

# Tree House Education & Accessories Ltd.

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



September 27, 2018

<b>To,</b> <b>BSE Limited</b>  Phiroze Jeejeebhoy Tower, Dalal Street, Fort Mumbai - 400 001	<b>To,</b> <b>The National Stock Exchange of India Ltd.</b>  Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	<b>To,</b> <b>Metropolitan Stock Exchange of India Ltd.</b>  Exchange Square, CTS No. 25, Suren Road, Andheri (E), Mumbai - 400 093
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**Sub.: Annual Report for the financial year 2017-18.**

**Ref: Scrip Code: 533540 / TREEHOUSE**

Dear Sir / Madam,

Please find enclose Annual Report of the Company for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

This for your information and record.

Thanking you.

Yours faithfully,

**For Tree House Education & Accessories Limited**

  
**Rajesh Bhatia**  
**Managing Director**  
**DIN: 00074393**  
Encl: as above





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### BOARD OF DIRECTORS

**1) Mr. Rajesh Bhatia**

DIN: 00074393

Chairman and Managing Director

**Education:**

- Bachelor of Engineering from MS University, Baroda
- MBA from Pune University

**Experience:**

- 14 years of experience in the field of education
- Oversees the organization's day-to-day operation

**Association with Tree House**

- Associates with the Company since its inception

**2) Mrs. Geeta Bhatia**

DIN: 00074444

Non-executive Director

**Education:**

- Bachelor of Commerce Degree from Mumbai University

**Experience:**

- More than 11 years of Experience in the education industry

**Association with Tree House**

- Associates with the Company since its inception

**3) 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.

**4) Mr. SurajManghnani**

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.



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### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

**Mr. Rajesh Bhatia**

Managing Director

**Mrs. Geeta Bhatia**

Non- Executive Director

**Mr. Deepak Valecha**

Independent Director

**Mr. Suraj Manghnani**

Independent Director

#### CHIEF FINANCIAL CONTROLLER & CHIEF OF COMPLIANCE

**Mr. Navin Kumar Mane**

#### COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Hinal Mehta**

(Resigned w.e.f. March 31, 2018)

**Ms. Guddi Bajpai**

(Appointed w.e.f. May 30, 2018)

#### BOARD COMMITTEES

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Committee of Board
- Compensation Committee
- CSR Committee

#### STATUTORY AUDITOR

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

Chartered Accountants

Mumbai

#### BANKERS

HDFC Bank Ltd.

Kotak Mahindra Bank Ltd.

ICICI Bank Ltd.

Corporation Bank Ltd.

Indian Bank Ltd. Union Bank of India, IndusInd Bank

#### REGISTRAR & TRANSFER AGENTS

**LinkIntime India Pvt. Ltd.**

C 101, 247 Park, L.B.S Marg,

Vikhroli (West),

Mumbai – 400083

#### REGISTERED OFFICE

CIN: L80101MH2006PLC163028

702, 'C', Morya House,

Off New Link Road, Andheri (West),

Mumbai – 400053

#### WEBSITE

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



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### NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 22, 2018 AT 9.00 A.M. AT MAYOR HALL, ALL INDIA INSTITUTE OF LOCAL SELF GOVERNMENT, STHANIKRAJ BHAVAN, C. D. BARFIWALA MARG, JUHU LANE, ANDHERI (WEST), MUMBAI - 400 058, 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, 2018, together with the Reports of the Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Geeta Bhatia (DIN 00074444), who retires by rotation and being eligible, offers herself for re-appointment.

#### SPECIAL BUSINESS:

3. To approve the appointment and remuneration of the Cost Auditor for the financial year ending March 31, 2019.

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 modification or re-enactment thereof for the time being in force, the Company hereby ratifies the remuneration of Rs. 50,000/- p.a. (Rupees Fifty 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 2018-19."

**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 to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. 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.

