER OF SHARES |           | NUMBER OF SHAREHOLDERS | % TO TOTAL      | Share Amount (Rs) | % of Total Share Amount |
|------------------|-----------|------------------------|-----------------|-------------------|-------------------------|
| 1                | 500       | 12852                  | 75.7069         | 1941586           | 4.5889                  |
| 501              | 1000      | 1823                   | 10.7387         | 1506380           | 3.5603                  |
| 1001             | 2000      | 1054                   | 6.2088          | 1643105           | 3.8834                  |
| 2001             | 3000      | 378                    | 2.2267          | 971843            | 2.2969                  |
| 3001             | 4000      | 198                    | 1.1664          | 708349            | 1.6742                  |
| 4001             | 5000      | 175                    | 1.0309          | 823026            | 1.9452                  |
| 5001             | 10000     | 274                    | 1.614           | 2013552           | 4.759                   |
| 10001            | And above | 222                    | 1.3077          | 32702883          | 77.2922                 |
| <b>Total</b>     |           | <b>16976</b>           | <b>100.0000</b> | <b>42310724</b>   | <b>100.0000</b>         |

## 16. Shareholding Pattern as on March 31, 2020:

The shareholding of different categories of the shareholders as on March 31, 2020 is given below:-

| Sr. No | Category of Shareholders               | Total Shareholding | % of Shareholding |
|--------|----------------------------------------|--------------------|-------------------|
| 1.     | Promoter & Promoter Group              | 8690069            | 20.5387           |
| 2.     | Clearing Member                        | 46035              | 0.1088            |
| 3.     | Other Bodies Corporate                 | 7778102            | 18.3833           |
| 4.     | Foreign Company                        | 2897665            | 6.8485            |
| 5.     | Hindu Undivided Family                 | 476764             | 1.1268            |
| 6.     | Non Resident Indians                   | 604480             | 1.4287            |
| 7.     | Non Resident (Non Repatriable)         | 276301             | 0.653             |
| 8.     | Trusts                                 | 270400             | 0.6391            |
| 9.     | Foreign Portfolio Investor (Corporate) | 3245428            | 7.6705            |
| 10.    | Public                                 | 18017915           | 42.5847           |
| 11.    | Financial Institutions                 | 65                 | 0.0002            |
| 12.    | NBFCs registered with RBI              | 7500               | 0.0177            |
|        | <b>TOTAL</b>                           | <b>42,310,724</b>  | <b>100.0000</b>   |

## Total Shareholding



### 17. Registered Office:

L80101MH2006PLC163028  
101, Sapphire Plaza, Dadabhai Road,  
opp. CNMS School, Vile Parle (west) Mumbai - 400056  
Maharashtra, India

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2020.

### 19. Addresses for Correspondence

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

### 20. Any query on Annual Report:

Tree House Education and Accessories Limited  
Registered Office: L80101MH2006PLC163028  
101, Sapphire Plaza, Dadabhai Road, opp. CNMS School,  
Vile Parle (west) Mumbai - 400056 Maharashtra, India. Tel: 07777051465

## 3) OTHER DISCLOSURES:

### i. Related Party Transaction:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (AS- 18) has been made in the notes to the Financial Statements. Please refer Note No. 32 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, except noticed and mentioned by secretarial auditor in his report.

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

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

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

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

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_WhistleBlowerPolicy\\_Revised\\_14022016.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_Revised_14022016.pdf)

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

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

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_Sexual%20Harrasment%20Policy\\_Revised\\_14022016.pdf](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  
[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_for\\_determining\\_Material\\_Subsubsidiary\\_ies\\_.pdf](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 except those noticed by the secretarial auditor of the company in their report annexed to the Board's Report.

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

#### ii. Audit qualifications

There are no Audit Qualifications on the Company's financial statement for the financial year 2019-20.

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

| Particulars                                  | Amount (Rs.)    |
|----------------------------------------------|-----------------|
| <b>Paid to Statutory Auditors</b>            |                 |
| Statutory Audit                              | 6,00,000        |
| Income Tax Audit                             | 75,000          |
| Certification Fees                           | NA              |
| <b>To other entities in the same network</b> | <b>NA</b>       |
| <b>Total</b>                                 | <b>6,75,000</b> |

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



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

### **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, 2020 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.

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

**Sd/-  
CA Sandeep Dedhia  
(Proprietor)  
(Membership No.102606)  
Place: Mumbai  
Date: July 09, 2020**



## ANNUAL REPORT 2019-2020

### Annexure D

#### **CEO / CFO Certificate**

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

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

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

Yours sincerely,

**Sd/-**  
**Rajesh Bhatia**  
**Chief Executive Officer**  
Date: July 09, 2020  
Place: Mumbai

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



## ANNUAL REPORT 2019-2020

### Annexure E

#### Certificate on Compliance with Code of Conduct

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

For and on behalf of the Board of Directors

Sd/-  
Jugal Shah  
Director  
(DIN: 08334114)

Date: July 09, 2020

### Annexure F

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members of Tree House Education & Accessories Ltd  
CIN: L80101MH2006PLC163028

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

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

For Kaushal Doshi & Associates  
Practicing Company Secretary  
Sd/-

Kaushal Doshi  
(Proprietor)

FCS- 10609/ COP – 13143  
UDIN: F010609B000589924

Date: 18th August, 2020  
Place: Mumbai

## 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 **TREEHOUSE EDUCATION & ACCESSORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, 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.

### Auditor's 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 and own centres in a phased manner.

2. During the year the company has allotted new franchise to 1 centre. There were in all 131 centres operative during the year 2019-20.
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. 2832.72 lakhs.
5. The Company had received an advance of Rs. 260.00 lakhs against sale of school building at Baroda which is utilized by HDFC Bank in payment of OD Interest. Rs. 30 lakhs received from sale of investments in M.T. Infrastructure Pvt Ltd and Rs. 300 lakhs as an advance against sale of Goregaon land during F.Y. 2018-19 has been adjusted against repayment of HDFC loan. Balance Rs. 2700.00 lakhs received from sale of goregaon land has also been adjusted against repayment of HDFC loan.

Rs. 867.85 lakhs received from sale of office at Morya House, Andheri has been utilized for repayment of loan from Kotak Mahindra Bank. Rs. 375.00 lakhs received from sale of office at Vile Parle has been utilized for repayment of loan from ICICI Bank.

6. 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.
7. 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.
8. SEBI has appointed Forensic Auditor for conducting Forensic Audit of the Company for the period beginning from F.Y. 2011-12 to 2017-18. The Company is defending / pursuing legal cases on various Forums against itself and its past directors.
9. Some landlords and creditors have initiated legal proceedings against the Company, which may result in compensation, interest and other penalties.

#### 10. Impact of COVID-19 on the financials

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020, the Government of India has declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company fell under non-essential category, these restrictions had stopped its operations at its owned and various franchise centres.

Registered Office of the Company was under lockdown (closed) for almost two and half months, however staff was permitted to work from home as per the policy adopted by the Company of "Work from home" and all essential and required functions were being performed with limited access.

As Company's owned and franchise centres are closed due to lockdown and the uncertainty prevailing for re-opening of the centres, the admissions of the students have been effected badly for the academic year 2020-2021.

The pandemic has effected badly on the liquidity flow of the Company.

Some of the severe impact which company estimates COVID-19 will have on its financials in future are:

- 1) Cash flow crunch;
- 2) Significant reduction in numbers of centres;
- 3) Reduction in collection of royalty;
- 4) Reduction in number of students;
- 5) Reduction in fees structure;
- 6) Delay in serving debt to the banks;

It is worthwhile to mention that Corporate Governance and legal compliances have always been the topmost priority of the Company and Company ensures that all available information about the impact of these events on the company and

its operations is communicated in a timely and cogent manner to its investors and stakeholders.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore 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, 2020 and its loss (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of section 143(11) of the Act ("The Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss(including other comprehensive income) and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) Ms. Amita Karia, Non Executive Independent woman director has resigned from the Board and committees with effect from 12.03.2020. Further Ms.Babita Bhatia has been appointed as Non Executive, Non Independent woman director with effect from 23.06.2020.
  - 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, 2020.

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN : 20102606AAAAAK3497

Date : 09/07/2020  
Place : Mumbai

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

Referred to in paragraph 11(f) of the Independent Auditors Report of even date to the members of TreeHouse Education & Accessories Limited on the standalone Ind AS financial statement for the year ended March 31, 2020.

We have audited the internal financial controls over financial reporting of “TREEHOUSE EDUCATION & ACCESSORIES LIMITED” (“the Company”) as of March 31, 2020 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.



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### **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  
UDIN : 20102606AAAAAK3497

**Date:** 09/07/2020

**Place:** Mumbai

## Annexure "B"

### to Independent Auditors' Report on the Standalone Financial Statements of "TREE HOUSE EDUCATION & ACCESSORIES LIMITED"

Referred to in paragraph 1 under the heading "Report and Other Legal Regulatory Requirements" of Independent Auditors' Report of even date to the Members of TreeHouse Education & Accessories Limited on the Standalone Ind AS financial statements as of and for the year ended March 31, 2020.

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

| Sr No | Name of the Statute                                                   | Nature of Dues | Unpaid Liabilities > 6 months |
|-------|-----------------------------------------------------------------------|----------------|-------------------------------|
| 1     | Income Tax Act, 1961                                                  | TDS            | 2,55,45,970/-                 |
| 2     | Goods & Service Tax Act, 2017                                         | GST            | 1,31,691/-                    |
| 3     | Maharashtra Vat Act, 2002                                             | MVAT & CST     | 29,75,786/-                   |
| 4     | The Employees' Provident Funds And Miscellaneous Provisions Act, 1952 | PF             | 25,61,814/-                   |
| 5     | Employees' State Insurance Act, 1948                                  | ESIC           | 1,11,270/-                    |
| 6     | Profession tax Act under respective states                            | Profession Tax | 3,43,160/-                    |
|       | <b>TOTAL</b>                                                          |                | <b>3,16,69,691/-</b>          |



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- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in the repayment of loans or borrowings to financial Institutions, banks or government during the year. The Company did not have any outstanding debentures at the balance sheet date.
- ix. According to the information and explanation given to us the Company has not raised moneys by way of initial public offer, further public offer including debt instruments during the year. In our opinion and according to the information and explanations given to us the company has applied the term loans for the purposes for which they were obtained.
- x. During the course of examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the Management.
- xi. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii. Ms. Amita Karia, Non Executive Independent woman director has resigned from the Board and committees with effect from 12.03.2020. Further Ms. Babita Bhatia has been appointed as Non Executive, Non Independent woman director with effect from 23.06.2020.
- xiii. In view of the losses managerial remuneration has not been paid or provided in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V of the Act.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management no such transactions as specified in section 177 and 188 of the Act have been entered by the company during the year. Therefore the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xvi. The company has not entered into any non-cash transactions with its directors or persons connected with him as specified in section 192 of the Act. Accordingly the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvii. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN : 20102606AAAAAK3497

**Date:** 09/07/2020  
**Place:** Mumbai



# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Standalone Balance Sheet as at 31st March, 2020

Amount in Rs.

| Particulars                                                             | Note No. | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|-------------------------------------------------------------------------|----------|------------------------------------|------------------------------------|
| <b>ASSETS:</b>                                                          |          |                                    |                                    |
| Property, plant and equipment                                           | 2        | 927,107,200                        | 1,199,656,712                      |
| Investment Properties                                                   | 3        | 471,266,773                        | 903,300,690                        |
| Goodwill                                                                | 4A       | 3,948,708                          | 4,709,297                          |
| Intangible assets                                                       | 4B       | 149,250,987                        | 157,896,699                        |
| <b>Financial assets:</b>                                                |          |                                    |                                    |
| - Investments                                                           | 5        | 93,829,970                         | 93,829,970                         |
| - Loans                                                                 | 6        | 2,704,000                          | 2,704,000                          |
| - Other financial assets                                                | 7        | 1,605,136,168                      | 1,624,989,473                      |
| Deferred tax Assets (Net)                                               | 8        | 107,075,856                        | 101,610,619                        |
| <b>Total Non Current Assets</b>                                         |          | <b>3,360,319,662</b>               | <b>4,088,697,460</b>               |
| <b>Current assets</b>                                                   |          |                                    |                                    |
| Inventories                                                             | 9        | 5,818,728                          | 12,837,732                         |
| <b>Financial assets:</b>                                                |          |                                    |                                    |
| - Trade receivables                                                     | 10       | 203,529,212                        | 191,876,490                        |
| - Cash and cash equivalents                                             | 11       | 71,438                             | 59,506,482                         |
| - Bank Balances other than Cash and cash equivalents                    | 12       | 1,571,311                          | 1,542,494                          |
| - Loans and Advances                                                    | 13       | 1,081,800                          | 1,091,800                          |
| - Other financial assets                                                | 14       | 27,680,675                         | 35,067,686                         |
| Other Current Assets                                                    | 15       | 40,351,256                         | 35,627,658                         |
| <b>Total current assets</b>                                             |          | <b>280,104,421</b>                 | <b>337,550,342</b>                 |
| <b>Total Assets</b>                                                     |          | <b>3,640,424,082</b>               | <b>4,426,247,801</b>               |
| <b>EQUITY AND LIABILITIES</b>                                           |          |                                    |                                    |
| <b>Equity:</b>                                                          |          |                                    |                                    |
| Equity Share capital                                                    | 16       | 423,107,240                        | 423,107,240                        |
| Other equity                                                            | 17       | 2,780,664,832                      | 3,062,161,973                      |
| <b>Total equity</b>                                                     |          | <b>3,203,772,072</b>               | <b>3,485,269,213</b>               |
| <b>LIABILITIES:</b>                                                     |          |                                    |                                    |
| <b>Current liabilities</b>                                              |          |                                    |                                    |
| <b>Financial liabilities:</b>                                           |          |                                    |                                    |
| - Borrowings                                                            | 18       | 287,081,766                        | 727,264,346                        |
| - Trade payables                                                        | 19       | 70,627,667                         | 80,147,673                         |
| - Other Financial Liabilities                                           | 20       | 10,136,159                         | 9,907,933                          |
| Provisions                                                              | 21       | 6,136,221                          | 9,942,865                          |
| Other current liabilities                                               | 22       | 62,670,197                         | 113,715,771                        |
| <b>Total Current liabilities</b>                                        |          | <b>436,652,010</b>                 | <b>940,978,588</b>                 |
| <b>Total Liabilities</b>                                                |          | <b>436,652,010</b>                 | <b>940,978,588</b>                 |
| <b>Total Equity and Liabilities</b>                                     |          | <b>3,640,424,082</b>               | <b>4,426,247,801</b>               |
| Significant Accounting Policies                                         |          |                                    |                                    |
| The Notes are an integral part of these standalone financial statements | 1        |                                    |                                    |

As per our report of even date,

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

**For S. Dedhia & Co.**  
Chartered Accountants  
Firm Registration No. 117695W  
**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 20102606AAAAAK3497  
Place: Mumbai  
Date : 09th July 2020

**Jugal Bharat Shah**  
Executive Director  
DIN No: 08334114  
**Rajesh Bhatia**  
Chief Executive Officer

**Deepak Valecha**  
Director  
DIN No: 07736480  
**Navin Kumar**  
Chief Financial Officer

## ANNUAL REPORT 2019-2020

### Tree House Education & Accessories Limited Standalone Statement of Profit & Loss for the year ended 31st March, 2020

Amount in Rs.

| Particulars                                                             | Note No. | Year ended                   |                              |
|-------------------------------------------------------------------------|----------|------------------------------|------------------------------|
|                                                                         |          | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| <b>I. INCOME:</b>                                                       |          |                              |                              |
| Revenue from Operations                                                 | 23       | 27,608,504                   | 36,602,543                   |
| Other Income                                                            | 24       | 67,555,957                   | 10,291,617                   |
| <b>Total Income</b>                                                     |          | <b>95,164,460</b>            | <b>46,894,160</b>            |
| <b>II. EXPENSES:</b>                                                    |          |                              |                              |
| Operating expenses                                                      | 25       | 9,612,500                    | 3,868,197                    |
| Employee Benefits Expense                                               | 26       | 11,131,580                   | 9,183,570                    |
| Finance Costs                                                           | 27       | 41,687,189                   | 51,088,179                   |
| Depreciation and Amortisation Expense                                   | 28       | 291,016,110                  | 324,492,379                  |
| Other Expenses                                                          | 29       | 28,679,461                   | 29,837,615                   |
| <b>Total Expenses</b>                                                   |          | <b>382,126,840</b>           | <b>418,469,940</b>           |
| <b>III. Profit/ (Loss) before exceptional items and tax</b>             |          | <b>(286,962,379)</b>         | <b>(371,575,780)</b>         |
| <b>IV. Less: Exceptional Items</b>                                      | 30       | -                            | 49,792,226                   |
| <b>V. Profit / (Loss) Before Tax</b>                                    |          | <b>(286,962,379)</b>         | <b>(421,368,006)</b>         |
| <b>VI. Tax Expenses</b>                                                 |          |                              |                              |
| Current Tax                                                             |          | -                            | -                            |
| Deferred Tax                                                            |          | (5,465,237)                  | (735,636)                    |
| Short / (Excess) provision of earlier years                             |          |                              |                              |
| <b>VII. Profit/(Loss) for the Year (A)</b>                              |          | <b>(281,497,142)</b>         | <b>(420,632,370)</b>         |
| <b>VIII. Other comprehensive income:</b>                                |          |                              |                              |
| (i) items that will not be reclassified to profit or loss               |          |                              |                              |
| Remeasurement of net defined benefit plans                              |          | -                            | 490,114                      |
| Income tax relating to above items                                      |          | -                            | -                            |
| Other Comprehensive Income for the Year (B)                             |          | -                            | 490,114                      |
| <b>IX. Total comprehensive income for the Year (A+B)</b>                |          | <b>(281,497,142)</b>         | <b>(420,142,256)</b>         |
| <b>X. Earnings per equity share of face value of Rs. 10 each</b>        |          |                              |                              |
| <b>Basic (in Rs.)</b>                                                   |          | <b>(6.78)</b>                | <b>(9.93)</b>                |
| <b>Diluted (in Rs.)</b>                                                 |          | <b>(6.78)</b>                | <b>(9.93)</b>                |
| Significant Accounting Policies                                         |          |                              |                              |
| The Notes are an integral part of these standalone financial statements | 1        |                              |                              |

As per our report of even date,

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

**For S. Dedhia & Co.**  
Chartered Accountants  
Firm Registration No. 117695W  
**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 20102606AAAAAK3497  
Place: Mumbai  
Date : 09th July 2020

**Jugal Bharat Shah**  
Executive Director  
DIN No: 08334114

**Rajesh Bhatia**  
Chief Executive Officer

**Deepak Valecha**  
Director  
DIN No: 07736480

**Navin Kumar**  
Chief Financial Officer

# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Standalone Cash Flow Statement for the Year ended 31st March, 2020

Amount in Rs.

| Particulars                                                                         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>A Cash flows from operating activities</b>                                       |                                            |                                            |
| Profit before tax                                                                   | (286,962,379)                              | (421,368,006)                              |
| <b>Adjustments for:</b>                                                             |                                            |                                            |
| Depreciation / amortisation                                                         | 291,016,110                                | 324,492,379                                |
| Loss on Sale of fixed assets                                                        | 31,667,526                                 | 2,000,666                                  |
| Profit on Sale of Fixed Assets                                                      | (84,964,084)                               | (3,170,322)                                |
| Exceptional Items - Depreciation Diff                                               | (4)                                        | 12,492,226                                 |
| Finance charges                                                                     | 41,687,189                                 | 51,088,179                                 |
| Interest on fixed deposits                                                          | (97,792)                                   | (76,725)                                   |
| <b>Operating profit before working capital changes</b>                              | <b>(7,653,434)</b>                         | <b>(34,541,603)</b>                        |
| <b>Adjustments for:</b>                                                             |                                            |                                            |
| (Increase)/Decrease in inventories                                                  | 7,019,004                                  | 1,038,527                                  |
| Deposits given to K-12 Schools                                                      | 19,325,000                                 | 30,651,581                                 |
| Decrease/(Increase) in sundry debtors                                               | (11,652,721)                               | 79,703,409                                 |
| (Increase)/Decrease in Financial Loans                                              | 10,000                                     | 113,994                                    |
| (Increase)/Decrease in Other Financial Assets                                       | 7,915,316                                  | 55,963,660                                 |
| (Increase)/Decrease in Other Current Assets                                         | (4,723,598)                                | (480,646)                                  |
| Increase /(Decrease) in liabilities and provisions                                  | (64,143,997)                               | 9,724,265                                  |
| <b>Cash generated from operations</b>                                               | <b>(53,904,431)</b>                        | <b>142,173,187</b>                         |
| Income tax paid                                                                     |                                            | (1,183,876)                                |
| <b>Net cash generated from operating activities</b>                                 | <b>(53,904,431)</b>                        | <b>140,989,312</b>                         |
| <b>B Cash flow from investing activities:</b>                                       |                                            |                                            |
| Purchase of fixed assets (excluding capital work in progress)                       | (74,800)                                   | (1,946,617)                                |
| Proceeds from Sale of Fixed Assets                                                  | 476,344,982                                | 37,705,322                                 |
| Interest received                                                                   | 97,792                                     | 171,770                                    |
| <b>Net cash used in investing activities</b>                                        | <b>476,367,974</b>                         | <b>35,930,475</b>                          |
| <b>C Cash flow from financing activities</b>                                        |                                            |                                            |
| Proceeds from working capital loan (net)                                            | (440,182,580)                              | (71,256,292)                               |
| Interest paid                                                                       | (41,687,189)                               | (51,088,179)                               |
| <b>Net cash provided by financing activities</b>                                    | <b>(481,869,769)</b>                       | <b>(122,344,471)</b>                       |
| Net increase in cash and cash equivalents during the year                           | (59,406,226)                               | 54,575,316                                 |
| Cash and cash equivalents as at the beginning of the year                           | 61,048,976                                 | 6,473,660                                  |
| <b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b> | <b>1,642,750</b>                           | <b>61,048,976</b>                          |

The accompanying notes are an integral part of these financial statements

### Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (ind AS 7) statement of cash flows.