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

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, as amended from time to time and subject to such other approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies, as may be necessary, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), to lease, sell, transfer/divest, convey, assign or otherwise dispose-off, the Company's immovable/movable property/ies/undertaking/s as the case may be, or any other immovable/movable property/ies/undertaking/s as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company and such consideration shall be utilised in the ordinary course for carrying out business operations of the company and/or to repay loan availed by the company.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, matters deeds and things as may be necessary, without further referring the matter to the members of the Company, including finalizing the suitable lessee(s)/purchaser(s)/ assignee(s), developer as the case may be, of the said property/asset, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, lease deeds, sale deed, agreement for sale, development agreement, TDR Sale agreements, deeds of conveyance and



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irrevocable powers of attorney etc. and such other document(s) as may be necessary or expedient in its own discretion and in the best interest of the Company, including the power to delegate, to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

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

Date: **August 11, 2018**  
Place: **Mumbai**

Sd/-  
**Rajesh Bhatia**  
Managing Director  
(DIN: 00074393)

## NOTES

1. 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. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015") is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at the Annual General Meeting.

Members / Proxies / Authorised Representatives are requested to bring their attendance slip, duly filled in, for attending the Meeting.

In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote at the meeting.

3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of special business set out in notice, wherever applicable, is annexed hereto.
4. 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 be deemed to be appointed for a period of five years starting from Financial Year 2017-18.
5. GREEN INITIATIVE: - SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment.
6. 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 In time India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083, quoting their Folio Number(s).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts.
8. Members are requested to address all correspondence, to the Registrar and Share Transfer Agent, Link In time India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083.
9. 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.
10. 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.
11. The copy of the Annual Report 2018 along with Notice of the Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy form is being send to all the members whose email IDs are registered with





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the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2018 along with Notice of Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the physical mode.

12. Members may also note that the Notice convening Annual General Meeting and Annual Report for the financial year 2017-18 will be available on the Company's website [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net) in "Our Investors" section.
13. 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.
14. 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.
15. 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. September 17, 2018.
16. 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.
17. Voting through electronic means:
  - In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members the facility to exercise their right to vote at the 12th Annual General Meeting (AGM) by electronic means. The facility of casting votes by member using an electronic voting system from place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL) and the items of business as detailed in this Notices may be transected through remote e-voting.
  - The facility for voting through ballot paper shall be made available at AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitle to cast their vote again.
  - The remote e-voting period commences on September 19, 2018 at 9:00 a.m. and ends on September 21, 2018 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 September 17, 2018, 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.
  - The procedure to login to e-Voting website is given below:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
  - i. Open the attached PDF file "**TREEHOUSE.pdf**" giving your Client ID (in case you are holding shares in Demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
  - ii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
  - iii. Click on "Shareholder - Login".
  - iv. Put User ID and password as initial password noted in step (1) above and Click Login.
  - v. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
  - vi. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
  - vii. Select "EVEN" of Tree House Education & Accessories Limited.



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- viii. Now you are ready for “e-Voting” as “Cast Vote” page opens.
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
- x. Upon conformation, the message “Vote cast successfully” will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, through e-mail to **compliance@treehouseplaygroup.net** with a copy marked to the scrutiniser **mihenhalani@gmail.com** and **evoting@nsdl.co.in**.
- B. In case a Member receives physical copy of the Notice of AGM:
- Initial password is provided as below/at the bottom of Attendance Slip for the AGM.
  - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. Please note that:
- Login to 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 'Forgot Password' option available on the site to reset the same.
  - Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
  - Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; **www.icicidirect.com** for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website **www.icicidirect.com**. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.
  - In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of **http://www.evoting.nsdl.com/** or contact NSDL at the following Telephone No.: 022-2499 4600.
18. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
19. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
20. The Register of Members and Share Transfer Books of the Company will remain closed from, Monday, September 17, 2018 to Saturday, September 22, 2018 (both days inclusive).
21. 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. September 17, 2018, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or call on toll free no.: 1800-222-990.
22. 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 as well as voting at the AGM through ballot paper.
23. 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.
24. Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 (SS-2):



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<b>Name of the Director</b>	**Mrs. Geeta Bhatia
<b>Age</b>	43
<b>Director Identification Number (DIN)</b>	00074444
<b>Date of Appointment on the Board</b>	25.09.2017 (Re-appointed at 11 <sup>th</sup> AGM)
<b>Qualifications</b>	Mrs. Geeta Bhatia holds a Bachelor of Commerce degree from Mumbai University.
<b>Expertise in specific functional area</b>	Mrs. Geeta Bhatia has approximately Twelve years of experience in the education industry. She has been awarded order of merit for Montessori education and has been honored by the Indian Council of Management Executives, Mumbai, as a Samajshri in recognition of services rendered to the public.
<b>Number of shares held in the Company</b>	35,65,000 Equity Shares (Independently)(Pledged) 13,90,833 Equity Shares (Jointly with Mr. Rajesh Bhatia)
<b>Terms and Conditions</b>	-
<b>Justification for appointment of Independent Director</b>	Not Applicable
<b>List of the directorships held in other listed entities</b>	Nil
<b>Chairman / Member in the Committees of the Boards of companies in which he is Director</b>	please refer to the Corporate Governance Report
<b>Relationships between Directors inter-se</b>	Wife of Mr. Rajesh Bhatia

**For other details of the aforesaid directors, please refer to the Corporate Governance Report.**

\*\* The Board of Directors proposes the re-appointment of Mrs. Geeta Bhatia as Non-Executive Director and recommends the resolution as set out in Item No. 2 of the Notice for the approval of the members at the ensuing Annual General Meeting.

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

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

Sd/-  
**Rajesh Bhatia**  
Managing Director  
(DIN: 00074393)

Date: **August 11, 2018**  
Place: **Mumbai**

**Registered Office:**  
702, 'C' Wing, Morya House,  
Off. New Link Road, Near Infinity Mall,  
Andheri (W), Mumbai 400 053, Maharashtra, India



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### Annexure to Notice Statement 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 for appointment and remuneration of Cost Auditor.**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the 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, 2019. Mentioned below is the detail of the Cost Auditor so appointed by the Board in the Company's Board Meeting held on 11th August, 2018.

Name of the Cost Auditor	Audit fees (In Rs.)
M/s. Kishore Bhatia & Associates	Rs. 50,000/-

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 of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019. The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

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

#### **In respect of Item No.4 in notice for sell / dispose off the assets of the Company.**

The Board in its Board meeting held on 11.08.2018, has decided to sell, lease or dispose of Land and Building and Other Assets of the Company. The purpose of doing the same is that the Company had gone through financial turmoil in the previous years and the revenue of the Company has reduced drastically.

The funds generated by disposal of assets will be prudently utilized to run the business of the Company.

As per the Provisions of section 180 (1)(a) of the Companies Act, 2013, the said transaction requires prior approval of members of the Company by means of special resolution. Hence, the Board recommends the Special Resolution for approval of the members.

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

Date: **August 11, 2018**  
Place: **Mumbai**

Sd/-  
**Rajesh Bhatia**  
Managing Director  
(DIN: 00074393)

## BOARD'S REPORT

Dear Members,

Your directors take great pleasure in presenting the Twelfth Annual Report of business and operations of your company along with Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2018.

### FINANCIAL RESULTS

The Financial Performance of your Company for the financial year ended March 31, 2018 is summarized below:

	(Rs. In Lakhs)			
Particulars	Standalone 2017-18	Consolidated 2016-17	2017-18	2016-17
Total Revenue	1054	6299	1054	6299
Expenditures excluding depreciation	2993	9038	2993	9038
Profit before Depreciation and Tax	(1938)	(2739)	(1938)	(2739)
Depreciation	5260	4992	5260	4992
Net Profit Before exceptional Items and Tax	(7198)	(7731)	(7198)	(7731)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	Nil	Nil	(25)	(19)
Exceptional Items	(3513)	(8795)	(3513)	(8795)
Net Profit Before Tax	(10711)	(16526)	(10733)	(16545)
Provision for Tax	(1009)	(232)	(1009)	(232)
Profit after Tax	(9702)	(16294)	(9724)	(16313)
Appropriations:				
Proposed Dividend on equity Shares	Nil	Nil	Nil	Nil
Tax on Dividend	Nil	Nil	Nil	Nil
Balance Carried to Balance Sheet	(9702)	(16294)	(9724)	(16313)
Paid up Share Capital	4231	4231	4231	4231
Reserves & Surplus	34823	45081	34762	45042

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

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year Company has incurred a loss of INR 9702 lakhs after tax against loss of INR 16294 lakhs after tax in previous year.