As per our report of even date,

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

For S. Dedhia & Co.  
Chartered Accountants  
Firm Registration No. 117695W

CA Sandeep Dedhia  
Proprietor  
Membership No. 102606  
UDIN: 20102606AAAAAK3497  
Place: Mumbai  
Date : 09th July 2020

Jugal Bharat Shah  
Executive Director  
DIN No: 08334114

Rajesh Bhatia  
Chief Executive Officer

Deepak Valecha  
Director  
DIN No: 07736480

Navin Kumar  
Chief Financial Officer



# ANNUAL REPORT 2019-2020

Tree House Education & Accessories Limited

Statement of Change in Equity

CIN No. L80101MH2006PLC163028

Notes on Standalone Financial Statements for the Year Ended 31st March 2020

## A. Equity Share Capital

Amount in Rs.

| Particulars                                     | Amount      |
|-------------------------------------------------|-------------|
| Balance as at 1st April, 2018                   | 423,107,240 |
| Changes in equity share capital during the year | -           |
| Balance as at 1st April, 2019                   | 423,107,240 |
| Changes in equity share capital during the year | -           |
| Balance as at 31st March 2020                   | 423,107,240 |

## B. Other Equity

Amount in Rs.

| Particulars                             | Reserve and Surplus        |                 |                   |                     |               |
|-----------------------------------------|----------------------------|-----------------|-------------------|---------------------|---------------|
|                                         | Securities Premium Account | General reserve | Retained Earnings | Revaluation Reserve | Total         |
| Balance as at 1st April, 2018           | 4,602,815,570              | 75,947,517      | (1,140,956,454)   | (55,502,403)        | 3,482,304,230 |
| Profit for the year                     |                            |                 | (420,142,256)     |                     | (420,142,256) |
| Other Comprehensive Income for the year | -                          | -               | -                 | -                   | -             |
| Total Comprehensive Income for the year | -                          | -               | (420,142,256)     | -                   | (420,142,256) |
| Balance as at 31st March, 2019          | 4,602,815,570              | 75,947,517      | (1,561,098,709)   | (55,502,403)        | 3,062,161,974 |
| Balance as at 1st April, 2019           | 4,602,815,570              | 75,947,517      | (1,561,098,710)   | (55,502,403)        | 3,062,161,974 |
| Profit/(Loss) for the year              |                            |                 | (281,497,142)     |                     | (281,497,142) |
| Other Comprehensive Income for the year |                            |                 | -                 |                     | -             |
| Total Comprehensive Income for the year | -                          | -               | (281,497,142)     | -                   | (281,497,142) |
| Balance as at 31st March 2020           | 4,602,815,570              | 75,947,517      | (1,842,595,852)   | (55,502,403)        | 2,780,664,832 |

Note: Refer to Note No. 41 for information on assets pledged as security by Company.

As per our report of even date,

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

For S. Dedhia & Co.  
Chartered Accountants  
Firm Registration No. 117695W

CA Sandeep Dedhia  
Proprietor  
Membership No. 102606  
UDIN: 20102606AAAAAK3497

Jugal Bharat Shah  
Executive Director  
DIN No: 08334114

Rajesh Bhatia  
Chief Executive Officer

Deepak Valecha  
Director  
DIN No: 07736480

Navin Kumar  
Chief Financial Officer

Place: Mumbai  
Date : 09th July 2020

## Notes to the Standalone Financial Statements, for the year ended March 31, 2020.

### Note 1. Significant Accounting Policies

#### 1.1 Corporate Information

Tree House Education & Accessories Ltd is a public company domiciled in India and incorporated on July 10, 2006 under the provisions of the companies Act 1956. The company's principal business is providing education and related services including leasing of education infrastructure.

#### 1.2 Basis of preparation and summary of significant Accounting policies

##### (a) Basis of preparation

###### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) Defined benefit plans - plan assets measured at fair value;

###### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

###### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

##### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

##### (c) Property, furniture and fixtures

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, furniture and fixturesequipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

## Depreciation methods, estimated useful lives and residual value

Depreciation on Buildings, Furniture & Fixture, is provided on a Straight Line Method.

Leasehold property is amortized over the period of lease. Leasehold improvements are amortized over the period of lease or estimated useful life, whichever is lower.

The Company depreciates its property, furniture & fixture, equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act,

| Assets Head                             | Years |
|-----------------------------------------|-------|
| <b>Tangible Fixed Assets</b>            |       |
| Building ( Other than factory building) | 60    |
| Furniture and fittings                  | 8     |
| Office Equipment                        | 5     |
| Electrical equipment                    | 10    |
| Teaching aid and equipment              | 5     |
| Computers/Laptops                       | 3     |
| Vehicles                                | 8     |

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

## (d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building is provided over it's useful life using the written down value method. Useful life considered for calculation of depreciation for assets class are as follows-

Non- Factory Building 60 years

## (e) Intangible assets

### Goodwill

Goodwill is stated at cost, less impairments, if any.

### Business Commercial Rights (BCR)

BCR is stated at cost, less accumulated amortisation and impairments, if any.

### Trademark

Goodwill is stated at cost, less accumulated amortisation and impairments, if any.

### Amortisation method and useful life.

The Company amortizes BCR on the straight-line method over the period of 30 years, and trade mark is amortized on the straight-line method over the period of 10 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

## (f) Lease

Operating Lease

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as

lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### (g) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (h) Inventories

Inventories of books, school kits and, Stores are stated 'at cost or netrealisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formulae used are 'First-in-First-out', Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### (i) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
  - (2) those measured at amortized cost.
- The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

#### (iii) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets are included in other income using the effective interest rate method.
- (2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

### Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices

and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Income recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount.

### Income from Services

Revenue is recognized on rendering of services and is recognized when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers' acknowledgment of services received. In respect of non-refundable fees for consultancy services rendered to franchisee for setting up of its operations, the rendering of service generally coincides with signing of the franchisee service agreement.

### Royalty income

Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee or as per the agreement.

### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### Sale of goods

The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch /delivery to the customer.

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

### Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

### Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to a mortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other

expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

## Derivative financial instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

## Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

## Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

## Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

## Employee benefits

### Provident fund

Company's contributions paid / payable to provident fund authorities are recognised in the Statement of Profit and Loss of the year when the contribution to the fund is due.

### Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of the gratuity is present value of the defined benefit obligation at the Balance Sheet date less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains or losses and past service cost. The defined benefit obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arise.

## Compensated absences

The employees of the Company are entitled to compensate absences which are non-accumulating in nature. Expenses on non-accumulating compensated absences are recognized in the year in which the absence occurs.

## Foreign currency transactions

### (a) Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

### (b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items restated or retranslated at the closing exchange rates. Non-Monetary items are reported at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are recognized in the Statement of Profit and Loss.

## Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying asset are capitalized as part of the cost of such asset up to the date of such asset being ready for its intended use. Other borrowing costs are treated as revenue expenditure.

## Taxes on income

Tax expense comprises of both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain/virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

## Share issue expenses

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by section 52 of the Companies Act 2013. In case of insufficient balances in the Securities Premium Account, unadjusted share issue expenses are amortized over a period of 5 years. In case there arises a securities premium balance subsequently, unadjusted share issue expenses would not be amortized but will be adjusted against the Securities Premium Account.

## Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

## Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## Employee Stock Option Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

## Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

## Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash flow statements comprise Cash and Cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

## Recent accounting pronouncements

Appendix B to Ind AS21, Foreign currency transactions and advance consideration On March 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

"The amendment will come into force from 1 April 2018. The company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

## Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment rules, 2018 (amended rules). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard require enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with the customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

"The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant."

## Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

Management also need to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer Note No. 45

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## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020 Note 2: Property, Plant and Equipment

| Particulars                             | Lease Hold Improvements | Teaching aid and Equipments | Office Equipment | Furniture & Fixture | Electrical Equipment | Computers  | Vehicles  | Total         |
|-----------------------------------------|-------------------------|-----------------------------|------------------|---------------------|----------------------|------------|-----------|---------------|
| <b>A. Gross Carrying amount</b>         |                         |                             |                  |                     |                      |            |           |               |
| Balance as at 31st March, 2018          | 488,862,580             | 57,581,230                  | 24,654,662       | 2,207,373,573       | 27,867,475           | 12,991,582 | 3,541,288 | 2,822,872,389 |
| Additions                               | -                       | -                           | 164,038          | -                   | -                    | -          | -         | 164,038       |
| Disposals                               | 11,366,492              | 1,854,459                   | 98,072           | 173,553             | 505,212              | -          | 2,437,454 | 16,435,242    |
| Reclassification of asset held for Sale | -                       | -                           | -                | -                   | -                    | -          | -         | -             |
| Balance as at 31st March, 2019          | 477,496,087             | 55,726,772                  | 24,720,628       | 2,207,200,019       | 27,362,263           | 12,991,582 | 1,103,834 | 2,806,601,185 |
| Additions                               | 1,462,987               | 62,141                      | -                | 639,223             | 1,604,566            | 74,800     | 1,103,834 | 4,872,751     |
| Disposals                               | -                       | -                           | -                | -                   | -                    | -          | -         | -             |
| Reclassification of asset held for Sale | -                       | -                           | -                | -                   | -                    | -          | -         | -             |
| Balance as at 31st March 2020           | 476,033,100             | 55,664,631                  | 24,720,628       | 2,206,560,796       | 25,757,697           | 13,066,382 | (0)       | 2,801,803,234 |
| <b>B. Accumulated Depreciation:</b>     |                         |                             |                  |                     |                      |            |           |               |
| Balance as at 31st March, 2018          | 322,138,672             | 48,951,219                  | 15,916,621       | 887,870,718         | 15,495,233           | 12,048,692 | 2,650,916 | 1,305,072,071 |
| Additions                               | 27,998,144              | 3,792,151                   | 3,752,138        | 278,805,629         | 2,383,209            | 260,362    | 207,946   | 317,199,580   |
| Disposals                               | 10,847,583              | 1,814,931                   | 55,255           | 166,367             | 328,534              | -          | 2,114,508 | 15,327,178    |
| Reclassification of asset held for Sale | -                       | -                           | -                | -                   | -                    | -          | -         | -             |
| Balance as at 31st March, 2019          | 339,289,233             | 50,928,439                  | 19,613,504       | 1,166,509,980       | 17,549,908           | 12,309,054 | 744,354   | 1,606,944,473 |
| Additions                               | 23,876,695              | 2,967,297                   | 2,678,201        | 240,000,778         | 2,528,974            | 67,869     | 55,664    | 272,175,478   |
| Disposals                               | 1,462,987               | 61,311                      | -                | 607,131             | 1,492,469            | -          | 800,019   | 4,423,917     |
| Reclassification of asset held for Sale | -                       | -                           | -                | -                   | -                    | -          | -         | -             |
| Balance as at 31st March 2020           | 361,702,940             | 53,834,425                  | 22,291,705       | 1,405,903,627       | 18,586,413           | 12,376,923 | -         | 1,874,696,034 |
| <b>C. Net Carrying amount</b>           |                         |                             |                  |                     |                      |            |           |               |
| Balance as at 31st March, 2018          | 166,723,908             | 8,630,011                   | 8,738,041        | 1,319,502,854       | 12,372,241           | 942,889    | 890,372   | 1,517,800,317 |
| Balance as at 31st March, 2019          | 138,206,855             | 4,798,333                   | 5,107,124        | 1,040,690,039       | 9,812,354            | 682,527    | 359,480   | 1,199,656,712 |
| Balance as at 31st March 2020           | 114,330,161             | 1,830,206                   | 2,428,923        | 800,657,169         | 7,171,283            | 689,458    | (0)       | 927,107,200   |

Note: Refer to Note No.39 for disposal / write off of Furniture & Fixtures and Lease Hold Improvements.

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Note 3 : Investment Properties

| Particulars                             | Land - Free Hold   | Building           | Total              |
|-----------------------------------------|--------------------|--------------------|--------------------|
| <b>Gross Carrying amount</b>            |                    |                    |                    |
| <b>Balance as at 31st March, 2018</b>   | <b>308,079,828</b> | <b>656,892,674</b> | <b>964,972,502</b> |
| Additions                               | 1,782,579          | -                  | 1,782,579          |
| Revaluation                             | -                  | -                  |                    |
| Disposals                               | -                  | -                  |                    |
| Reclassification of asset held for Sale | -                  | -                  |                    |
| <b>Balance as at 31st March, 2019</b>   | <b>309,862,407</b> | <b>656,892,674</b> | <b>966,755,081</b> |
| Additions                               | -                  | -                  |                    |
| Revaluation                             | -                  | -                  |                    |
| Disposals                               | 225,855,079        | 224,800,000        | 450,655,079        |
| Reclassification of asset held for Sale | -                  | -                  |                    |
| <b>Balance as at 31st March 2020</b>    | <b>84,007,328</b>  | <b>432,092,674</b> | <b>516,100,002</b> |
| <b>Accumulated Depreciation</b>         |                    |                    |                    |
| <b>Balance as at 31st March, 2018</b>   | -                  | 53,052,044         | 53,052,044         |
| Additions                               |                    | 10,402,346         | 10,402,346         |
| Revaluation                             |                    |                    |                    |
| Disposals                               |                    |                    | -                  |
| Reclassification of asset held for Sale |                    |                    |                    |
| Balance as at 31st March, 2019          |                    | 63,454,391         | 63,454,391         |
| Additions                               |                    | 9,434,327          | 9,434,327          |
| Revaluation                             |                    |                    |                    |
| Disposals                               |                    | 28,055,489         | 28,055,489         |
| Reclassification of asset held for Sale |                    |                    |                    |
| <b>Balance as at 31st March 2020</b>    | -                  | <b>44,833,229</b>  | <b>44,833,229</b>  |
|                                         |                    | 44,833,229         |                    |
| <b>Net Carrying amount</b>              |                    |                    |                    |
| Balance as at 31st March, 2018          | 308,079,828        | 603,840,630        | 911,920,458        |
| Balance as at 31st March, 2019          | 309,862,407        | 593,438,283        | 903,300,690        |
| <b>Balance as at 31st March 2020</b>    | <b>84,007,328</b>  | <b>387,259,445</b> | <b>471,266,773</b> |

| Particulars                                                                            | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Rental income derived from investment properties                                       | 6,266,712                   | 6,266,712                   |
| Direct operating expenses (including repairs and maintenance) generating rental income | Nil                         | Nil                         |
| <b>Income arising from investment properties before depreciation</b>                   | <b>6,266,712</b>            | <b>6,266,712</b>            |
| Depreciation                                                                           | 9,434,327                   | 10,402,346                  |
| <b>Income from investment properties (Net)</b>                                         | <b>(3,167,615)</b>          | <b>(4,135,634)</b>          |

**Tree House Education & Accessories Limited**  
**Notes on Standalone Financial Statements for the year ended 31st March, 2020**

**Note 4A: Goodwill\***

| Particulars                             | Goodwill         | Total            |
|-----------------------------------------|------------------|------------------|
| <b>Gross Carrying amount</b>            |                  |                  |
| <b>Balance as at 31st March 2018</b>    | <b>7,605,893</b> | <b>7,605,893</b> |
| Additions                               | -                | -                |
| Disposals                               | -                | -                |
| Impairment                              |                  |                  |
| Reclassification of asset held for Sale | -                | -                |
| <b>Balance as at 31st March 2019</b>    | <b>7,605,893</b> | <b>7,605,893</b> |
| Additions                               |                  |                  |
| Disposals                               |                  |                  |
| Impairment                              |                  |                  |
| <b>Balance as at 31st March 2020</b>    | <b>7,605,893</b> | <b>7,605,893</b> |
| <b>Accumulated Depreciation:</b>        |                  |                  |
| <b>Balance as at 31st March, 2018</b>   | <b>2,136,007</b> | <b>2,136,007</b> |
| Additions                               | 760,589          | 760,589          |
| Disposals                               |                  |                  |
| Reclassification of asset held for Sale |                  |                  |
| <b>Balance as at 31st March, 2019</b>   | <b>2,896,596</b> | <b>2,896,596</b> |
| Additions                               | 760,589          | 760,589          |
| Disposals                               | -                | -                |
| Reclassification of asset held for Sale | -                | -                |
| <b>Balance as at 31st March, 2020</b>   | <b>3,657,185</b> | <b>3,657,185</b> |
|                                         |                  | 3,657,187        |
| <b>Net Carrying amount</b>              |                  |                  |
| <b>Balance as at 31st March, 2018</b>   | <b>5,469,886</b> | <b>7,605,893</b> |
| <b>Balance as at 31st March, 2019</b>   | <b>4,709,297</b> | <b>4,709,297</b> |
| <b>Balance as at 31st March 2020</b>    | <b>3,948,708</b> | <b>3,948,708</b> |

\* Other than internally generated

Note:

Represents Fair value of transferable value of Goodwill purchased.

Refer Note No.40 for impairment of Goodwill.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 4B : Intangible Assets\*

| Particulars                             | Business Commercial rights | Brands            | Total              |
|-----------------------------------------|----------------------------|-------------------|--------------------|
| <b>Gross Carrying amount</b>            |                            |                   |                    |
| <b>Balance as at 31st March, 2018</b>   | 194,274,766                | 77,774,014        | 272,048,780        |
| Additions                               | -                          | -                 |                    |
| Disposals                               | -                          | -                 |                    |
| Impairment                              | -                          | -                 |                    |
| Reclassification of asset held for Sale | -                          | -                 |                    |
| <b>Balance as at 31st March, 2019</b>   | <b>194,274,766</b>         | <b>77,774,014</b> | <b>272,048,780</b> |
| Additions                               | -                          | -                 |                    |
| Disposals                               | -                          | -                 |                    |
| Impairment                              | -                          | -                 |                    |
| Reclassification of asset held for Sale | -                          | -                 |                    |
| <b>Balance as at 31st March 2020</b>    | <b>194,274,767</b>         | <b>77,774,015</b> | <b>272,048,782</b> |
| Accumulated Depreciation                |                            |                   |                    |
| <b>Balance as at 1st April, 2018</b>    | <b>38,985,749</b>          | <b>66,544,237</b> | <b>105,529,986</b> |
| <b>Additions</b>                        | <b>6,469,350</b>           | <b>2,152,744</b>  | <b>8,622,094</b>   |
| Disposals                               |                            |                   | -                  |
| Impairment                              |                            |                   | -                  |
| Reclassification of asset held for Sale |                            |                   | -                  |
| Balance as at 31st March, 2019          | 45,455,099                 | 68,696,981        | 114,152,081        |
| Additions                               | 6,487,074                  | 2,158,641         | 8,645,715          |
| Disposals                               |                            |                   | -                  |
| Impairment                              |                            |                   | -                  |
| Reclassification of asset held for Sale |                            |                   | -                  |
| Balance as at 31st March 2020           | 51,942,173                 | 70,855,622        | 122,797,795        |
| Net Carrying amount                     |                            |                   |                    |
| Balance as at 31st March, 2018          | 155,289,016                | 11,229,777        | 166,518,793        |
| Balance as at 31st March, 2019          | 148,819,667                | 9,077,033         | 157,896,699        |
| Balance as at 31st March 2020           | 142,332,594                | 6,918,393         | 149,250,987        |

\* Other than internally generated

Note:

Represents Fair value of Business Commercial Rights purchased.