The Company has gone through a change in its overall business model from self operated centres to franchisee centres in F.Y. 2016-17. This entire shift in the dynamics of the business brought a complete change in the financial results leading to heavy one time write off of Assets in the balance sheet of the Company since majority of the centres were converted to franchisee or discontinued operations.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

Your company does not have any subsidiary company. However, the Company has two associate Companies viz., J T Infrastructure Private Limited and Mehta Tree House Infrastructure Private Limited.

The particulars of Associate Companies/Joint Venture as on March 31, 2018 have been included in form MGT-9 which is



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part of this report.

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.

### 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

The paid up Equity Share Capital of the Company as on 31st March, 2018 was 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. As on 31st March, 2017 the Equity Share Capital of the Company was INR 423,107,240 and there has been no change in the share capital during the reporting period ended 31st March, 2018.

### 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.

### 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 since no transactions of such nature has been undertaken or entered into by your company.

### BOARD 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.

### 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 2017-18, Your Directors confirm that:

- The Financial Statements of the Company for year ended March 31, 2018, 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, 2018, 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, 2018 and of the profits and loss of the company for financial year ended March 31, 2018.
- 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 & that financial controls are adequate & were operating effectively; and



- f) 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 of the Company as on March 31, 2018 are as follows:

1. Mr. Rajesh Bhatia (DIN: 00074393), Managing Director
2. Mrs. Geeta Bhatia (DIN: 00074444), Non-Executive Woman Director
3. Mr. Suraj Manghnani (DIN: 06625583), Independent Director
4. Mr. Deepak Valecha (DIN: 07736480), Independent Director
5. Mr. Navin Kumar Mane (PAN: ATBPK9664Q), Chief Financial Officer (w.e.f. April 22, 2017)
6. Ms. Hinal Mehta (PAN: AMFPD4567N), Company Secretary & Compliance Officer (Resigned w.e.f. March 31, 2018)

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

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

1. Mr. Suraj Manghnani (DIN: 06625583) and Mr. Deepak Valecha (DIN: 07736480) have been regularized as Non-Executive Independent Directors by shareholders of the Company at previous (i.e. Eleventh) Annual General Meeting held on September 25, 2017.
2. Mr. Navin Kumar Mane (PAN: ATBPK9664Q) was appointed as Chief Financial Officer of the Company w.e.f. April 22, 2017.
3. Ms. Hinal Mehta (PAN: AMFPD4567N) was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 15th July, 2017. Subsequently, Ms. Hinal Mehta resigned from the post of Company Secretary & Compliance Officer w.e.f. March 31, 2018.
4. Post financial year, Ms. Guddi Chandrika Prasad Bajpai (PAN: AWYPB2768G) appointed as Company Secretary & Compliance Officer of the Company w.e.f. 30th May, 2018

Pursuant to provisions of section 152 of the Companies Act, 2013 and subject to Articles of Association, Mrs. Geeta Bhatia, Director of the Company is liable to retire by rotation at an ensuing Annual General Meeting and, being eligible has offered herself for re-appointment.

The Board has recommended for the same. Details about the directors being appointment / re-appointed are given in the Notice of the 12th Annual General Meeting being sent to the members along with the Annual Report.

### 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.

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. The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and prescribed regulation of the Listing regulation.



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### 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.

### 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 has been disclosed in the corporate governance report, which forms part of this report.

### 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.

## 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.

## EMPLOYEE'S STOCK OPTION SCHEME

Details 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, 2018 are available on website of the company at [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net). "is provided as "Annexure F".

## 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 for a term of consecutive five years till conclusion of 16th Annual General Meeting subject to ratification of the appointment by the members at every Annual General Meeting. The requirement to place the matter relating to appointment of Auditors for ratification 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.





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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 2017-18 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 May 30, 2018.

### 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, 2018.

The Secretarial Audit Report is annexed herewith as **Annexure C**. The qualifications provided in the report are as follows along with explanation of Board.

- *During the year under review, the company has defaulted in repayment of Loans to Financial Institutions.* Due to lack of financial resources, company was not able to repay its loans to financial Institutions, however Company is trying to repay the same in the financial year 2018-2019.
- *During the year under review, SEBI vide interim order dated 07.03.2018 restrained following entity/persons from accessing the securities market and thereby trading in securities in whatsoever manner, either directly or indirectly;*
- *The Company, Mr. Rajesh Bhatia, Mrs. Geeta Bhatia, Mr. Giridharilal Bhatia, Mr. Vishal Shah & Mr. Hiten Trivedi.* The Company is in the process of filing an appeal.

### c) Cost Auditors

The Board of Directors had appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditors of your Company for the financial year 2017-18 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 2018-19 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 50,000 (Rupees Fifty 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 2018-19 along with certificate confirming their Independence.

### EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "Annexure D" to this report.

### RELATED PARTY TRANSACTIONS

During the Financial Year 2017-18 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 and Regulation 23 of the SEBI (LODR) Regulations, 2015. During the financial year 2017-18, there were no 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. 33 to the standalone financial statements forming part of this Annual Report.



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The Policy on related party transactions may be accessed on the Company's website at a link: [https://www.nseprimeir.com/z\\_TreeHouse/pdf/files/TREEHOUSE\\_POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTION\\_Policy.pdf](https://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 behavior, 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.

### RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by Board and 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.

### CEO/CFO CERTIFICATION

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the certification by the Managing Director and Chief Financial Officer on the financial statements and Internal Controls relating to financial reporting has been obtained.

### 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.pf](http://www.nseprimeir.com/z_TreeHouse/pdf/files/Treehouse_CorporateSocialResponsibilityPolicy_070215.pf)

The initiatives undertaken by your Company during the financial year 2017-18 in CSR have been detailed in this Annual Report.

The meeting of CSR committee held on February 12, 2018, the committee discussed on unspent amount on the CSR activity stating that the Company has gone through a drastic change in scenario of financial position and Company had made loss in all the three quarters of the financial year 2017-18 and due to the reason of the same Company was not able to spend amount towards its Corporate Social Responsibility of the Company.

Further added that the CSR is not only a responsibility of the Company but its an social endeavour towards the betterment of the society and the company will perform its responsibility towards the same as soon as company gets its positive financial position.

The Annual report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in "Annexure E" in this Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & 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



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### INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of this notification, the Company has already adopted IND AS and the financial statements for the year ended March 31, 2018 are prepared in accordance to the same.

### 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 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

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 26, 2016), with Ministry of Corporate Affairs.

### MISCELLANEOUS

- Your company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- Your Company did not allot any equity share as 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 significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future;
- The Company has complied with maintenance of cost records as specified by the Central government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly accounts and records are made and maintained; and
- 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.

### ACKNOWLEDGMENT

Your Directors take this opportunity to thank the government, regulatory bodies and shareholders for their consistent support and also place on record appreciation to the contribution made by Company's staff and teachers at all levels, without whom the Company would not have 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/-  
**Rajesh Bhatia**  
Managing Director  
(DIN: 00074393)

Sd/-  
**Geeta Bhatia**  
Director  
(DIN: 00074444)

Date: 11th August, 2018  
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)	Mehta Tree House Infrastructure Private Limited (Associate)
1. Latest audited Balance Sheet Date	Mar 31, 2018	Mar 31, 2018
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	99,80,000	10,00,000
Amount of Investment in Associates/Joint Venture Extend of Holding %	9,98,00,000 50%	1,00,00,000 50%
3. Description of how there is significant influence	By virtue of share holding	By virtue of shareholding
4. Reason why the associate/joint venture is not consolidated	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	18,98,45,084	2,19,20,835
6. Turnover	5,00,000	-
7. Contribution to Company's Profitability	-	-
8. Profit / Loss for the year	(38,10,324)	(6,39,856)
i. Considered in Consolidation	(19,05,162)	(3,19,928)
ii. Not Considered in Consolidation	(19,05,162)	(3,19,928)

### 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

## 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 2017-18 is as follows:**

Name of Director	Total Remuneration (Rs.)	Ratio of remuneration of director to the median remuneration
Mr. Rajesh Bhatia	Nil	Nil
Mrs. Geeta Bhatia	Nil	Nil
Mr. Suraj Manghnani	Nil	Nil
Mr. Deepak Valecha	Nil	Nil

**Note:**

No remuneration was paid to directors.