Refer Note No.40 for impairment of Business Commercial Rights.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 5 : Investments

| Particulars                                                                       | As at<br>31st March, 2020 |                   | As at<br>31st March, 2019 |                   |
|-----------------------------------------------------------------------------------|---------------------------|-------------------|---------------------------|-------------------|
|                                                                                   | No. of<br>Shares          | Amount            | No. of<br>Shares          | Amount            |
| <b>Investments measured at Cost</b>                                               |                           |                   |                           |                   |
| <b>Investments in Equity shares of Joint Venture:</b>                             |                           |                   |                           |                   |
| - JT Infrastructure Private Limited equity shares of<br>Rs. 10 each fully paid up | 9,980,000                 | 93,829,970        | 9,980,000                 | 93,829,970        |
| <b>Total</b>                                                                      |                           | <b>93,829,970</b> |                           | <b>93,829,970</b> |
| Total of Investments measured at Fair Value                                       |                           | -                 |                           | -                 |
| Through Other Comprehensive Income                                                |                           | -                 |                           | -                 |
| Aggregate amount of quoted investments                                            |                           | -                 |                           | -                 |
| Market Value of quoted investments                                                |                           | -                 |                           | -                 |
| Aggregate amount of unquoted investments                                          |                           | 93,829,970        |                           | 93,829,970        |
| Aggregate provision for diminution in value of Investments                        |                           | -                 |                           | -                 |
| <b>Note 5.1</b>                                                                   |                           | <b>Amount</b>     |                           | <b>Amount</b>     |
| <b>Category-wise Non current</b>                                                  |                           |                   |                           |                   |
| Financial assets carried at amortised cost                                        |                           | 93,829,970        |                           | 93,829,970        |
| Financial assets measured at cost                                                 |                           | -                 |                           | -                 |
| Financial assets measured at fair value through<br>other comprehensive income     |                           | -                 |                           | -                 |
| Financial assets measured at Fair value through<br>Profit & Loss                  |                           | -                 |                           | -                 |
| <b>Total</b>                                                                      |                           | <b>93,829,970</b> |                           | <b>93,829,970</b> |

#### Note:

Refer Note No.38 for revaluation of investments in subsidiaries. Represents fair value of investment in subsidiaries / joint ventures.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 5 : Investments (Contd..)

#### Notes:

Pursuant to Indian Accounting Standard (Ind AS-31) - Financial Reporting of Interests in Joint Ventures, the disclosures relating to Joint Venture Companies are as follows:

- 1) The Company has a 50% interest in the assets, liabilities, expenses and income of JT Infrastructure Private Limited, a company incorporated in India and information (Unaudited) provided by Management of JT Infrastructure Private Limited. The assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2020 is as under:

| Particulars            | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|------------------------|------------------------|
| Assets                 | 136,531,095            | 136,683,362            |
| Liabilities            | 874,500                | 969,720                |
| Income                 | Nil                    | 49,575,407             |
| Expenditure            | 55,267                 | 2,021,587              |
| Contingent Liabilities | Nil                    | Nil                    |
| Capital Commitment     | Nil                    | Nil                    |

### Note 6: Non Current Financial Loans

| Particulars                       | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|-----------------------------------|-----------------------------|-----------------------------|
| <b>Unsecured considered good:</b> |                             |                             |
| Loans Others                      | 2,704,000                   | 2,704,000                   |
| <b>Total</b>                      | <b>2,704,000</b>            | <b>2,704,000</b>            |

#### Note:

- (i) The loans have been recognised at their carrying value and not at fair value within the meaning of Indian Accounting Standard (Ind As) 109

### Note 7: Other Non Current Financial Assets

| Particulars             | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|-------------------------|-----------------------------|-----------------------------|
| Share Application money | 2,610,000                   | 2,610,000                   |
| Security Deposits*      | 1,602,526,168               | 1,622,379,473               |
| <b>Total</b>            | <b>1,605,136,168</b>        | <b>1,624,989,473</b>        |

#### Note:

- 7.1 Share Application money of Rs.26,10,000/- given to Mehta Tree House & Infrastructure Private Limited towards purchase of shares.
- 7.2 The carrying amount of these deposits classified as financial assets represents fair value as required within the meaning of Indian Accounting Standard (Ind AS) 109.
- 7.3 Security deposits includes deposit given to Educational Trust amounting to Rs.15,935/- Lacs (Previous Year Rs.16,132/-Lacs).
- 7.4 Refer Note No.43 for Fair Valuation of Security Deposits.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate prevalent in Company operates. The movement on the deferred tax account is as follows:

| Particulars                                        | Credit/<br>(charge)<br>in statement<br>of Profit<br>and Loss | As at<br>31st March,<br>2019<br>Deferred<br>Tax Asset/<br>(Liabilities) | Credit/<br>(charge)<br>in statement<br>of Profit<br>and Loss | As at<br>31st March,<br>2020<br>Deferred<br>Tax Asset/<br>(Liabilities) |
|----------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|
| Depreciation                                       | 713,135                                                      | 4,966,127                                                               | 5,440,076                                                    | 10,406,203                                                              |
| Impairment of assets                               | -                                                            | (53,404,497)                                                            | -                                                            | (53,404,497)                                                            |
| Loss on Sale of Fixed Assets                       | -                                                            | (45,406,544)                                                            | -                                                            | (45,406,544)                                                            |
| Expense disallowed due to not paid during the year | -                                                            | (5,810,809)                                                             | -                                                            | (5,810,809)                                                             |
| Provision for Gratuity                             | 22,500                                                       | 686,758                                                                 | 25,162                                                       | 711,920                                                                 |
| Provision for doubtful trade receivables           | -                                                            | (166,169)                                                               | -                                                            | (166,169)                                                               |
| Tax Loss Carried Forward                           | -                                                            | 180,021,855                                                             | -                                                            | 180,021,855                                                             |
| Others                                             | -                                                            | 20,723,897                                                              | -                                                            | 20,723,897                                                              |
| <b>Total</b>                                       | <b>735,635</b>                                               | <b>101,610,618</b>                                                      | <b>5,465,238</b>                                             | <b>107,075,856</b>                                                      |

### Note 9 : Inventories

| Particulars     | Year ended 31st<br>March, 2020 | Year ended 31st<br>March, 2019 |
|-----------------|--------------------------------|--------------------------------|
| Stock-in-Trade* | 5,818,728                      | 12,837,732                     |
| <b>Total</b>    | <b>5,818,728</b>               | <b>12,837,732</b>              |

Note:

\* As certified by management and represents non-moving items valued at cost.

### Note 10: Trade Receivables

| Particulars                                    | Year ended 31st<br>March, 2020 | Year ended 31st<br>March, 2019 |
|------------------------------------------------|--------------------------------|--------------------------------|
| Trade receivables                              | 128,908,655                    | 113,583,678                    |
| Add: allowance for doubtful trade receivables  | 74,620,557                     | 78,292,812                     |
| <b>Total Receivables*</b>                      | <b>203,529,212</b>             | <b>191,876,490</b>             |
| <b>Break-up for security details:</b>          |                                |                                |
| Secured, considered good                       | -                              | -                              |
| Unsecured, considered good                     | 128,908,655                    | 113,583,678                    |
| Doubtful                                       | -                              | 1,585,793                      |
| <b>Total</b>                                   | <b>128,908,655</b>             | <b>115,169,471</b>             |
| Less: Provision for doubtful trade receivables | 74,620,557                     | 78,292,812                     |
| <b>Total Trade receivables</b>                 | <b>203,529,212</b>             | <b>193,462,283</b>             |

\* Trade Receivables includes receivable amounting to Rs. 752/- Lakhs (Previous Year Rs.1894/- Lakhs) due from educational trust.

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Note 11: Cash and Bank Balances

| Particulars                               | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------------|------------------------|------------------------|
| Cash on Hand                              | 327,932                | 98,729                 |
| Balances with banks - In Current Accounts | (256,494)              | 59,407,753             |
| <b>Total</b>                              | <b>71,438</b>          | <b>59,506,482</b>      |

#### Note 12: Bank Balances other than Cash and cash equivalents

| Particulars              | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------|------------------------|------------------------|
| In Fixed deposits*       | 1,533,015              | 1,494,735              |
| Unpaid dividend account# | 38,297                 | 47,759                 |
| <b>Total</b>             | <b>1,571,311</b>       | <b>1,542,494</b>       |

Notes:

\* Fixed deposit of Rs.15,33,015.00 (previous year Rs. 14,94,735.00) placed with a bank against which bank has given a guarantee. (Refer note number 31)

# The company can utilize these balance only towards the settlement of unclaimed dividend.

#### Note 13: Current Financial Loans and Advances

| Particulars                                                | As at 31st March, 2020 | Year ended 31st March, 2019 |
|------------------------------------------------------------|------------------------|-----------------------------|
| Unsecured and Considered good:<br>Other Loans and Advances | 1,081,800              | 1,091,800                   |
| <b>Total</b>                                               | <b>1,081,800</b>       | <b>1,091,800</b>            |

#### Note 14: Other Current Financial assets

| Particulars                    | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|------------------------|------------------------|
| Interest Accrued on Investment | -                      | 4,197                  |
| Deposits*                      | 27,680,675             | 35,063,489             |
| <b>Total</b>                   | <b>27,680,675</b>      | <b>35,067,686</b>      |

\* The carrying value of lease deposits with landlords amounting to Rs.147 Lakhs (Previous Year Rs.793 Lakhs) is related to closed/ discontinued centres and administrative office.

#### Note 15: Other Current assets

| Particulars                          | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------|------------------------|------------------------|
| Balances with government Authorities | 39,789,860             | 35,138,026             |
| Advance for Expenses                 | 509,770                | 394,040                |
| Prepaid Expenses                     | 51,626                 | 95,592                 |
| <b>Total</b>                         | <b>40,351,256</b>      | <b>35,627,658</b>      |

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 16: Share Capital

| Particulars                                      | As at<br>31st March, 2020 |                    | As at<br>31st March, 2019 |                    |
|--------------------------------------------------|---------------------------|--------------------|---------------------------|--------------------|
|                                                  | No. of<br>Shares          | Amount             | No. of<br>Shares          | Amount             |
| Authorised Share capital                         |                           |                    |                           |                    |
| <b>Equity Share Capital of Rs.10 each</b>        | <b>45,000,000</b>         | <b>450,000,000</b> | <b>45,000,000</b>         | <b>450,000,000</b> |
| Issued, subscribed & paid up                     |                           |                    |                           |                    |
| Equity Share Capital of Rs.10 each fully paid up | 42,310,724                | 423,107,240        | 42,310,724                | 423,107,240        |
| <b>Total</b>                                     | <b>42,310,724</b>         | <b>423,107,240</b> | <b>42,310,724</b>         | <b>423,107,240</b> |

#### 16.1 Terms/ rights attached to equity shares

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 16.2 The details of shareholders holding more than 5% shares

| Name of the Shareholder           | As at<br>31st December, 2020 |        | As at<br>31st March, 2019 |        |
|-----------------------------------|------------------------------|--------|---------------------------|--------|
|                                   | No.<br>of Shares             | % held | No.<br>of Shares          | % held |
| Rajesh Bhatia                     | 3,686,336                    | 8.71%  | 3,686,336                 | 8.71%  |
| Geeta Bhatia                      | 3,565,000                    | 8.43%  | 3,565,000                 | 8.43%  |
| FC VI India Venture Mauritius Ltd | 2,897,665                    | 6.85%  | 2,897,665                 | 6.85%  |
| Bajaj Holding And Investment Ltd  | 2,430,882                    | 5.75%  | 2,430,882                 | 5.75%  |

#### 16.3 The reconciliation of the number of shares outstanding is set out below :

| Particulars                                              | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|----------------------------------------------------------|---------------------------|---------------------------|
|                                                          | No. of Shares             | No. of Shares             |
| Equity Shares at the beginning of the year               | 42,310,724                | 42,310,724                |
| Add: Shares issued on exercise of employee stock options | -                         | -                         |
| <b>Equity Shares at the end of the year</b>              | <b>42,310,724</b>         | <b>42,310,724</b>         |

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 17: Other Equity

Amount in Rs.

| Particulars                                    | Reserve and Surplus        |                   |                        |                     | Total                |
|------------------------------------------------|----------------------------|-------------------|------------------------|---------------------|----------------------|
|                                                | Securities Premium Account | General reserve   | Retained Earnings      | Revaluation Reserve |                      |
| <b>Balance as at 1st April, 2018</b>           | <b>4,602,815,570</b>       | <b>75,947,517</b> | <b>(1,140,956,454)</b> | <b>(55,502,403)</b> | <b>3,482,304,229</b> |
| Profit (loss) for the year                     | -                          | -                 | (420,142,256)          | -                   | (420,142,256)        |
| <b>Total Comprehensive Income for the year</b> | <b>-</b>                   | <b>-</b>          | <b>(420,142,256)</b>   | <b>-</b>            | <b>(420,142,256)</b> |
| <b>Balance as at 31st March, 2019</b>          | <b>4,602,815,570</b>       | <b>75,947,517</b> | <b>(1,561,098,709)</b> | <b>(55,502,403)</b> | <b>3,062,161,974</b> |
| <b>Balance as at 1st April, 2019</b>           | <b>4,602,815,570</b>       | <b>75,947,517</b> | <b>(1,561,098,710)</b> | <b>(55,502,403)</b> | <b>3,062,161,974</b> |
| Profit (loss) for the year                     | -                          | -                 | (281,497,142)          | -                   | (281,497,142)        |
| Other Comprehensive Income for the year        | -                          | -                 | -                      | -                   | -                    |
| <b>Total Comprehensive Income for the year</b> | <b>-</b>                   | <b>-</b>          | <b>(281,497,142)</b>   | <b>-</b>            | <b>(281,497,142)</b> |
| <b>Balance as at 31st March, 2020</b>          | <b>4,602,815,570</b>       | <b>75,947,517</b> | <b>(1,842,595,852)</b> | <b>(55,502,403)</b> | <b>2,780,664,832</b> |

Note:

- The Company has not revalued its immovable properties during the year. The company had revaluated its assets during the financial year 2017-18, which the company expects at market value as on 31st March 2020.
- Refer to Note No.41 for information on assets pledged as security by Company.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 18: Current Financial Borrowings

| Particulars                                     | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------------------|------------------------|------------------------|
| <b>Secured</b>                                  |                        |                        |
| Term loans from bank                            | 144,124,962            | 174,854,196            |
| Bank Over Draft/ Cash Credit Facility with Bank | 139,147,167            | 531,737,052            |
| <b>Secured-Total (A)</b>                        | <b>283,272,129</b>     | <b>706,591,248</b>     |
| <b>Unsecured</b>                                |                        |                        |
| - From Related Parties                          | 3,809,637              | 20,673,098             |
| - From Others                                   | -                      | -                      |
| <b>Unsecured-Total (B)</b>                      | <b>3,809,637</b>       | <b>20,673,098</b>      |
| <b>Total</b>                                    | <b>287,081,766</b>     | <b>727,264,346</b>     |

Notes:

18.1 Secured bank loan: Secured by mortgage of Land & building, hypothecation of movable assets.

18.2 The Company has defaulted in repayment of loans availed from financial institutions due to which Non Current Financial borrowings have been classified as Current Financial borrowings .

18.3 The amount payable to financial institutions is Rs.2,833/- Lakhs. (Previous year Rs.7065/- Lakhs).

### Note 19: Trade Payables

| Particulars                          | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------|------------------------|------------------------|
| Micro, Small and Medium Enterprises* | 9,991,331              | 10,269,173             |
| Others                               | 60,636,336             | 69,878,500             |
| <b>Total</b>                         | <b>70,627,667</b>      | <b>80,147,673</b>      |

\*The company has during the year, received from three of its suppliers information regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Shree Sai Art outstanding amount of Rs.17,901/-, Mihin Halani and Associates outstanding amount of Rs. 58,500/- and Sheth Publishing House outstanding amount of Rs. 99,14,930/-.

### Note 20: Other Financial Liabilities

| Particulars              | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------|------------------------|------------------------|
| Interest accrued and due | 10,097,863             | 9,860,175              |
| Unclaimed Dividend       | 38,296                 | 47,758                 |
| <b>Total</b>             | <b>10,136,159</b>      | <b>9,907,933</b>       |

### Note 21: Current Provisions

| Particulars                                                | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------------------------|------------------------|------------------------|
| Provisions for Employee Benefits: Gratuity (Refer note 19) | 871,800                | 526,073                |
| Provisions for Employee Benefits : Others                  | 5,264,421              | 9,416,792              |
| <b>Total</b>                                               | <b>6,136,221</b>       | <b>9,942,865</b>       |

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Note 22: Other Current liabilities

| Particulars                      | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------------|------------------------|------------------------|
| Advance tuition fees received    | 1,808,000              | 1,410,500              |
| Advance from Debtors             | 727,289                | 3,404,559              |
| Withholding & other tax payables | 31,788,054             | 51,357,369             |
| Advance against sale of Property | 26,000,000             | 56,000,000             |
| Other Current Liabilities        | 2,346,854              | 1,543,344              |
| <b>Total</b>                     | <b>62,670,197</b>      | <b>113,715,772</b>     |

#### Note 23: Revenue from operations

| Particulars                               | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------------|------------------------|------------------------|
| <b>Revenue from</b>                       |                        |                        |
| - Sale of education kits                  | 6,064,583              | 6,664,939              |
| - Sale of services                        |                        |                        |
| Consultancy income                        | 847,456                | 847,456                |
| Income from early childhood education     | 5,729,265              | 4,702,387              |
| Royalty income                            | 8,684,932              | 18121049               |
| - Other Operating Revenue                 |                        |                        |
| Other operating income                    | 15,555                 | -                      |
| Rent income from education infrastructure | 6,266,712              | 6,266,712              |
| <b>Total</b>                              | <b>27,608,504</b>      | <b>36,602,543</b>      |

#### Note 24: Other Income

| Particulars                 | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------|------------------------|------------------------|
| Interest income             | 97,792                 | 76,725                 |
| Liability no longer Payable | 13,619,620             | 4,397,610              |
| Prior Period Income         | -                      | 2,413,179              |
| Scrap Sales                 | 27,652                 | -                      |
| Other non-operating income  | 53,810,893             | 3,404,103              |
| <b>Total</b>                | <b>67,555,957</b>      | <b>10,291,617</b>      |

#### Note 25: Operating Expenses

| Particulars                              | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------|------------------------|------------------------|
| Security charges                         | 787,065                | 2,088,574              |
| Training material and equipment consumed | 7,672,272              | 566,145                |
| Water, electricity and cleaning charges  | 779,559                | 811,772                |
| Activity expenses                        | 373,604                | 401,706                |
| <b>Total</b>                             | <b>9,612,500</b>       | <b>3,868,197</b>       |

**Tree House Education & Accessories Limited**  
**Notes on Standalone Financial Statements for the year ended 31st March, 2020**

**Note 26: Employee Benefits Expenses**

| Particulars                               | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------------|------------------------|------------------------|
| Salaries and wages                        | 10,473,632             | 8,771,158              |
| Contribution to provident and other funds | 365,239                | 275,881                |
| Staff welfare expenses                    | 292,709                | 136,531                |
| <b>Total</b>                              | <b>11,131,580</b>      | <b>9,183,570</b>       |

Refer Note 17(1) for disclosure as per Indian Accounting Standard 19 "Employee benefits"

**Note 27: Finance cost**

| Particulars       | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------|------------------------|------------------------|
| Interest expenses | 41,687,189             | 51,024,208             |
| Finance charges   | -                      | 63,972                 |
| <b>Total</b>      | <b>41,687,189</b>      | <b>51,088,180</b>      |