**B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2017-18 are as follows:**

Name	Designation	Remuneration (Rs.)		Increase %
		2017-18	2016-17	
Mr. Rajesh Bhatia	Managing Director	0	48,00,000	-
Mr. Navin Kumar Bhandaradamane	CFO	27,00,000	*24,10,650	
Ms. Hinal R. Mehta (w.e.f. 15th July, 2017)	Company Secretary	1,14,500	1,87,833	-
Mrs. Geeta Bhatia	Director	0	1,30,000	-
Mr. Suraj Manghnani	Director	0	7,500	-
Mr. Deepak Valecha	Director	0	5,000	-

\* Remuneration for the year 2016-2017 is from April 2016 to September 2016

**C. Percentage increase in the median remuneration of all employees in the financial year 2017-18:**

	2017-18 (Rs.)	2016-17 (Rs.)	Increase %
Median remuneration of all employee per annum	11,600	23,708	-51.07%

**D. Number of employees on the rolls of the Company as on March 31, 2018:**

Employees	2017-2018	2016-2017
Corporate Office	18	29
Teaching Staff	16	39
<b>TOTAL</b>	<b>34</b>	<b>67</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 2017-18 as compared to the financial year 2016-17 was -51.07%

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

	2017-2018 (In lacs)	2016-2017 (In lacs)	Growth %
Net Revenue from Operations	700	5,927	(88.18)
Profit Before Tax and Exceptional Items	(7,197)	(7,731)	-
Profit After Tax	(97,02)	(16,231)	-



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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 Employees and Managerial Personnel in the financial year.

**G. Since no remuneration is paid to directors during the financial year 2017-18, salaries of directors and employees are not comparable.**

**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.





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### Annexure C

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

To,  
The Members,  
Tree House Education and 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 and Accessories Limited(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me 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 31st March, 2018 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 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iii. 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; (Not Applicable)
- iv. 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 (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major heads/groups of Acts, laws and Regulations as applicable to the Company are listed below:



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- a) Income tax Act and other indirect taxes
- b) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- c) Employees State Insurance Act, 1948
- d) Payment of Bonus Act and other Labour legislation governing the Company
- e) The Bombay Shops and Establishments Act, 1948

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

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement/SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the Company with Stock Exchanges.

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 detailed notes on agenda were sent at least seven days in advance 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;

- As per section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has not appointed Company Secretary (CS) during the period 21.05.2017 to 14.07.2017. However, the Company has appointed CS w.e.f. 15.07.2017.
- During the year under review, the company has defaulted in repayment of Loans to Financial Institutions.
- During the year under review, SEBI vide interim order dated 07.03.2018 restrained following entity/persons from accessing the securities market and thereby trading in securities in whatsoever manner, either directly or indirectly:  
The Company, Mr. Rajesh Bhatia, Mrs. Geeta Bhatia, Mr. Giridharilal Bhatia, Mr. Vishal Shah and Mr. Hiten Trivedi.

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 Secretaries**

Date: 11/08/2018  
Place: Mumbai

sd/-  
Kaushal Doshi  
Proprietor  
CP No: 32178  
ACS No: 13143





## ANNUAL REPORT 2017-2018

### Appendix A

To,  
The Members,  
Tree House Education and Accessories Limited  
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 Secretaries**

Date: **11/08/2018**  
Place: **Mumbai**

**sd/-  
Kaushal Doshi  
Proprietor  
CP No: 32178  
ACS No: 13143**

## Annexure D

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### REGISTRATION & OTHER DETAILS:

i	CIN	L80101MH2006PLC163028
ii	Registration Date	10/7/2006
iii	Name of the Company	<b>Tree House Education &amp; Accessories Limited</b>
iv	Category/Sub-category of the Company	Public Company / Limited by Shares
v	Address of the Registered office & contact details	702 C, Morya House, Off New Link Road, Andheri (W), Mumbai 400 053. Phone:- 07777051421 Email ID:- compliance@treehouseplaygroup.net
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Link In time India Private Limited</b> C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083 Phone:- +91 22 25963838 Fax:- +91 22 25946969 Email ID:- rnt.helpdesk@linkintime.co.in

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Pre-primary Education Services	851	66.39%
2	Education support services	855	33.61%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE
1	<b>JT Infrastructure Private Limited</b> 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai – 400053, Maharashtra	U70102MH2007PTC167078	Associate
2	<b>Mehta Tree House Infrastructure Private Limited</b> 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai – 400053, Maharashtra	U70101MH2014PTC258921	Associate

## ANNUAL REPORT 2017-2018

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding

	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	8690069	0	8690069	20.54	8690069	0	8690069	20.54	0.00
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>8690069</b>	<b>0</b>	<b>8690069</b>	<b>20.54</b>	<b>8690069</b>	<b>0</b>	<b>8690069</b>	<b>20.54</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other....	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>8690069</b>	<b>0</b>	<b>8690069</b>	<b>20.54</b>	<b>8690069</b>	<b>0</b>	<b>8690069</b>	<b>20.54</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	325	0	325	0.01	10000	0	10000	0.02	0.01
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	1024937	0	1024937	2.42	1024937	0	1024937	2.42	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	3245428	0	3245428	7.67	3245428	0	3245428	7.67	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>4270690</b>	<b>0</b>	<b>4270690</b>	<b>10.1</b>	<b>4280365</b>	<b>0</b>	<b>4280365</b>	<b>10.11</b>	<b>0.01</b>

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### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding

	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Overseas									
(b) Individuals									
(iii) Individual shareholders holding nominal share capital upto Rs. 2 lakh	10866478	20004	10886482	25.73	10791514	20004	10811518	25.55	-0.18
(iv) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	3433140	0	3433140	8.11	3814564	0	3814564	9.02	0.91
(c) Foreign portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
(d) Any Others									
(i) Trusts	270400	0	270400	0.64	270400	0	270400	0.64	0.00
(ii) Hindu Undivided Family	642539	0	642539	1.52	522721	0	522721	1.24	-0.28
(iii) Non Resident Indians (Repat)	531243	0	531243	1.26	515842	0	515842	1.22	-0.04
(iv) Non Resident Indians (Non Repat)	199957	0	199957	0.47	260380	0	260380	0.62	0.15
(v) Foreign Companies	2897665	0	2897665	6.85	2897665	0	2897665	6.85	0.00
(vi) Clearing Member	822278	0	822278	1.94	428937	0	428937	1.01	-0.93
(vii) Directors / Relatives	0	0	0	0	0	0	0	0.00	0.00
(viii) Any Other	9666261	0	9666261	22.84	9818263	0	9818263	23.20	0.36
<b>Sub-total (B)(2):-</b>	<b>29329961</b>	<b>20004</b>	<b>29349965</b>	<b>69.36</b>	<b>29320286</b>	<b>20004</b>	<b>29340290</b>	<b>69.35</b>	<b>-0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>33600651</b>	<b>20004</b>	<b>33620655</b>	<b>79.46</b>	<b>33600651</b>	<b>20004</b>	<b>33620655</b>	<b>79.46</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>42290720</b>	<b>20004</b>	<b>42310724</b>	<b>100.00</b>	<b>42290720</b>	<b>20004</b>	<b>42310724</b>	<b>100.00</b>	<b>0.00</b>

## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Rajesh Bhatia	5,077,169	12.00	100	5,077,169	12.00	100	0.00
2	Ms. Geeta Bhatia	3,565,000	8.43	100	3,565,000	8.43	100	0.00
3	Mr. Girdhari Bhatia	47,900	0.11	0.00	47,900	0.11	0.00	0.00

## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total equity)