**Note 28: Depreciation and Amortisation Expenses**

| Particulars           | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------|------------------------|------------------------|
| Depreciation Expenses | 291,016,110            | 324,492,379            |
| <b>Total</b>          | <b>291,016,110</b>     | <b>324,492,379</b>     |

**Note 29: Other expenses**

| Particulars                              | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------|------------------------|------------------------|
| Advertisement and publicity expenses     | 3,253,430              | 3,617,598              |
| Legal and professional fees              | 12,296,583             | 13,715,450             |
| Office expenses                          | 379,557                | 491,655                |
| Rent, Rates and taxes                    | 1,676,122              | 865,284                |
| Loss on Sale of Fixed Assets             | -                      | 2,000,666              |
| Insurance                                | 110,677                | 135,660                |
| Telephone and communication expenses     | 78,091                 | 440,922                |
| Auditors' remuneration (Refer note 36)   | 600,000                | 753,000                |
| Business promotion                       | 100,090                |                        |
| Printing and stationery                  | 278,053                | 621,368                |
| Donation                                 | -                      | -                      |
| Repairs and maintenance                  | 1,426,405              | 843,417                |
| Travelling and conveyance                | 968,262                | 299,013                |
| Provision for doubtful trade receivables | -                      | 1,105,977              |
| Director Sitting Fees                    | 27,500                 | 35,039                 |
| Prior Period Expenses                    | 823,613                | 3,996,349              |
| VAT and GST expenses                     | 5,739,391              |                        |
| Other Miscellaneous expenses             | 131,011                | 529,839                |
| Discounts & W/off                        | 790,676                | 386,378                |
| <b>Total</b>                             | <b>28,679,461</b>      | <b>29,837,615</b>      |



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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Note 30: Exceptional Items

| Particulars               | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------|------------------------|------------------------|
| Rent Deposit Written off* | -                      | 49,792,226             |
| Total                     | -                      | 49,792,226             |

\* written off due to closure of centres

#### Note 31: Contingent Liabilities and Commitments (to the extent not provided for)

| Particulars                                                                                          | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Commitments</b>                                                                                   |                        |                        |
| Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal | 1,533,015              | 1,413,124              |
| <b>Total</b>                                                                                         | <b>1,533,015</b>       | <b>1,413,124</b>       |

Contingent on account of deposit with tax department

#### Note 32: Related Party Disclosures

i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

##### a) List of related party

- |                                                       |                                   |
|-------------------------------------------------------|-----------------------------------|
| i. Key management personnel (KMP) :                   | Mr. Rajesh Bhatia                 |
| ii. Relative of key managerial personnel              | Mrs. Geeta Bhatia                 |
|                                                       | Wife of Mr. Rajesh Bhatia         |
| iii. Associates company :                             | JT Infrastructure Private Limited |
| iv. Entity over which there is a significant control: | Tree House Foundation             |

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2019

#### Note 32: Related Party Disclosures (Contd...)

##### b) Transactions undertaken / balances outstanding with related parties in the ordinary course of business

| Particulars                             | Key management personnel (KMP) | Relatives of KMP     | Associates company | Entity over which there is a significant control |
|-----------------------------------------|--------------------------------|----------------------|--------------------|--------------------------------------------------|
| <b>Remuneration</b>                     |                                |                      |                    |                                                  |
| - Jugal Bharat Shah Executive Director* | 1,200,000<br>(235,483)         |                      |                    |                                                  |
| - Mr. Rajesh Bhatia - CEO*              | 2,400,000<br>(444,469)         | -                    | -                  | -                                                |
| - Ms. Guddi Bajpai - CS *               | 464,000<br>(383,129)           | -                    | -                  | -                                                |
| - Mr. Navin Kumar - CFO*                | 2,670,000<br>(2,700,000)       | -                    | -                  | -                                                |
| <b>Loan Taken</b>                       |                                |                      |                    |                                                  |
| - Rajesh Bhatia*                        | 1,900,000<br>(260,000)         | -                    | -                  | -                                                |
| - Geeta Bhatia                          | -<br>-                         | -                    | -                  | -                                                |
| <b>Loan Repaid</b>                      |                                |                      |                    |                                                  |
| - Rajesh Bhatia*                        | 18,763,461<br>(23,250,000)     | -                    | -                  | -                                                |
| <b>Interest on Loan Taken</b>           |                                |                      |                    |                                                  |
| - Rajesh Bhatia*                        | 917,916<br>(3,183,999)         | -                    | -                  | -                                                |
| - Geeta Bhatia*                         | -<br>-                         | 413,631<br>(378,415) | -                  | -                                                |
| <b>Directors Sitting Fees:</b>          |                                |                      |                    |                                                  |
| Geeta Bhatia*                           | -<br>(10,000)                  |                      |                    |                                                  |
| Suraj Magnani*                          | 7,500<br>(10,000)              |                      |                    |                                                  |
| Deepak Valecha*                         | 10,000<br>(12,500)             |                      |                    |                                                  |
| Amita Karia                             | 10,000<br>-                    |                      |                    |                                                  |

\*Figures in Bracket represents Previous Year's amounts.

## Note 32: Related Party Disclosures (Contd...)

### c) Closing balances with related parties in the ordinary course of business

| Particulars                                   | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|-----------------------------------------------|------------------------------------|------------------------------------|
| <b>Outstandings</b>                           |                                    |                                    |
| <b>Trade Payables-Others</b>                  |                                    |                                    |
| Key management personnel - Lease Rent         | 10,002,898                         | 10,002,898                         |
| Relatives of KMP - Lease Rent                 | 10,000,863                         | 10,000,863                         |
| <b>Short Term Provision-Others</b>            |                                    |                                    |
| Key management personnel                      | -                                  | 4,083,539                          |
| <b>Investment</b>                             |                                    |                                    |
| Associate Company                             | 93,829,970                         | 93,829,970                         |
| <b>Unsecured Current Financial Borrowings</b> |                                    |                                    |
| Key management personnel                      | 59,637                             | 16,923,098                         |
| Relatives of KMP                              | 3,750,000                          | 3,750,000                          |
| <b>Other Financial Liabilities</b>            |                                    |                                    |
| Key management personnel (Interest)           | 8,874,492                          | 8,048,366                          |
| Relatives of KMP (Interest)                   | 1,223,371                          | 851,102                            |

### Note 33: Employee Stock Option Plans

Fair Valuation of ESOP has not been carried out by the management as required within the meaning of Indian Accounting Standard (Ind AS) 109.

### Note 34: Segment information

The activities of the Company comprise of only one business segment i.e. "providing education and related services including leasing of education infrastructure". The company operates in only one segment.



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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Note 35: Earnings Per Share

| Particulars                                             | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Profit after tax                                        | (281,497,142)                              | (420,632,370)                              |
| Weighted average number of shares outstanding (Basic)   | 42,310,724                                 | 42,310,724                                 |
| Weighted average number of shares outstanding (Diluted) | 42,310,724                                 | 42,310,724                                 |
| Nominal value per share                                 | 10                                         | 10                                         |
| Basic earnings per share                                | (6.65)                                     | (9.93)                                     |
| Diluted earnings per share                              | (6.65)                                     | (9.93)                                     |

#### Note 36: Auditors' Remuneration (Excluding Service Tax and GST)

| Particulars              | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--------------------------|--------------------------------------------|--------------------------------------------|
| Statutory audit fees     | 600,000                                    | 600,000                                    |
| Tax audit fees           | 75,000                                     | 75,000                                     |
| Other services/ expenses | 10,000                                     | 15,000                                     |
| <b>Total</b>             | <b>685,000</b>                             | <b>690,000</b>                             |

#### Note 37: Corporate Social Responsibility (CSR) Expenses

In view of the losses during the year, the company has not made any provision for Corporate Social Responsibility Expenses during the year. (Previous Year provision: Nil).

#### Note 38: Revaluation of Assets and Liabilities

The Company has not revalued its immovable properties during the year. The company had revalued its assets during the financial year 2017-18, which the company expects at market value as on 31st March 2020. (Total value of assets revalued during financial year 2017-18 was (-) Rs. 5,55,02,403.00)

#### Note 39: Disposal / Write off of Fixed Assets

The company has sold/ disposed off assets. Gross value of assets disposed off during the year was Rs. 45,55,27,830/-. (Previous Year : Rs.1,64,35,242/-)

#### Note 40: Impairment of Fixed Assets

The Company has not impaired any assets during the year. (Previous Year: -Nil-)

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 41: Assets Pledged as security

The carrying amounts of assets Pledged as security for current and non current borrowings are:

| Particulars                                         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-----------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Current Assets</b>                               |                                            |                                            |
| <b>Financial Assets</b>                             |                                            |                                            |
| Trade Receivable                                    | -                                          | 193,462,283                                |
| <b>Total Current assets Pledged as security</b>     | -                                          | <b>193,462,283</b>                         |
| <b>Non - Current Assets</b>                         |                                            |                                            |
| First Charge                                        |                                            |                                            |
| Land                                                | 84,007,328                                 | 309,862,407                                |
| Building                                            | 387,259,445                                | 593,438,283                                |
| <b>Total non current assets pledged as security</b> | <b>471,266,773</b>                         | <b>903,300,690</b>                         |
| <b>Total assets pledged as security</b>             | <b>471,266,773</b>                         | <b>1,096,762,973</b>                       |

### Note 42: Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair value of security deposits were calculated based on cash flow discounted using a current lending rate.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

### Note 42: Fair Value measurement (Contd...)

| Financial Assets and Liabilities<br>as at 31st March, 2020 | Amount               | Routed through<br>Profit and Loss | Routed<br>through OCI | Carried at<br>amortised Cost<br>Level 3 | Total Carrying<br>Value |
|------------------------------------------------------------|----------------------|-----------------------------------|-----------------------|-----------------------------------------|-------------------------|
| <b>Financial Assets:</b>                                   |                      |                                   |                       |                                         |                         |
| <b>Non Current Investments</b>                             |                      |                                   |                       |                                         |                         |
| Investments in Equity shares of<br>Joint Venture           | 93,829,970           | -                                 | -                     | 93,829,970                              | 93,829,970              |
| <b>Other Assets:</b>                                       |                      |                                   |                       |                                         |                         |
| <b>Non Current Assets</b>                                  |                      |                                   |                       |                                         |                         |
| Loans to Others                                            | 2,704,000            | -                                 | -                     | 2,704,000                               | 2,704,000               |
| Share application money                                    | 2,610,000            | -                                 | -                     | 2,610,000                               | 2,610,000               |
| Security Deposits                                          | 1,602,526,168        | -                                 | -                     | 1,602,526,168                           | 1,602,526,168           |
| <b>Current Assets:</b>                                     |                      |                                   |                       |                                         |                         |
| Trade receivables                                          | 203,529,212          | -                                 | -                     | 203,529,212                             | 203,529,212             |
| Cash and cash equivalents                                  | 71,438               | -                                 | -                     | 71,438                                  | 71,438                  |
| Bank Balances other than Cash<br>and cash equivalents      | 1,571,311            | -                                 | -                     | 1,571,311                               | 1,571,311               |
| Loans and Advances                                         | 1,081,800            | -                                 | -                     | 1,081,800                               | 1,081,800               |
| Other financial assets                                     | 27,680,675           | -                                 | -                     | 27,680,675                              | 27,680,675              |
|                                                            | <b>1,841,774,605</b> | <b>-</b>                          | <b>-</b>              | <b>1,841,774,605</b>                    | <b>1,841,774,605</b>    |
| <b>Financial Liabilities:</b>                              |                      |                                   |                       |                                         |                         |
| Non Current Provisions                                     | -                    | -                                 | -                     | -                                       | -                       |
| <b>Current Liabilities</b>                                 |                      |                                   |                       |                                         |                         |
| Borrowings                                                 | 287,081,766          | -                                 | -                     | 287,081,766                             | 287,081,766             |
| Trade Payables                                             | 70,627,667           | -                                 | -                     | 70,627,667                              | 70,627,667              |
| Other Liabilities                                          | 10,136,159           | -                                 | -                     | 10,136,159                              | 10,136,159              |
|                                                            | <b>367,845,592</b>   | <b>-</b>                          | <b>-</b>              | <b>367,845,592</b>                      | <b>367,845,592</b>      |

## ANNUAL REPORT 2019-2020

### Tree House Education & Accessories Limited

#### Notes on Standalone Financial Statements for the year ended 31st March, 2020

##### Note 42: Fair Value measurement (Contd...)

| Financial Assets and Liabilities as at 31st March, 2019 | Amount               | Routed through Profit and Loss | Routed through OCI | Carried at amortised Cost Level 3 | Total Carrying Value |
|---------------------------------------------------------|----------------------|--------------------------------|--------------------|-----------------------------------|----------------------|
| <b>Financial Assets:</b>                                |                      |                                |                    |                                   |                      |
| <b>Non Current Investments</b>                          |                      |                                |                    |                                   |                      |
| Investments in Equity shares of Joint Venture           | 93,829,970           | -                              | -                  | 103,780,660                       | 103,780,660          |
| <b>Other Assets</b>                                     |                      |                                |                    |                                   |                      |
| <b>Non Current Assets</b>                               |                      |                                |                    |                                   |                      |
| Loans to Others                                         | 2,704,000            | -                              | -                  | 2,704,000                         | 2,704,000            |
| Share application money                                 | 2,610,000            | -                              | -                  | 2,610,000                         | 2,610,000            |
| Security Deposits                                       | 1,622,379,473        | -                              | -                  | 1,622,379,473                     | 1,622,379,473        |
| <b>Current Assets</b>                                   |                      |                                |                    |                                   |                      |
| Trade receivables                                       | 191,876,490          | -                              | -                  | 191,876,490                       | 191,876,490          |
| Cash and cash equivalents                               | 59,506,482           | -                              | -                  | 59,506,482                        | 59,506,482           |
| Bank Balances other than Cash and cash equivalents      | 1,542,494            | -                              | -                  | 1,542,494                         | 1,542,494            |
| Loans and Advances                                      | 1,091,800            | -                              | -                  | 1,091,800                         | 1,091,800            |
| Other financial assets                                  | 35,067,686           | -                              | -                  | 35,067,686                        | 35,067,686           |
|                                                         | <b>1,916,778,425</b> | <b>-</b>                       | <b>-</b>           | <b>1,916,778,425</b>              | <b>1,916,778,425</b> |
| <b>Financial Liabilities</b>                            |                      |                                |                    |                                   |                      |
| <b>Non Current Provisions</b>                           | -                    | -                              | -                  | -                                 | -                    |
| <b>Current Liabilities</b>                              |                      |                                |                    |                                   |                      |
| Borrowings                                              | 727,264,346          | -                              | -                  | 727,264,346                       | 727,264,346          |
| Trade Payables                                          | 80,147,673           | -                              | -                  | 80,147,673                        | 80,147,673           |
| Other Liabilities                                       | 9,907,933            | -                              | -                  | 9,907,933                         | 9,907,933            |
|                                                         | <b>817,319,952</b>   | <b>-</b>                       | <b>-</b>           | <b>817,319,952</b>                | <b>817,319,952</b>   |
|                                                         |                      |                                |                    | -                                 | -                    |

##### Note 42: Fair Value measurement (Contd...)

##### Fair value of financial assets and liabilities measured at amortised cost-

| Particulars                                   | Year ended 31st March, 2020 |                      | Year ended 31st March, 2019 |                      |
|-----------------------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
|                                               | Carrying amount             | Fair Value           | Carrying amount             | Fair Value           |
| <b>Financial Assets</b>                       |                             |                      |                             |                      |
| Investments in Equity shares of Joint Venture | 93,829,970                  | 93,829,970           | 93,829,970                  | 93,829,970           |
| Security Deposits                             | 1,602,526,168               | 1,602,526,168        | 1,622,379,473               | 1,622,379,473        |
| Non Current Financial Loans                   | 2,704,000                   | 2,704,000            | 2,704,000                   | 2,704,000            |
|                                               | <b>1,699,060,138</b>        | <b>1,699,060,138</b> | <b>1,718,913,443</b>        | <b>1,718,913,443</b> |

##### Note 43: Financial Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

##### Credit Risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in statement of profit and loss.

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Movement in provisions of doubtful debts

| Particulars                    | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|--------------------------------|------------------------------------|------------------------------------|
| Opening provision              | 3,672,255                          | -1,585,793                         |
| Add: Additional provision made | 17,333,125                         | 5,258,048                          |
| Less: Provision write off      | -                                  | -                                  |
| Less: Provision reversed       | -                                  | -                                  |
| Closing provisions             | 21,005,380                         | 3,672,255                          |

#### Note 44: Net debt reconciliation

| Particulars               | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---------------------------|------------------------------------|------------------------------------|
| Cash and cash equivalents | 71,438                             | 59,506,482                         |
| Current Borrowings        | (287,081,766)                      | (727,264,346)                      |
| Interest Payable          | (10,097,863)                       | (9,860,175)                        |
| <b>Net Debt</b>           | <b>(297,108,191)</b>               | <b>(677,618,039)</b>               |

| Particulars                          | Cash and cash equivalents | Current Borrowings   | Interest Payable    | Total                |
|--------------------------------------|---------------------------|----------------------|---------------------|----------------------|
| <b>Balance as at 1st April 2019</b>  | 59,506,482                | (727,264,346)        | (9,860,175)         | (677,618,039)        |
| Cash flows                           | (59,435,044)              | 440,182,580          | -                   | 380,747,537          |
| Finance Costs                        | -                         | -                    | (3,245,226)         | (3,245,226)          |
| Interest Paid                        | -                         | -                    | 3,007,538           | 3,007,538            |
| <b>Balance as at 31st March 2020</b> | <b>71,438</b>             | <b>(287,081,766)</b> | <b>(10,097,864)</b> | <b>(297,108,191)</b> |

**Tree House Education & Accessories Limited**  
**Notes on Standalone Financial Statements for the year ended 31st March, 2020**

**Note 45: Details of provision of gratuity**

**Profit and loss account**

**Net employee benefit expenses (recognized in employee cost)**

| Particulars                                                                                            | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|--------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cost for the year:</b>                                                                              |                              |                              |
| Service cost                                                                                           | 280,094                      | 233,630                      |
| Interest cost                                                                                          | 39,298                       | 76,846                       |
| Expected return on plan assets                                                                         | -                            | -                            |
| Actuarial loss / (Gain)                                                                                | (266,922)                    | (657,801)                    |
| <b>Total net cost recognized as employee remuneration</b>                                              | <b>52,470</b>                | <b>(347,325)</b>             |
| Present value of defined benefit obligation as at year end (A)                                         | 871,800                      | 526,073                      |
| Fair value of plan assets as at year end (B)                                                           | -                            | -                            |
| Net liability as at year end recognized in Balance Sheet (A)-(B)                                       | 871,800                      | 526,073                      |
| <b>Provision for gratuity</b>                                                                          |                              |                              |
| Long term                                                                                              | 780,548                      | 288,241                      |
| Short term                                                                                             | 91,252                       | 237,832                      |
| <b>Changes in present value of the defined benefit obligation are as follows:</b>                      |                              |                              |
| <b>Changes in defined benefit obligation:</b>                                                          |                              |                              |
| Defined benefit obligation as at the beginning of the year                                             | 526,073                      | 1,148,878                    |
| Current service cost                                                                                   | 280,094                      | 233,630                      |
| Interest cost                                                                                          | 39,298                       | 76,846                       |
| Actuarial loss / (gain) on obligations                                                                 | (266,922)                    | (657,801)                    |
| Old benefits due                                                                                       | 293,257                      | -                            |
| Benefit paid                                                                                           | -                            | (275,480)                    |
| Present value of defined benefit obligation at the end of the year [A]                                 | 871,800                      | 526,073                      |
| <b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b> |                              |                              |
| <b>Assumptions</b>                                                                                     |                              |                              |
| Discount rate                                                                                          | 6.55%                        | 7.47%                        |
| Attrition rate                                                                                         | Up to Age 35 : 20%           | Upto age 35 - 20%            |
|                                                                                                        | Age 36 to 40 : 10%           | 36-40 - 10%                  |
|                                                                                                        | 41 and above : 5%            | 41-58 - 5%                   |
| Salary escalation rate                                                                                 | 6.00%                        | 6.00%                        |



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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2020

#### Note 46: Approval of financial statements

The financial statements were approved for issue by the board of directors on 09th July, 2020.

As per our report of even date,

**For S. Dedhia & Co.**  
*Chartered Accountants*  
Firm Registration No. 117695W

**CA Sandeep Dedhia**  
*Proprietor*  
Membership No. 102606  
UDIN: 20102606AAAAAK3497  
Place: Mumbai  
Date : 09th July 2020

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

**Jugal Bharat Shah**  
*Executive Director*  
DIN No: 08334114

**Rajesh Bhatia**  
*Chief Executive Officer*

**Deepak Valecha**  
*Director*  
DIN No: 07736480

**Navin Kumar**  
*Chief Financial Officer*



# ANNUAL REPORT 2019-2020

## INDEPENDENT AUDITOR'S REPORT

### TO ALL THE MEMBERS OF TREEHOUSE EDUCATION & ACCESSORIES LIMITED

#### **Report on the Consolidated Indian AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of TREEHOUSE EDUCATION & ACCESSORIES LIMITED (hereinafter referred to as "the Holding Company") and its jointly controlled entities which are companies incorporated in India; comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

#### **Management's Responsibility for the Consolidated AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance consolidated cash flows and changes in equity of the Holding Company and its jointly controlled entities which are companies incorporated in India 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the jointly controlled entities which are companies incorporated in India are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its jointly controlled entities which are companies incorporated in India and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit of the consolidated 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate circumstances. An audit also includes evaluating the appropriateness of the accounting policies used of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us referred to in paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **Basis of Forming an Opinion**

1. We draw your attention to the Consolidated Ind AS Financial Statements with regard to Fixed Assets. The Holding Company has discontinued most of the centres operated by the Holding Company during F.Y. 2016-17 and have converted some of them into franchisee during F.Y. 2016-17 & 2017-18. The Holding Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, franchise centres and own centres in a phased manner.
2. During the year the Holding company has allotted new franchise to 1centres. There were in all 131 centres operative during the year 2019-20.
3. We draw attention to the Consolidated 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. We did not audit the financial statements of one Associate Company included in the consolidated financial results, whose financial statements reflect total assets of Rs. 36742 lakhs as at March 31, 2020, total revenues of Rs. 952 lakhs, total net loss after tax of Rs. 2815 lakhs and total comprehensive loss of Rs2815 lakhs for the year ended on that date as considered in the consolidated financial results. These unaudited financial statements have been furnished to us by the management and our opinion of the consolidated financial results in so far as it relates to the amounts & disclosures included in respect of these Joint Ventures is solely based on these unaudited financial statements.
5. The Holding 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 Holding Company has received notices from financial institutions under "SARFAESI Act". The amount classified as short term borrowings is at Rs. 2832.72 lakhs.
6. The Holding Company had received an advance of Rs. 260.00 lakhs against sale of school building at Baroda which is utilized by HDFC Bank in payment of OD Interest. Rs. 30 lakhs received from sale of investments in M.T. Infrastructure Pvt Ltd and Rs. 300 lakhs as an advance against sale of Goregaon land during F.Y. 2018-19 has been adjusted against repayment of HDFC loan. Balance Rs. 2700.00 lakhs received from sale of goregaon land has also been adjusted against repayment of HDFC loan.  
  
Rs. 867.85 lakhs received from sale of office at Morya House, Andheri has been utilized for repayment of loan from Kotak Mahindra Bank. Rs. 375.00 lakhs received from sale of office at Vile Parle has been utilized for repayment of loan from ICICI Bank.
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.
8. Confirmation letters have been sent by the Holding 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.
9. SEBI has appointed Forensic Auditor for conducting Forensic Audit of the Holding Company for the period beginning from F.Y. 2011-12 to 2017-18. The Company is defending / pursuing legal cases on various Forums against itself and its past directors.
10. Some landlords and creditors have initiated legal proceedings against the Holding Company and its directors, which may result in compensation, interest and other penalties.

## **11. Impact of COVID-19 on the financials**

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020, the Government of India has declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Holding Company fell under non-essential category, these restrictions had stopped its operations at its owned and various franchise centres .

Registered Office of the Holding Company was under lockdown (closed) for almost two and half months, however staff was permitted to work from home as per the policy adopted by the Holding Company of "Work from home " and all essential and required functions were being performed with limited access.

As Holding Company's owned and franchise centres are closed due to lockdown and the uncertainty prevailing for re-opening of the centres, the admissions of the students have been effected badly for the academic year 2020-2021.

The pandemic has effected badly on the liquidity flow of the Holding Company.

Some of the severe impact which company estimates COVID-19 will have on it's financials in future are:

- 1) Cash flow crunch;
- 2) Significant reduction in numbers of centres;
- 3) Reduction in collection of royalty;
- 4) Reduction in number of students;
- 5) Reduction in fees structure;
- 6) Delay in serving debt to the banks;

It is worthwhile to mention that Corporate Governance and legal compliances have always been the topmost priority of the Holding Company and Holding Company ensures that all available information about the impact of these events on the Holding Company and its operations is communicated in a timely and cogent manner to its investors and stakeholders.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Holding Company and its jointly controlled entities which are companies incorporated in India as at March 31, 2020 and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated changes in Equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law maintained by the Holding Company and its jointly controlled entities which are companies incorporated in India including relevant records relating to the preparation of aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained by the Holding Company and its jointly controlled entities which are companies incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) Ms. Amita Karia, Non Executive Independent woman director has resigned from the Board and committees with effect from 12.03.2020. Further Ms. Babita Bhatia has been appointed as Non Executive, Non Independent woman director with effect from 23.06.2020.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its jointly controlled entities which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- 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:



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- i. The consolidated Ind AS financial statements disclose the impact if any of pending litigations as at March 31, 2020 on the consolidated financial position of the Holding Company and its jointly controlled entities which are incorporated in India. However Holding Company has numerous pending litigations and suits filed against the company and its directors which may impact its financial position. The Holding Company has not disclosed the impact of such pending litigations.
- ii. The Holding Company and its jointly controlled entities which are incorporated in India 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 Holding Company and its jointly controlled entities which are incorporated in India during the year ended March 31, 2020.

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN : 20102606AAAAAJ3396

Date : 09/07/2020  
Place : Mumbai

## Annexure “A” to Independent Auditor's Report

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013(“THE ACT”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020 we have audited internal financial controls over financial reporting of Tree House Education & Accessories Limited (hereinafter referred to as “the Holding Company”) and its jointly controlled entities which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company its jointly controlled entities all incorporated in India are 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 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.

### **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 by the Holding Company and its jointly controlled entities which are companies incorporated in India and based on the unaudited accounts of such companies, as referred to in the Other Matters paragraph, 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 consolidated financial statements of the company.

### **OTHER MATTERS**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as relates to financial statements of two jointly controlled entities which are incorporated in India is based on the unaudited accounts of such companies incorporated in India. Our opinion is not qualified in respect to this matter..

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN : 20102606AAAAAJ3396

Date: 09/07/2020  
Place: Mumbai



# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Consolidated Balance Sheet as at 31<sup>st</sup> March 2020

Amount in Rs.

| Particulars                                                                    | Note No. | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|--------------------------------------------------------------------------------|----------|------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                                  |          |                                    |                                    |
| Property, plant and equipment                                                  | 2        | 92,71,07,200                       | 1,19,96,56,712                     |
| Investment Properties                                                          | 3        | 47,12,66,773                       | 90,33,00,690                       |
| Goodwill                                                                       | 4A       | 39,48,708                          | 47,09,297                          |
| Intangible assets                                                              | 4B       | 14,92,50,987                       | 15,78,96,699                       |
| <b>Financial assets:</b>                                                       |          |                                    |                                    |
| - Investments                                                                  | 5        | 12,75,67,715                       | 12,76,22,982                       |
| - Loans                                                                        | 6        | 27,04,000                          | 27,04,000                          |
| - Other financial assets                                                       | 7        | 1,60,51,36,168                     | 1,62,49,89,473                     |
| Deferred tax Assets (Net)                                                      | 8        | 10,70,75,856                       | 10,16,10,619                       |
| <b>Total Non Current Assets</b>                                                |          | <b>3,39,40,57,406</b>              | <b>4,12,24,90,472</b>              |
| <b>Current assets</b>                                                          |          |                                    |                                    |
| Inventories                                                                    | 9        | 58,18,728                          | 1,28,37,732                        |
| <b>Financial assets:</b>                                                       |          |                                    |                                    |
| - Trade receivables                                                            | 10       | 20,35,29,212                       | 19,18,76,490                       |
| - Cash and cash equivalents                                                    | 11       | 71,438                             | 5,95,06,482                        |
| - Bank Balances other than Cash and cash equivalents                           | 12       | 15,71,311                          | 15,42,494                          |
| - Loans and Advances                                                           | 13       | 10,81,800                          | 10,91,800                          |
| - Other financial assets                                                       | 14       | 2,76,80,675                        | 3,50,67,685                        |
| Other Current Assets                                                           | 15       | 4,03,51,256                        | 3,56,27,657                        |
| <b>Total current assets</b>                                                    |          | <b>28,01,04,420</b>                | <b>33,75,50,340</b>                |
| <b>Total Assets</b>                                                            |          | <b>3,67,41,61,826</b>              | <b>4,46,00,40,812</b>              |
| <b>EQUITY AND LIABILITIES</b>                                                  |          |                                    |                                    |
| <b>Equity:</b>                                                                 |          |                                    |                                    |
| Equity Share capital                                                           | 16       | 42,31,07,240                       | 42,31,07,240                       |
| Other equity                                                                   | 17       | 2,81,44,02,575                     | 3,09,59,54,984                     |
| <b>Total equity</b>                                                            |          | <b>3,23,75,09,815</b>              | <b>3,51,90,62,224</b>              |
| <b>Liabilities:</b>                                                            |          |                                    |                                    |
| <b>Current liabilities</b>                                                     |          |                                    |                                    |
| <b>Financial liabilities:</b>                                                  |          |                                    |                                    |
| - Borrowings                                                                   | 18       | 28,70,81,766                       | 72,72,64,346                       |
| - Trade payables                                                               | 19       | 7,06,27,667                        | 8,01,47,673                        |
| - Other Financial Liabilities                                                  | 20       | 1,01,36,159                        | 99,07,933                          |
| Provisions                                                                     | 21       | 61,36,221                          | 99,42,865                          |
| Other current liabilities                                                      | 22       | 6,26,70,197                        | 11,37,15,771                       |
| <b>Total Current liabilities</b>                                               |          | <b>43,66,52,011</b>                | <b>94,09,78,588</b>                |
| <b>Total Liabilities</b>                                                       |          | <b>43,66,52,011</b>                | <b>94,09,78,588</b>                |
| <b>Total Equity and Liabilities</b>                                            |          | <b>3,67,41,61,826</b>              | <b>4,46,00,40,812</b>              |
| <b>Significant Accounting Policies</b>                                         |          |                                    |                                    |
| <b>The Notes are an integral part of these standalone financial statements</b> | <b>1</b> |                                    |                                    |

As per our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

**For S. Dedhia & Co.**  
Chartered Accountants  
Firm Registration No. 117695W

**Jugal Bharat Shah**  
Addnl. Executive Director  
DIN No: 08334114

**Deepak Valecha**  
Director  
DIN No: 07736480

**CA Sandeep Dedhia**  
Proprietor | Membership No. 102606  
UDIN: 20102606AAAAJ3396

**Rajesh Bhatia**  
Chief Executive Officer

**Navin Kumar**  
Chief Financial Officer

Place: Mumbai  
Date : 09<sup>th</sup> July 2020



# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Consolidated Statement of Profit & Loss for quarter and year Ended 31<sup>st</sup> March 2020 Amount in Rs.

| Particulars                                                                                                  | Note No. | Year ended 31 <sup>st</sup> March, 2020 | Year ended 31 <sup>st</sup> March, 2019 |
|--------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------|-----------------------------------------|
| <b>I. INCOME:</b>                                                                                            |          |                                         |                                         |
| Revenue from Operations                                                                                      | 23       | 27,608,504                              | 36,602,543                              |
| Other Income                                                                                                 | 24       | 67,555,957                              | 10,646,224                              |
| <b>Total Income</b>                                                                                          |          | <b>95,164,460</b>                       | <b>47,248,767</b>                       |
| <b>II. EXPENSES:</b>                                                                                         |          |                                         |                                         |
| Operating expenses                                                                                           | 25       | 9,612,500                               | 3,868,197                               |
| Employee Benefits Expense                                                                                    | 26       | 11,131,580                              | 9,183,570                               |
| Finance Costs                                                                                                | 27       | 41,687,189                              | 51,088,179                              |
| Depreciation and Amortisation Expense                                                                        | 28       | 291,016,110                             | 324,492,379                             |
| Other Expenses                                                                                               | 29       | 28,679,461                              | 29,837,615                              |
| <b>Total Expenses</b>                                                                                        |          | <b>382,126,840</b>                      | <b>418,469,940</b>                      |
| <b>III. Profit/ (Loss) before exceptional items and tax</b>                                                  |          | <b>(286,962,379)</b>                    | <b>(371,221,173)</b>                    |
| <b>IV. Share of net profit/(loss) of associates and joint ventures accounted for using the equity method</b> |          | <b>(55,267)</b>                         | <b>39,497,608</b>                       |
| <b>V. Less: Exceptional Items</b>                                                                            | 30       | -                                       | 49,792,226                              |
| <b>VI. Profit/(Loss) Before Tax</b>                                                                          |          | <b>(287,017,646)</b>                    | <b>(381,515,791)</b>                    |
| <b>VII. Tax Expenses</b>                                                                                     |          |                                         |                                         |
| Current Tax                                                                                                  |          |                                         |                                         |
| Deferred Tax                                                                                                 |          | (5,465,237)                             | (735,636)                               |
| Short / (Excess) provision of earlier years                                                                  |          |                                         |                                         |
| <b>VIII. Profit/(Loss) for the Year (A)</b>                                                                  |          | <b>(281,552,409)</b>                    | <b>(380,780,155)</b>                    |
| <b>IX. Other comprehensive income:</b>                                                                       |          |                                         |                                         |
| (i) Items that will not be reclassified to profit or loss                                                    |          |                                         |                                         |
| Re-measurement of net defined benefit plans                                                                  |          | -                                       | 490,114                                 |
| Income tax relating to above items                                                                           |          |                                         |                                         |
| Other Comprehensive Income for the Year (B)                                                                  |          | -                                       | 490,114                                 |
| <b>X. Total comprehensive income for the Year (A+B)</b>                                                      |          | <b>(281,552,409)</b>                    | <b>(380,290,041)</b>                    |
| <b>XI. Earnings per equity share of face value of Rs. 10 each</b>                                            |          |                                         |                                         |
| <b>Basic (in Rs.)</b>                                                                                        |          | <b>(6.65)</b>                           | <b>(9.93)</b>                           |
| <b>Diluted (in Rs.)</b>                                                                                      |          | <b>(6.65)</b>                           | <b>(9.93)</b>                           |
| Significant Accounting Policies                                                                              |          |                                         |                                         |
| The Notes are an integral part of these standalone financial statements                                      | 1        |                                         |                                         |

As per our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

For S. Dedhia & Co.  
Chartered Accountants  
Firm Registration No. 117695W

Jugal Bharat Shah  
Addnl. Executive Director  
DIN No: 08334114

Deepak Valecha  
Director  
DIN No: 07736480

CA Sandeep Dedhia  
Proprietor | Membership No. 102606  
UDIN: 20102606AAAAAJ3396

Rajesh Bhatia  
Chief Executive Officer

Navin Kumar  
Chief Financial Officer

Place: Mumbai  
Date : 09<sup>th</sup> July 2020



# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March 2020

Amount in Rs.

| Particulars                                                                                                                                         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>A Cash flows from operating activities</b>                                                                                                       |                                            |                                            |
| Profit before tax                                                                                                                                   | (287,017,646)                              | (421,368,006)                              |
| <b>Adjustments for:</b>                                                                                                                             |                                            |                                            |
| Depreciation / amortisation                                                                                                                         | 291,016,110                                | 324,492,379                                |
| Loss on Sale of fixed assets                                                                                                                        | 31,667,526                                 | 2,000,666                                  |
| Profit on Sale of Fixed Assets                                                                                                                      | (84,964,084)                               | (3,170,322)                                |
| Exceptional Items - Depreciation Diff                                                                                                               | (4)                                        | 12,492,226                                 |
| Finance charges                                                                                                                                     | 41,687,189                                 | 51,088,179                                 |
| Interest on fixed deposits                                                                                                                          | (97,792)                                   | (76,725)                                   |
| <b>Operating profit before working capital changes</b>                                                                                              | <b>(7,708,701)</b>                         | <b>(34,541,603)</b>                        |
| <b>Adjustments for:</b>                                                                                                                             |                                            |                                            |
| (Increase)/Decrease in inventories                                                                                                                  | 7,019,004                                  | 1,038,527                                  |
| Deposits given to K-12 Schools                                                                                                                      | 19,325,000                                 | 30,651,581                                 |
| Decrease/(Increase) in sundry debtors                                                                                                               | (11,652,721)                               | 79,703,409                                 |
| (Increase)/Decrease in Financial Loans                                                                                                              | 10,000                                     | 113,994                                    |
| (Increase)/Decrease in Other Financial Assets                                                                                                       | 7,970,583                                  | 55,963,660                                 |
| (Increase)/Decrease in Other Current Assets                                                                                                         | (4,723,598)                                | (480,646)                                  |
| Increase /(Decrease) in liabilities and provisions                                                                                                  | (64,143,997)                               | 9,724,265                                  |
| <b>Cash generated from operations</b>                                                                                                               | <b>(53,904,430)</b>                        | <b>142,173,187</b>                         |
| Income tax paid                                                                                                                                     |                                            | (1,183,876)                                |
| <b>Net cash generated from operating activities</b>                                                                                                 | <b>(53,904,430)</b>                        | <b>140,989,312</b>                         |
| <b>B Cash flow from investing activities:</b>                                                                                                       |                                            |                                            |
| Purchase of fixed assets (excluding capital work in progress)                                                                                       | (74,800)                                   | (1,946,617)                                |
| Proceeds from Sale of Fixed Assets                                                                                                                  | 476,344,982                                | 37,705,322                                 |
| Interest received                                                                                                                                   | 97,792                                     | 171,770                                    |
| <b>Net cash used in investing activities</b>                                                                                                        | <b>476,367,974</b>                         | <b>35,930,475</b>                          |
| <b>C Cash flow from financing activities</b>                                                                                                        |                                            |                                            |
| Proceeds from working capital loan (net)                                                                                                            | (440,182,580)                              | (71,256,292)                               |
| Interest paid                                                                                                                                       | (41,687,189)                               | (51,088,179)                               |
| <b>Net cash provided by financing activities</b>                                                                                                    | <b>(481,869,769)</b>                       | <b>(122,344,471)</b>                       |
| Net increase in cash and cash equivalents during the year                                                                                           | (59,406,225)                               | 54,575,316                                 |
| Cash and cash equivalents as at the beginning of the year                                                                                           | 61,048,976                                 | 6,473,660                                  |
| <b>Cash and cash equivalents as at the end of the year<br/>(Refer Note 11 &amp; 12)</b>                                                             | <b>1,642,750</b>                           | <b>61,048,976</b>                          |
| The accompanying notes are an integral part of these financial statements                                                                           |                                            |                                            |
| Notes:                                                                                                                                              |                                            |                                            |
| 1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. |                                            |                                            |

As per our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

For S. Dedhia & Co.  
Chartered Accountants  
Firm Registration No. 117695W

Jugal Bharat Shah  
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DIN No: 08334114

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Rajesh Bhatia  
Chief Executive Officer

Navin Kumar  
Chief Financial Officer

Place: Mumbai  
Date : 09<sup>th</sup> July 2020



# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Consolidated Statement of Change in Equity For the Period Ended 31<sup>st</sup> March 2020

### A. Equity Share Capital

Amount in Rs.

| Particulars                                     | Amount      |
|-------------------------------------------------|-------------|
| Balance as at 1st April, 2018                   | 423,107,240 |
| Changes in equity share capital during the year | -           |
| Balance as at 1st April, 2019                   | 423,107,240 |
| Changes in equity share capital during the year | -           |
| Balance as at 31st March 2020                   | 423,107,240 |

### B. Other Equity

Amount in Rs.

| Particulars                             | Reserve and Surplus        |                 |                   |                     | Total           |
|-----------------------------------------|----------------------------|-----------------|-------------------|---------------------|-----------------|
|                                         | Securities Premium Account | General reserve | Retained Earnings | Revaluation Reserve |                 |
| Balance as at 1st April, 2017           | 4,602,815,570              | 75,947,517      | (174,544,650)     | -                   | 4,504,218,436   |
| Profit for the year                     | 4,602,815,570              | 75,947,517      | (174,544,650)     | -                   | 4,504,218,436   |
| Other Comprehensive Income for the year |                            |                 | (972,471,009)     | (55,502,403)        | (1,027,973,412) |
| Total Comprehensive Income for the year | -                          | -               | (972,471,009)     | (55,502,403)        | (1,027,973,412) |
| Balance as at 31st March, 2018          |                            |                 |                   |                     |                 |
| Balance as at 1st April, 2018           | 4,602,815,570              | 75,947,517      | (1,147,015,659)   | (55,502,403)        | 3,476,245,025   |
| Profit for the year                     | 4,602,815,570              | 75,947,517      | (1,147,015,659)   | (55,502,403)        | 3,476,245,025   |
| Other Comprehensive Income for the year |                            |                 | (380,290,041)     |                     | (380,290,041)   |
| Total Comprehensive Income for the year |                            |                 |                   |                     | -               |
| Balance as at 31st March, 2019          | -                          | -               | (380,290,041)     | -                   | (380,290,041)   |
| Balance as at 1st April, 2019           | 4,602,815,570              | 75,947,517      | (1,527,305,700)   | (55,502,403)        | 3,095,954,984   |
| Profit/(Loss) for the year              |                            |                 | (281,552,409)     |                     | (281,552,409)   |
| Other Comprehensive Income for the year |                            |                 | -                 |                     | -               |
| Total Comprehensive Income for the year | -                          | -               | (281,552,409)     | -                   | (281,552,409)   |
| Balance as at 31st March 2020           | 4,602,815,570              | 75,947,517      | (1,808,858,109)   | (55,502,403)        | 2,814,402,575   |

Note: Refer to Note No. 41 for information on assets pledged as security by Company.

As per our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

For S. Dedhia & Co.  
Chartered Accountants  
Firm Registration No. 117695W

Jugal Bharat Shah  
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Rajesh Bhatia  
Chief Executive Officer

Navin Kumar  
Chief Financial Officer

Place: Mumbai  
Date : 09<sup>th</sup> July 2020

## Notes to the Consolidated Financial Statements, for the year ended March 31, 2020.

### Note 1. Significant Accounting Policies

#### 1.1 Corporate Information

Tree House Education & Accessories Ltd is a public company domiciled in India and incorporated on July 10, 2006 under the provisions of the companies Act 1956. The company's principal business is providing education and related services including leasing of education infrastructure.

#### 1.2 Basis of preparation and summary of significant Accounting policies

##### (a) Basis of preparation

###### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) Defined benefit plans - plan assets measured at fair value;

###### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

###### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

##### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

##### (c) Property, furniture and fixtures

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, furniture and fixtures equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred..

## Depreciation methods, estimated useful lives and residual value

Depreciation on Buildings, Furniture & Fixture, is provided on a Straight Line Method.

Leasehold property is amortized over the period of lease. Leasehold improvements are amortized over the period of lease or estimated useful life, whichever is lower.

The Company depreciates its property, furniture & fixture, equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act,

| Assets Head                             | Years |
|-----------------------------------------|-------|
| <b>Tangible Fixed Assets</b>            |       |
| Building ( Other than factory building) | 60    |
| Furniture and fittings                  | 8     |
| Office Equipment                        | 5     |
| Electrical equipment                    | 10    |
| Teaching aid and equipment              | 5     |
| Computers/Laptops                       | 3     |
| Vehicles                                | 8     |

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss..

### (d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building is provided over it's useful life using the written down value method. Useful life considered for calculation of depreciation for assets class are as follows-

Non- Factory Building 60 years

### (e) Intangible assets

#### Goodwill

Goodwill is stated at cost, less impairments, if any.

#### Business Commercial Rights (BCR)

BCR is stated at cost, less accumulated amortisation and impairments, if any.

#### Trademark

Goodwill is stated at cost, less accumulated amortisation and impairments, if any.  
Amortisation method and useful life

The Company amortizes BCR on the straight-line method over the period of 30 years, and trade mark is amortized on the straight-line method over the period of 10 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### (f) Lease

Operating Lease

## As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases

## As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## (g) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value..

## (h) Inventories

Inventories of books, school kits and, Stores are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formulae used are 'First-in-First-out', Due allowance is estimated and made for defective and obsolete items, wherever necessary..

## (i) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Investments and other financial assets

### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

### (iii) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets are included in other income using the effective interest rate method.
- (2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

## Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## Income recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount.

## Income from Services

Revenue is recognized on rendering of services and is recognized when there are no significant uncertainties as to its measurability or collectability.

In instances where fees are received during a term, revenue is recognized on a proportionate basis for the period which falls under the current reporting period and the balance is shown as advance fees received.

Revenue from consultancy services is recognized on rendering of services, as evidenced from the customers' acknowledgment of services received. In respect of non-refundable fees for consultancy services rendered to franchisee for setting up of its operations, the rendering of service generally coincides with signing of the franchisee service agreement.

## Royalty income

Royalty income is recognized as per the franchise agreement at specified percentage of gross revenue earned by the franchisee or as per the agreement.

## Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## Sale of goods

The revenue from sale of education aids is recognized on transfer of property in goods which generally coincides with dispatch /delivery to the customer.

## Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

## Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

## Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from

this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

## Derivative financial instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

## Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preferenceshares is recognised in Statement of Profit and Loss as finance costs.

## Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

## Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

## Employee benefits

### Provident fund

Company's contributions paid / payable to provident fund authorities are recognised in the Statement of Profit and Loss of the year when the contribution to the fund is due.

### Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of the gratuity is present value of the defined benefit obligation at the Balance Sheet date less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains or losses and past service cost. The defined benefit obligation is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arise.

## Compensated absences

The employees of the Company are entitled to compensate absences which are non-accumulating in nature. Expenses on non-accumulating compensated absences are recognized in the year in which the absence occurs.

## Foreign currency transactions

### (a) Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**(b) Measurement of foreign currency items at the Balance Sheet date:** Foreign currency monetary items restated or retranslated at the closing exchange rates. Non-Monetary items are reported at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are recognized in the Statement of Profit and Loss.

## Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying asset are capitalized as part of the cost of such asset up to the date of such asset being ready for its intended use. Other borrowing costs are treated as revenue expenditure.

## Taxes on income

Tax expense comprises of both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain/virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

## Share issue expenses

Share issue expenses are adjusted in the same year against the Securities Premium Account as permitted by section 52 of the Companies Act 2013. In case of insufficient balances in the Securities Premium Account, unadjusted share issue expenses are amortized over a period of 5 years. In case there arises a securities premium balance subsequently, unadjusted share issue expenses would not be amortized but will be adjusted against the Securities Premium Account.

## Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

## Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## Employee Stock Option Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

## Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

## Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash flow statements comprise Cash and Cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

## Recent accounting pronouncements

Appendix B to Ind AS21, Foreign currency transactions and advance consideration On March 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

"The amendment will come into force from 1 April 2018. The company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

## Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment rules, 2018 (amended rules). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard require enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with the customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

Retrospective approach – Under this approach the standard will be applied retrospectively to each prior period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch – up approach)

"The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant."

## Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

Management also need to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer Note No. 45

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2020**



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**Note 2: Property, Plant and Equipment**

| Particulars                             | Lease Hold Improvement | Teaching aid and Equipments | Office Equipment  | Furniture & Fixture  | Electrical Equipment | Computers         | Vehicles         | Total                |
|-----------------------------------------|------------------------|-----------------------------|-------------------|----------------------|----------------------|-------------------|------------------|----------------------|
| <b>A. Gross Carrying amount</b>         |                        |                             |                   |                      |                      |                   |                  |                      |
| <b>Balance as at 31st March, 2018</b>   | <b>488,862,580</b>     | <b>57,581,230</b>           | <b>24,654,662</b> | <b>2,207,373,573</b> | <b>27,867,475</b>    | <b>12,991,582</b> | <b>3,541,288</b> | <b>2,822,872,389</b> |
| Additions                               | -                      | -                           | 164,038           | -                    | -                    | -                 | -                | 164,038              |
| Disposals                               | 11,366,492             | 1,854,459                   | 98,072            | 173,553              | 505,212              | -                 | 2,437,454        | 16,435,242           |
| Reclassification of asset held for Sale | -                      | -                           | -                 | -                    | -                    | -                 | -                | -                    |
| <b>Balance as at 31st March, 2019</b>   | <b>477,496,087</b>     | <b>55,726,772</b>           | <b>24,720,628</b> | <b>2,207,200,019</b> | <b>27,362,263</b>    | <b>12,991,582</b> | <b>1,103,834</b> | <b>2,806,601,185</b> |
| Additions                               | 1,462,987              | 62,141                      | -                 | 639,223              | 1,604,566            | 74,800            | 1,103,834        | 74,800               |
| Disposals                               | -                      | -                           | -                 | -                    | -                    | -                 | -                | -                    |
| Reclassification of asset held for Sale | -                      | -                           | -                 | -                    | -                    | -                 | -                | -                    |
| <b>Balance as at 31st March 2020</b>    | <b>476,033,100</b>     | <b>55,664,631</b>           | <b>24,720,628</b> | <b>2,206,560,796</b> | <b>25,757,697</b>    | <b>13,066,382</b> | <b>(0)</b>       | <b>2,801,803,234</b> |
|                                         | 476,033,102            | 55,664,631                  | 50,478,325        | 2,206,560,794        | -                    | 13,066,385        | -                | -                    |
| <b>B. Accumulated Depreciation:</b>     |                        |                             |                   |                      |                      |                   |                  |                      |
| <b>Balance as at 31st March, 2018</b>   | <b>322,138,672</b>     | <b>48,951,219</b>           | <b>15,916,621</b> | <b>887,870,718</b>   | <b>15,495,233</b>    | <b>12,048,692</b> | <b>2,650,916</b> | <b>1,305,072,071</b> |
| Additions                               | 27,998,144             | 3,792,151                   | 3,752,138         | 278,805,629          | 2,383,209            | 260,362           | 207,946          | 317,199,580          |
| Disposals                               | 10,847,583             | 1,814,931                   | 55,255            | 166,367              | 328,534              | -                 | 2,114,508        | 15,327,178           |
| Reclassification of asset held for Sale | -                      | -                           | -                 | -                    | -                    | -                 | -                | -                    |
| <b>Balance as at 31st March, 2019</b>   | <b>339,289,233</b>     | <b>50,928,439</b>           | <b>19,613,504</b> | <b>1,166,509,980</b> | <b>17,549,908</b>    | <b>12,309,054</b> | <b>744,354</b>   | <b>1,606,944,473</b> |
| Additions                               | 23,876,695             | 2,967,297                   | 2,678,201         | 240,000,778          | 2,528,974            | 67,869            | 55,664           | 272,175,478          |
| Disposals                               | 1,462,987              | 61,311                      | -                 | 607,131              | 1,492,469            | -                 | 800,019          | 4,423,917            |
| Reclassification of asset held for Sale | -                      | -                           | -                 | -                    | -                    | -                 | -                | -                    |
| <b>Balance as at 31st March 2020</b>    | <b>361,702,940</b>     | <b>53,834,425</b>           | <b>22,291,705</b> | <b>1,405,903,627</b> | <b>18,586,413</b>    | <b>12,376,923</b> | <b>-</b>         | <b>1,874,696,034</b> |
|                                         | 361,702,934            | 53,834,432                  | 40,878,121        | 1,405,903,665        | -                    | 12,376,924        | -                | -                    |
| <b>C. Net Carrying amount</b>           |                        |                             |                   |                      |                      |                   |                  |                      |
| Balance as at 31st March, 2018          | 166,723,908            | 8,630,011                   | 8,738,041         | 1,319,502,854        | 12,372,241           | 942,889           | 890,372          | 1,517,800,317        |
| Balance as at 31st March, 2019          | 138,206,855            | 4,798,333                   | 5,107,124         | 1,040,690,039        | 9,812,354            | 682,527           | 359,480          | 1,199,656,712        |
| Balance as at 31st March 2020           | 114,330,161            | 1,830,206                   | 2,428,923         | 800,657,169          | 7,171,283            | 689,458           | (0)              | 927,107,200          |

Note:

Refer to Note No.40 for disposal/ write off of Furniture & Fixtures and Lease Hold Improvements.

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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 3 : Investment Properties

| Particulars                             | Land - Free Hold   | Building           | Total              |
|-----------------------------------------|--------------------|--------------------|--------------------|
| <b>Gross Carrying amount</b>            |                    |                    |                    |
| <b>Balance as at 31st March, 2018</b>   | <b>308,079,828</b> | <b>656,892,674</b> | <b>964,972,502</b> |
| Additions                               | 1,782,579          | -                  | 1,782,579          |
| Revaluation                             | -                  | -                  |                    |
| Disposals                               | -                  | -                  |                    |
| Reclassification of asset held for Sale | -                  | -                  |                    |
| <b>Balance as at 31st March, 2019</b>   | <b>309,862,407</b> | <b>656,892,674</b> | <b>966,755,081</b> |
| Additions                               | -                  | -                  |                    |
| Revaluation                             | -                  | -                  |                    |
| Disposals                               | 225,855,079        | 224,800,000        | 450,655,079        |
| Reclassification of asset held for Sale | -                  | -                  |                    |
| <b>Balance as at 31st March 2020</b>    | <b>84,007,328</b>  | <b>432,092,674</b> | <b>516,100,002</b> |
| <b>Accumulated Depreciation</b>         |                    |                    |                    |
| <b>Balance as at 31st March, 2018</b>   | <b>-</b>           | <b>53,052,044</b>  | <b>53,052,044</b>  |
| Additions                               |                    | 10,402,346         | 10,402,346         |
| Revaluation                             |                    |                    |                    |
| Disposals                               |                    |                    | -                  |
| Reclassification of asset held for Sale |                    |                    |                    |
| Balance as at 31st March, 2019          |                    | 63,454,391         | 63,454,391         |
| Additions                               |                    | 9,434,327          | 9,434,327          |
| Revaluation                             |                    |                    |                    |
| Disposals                               |                    | 28,055,489         | 28,055,489         |
| Reclassification of asset held for Sale |                    |                    |                    |
| <b>Balance as at 31st March 2020</b>    | <b>-</b>           | <b>44,833,229</b>  | <b>44,833,229</b>  |
| <b>Net Carrying amount</b>              |                    |                    |                    |
| Balance as at 31st March, 2018          | 308,079,828        | 603,840,630        | 911,920,458        |
| Balance as at 31st March, 2019          | 309,862,407        | 593,438,283        | 903,300,690        |
| Balance as at 31st March 2020           | 84,007,328         | 387,259,445        | 471,266,773        |

| Particulars                                                                            | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Rental income derived from investment properties                                       | 6,266,712                   | 6,266,712                   |
| Direct operating expenses (including repairs and maintenance) generating rental income |                             |                             |
| <b>Income arising from investment properties before depreciation</b>                   |                             |                             |
| Depreciation                                                                           | 9,434,327                   | 10,402,346                  |
| <b>Income from investment properties (Net)</b>                                         | <b>(3,167,615)</b>          | <b>(4,135,634)</b>          |

Tree House Education & Accessories Limited  
Notes on Consolidated Financial Statements for the year ended 31st March 2020

**Note 4A: Goodwill\***

| Particulars                             | Goodwill         | Total            |
|-----------------------------------------|------------------|------------------|
| <b>Gross Carrying amount</b>            |                  |                  |
| <b>Balance as at 31st March 2018</b>    | <b>7,605,893</b> | <b>7,605,893</b> |
| Additions                               | -                | -                |
| Disposals                               | -                | -                |
| Impairment                              |                  |                  |
| Reclassification of asset held for Sale | -                | -                |
| <b>Balance as at 31st March 2019</b>    | <b>7,605,893</b> | <b>7,605,893</b> |
| Additions                               |                  |                  |
| Disposals                               |                  |                  |
| Impairment                              |                  |                  |
| <b>Balance as at 31st March 2020</b>    | <b>7,605,893</b> | <b>7,605,893</b> |
| <b>Accumulated Depreciation :</b>       |                  |                  |
| <b>Balance as at 31st March, 2018</b>   | <b>2,136,007</b> | <b>2,136,007</b> |
| Additions                               | 760,589          | 760,589          |
| Disposals                               |                  |                  |
| Reclassification of asset held for Sale |                  |                  |
| <b>Balance as at 31st March, 2019</b>   | <b>2,896,596</b> | <b>2,896,596</b> |
| Additions                               | 760,589          | 760,589          |
| Disposals                               | -                | -                |
| Reclassification of asset held for Sale | -                | -                |
| <b>Balance as at 31st March, 2020</b>   | <b>3,657,185</b> | <b>3,657,185</b> |
|                                         |                  | 3,657,187        |
| <b>Net Carrying amount</b>              |                  |                  |
| Balance as at 31st March, 2018          | 5,469,886        | 7,605,893        |
| Balance as at 31st March, 2019          | 4,709,297        | 4,709,297        |
| <b>Balance as at 31st March 2020</b>    | <b>3,948,708</b> | <b>3,948,708</b> |

\* Other than internally generated

Note:

Represents Fair value of transferable value of Goodwill purchased.

Refer Note No.41 for impairment of Goodwill.

Tree House Education & Accessories Limited  
Notes on Consolidated Financial Statements for the year ended 31st March 2020

**Note 4B: Intangible Assets\***

| Particulars                             | Business Commercial rights | Brands            | Total              |
|-----------------------------------------|----------------------------|-------------------|--------------------|
| <b>Gross Carrying amount</b>            |                            |                   |                    |
| <b>Balance as at 31st March, 2018</b>   | <b>194,274,766</b>         | <b>77,774,014</b> | <b>272,048,780</b> |
| Additions                               | -                          | -                 |                    |
| Disposals                               | -                          | -                 |                    |
| Impairment                              | -                          | -                 |                    |
| Reclassification of asset held for Sale | -                          | -                 |                    |
| <b>Balance as at 31st March, 2019</b>   | <b>194,274,766</b>         | <b>77,774,014</b> | <b>272,048,780</b> |
| Additions                               | -                          | -                 |                    |
| Disposals                               | -                          | -                 |                    |
| Impairment                              | -                          | -                 |                    |
| Reclassification of asset held for Sale | -                          | -                 |                    |
| <b>Balance as at 31st March 2020</b>    | <b>194,274,767</b>         | <b>77,774,015</b> | <b>272,048,782</b> |
| <b>Accumulated Depreciation</b>         |                            |                   |                    |
| <b>Balance as at 1st April, 2018</b>    | <b>38,985,749</b>          | <b>66,544,237</b> | <b>105,529,986</b> |
| Additions                               | 6,469,350                  | 2,152,744         | 8,622,094          |
| Disposals                               | -                          |                   |                    |
| Impairment                              | -                          |                   |                    |
| Reclassification of asset held for Sale | -                          |                   |                    |
| <b>Balance as at 31st March, 2019</b>   | <b>45,455,099</b>          | <b>68,696,981</b> | <b>114,152,081</b> |
| Additions                               | 6,487,074                  | 2,158,641         | 8,645,715          |
| Disposals                               | -                          |                   |                    |
| Impairment                              | -                          |                   |                    |
| Reclassification of asset held for Sale | -                          |                   |                    |
| <b>Balance as at 31st March 2020</b>    | <b>51,942,173</b>          | <b>70,855,622</b> | <b>122,797,795</b> |
| <b>Net Carrying amount</b>              |                            |                   |                    |
| Balance as at 31st March, 2018          | 155,289,016                | 11,229,777        | 166,518,793        |
| Balance as at 31st March, 2019          | 148,819,667                | 9,077,033         | 157,896,699        |
| <b>Balance as at 31st March 2020</b>    | <b>142,332,594</b>         | <b>6,918,393</b>  | <b>149,250,987</b> |

\* Other than internally generated

Note:

Represents Fair value of Business Commercial Rights purchased.

Refer Note No.40 for impairment of Business Commercial Rights.

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2020**

**Note 5 : Investments**

| Particulars                                                                    | As at<br>31st March, 2020 |                    | As at<br>31st March, 2019 |                    |
|--------------------------------------------------------------------------------|---------------------------|--------------------|---------------------------|--------------------|
|                                                                                | No. of<br>Shares          | Amount             | No. of<br>Shares          | Amount             |
| <b>Investments measured at Cost</b>                                            |                           |                    |                           |                    |
| <b>Investments in Equity shares of Joint Venture:</b>                          |                           |                    |                           |                    |
| - JT Infrastructure Private Limited equity shares of Rs. 10 each fully paid up | 9,980,000                 | 127,567,715        | 9,980,000                 | 127,622,982        |
| <b>Total</b>                                                                   |                           | <b>127,567,715</b> |                           | <b>127,622,982</b> |
| Total of Investments measured at Fair Value Through Other Comprehensive Income |                           |                    |                           | -                  |
| Aggregate amount of quoted investments                                         |                           |                    |                           | -                  |
| Market Value of quoted investments                                             |                           |                    |                           | -                  |
| Aggregate amount of unquoted investments                                       |                           | 127,567,715        |                           | 127,622,982        |
| Aggregate provision for diminution in value of Investments                     |                           | -                  |                           | -                  |
| <b>Note 5.1</b>                                                                |                           | <b>Amount</b>      |                           | <b>Amount</b>      |
| <b>Category-wise Non current</b>                                               |                           |                    |                           |                    |
| Financial assets carried at amortised cost                                     |                           | 127,567,715        |                           | 127,622,982        |
| Financial assets measured at cost                                              |                           | -                  |                           | -                  |
| Financial assets measured at fair value through other comprehensive income     |                           | -                  |                           | -                  |
| Financial assets measured at Fair value through Profit & Loss                  |                           | -                  |                           | -                  |
| <b>Total</b>                                                                   |                           | <b>127,567,715</b> |                           | <b>127,622,982</b> |

Note:

Refer Note No.38 for revaluation of investments in subsidiaries. Represents fair value of investment in subsidiaries/ joint ventures.

**Note 5 : Investments (contd.)**

**Notes:**

Pursuant to Indian Accounting Standard (Ind AS-31) - Financial Reporting of Interests in Joint Ventures, the disclosures relating to Joint Venture Companies are as follows:

1) The Company has a 50% interest in the assets, liabilities, expenses and income of JT Infrastructure Private Limited, a company incorporated in India. The assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2020 is as under:

| Particulars            | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|------------------------|------------------------|
| Assets                 | 136,531,095            | 136,683,362            |
| Liabilities            | 874,500                | 969,720                |
| Income                 | -                      | 49,575,407             |
| Expenditure            | 55,267                 | 2,021,587              |
| Contingent Liabilities | Nil                    | Nil                    |
| Capital Commitment     | Nil                    | Nil                    |

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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 6: Non Current Financial Loans

| Particulars                | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|----------------------------|---------------------------|---------------------------|
| Unsecured considered good: |                           |                           |
| Loans Others               | 2,704,000                 | 2,704,000                 |
| <b>Total</b>               | <b>2,704,000</b>          | <b>2,704,000</b>          |

Note:

(I) The loans have been recognised at their carrying value and not at fair value within the meaning of Indian Accounting Standard (Ind AS) 109.

#### Note 7: Other Non Current Financial Assets

| Particulars                    | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------|---------------------------|---------------------------|
| <b>Share Application money</b> | <b>2,610,000</b>          | <b>2,610,000</b>          |
| Security Deposits*             | 1,602,526,168             | 1,622,379,473             |
| <b>Total</b>                   | <b>1,605,136,168</b>      | <b>1,624,989,473</b>      |

Note:

7.1 Share Application money of Rs.26,10,000/- given to Mehta Tree House & Infrastructure Private Limited towards purchase of shares.

7.2 The carrying amount of these deposits classified as financial assets represents fair value as required within the meaning of Indian Accounting Standard (Ind AS) 109.

7.3 Security deposits includes deposit given to Educational Trust amounting to Rs.15,935/- Lakhs (Previous Year Rs.16,132/- Lakhs).

7.4 Refer Note No.43 for Fair Valuation of Security Deposits.

#### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate prevalent in Company operates. The movement on the deferred tax account is as follows:

| Particulars                                        | Credit/<br>(charge)<br>in statement<br>of Profit<br>and Loss | As at<br>31st March,<br>2019<br>Deferred<br>Tax Asset/<br>(Liabilities) | Credit/<br>(charge)<br>in statement<br>of Profit<br>and Loss | As at<br>31st March,<br>2020<br>Deferred<br>Tax Asset/<br>(Liabilities) |
|----------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|
| Depreciation                                       | 713,135                                                      | 4,966,127                                                               | 5,440,076                                                    | 10,406,203                                                              |
| Impairment of assets                               | -                                                            | (53,404,497)                                                            |                                                              | (53,404,497)                                                            |
| Loss on Sale of Fixed Assets                       | -                                                            | (45,406,544)                                                            |                                                              | (45,406,544)                                                            |
| Expense disallowed due to not paid during the year | -                                                            | (5,810,809)                                                             |                                                              | (5,810,809)                                                             |
| Provision for Gratuity                             | 22,500                                                       | 686,758                                                                 | 25,162                                                       | 711,920                                                                 |
| Provision for doubtful trade receivables           | -                                                            | (166,169)                                                               |                                                              | (166,169)                                                               |
| Tax Loss Carried Forward                           | -                                                            | 180,021,855                                                             |                                                              | 180,021,855                                                             |
| Others                                             | -                                                            | 20,723,897                                                              |                                                              | 20,723,897                                                              |
| <b>Total</b>                                       | <b>735,635</b>                                               | <b>101,610,618</b>                                                      | <b>5,465,238</b>                                             | <b>107,075,856</b>                                                      |

## ANNUAL REPORT 2019-2020

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 9 : Inventories

| Particulars     | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-----------------|---------------------------|---------------------------|
| Stock-in-Trade* | 5,818,728                 | 12,837,732                |
| <b>Total</b>    | <b>5,818,728</b>          | <b>12,837,732</b>         |

Note:

\* As certified by management and represents non-moving items valued at cost.

#### Note 10: Trade Receivables

| Particulars                                    | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------------------------|---------------------------|---------------------------|
| Trade receivables                              | 128,908,655               | 113,583,678               |
| Add: allowance for doubtful trade receivables  | 74,620,557                | 78,292,812                |
| <b>Total Receivables*</b>                      | <b>203,529,212</b>        | <b>191,876,490</b>        |
| <b>Break-up for security details:</b>          |                           |                           |
| Secured, considered good                       |                           | -                         |
| Unsecured, considered good                     | 128,908,655               | 113,583,678               |
| Doubtful                                       | -                         | 1,585,793                 |
| <b>Total</b>                                   | <b>128,908,655</b>        | <b>115,169,471</b>        |
| Less: Provision for doubtful trade receivables | 74,620,557                | 78,292,812                |
| <b>Total Trade receivables</b>                 | <b>203,529,212</b>        | <b>193,462,283</b>        |

\* Trade Receivables includes receivable amounting to Rs. 752/- Lakhs (Previous Year Rs.1894/- Lakhs) due from educational trust.

#### Note 11: Cash and Bank Balances

| Particulars                               | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-------------------------------------------|---------------------------|---------------------------|
| Cash on Hand                              | 327,932                   | 98,729                    |
| Balances with banks - In Current Accounts | (256,494)                 | 59,407,753                |
| <b>Total</b>                              | <b>71,438</b>             | <b>59,506,482</b>         |

#### Note 12: Bank Balances other than Cash and cash equivalents

| Particulars               | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---------------------------|---------------------------|---------------------------|
| In Fixed deposits*        | 1,533,015                 | 1,494,735                 |
| Unpaid dividend account # | 38,297                    | 47,759                    |
| <b>Total</b>              | <b>1,571,311</b>          | <b>1,542,494</b>          |

Notes:

\* Fixed deposit of Rs.15,33,015 /- (previous year Rs. 14,94,735/-) placed with a bank against which bank has given a guarantee.

# The company can utilise these balance only towards the settlement of unclaimed dividend.



## ANNUAL REPORT 2019-2020

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 13: Current Financial Loans and Advances

| Particulars                           | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---------------------------------------|---------------------------|---------------------------|
| <b>Unsecured and Considered good:</b> |                           |                           |
| Other Loans and Advances              | 1,081,800                 | 1,091,800                 |
| <b>Total</b>                          | <b>1,081,800</b>          | <b>1,091,800</b>          |

#### Note 14: Other Current Financial assets

| Particulars                    | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------|---------------------------|---------------------------|
| Interest Accrued on Investment | -                         | 4,197                     |
| Deposits*                      | 27,680,675                | 35,063,489                |
| Advance Against Property#      | -                         | -                         |
| <b>Total</b>                   | <b>27,680,675</b>         | <b>35,067,686</b>         |

\* The carrying value of lease deposits with landlords amounting to Rs.147/- Lakhs (Previous Year Rs.793/- Lakhs) is related to closed/ discontinued centres and administrative office.

# Represents advance paid for purchase of two flats at Andheri, Mumbai.

#### Note 15: Other Current assets

| Particulars                          | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------------|---------------------------|---------------------------|
| Balances with government Authorities | 39,789,860                | 35,138,026                |
| Advance for Expenses                 | 509,770                   | 394,040                   |
| Prepaid Expenses                     | 51,626                    | 95,592                    |
| <b>Total</b>                         | <b>40,351,256</b>         | <b>35,627,658</b>         |



# ANNUAL REPORT 2019-2020

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

### Note 16: Share Capital

| Particulars                                      | As at<br>31st March, 2020 |                    | As at<br>31st March, 2019 |                    |
|--------------------------------------------------|---------------------------|--------------------|---------------------------|--------------------|
|                                                  | No. of<br>Shares          | Amount             | No. of<br>Shares          | Amount             |
| Authorised Share capital                         |                           |                    |                           |                    |
| Equity Share Capital of Rs.10 each               | 45,000,000                | 450,000,000        | 45,000,000                | 450,000,000        |
| Issued, subscribed & paid up                     |                           |                    |                           |                    |
| Equity Share Capital of Rs.10 each fully paid up | 42,310,724                | 423,107,240        | 42,310,724                | 423,107,240        |
| <b>Total</b>                                     | <b>42,310,724</b>         | <b>423,107,240</b> | <b>42,310,724</b>         | <b>423,107,240</b> |

#### 16.1 Terms/ rights attached to equity shares

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 16.2 The details of shareholders holding more than 5% shares

| Name of the Shareholder           | As at<br>31st March, 2020 |        | As at<br>31st March, 2019 |        |
|-----------------------------------|---------------------------|--------|---------------------------|--------|
|                                   | No. of<br>Shares          | % held | No. of<br>Shares          | % held |
| Rajesh Bhatia                     | 3,686,336                 | 8.71%  | 3,686,336                 | 8.71%  |
| Geeta Bhatia                      | 3,565,000                 | 8.43%  | 3,565,000                 | 8.43%  |
| FC VI India Venture Mauritius Ltd | 2,897,665                 | 6.85%  | 2,897,665                 | 6.85%  |
| Bajaj Holding And Investment Ltd  | 2,430,882                 | 5.75%  | 2,430,882                 | 5.75%  |

#### 16.3 The reconciliation of the number of shares outstanding is set out below :

| Particulars                                              | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|----------------------------------------------------------|---------------------------|---------------------------|
|                                                          | No. of Shares             | No. of Shares             |
| Equity Shares at the beginning of the year               | 42,310,724                | 42,310,724                |
| Add: Shares issued on exercise of employee stock options | -                         | -                         |
| <b>Equity Shares at the end of the year</b>              | <b>42,310,724</b>         | <b>42,310,724</b>         |

## ANNUAL REPORT 2019-2020

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 17: Other Equity

Amount in Rs.

| Particulars                                    | Reserve and Surplus        |                   |                        |                     | Total                |
|------------------------------------------------|----------------------------|-------------------|------------------------|---------------------|----------------------|
|                                                | Securities Premium Account | General reserve   | Retained Earnings      | Revaluation Reserve |                      |
| Balance as at 1st April, 2018                  | 4,602,815,570              | 75,947,517        | (1,147,015,659)        | (55,502,403)        | 3,476,245,024        |
| Profit for the year                            |                            |                   | (380,290,041)          |                     | (380,290,041)        |
| <b>Total Comprehensive Income for the year</b> | -                          | -                 | <b>(380,290,041)</b>   |                     | <b>(380,290,041)</b> |
| Balance as at 31st March, 2019                 | 4,602,815,570              | 75,947,517        | (1,527,305,700)        | (55,502,403)        | 3,095,954,983        |
| Balance as at 1st April, 2019                  | 4,602,815,570              | 75,947,517        | (1,527,305,700)        | (55,502,403)        | 3,095,954,984        |
| Profit for the period                          |                            |                   | (281,552,409)          |                     | (281,552,409)        |
| Other Comprehensive Income for the year        |                            |                   |                        |                     | -                    |
| <b>Total Comprehensive Income for the year</b> | -                          | -                 | <b>(281,552,409)</b>   | -                   | <b>(281,552,409)</b> |
| <b>Balance as at 31st March, 2020</b>          | <b>4,602,815,570</b>       | <b>75,947,517</b> | <b>(1,808,858,109)</b> | <b>(55,502,403)</b> | <b>2,814,402,575</b> |

Note:

(i) The Company has not revalued its immovable properties during the year. The company had revaluated its assets during the financial year 2017-18, which the company expects at market value as on 31st March 2020.

(ii) Refer to Note No.41 for information on assets pledged as security by Company.

#### Note 18: Current Financial Borrowings

| Particulars                                     | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-------------------------------------------------|---------------------------|---------------------------|
| <b>Secured</b>                                  |                           |                           |
| Term loans from bank                            | 144,124,962               | 174,854,196               |
| Bank Over Draft/ Cash Credit Facility with Bank | 139,147,167               | 531,737,052               |
| <b>Secured-Total (A)</b>                        | <b>283,272,129</b>        | <b>706,591,248</b>        |
| <b>Unsecured</b>                                |                           |                           |
| - From Related Parties                          | 3,809,637                 | 20,673,098                |
| - From Others                                   | -                         | -                         |
| <b>Unsecured-Total (B)</b>                      | <b>3,809,637</b>          | <b>20,673,098</b>         |
| <b>Total</b>                                    | <b>287,081,766</b>        | <b>727,264,346</b>        |

Notes:

18.1 **Secured bank loan:** Secured by mortgage of Land & building, hypothecation of movable assets.

18.2 The Company has defaulted in repayment of loans availed from financial institutions due to which Non Current Financial borrowings have been classified as Current Financial borrowings .

18.3 The amount payable to financial institutions is Rs.2,833/- Lakhs. (Previous year Rs.7065/- Lakhs).

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2020**

**Note 19: Trade Payables:**

| Particulars                          | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------------|---------------------------|---------------------------|
| Micro, Small and Medium Enterprises* | 9,991,331                 | 10,269,173                |
| Others                               | 60,636,336                | 69,878,500                |
| <b>Total</b>                         | <b>70,627,667</b>         | <b>80,147,673</b>         |

\* The company has during the year, received from three of its suppliers information regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Shree Sai Art outstanding Amount of Rs.17,901/- , Miheh Halani & Associates outstanding Amount of Rs.58,500/- & Sheth Publishing House outstanding Amount of Rs.99,14,930/-

**Note 20: Other Financial Liabilities**

| Particulars                  | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------|---------------------------|---------------------------|
| Interest accrued and due     | 10,097,863                | 9,860,175                 |
| Interest accrued but not due | -                         |                           |
| Unclaimed Dividend           | 38,296                    | 47,758                    |
| <b>Total</b>                 | <b>10,136,159</b>         | <b>9,907,933</b>          |

**Note 21: Current Provisions**

| Particulars                                                | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------------------------------------|---------------------------|---------------------------|
| Provisions for Employee Benefits: Gratuity (Refer note 19) | 871,800                   | 526,073                   |
| Provisions for Employee Benefits : Others                  | 5,264,421                 | 9,416,792                 |
| <b>Total</b>                                               | <b>6,136,221</b>          | <b>9,942,865</b>          |

**Note 22: Other Current liabilities**

| Particulars                      | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|----------------------------------|---------------------------|---------------------------|
| Advance tuition fees received    | 1,808,000                 | 1,410,500                 |
| Advance from Debtors             | 727,289                   | 3,404,559                 |
| Withholding & other tax payables | 31,788,054                | 51,357,369                |
| Advance against sale of Property | 26,000,000                | 56,000,000                |
| Other Current Liabilities        | 2,346,854                 | 1,543,344                 |
| <b>Total</b>                     | <b>62,670,197</b>         | <b>113,715,772</b>        |

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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 23: Revenue from operations

| Particulars                               | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-------------------------------------------|---------------------------|---------------------------|
| <b>Revenue from</b>                       |                           |                           |
| - Sale of education kits                  | 6,064,583                 | 6,664,939                 |
| - <b>Sale of services</b>                 | -                         |                           |
| Consultancy income                        | 847,456                   | 847,456                   |
| Income from early childhood education     | 5,729,265                 | 4,702,387                 |
| Royalty income                            | 8,684,932                 | 18121049                  |
| - <b>Other Operating Revenue</b>          | -                         |                           |
| Other operating income                    | 15,555                    | -                         |
| Rent income from education infrastructure | 6,266,712                 | 6,266,712                 |
| <b>Total</b>                              | <b>27,608,504</b>         | <b>36,602,543</b>         |

#### Note 24: Other Income

| Particulars                 | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-----------------------------|---------------------------|---------------------------|
| Interest income             | 97,792                    | 76,725                    |
| Liability no longer Payable | 13,619,620                | 4,397,610                 |
| Prior Period Income         | -                         | 2,413,179                 |
| Scrap Sales                 | 27,652                    | -                         |
| Other non-operating income  | 53,810,893                | 3,758,710                 |
| <b>Total</b>                | <b>67,555,957</b>         | <b>10,646,224</b>         |

#### Note 25: Operating Expenses

| Particulars                                                | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------------------------------------|---------------------------|---------------------------|
| Rent (includes conducting charges and society maintenance) | -                         | -                         |
| Security charges                                           | 787,065                   | 2,088,574                 |
| Training material and equipment consumed                   | 7,672,272                 | 566,145                   |
| Water, electricity and cleaning charges                    | 779,559                   | 811,772                   |
| Activity expenses                                          | 373,604                   | 401,706                   |
| <b>Total</b>                                               | <b>9,612,500</b>          | <b>3,868,197</b>          |

#### Note 26: Employee Benefits Expenses

| Particulars                               | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-------------------------------------------|---------------------------|---------------------------|
| Salaries and wages                        | 10,473,632                | 8,771,158                 |
| Contribution to provident and other funds | 365,239                   | 275,881                   |
| Staff welfare expenses                    | 292,709                   | 136,531                   |
| <b>Total</b>                              | <b>11,131,580</b>         | <b>9,183,570</b>          |

Refer Note 45 for disclosure as per Indian Accounting Standard 19 "Employee benefits"

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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 27: Finance cost

| Particulars       | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-------------------|---------------------------|---------------------------|
| Interest expenses | 41,687,189                | 51,024,208                |
| Finance charges   | -                         | 63,972                    |
| <b>Total</b>      | <b>41,687,189</b>         | <b>51,088,180</b>         |

#### Note 28: Depreciation and Amortisation Expenses

| Particulars           | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-----------------------|---------------------------|---------------------------|
| Depreciation Expenses | 291,016,110               | 324,492,379               |
| Amortisation Expense  | -                         | -                         |
| Impairment of assets  | -                         | -                         |
| <b>Total</b>          | <b>291,016,110</b>        | <b>324,492,379</b>        |

#### Note 29: Other expenses

| Particulars                              | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------------------|---------------------------|---------------------------|
| Advertisement and publicity expenses     | 3,253,430                 | 3,617,598                 |
| Legal and professional fees              | 12,296,583                | 13,715,450                |
| Office expenses                          | 379,557                   | 491,655                   |
| Rent, Rates and taxes                    | 1,676,122                 | 865,284                   |
| Insurance                                | 110,677                   | 135,660                   |
| Telephone and communication expenses     | 78,091                    | 440,922                   |
| Auditors' remuneration (Refer note 36)   | 600,000                   | 753,000                   |
| Business promotion                       | 100,090                   |                           |
| Printing and stationery                  | 278,053                   | 621,368                   |
| Donation                                 | -                         | -                         |
| Repairs and maintenance                  | 1,426,405                 | 843,417                   |
| Travelling and conveyance                | 968,262                   | 299,013                   |
| Provision for doubtful trade receivables | -                         | 1,105,977                 |
| Director Sitting Fees                    | 27,500                    | 35,039                    |
| Prior Period Expenses                    | 823,613                   | 3,996,349                 |
| VAT and GST expenses                     | 5,739,391                 |                           |
| Other Miscellaneous expenses             | 131,011                   | 529,839                   |
| Discounts & W/off                        | 790,676                   | 386,378                   |
| <b>Total</b>                             | <b>28,679,461</b>         | <b>29,837,615</b>         |

#### Note 30: Exceptional Items

| Particulars                  | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------|---------------------------|---------------------------|
| Loss on sale of Fixed Assets | -                         | -                         |
| Fixed Assets Written off*    | -                         | -                         |
| Rent Deposit Written off*    | -                         | 49,792,226                |
| <b>Total</b>                 | <b>-</b>                  | <b>49,792,226</b>         |

\* written off due to closure of centres



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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 31: Contingent Liabilities and Commitments (to the the extent not provided for)

| Particulars                                                                                          | As at 31st March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------------------|
| <b>Commitments</b>                                                                                   |                        |                                    |
| Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal | 1,533,015              | 1,413,124                          |
| <b>Total</b>                                                                                         | <b>1,533,015</b>       | <b>1,413,124</b>                   |

Contingent on account of deposit with Sales tax department

#### Note 32: Related Party Disclosures

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

##### a) List of related party

- |                                                      |   |                                               |
|------------------------------------------------------|---|-----------------------------------------------|
| i .Key management personnel (KMP)                    | : | Mr. Rajesh Bhatia                             |
| ii. Relative of key managerial personnel             | : | Mr. Geeta Bhatia<br>Wife of Mr. Rajesh Bhatia |
| iii. Associates company                              | : | JT Infrastructure Private Limited             |
| iv. Entity over which there is a significant control | : | Tree House Foundation                         |

Tree House Education & Accessories Limited  
Notes on Consolidated Financial Statements for the year ended 31st March 2020

**Note 32: Related Party Disclosures (Contd...)**

**b) Transactions undertaken / balances outstanding with related parties in the ordinary course of business**

| Particulars                       | Key management personnel (KMP) | Relatives of KMP | Associates company | Entity over which there is a significant control |
|-----------------------------------|--------------------------------|------------------|--------------------|--------------------------------------------------|
| <b>Remuneration</b>               |                                |                  |                    |                                                  |
| - Jugal Bharat Shah - E.Director* | 1,200,000                      |                  |                    |                                                  |
|                                   | (235,483)                      |                  |                    |                                                  |
| - Mr. Rajesh Bhatia - CEO*        | 2,400,000                      | -                | -                  | -                                                |
|                                   | (444,469)                      |                  |                    |                                                  |
| - Ms. Guddi Bajpai - CS*          | 464,000                        |                  |                    |                                                  |
|                                   | (383,129)                      | -                | -                  | -                                                |
| - Mr. Navin Kumar - CFO*          | 2,670,000                      | -                | -                  | -                                                |
|                                   | (2,700,000)                    | -                | -                  | -                                                |
| <b>Loan Taken</b>                 |                                |                  |                    |                                                  |
| - Rajesh Bhatia*                  | 1,900,000                      | -                | -                  | -                                                |
|                                   | (260,000)                      | -                | -                  | -                                                |
| - Geeta Bhatia                    | -                              | -                | -                  | -                                                |
|                                   | -                              | -                | -                  | -                                                |
| <b>Loan Repaid</b>                |                                |                  |                    |                                                  |
| - Rajesh Bhatia*                  | 18,763,461                     | -                | -                  | -                                                |
|                                   | (23,250,000)                   | -                | -                  | -                                                |
| <b>Interest on Loan Taken</b>     |                                |                  |                    |                                                  |
| - Rajesh Bhatia*                  | 917,916                        | -                | -                  | -                                                |
|                                   | (3,183,999)                    | -                | -                  | -                                                |
| - Geeta Bhatia*                   | -                              | 413,631          | -                  | -                                                |
|                                   | -                              | (378,415)        | -                  | -                                                |
| <b>Directors Sitting Fees:</b>    |                                |                  |                    |                                                  |
| Geeta Bhatia*                     | -                              |                  |                    |                                                  |
|                                   | (10,000)                       |                  |                    |                                                  |
| Suraj Magnani*                    | 7,500                          |                  |                    |                                                  |
|                                   | (10,000)                       |                  |                    |                                                  |
| Deepak Valecha*                   | 10,000                         |                  |                    |                                                  |
|                                   | (12,500)                       |                  |                    |                                                  |
| Amita Karia                       | 10,000                         |                  |                    |                                                  |
|                                   | -                              |                  |                    |                                                  |

\* Figures in Bracket represents Previous Year's amounts.



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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 32: Related Party Disclosures (Contd...)

##### c) Closing balances with related parties in the ordinary course of business

| Particulars                                   | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------------------|------------------------|------------------------|
| <b>Outstandings</b>                           |                        |                        |
| <b>Trade Payables-Others</b>                  |                        |                        |
| Key management personnel - Lease Rent         | 10,002,898             | 10,002,898             |
| Relatives of KMP - Lease Rent                 | 10,000,863             | 10,000,863             |
| <b>Short Term Provision-Others</b>            |                        |                        |
| Key management personnel                      | -                      | 4,083,539              |
| <b>Investment</b>                             |                        |                        |
| Associate Company                             | 127,567,715            | 127,622,982            |
| <b>Unsecured Current Financial Borrowings</b> |                        |                        |
| Key management personnel                      | 59,637                 | 16,923,098             |
| Relatives of KMP                              | 3,750,000              | 3,750,000              |
| <b>Other Financial Liabilities</b>            |                        |                        |
| Key management personnel (Interest)           | 8,874,492              | 8,048,366              |
| Relatives of KMP (Interest)                   | 1,223,371              | 851,102                |

#### Note 33: Employee Stock Option Plans

Fair Valuation of ESOP has not been carried out by the management as required within the meaning of Indian Accounting Standard (Ind AS) 109.



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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 34: Segment information

The activities of the Company comprise of only one business segment i.e. " providing education and related services including leasing of education infrastructure". The company operates in only one segment.

#### Note 35: Earnings Per Share

| Particulars                                             | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Profit after tax                                        | (281,552,409)                              | (380,290,041)                              |
| Weighted average number of shares outstanding (Basic)   | 42,310,724                                 | 42,310,724                                 |
| Weighted average number of shares outstanding (Diluted) | 42,310,724                                 | 42,310,724                                 |
| Nominal value per share                                 | 10                                         | 10                                         |
| Basic earnings per share                                | (6.65)                                     | (8.99)                                     |
| Diluted earnings per share                              | (6.65)                                     | (8.99)                                     |

#### Note 36: Auditors' Remuneration (Excluding Service Tax and GST)

| Particulars              | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--------------------------|--------------------------------------------|--------------------------------------------|
| Statutory audit fees     | 600,000                                    | 600,000                                    |
| Tax audit fees           | 75,000                                     | 75,000                                     |
| Other services/ expenses | 10,000                                     | 15,000                                     |
| <b>Total</b>             | <b>685,000</b>                             | <b>690,000</b>                             |

#### Note 37: Corporate Social Responsibility (CSR) Expenses

In view of the losses during the year , the company has not made any provision for Corporate Social Responsibility Expenses during the year. (Previous Year provision : Nil) .

#### Note 38: Revaluation of Assets and Liabilities

The Company has not revalued its immovable properties during the year. The company had revaluated its assets during the financial year 2017-18, which the company expects at market value as on 31st March 2020. (Total value of assets revalued during financial year 2017-18 was (-) Rs. 5,55,02,403.00)

#### Note 39: Disposal/ Write off of Fixed Assets

The company has sold/ disposed off assets. Gross value of assets disposed off during the year was Rs. 45,55,27,830/-. (Previous Year : Rs.1,64,35,242/-)

#### Note 40: Impairment of Fixed Assets

The Company has not impaired any assets during the year. (Previous Year: -Nil-)

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2020**

**Note 41: Assets Pledged as security**

The carrying amounts of assets Pledged as security for current and non current borrowings are:

| Particulars                                         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-----------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Current Assets</b>                               |                                            |                                            |
| <b>Financial Assets</b>                             |                                            |                                            |
| Floating Charge                                     |                                            |                                            |
| Trade Receivable                                    | -                                          | 193,462,283                                |
| <b>Total Current assets Pledged as security</b>     | <b>-</b>                                   | <b>193,462,283</b>                         |
| <b>Non - Current Assets</b>                         |                                            |                                            |
| First Charge                                        |                                            |                                            |
| Land                                                | 84,007,328                                 | 309,862,407                                |
| Building                                            | 387,259,445                                | 593,438,283                                |
| <b>Total non current assets pledged as security</b> | <b>471,266,773</b>                         | <b>903,300,690</b>                         |
| <b>Total assets pledged as security</b>             | <b>471,266,773</b>                         | <b>1,096,762,973</b>                       |

**Note 42: Fair Value measurement**

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair value of security deposits were calculated based on cash flow discounted using a current lending rate.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.**

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 42: Fair Value measurement (Contd...)

| Financial Assets and Liabilities as at 31st March, 2020 | Amount               | Routed through Profit and Loss | Routed through OCI | Carried at amortised Cost Level 3 | Total Carrying Value |
|---------------------------------------------------------|----------------------|--------------------------------|--------------------|-----------------------------------|----------------------|
| <b>Financial Assets:</b>                                |                      |                                |                    |                                   |                      |
| <b>Non Current Investments</b>                          |                      |                                |                    |                                   |                      |
| Investments in Equity shares of Joint Venture           | 127,567,715          | -                              | -                  | 127,567,715                       | 127,567,715          |
| <b>Other Assets:</b>                                    |                      |                                |                    |                                   |                      |
| <b>Non Current Assets</b>                               |                      |                                |                    |                                   |                      |
| Loans to Others                                         | 2,704,000            | -                              | -                  | 2,704,000                         | 2,704,000            |
| Share application money                                 | 2,610,000            | -                              | -                  | 2,610,000                         | 2,610,000            |
| Security Deposits                                       | 1,602,526,168        | -                              | -                  | 1,602,526,168                     | 1,602,526,168        |
| <b>Current Assets:</b>                                  |                      |                                |                    |                                   |                      |
| Trade receivables                                       | 203,529,212          | -                              | -                  | 203,529,212                       | 203,529,212          |
| Cash and cash equivalents                               | 71,438               | -                              | -                  | 71,438                            | 71,438               |
| Bank Balances other than Cash and cash equivalents      | 1,571,311            | -                              | -                  | 1,571,311                         | 1,571,311            |
| Loans and Advances                                      | 1,081,800            | -                              | -                  | 1,081,800                         | 1,081,800            |
| Other financial assets                                  | 27,680,675           | -                              | -                  | 27,680,675                        | 27,680,675           |
|                                                         | <b>1,841,774,605</b> | <b>-</b>                       | <b>-</b>           | <b>1,841,774,605</b>              | <b>1,841,774,605</b> |
| <b>Current Liabilities:</b>                             |                      |                                |                    |                                   |                      |
| Borrowings                                              | 287,081,766          | -                              | -                  | 287,081,766                       | 287,081,766          |
| Trade Payables                                          | 70,627,667           | -                              | -                  | 70,627,667                        | 70,627,667           |
| Other Liabilities                                       | 10,136,159           | -                              | -                  | 10,136,159                        | 10,136,159           |
|                                                         | <b>367,845,592</b>   | <b>-</b>                       | <b>-</b>           | <b>367,845,592</b>                | <b>367,845,592</b>   |

## ANNUAL REPORT 2019-2020

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

#### Note 42: Fair Value measurement (Contd...)

| Financial Assets and Liabilities as at 31st March, 2019 | Amount               | Routed through Profit and Loss | Routed through OCI | Carried at amortised Cost Level 3 | Total Carrying Value |
|---------------------------------------------------------|----------------------|--------------------------------|--------------------|-----------------------------------|----------------------|
| <b>Financial Assets:</b>                                |                      |                                |                    |                                   |                      |
| <b>Non Current Investments</b>                          |                      |                                |                    |                                   |                      |
| Investments in Equity shares of Joint Venture           | 127,622,982          | -                              | -                  | 127,622,982                       | 127,622,982          |
| <b>Other Assets</b>                                     |                      |                                |                    |                                   |                      |
| <b>Non Current Assets</b>                               |                      |                                |                    |                                   |                      |
| Loans to Others                                         | 2,704,000            | -                              | -                  | 2,704,000                         | 2,704,000            |
| Share application money                                 | 2,610,000            | -                              | -                  | 2,610,000                         | 2,610,000            |
| Security Deposits                                       | 1,622,379,473        | -                              | -                  | 1,622,379,473                     | 1,622,379,473        |
| <b>Current Assets</b>                                   |                      |                                |                    |                                   |                      |
| Trade receivables                                       | 191,876,490          | -                              | -                  | 191,876,490                       | 191,876,490          |
| Cash and cash equivalents                               | 59,506,482           | -                              | -                  | 59,506,482                        | 59,506,482           |
| Bank Balances other than Cash and cash equivalents      | 1,542,494            | -                              | -                  | 1,542,494                         | 1,542,494            |
| Loans and Advances                                      | 1,091,800            | -                              | -                  | 1,091,800                         | 1,091,800            |
| Other financial assets                                  | 35,067,686           | -                              | -                  | 35,067,686                        | 35,067,686           |
|                                                         | <b>1,916,778,425</b> | <b>-</b>                       | <b>-</b>           | <b>1,916,778,425</b>              | <b>1,916,778,425</b> |
| <b>Financial Liabilities</b>                            |                      |                                |                    |                                   |                      |
| Non Current Provisions                                  | -                    | -                              | -                  | -                                 | -                    |
| <b>Current Liabilities</b>                              |                      |                                |                    |                                   |                      |
| Borrowings                                              | 727,264,346          | -                              | -                  | 727,264,346                       | 727,264,346          |
| Trade Payables                                          | 80,147,673           | -                              | -                  | 80,147,673                        | 80,147,673           |
| Other Liabilities                                       | 9,907,933            | -                              | -                  | 9,907,933                         | 9,907,933            |
|                                                         | <b>817,319,952</b>   | <b>-</b>                       | <b>-</b>           | <b>817,319,952</b>                | <b>817,319,952</b>   |

#### Note 42: Fair Value measurement (Contd...)

##### Fair value of financial assets and liabilities measured at amortised cost-

| Particulars                                   | Year ended 31st March, 2020 |                      | Year ended 31st March, 2019 |                      |
|-----------------------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
|                                               | Carrying amount             | Fair Value           | Carrying amount             | Fair Value           |
| <b>Financial Assets</b>                       |                             |                      |                             |                      |
| Investments in Equity shares of Joint Venture | 127,567,715                 | 127,567,715          | 127,622,982                 | 127,622,982          |
| Security Deposits                             | 1,602,526,168               | 1,602,526,168        | 1,622,379,473               | 1,622,379,473        |
| Non Current Financial Loans                   | 2,704,000                   | 2,704,000            | 2,704,000                   | 2,704,000            |
|                                               | <b>1,732,797,883</b>        | <b>1,732,797,883</b> | <b>1,752,706,455</b>        | <b>1,752,706,455</b> |

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2020**

## Note 43: Financial Risk Management

### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

### Credit Risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in statement of profit and loss.

### Movement in provisions of doubtful debts

| Particulars                    | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|--------------------------------|------------------------------------|------------------------------------|
| Opening provision              | 3,672,255                          | -1,585,793                         |
| Add: Additional provision made | 17,333,125                         | 5,258,048                          |
| Less: Provision write off      | -                                  | -                                  |
| Less: Provision reversed       | -                                  | -                                  |
| Closing provisions             | 21,005,380                         | 3,672,255                          |

### Note 44: Net debt reconciliation

| Particulars               | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---------------------------|------------------------------------|------------------------------------|
| Cash and cash equivalents | 71,438                             | 59,506,482                         |
| Current Borrowings        | (287,081,766)                      | (727,264,346)                      |
| Interest Payable          | (10,097,863)                       | (9,860,175)                        |
| <b>Net Debt</b>           | <b>(297,108,191)</b>               | <b>(677,618,039)</b>               |

| Particulars                          | Cash and cash equivalents | Current Borrowings   | Interest Payable    | Total                |
|--------------------------------------|---------------------------|----------------------|---------------------|----------------------|
| <b>Balance as at 1st April 2019</b>  | 59,506,482                | (727,264,346)        | (9,860,175)         | (677,618,039)        |
| Cash flows                           | (59,435,044)              | 440,182,580          | -                   | 380,747,537          |
| Finance Costs                        | -                         | -                    | (3,245,226)         | (3,245,226)          |
| Interest Paid                        | -                         | -                    | 3,007,538           | 3,007,538            |
| <b>Balance as at 31st March 2020</b> | <b>71,438</b>             | <b>(287,081,766)</b> | <b>(10,097,864)</b> | <b>(297,108,191)</b> |

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2020**

**Note 45: Details of provision of gratuity**

**Profit and loss account**

**Net employee benefit expenses (recognized in employee cost)**

| Particulars                                                                                            | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
|--------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cost for the year:</b>                                                                              |                              |                              |
| Service cost                                                                                           | 280,094                      | 233,630                      |
| Interest cost                                                                                          | 39,298                       | 76,846                       |
| Expected return on plan assets                                                                         | -                            | -                            |
| Actuarial loss / (Gain)                                                                                | (266,922)                    | (657,801)                    |
| <b>Total net cost recognized as employee remuneration</b>                                              | <b>52,470</b>                | <b>(347,325)</b>             |
| Present value of defined benefit obligation as at year end (A)                                         | 871,800                      | 526,073                      |
| Fair value of plan assets as at year end (B)                                                           | -                            | -                            |
| Net liability as at year end recognized in Balance Sheet (A)-(B)                                       | 871,800                      | 526,073                      |
| <b>Provision for gratuity</b>                                                                          |                              |                              |
| Long term                                                                                              | 780,548                      | 288,241                      |
| Short term                                                                                             | 91,252                       | 237,832                      |
| <b>Changes in present value of the defined benefit obligation are as follows:</b>                      |                              |                              |
| <b>Changes in defined benefit obligation:</b>                                                          |                              |                              |
| Defined benefit obligation as at the beginning of the year                                             | 526,073                      | 1,148,878                    |
| Current service cost                                                                                   | 280,094                      | 233,630                      |
| Interest cost                                                                                          | 39,298                       | 76,846                       |
| Actuarial loss / (gain) on obligations                                                                 | (266,922)                    | (657,801)                    |
| Old benefits due                                                                                       | 293,257                      | -                            |
| Benefit paid                                                                                           | -                            | (275,480)                    |
| Present value of defined benefit obligation at the end of the year [A]                                 | 871,800                      | 526,073                      |
| <b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b> |                              |                              |
| <b>Assumptions</b>                                                                                     |                              |                              |
| Discount rate                                                                                          | 6.55%                        | 7.47%                        |
| Attrition rate                                                                                         | Up to Age 35 : 20%           | Upto age 35 - 20%            |
|                                                                                                        | Age 36 to 40 : 10%           | 36-40 - 10%                  |
|                                                                                                        | 41 and above : 5%            | 41-58 - 5%                   |
| Salary escalation rate                                                                                 | 6.00%                        | 6.00%                        |

**Note 46: Approval of financial statements**

The financial statements were approved for issue by the board of directors on 09th July, 2020.



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### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2020

As per our report of even date

CIN No. L80101MH2006PLC163028

For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

**For S. Dedhia & Co.**

Chartered Accountants

**Firm Registration No. 117695W**

**Jugal Bharat Shah**

Addnl. Executive Director

**DIN No: 08334114**

**Deepak Valecha**

Director

**DIN No: 07736480**

**CA Sandeep Dedhia**

Proprietor | Membership No. 102606

UDIN: 20102606AAAAAJ3396

**Rajesh Bhatia**

Chief Executive Officer

**Navin Kumar**

Chief Financial Officer

**Place:** Mumbai

**Date :** 09<sup>th</sup> July 2020



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### NOTES



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