### (iii) Change in Promoters' Shareholding

For Each of the Promoters		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Rajesh Bhatia (Managing Director, Key Managerial Person and Promoter)</b>					
At the beginning of the year		5,077,169	12.00	5,077,169	12.00
Date wise Increase / Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
At the End of the year		5,077,169	12.00	5,077,169	12.00
<b>Mrs. Geeta Bhatia (Non Executive Director and Promoter)</b>					
At the beginning of the year		3,565,000	8.43	3,565,000	8.43
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
At the End of the year		3,565,000	8.43	3,565,000	8.43
<b>Mr. Girdhari Bhatia Joint Holding with Kavita Bhatia</b>					
At the beginning of the year		47,900	0.11	47,900	0.11
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-	-	-	-
At the End of the year		47,900	0.11	47,900	0.11

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### (IV) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRS and ADRS)

Sl. No.			Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>FC VI India Venture Mauritius Ltd</b>					
	At the beginning of the year		<b>2897665</b>	6.85		
	Purchase(s) during the year		-	-	-	-
	Sale(s) during the year			-	-	-
	At the end of the year		<b>2897665</b>	6.85	<b>2897665</b>	<b>6.85</b>
<b>2</b>	<b>Bajaj Holdings And Investment Ltd</b>					
	At the beginning of the year		<b>2430882</b>	5.75		
	Purchase(s) during the year		-	-	-	-
	Sale(s) during the year			-	-	-
	At the end of the year		<b>2430882</b>	5.75	<b>2430882</b>	<b>5.75</b>
<b>3</b>	<b>Ventura Securities Limited-ClientAccount</b>					
	At the beginning of the year		<b>410826</b>	0.97		
	Purchase(s) during the year	07/04/2017	<b>433</b>		<b>411259</b>	
		21/04/2017	<b>500537</b>		<b>910793</b>	
		28/07/2017	<b>364145</b>		<b>1274938</b>	
		12/05/2017	<b>2844</b>		<b>1276682</b>	
		26/05/2017	<b>9227</b>		<b>1283924</b>	
		02/06/2017	<b>53600</b>		<b>1337524</b>	
		16/06/2017	<b>75041</b>		<b>940840</b>	
		30/06/2017	<b>912814</b>		<b>1778748</b>	
		14/07/2017	<b>3672</b>		<b>1780960</b>	
		28/07/2017	<b>2519</b>		<b>1779325</b>	
		04/08/2017	<b>145</b>		<b>1779470</b>	
		18/08/2017	<b>384</b>		<b>1777254</b>	
		29/09/2017	<b>243</b>		<b>1776893</b>	
		06/10/2017	<b>1400</b>		<b>1778293</b>	
		10/11/2017	<b>400</b>		<b>1776319</b>	
		24/11/2017	<b>225198</b>		<b>2001485</b>	
		08/12/2017	<b>7937</b>		<b>2008633</b>	
		22/12/2017	<b>1254</b>		<b>2004986</b>	
		05/01/2018	<b>5612</b>		<b>2005747</b>	
		02/02/2018	<b>550</b>		<b>2000550</b>	
		02/03/2018	<b>136</b>		<b>200</b>	

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Sl. No.			Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		09/03/2018	383		583	
		16/03/2018	799417		800000	
		23/03/2018	996409		1796409	
	Sale(s) during the year	14/04/2017	1003		410256	
		05/05/2017	1100		1273838	
		19/05/2017	1985		1274697	
		09/06/2017	471725		865799	
		23/06/2017	74906		865934	
		07/07/2017	1460		1777288	
		21/07/2017	4154		1776806	
		11/08/2017	2600		1776870	
		25/08/2017	183		1777071	
		01/09/2017	253		1776818	
		08/09/2017	73		1776745	
		15/09/2017	95		1776650	
		13/10/2017	1075		1777218	
		20/10/2017	55		1777163	
		27/10/2017	966		1776197	
		03/11/2017	278		1775919	
		17/11/2017	32		1776287	
		01/12/2017	789		2000696	
		15/12/2017	4901		2003732	
		29/12/2017	4851		2000135	
		12/01/2018	5747		2000000	
		09/02/2018	490		2000060	
		16/02/2018	60		2000000	
		23/02/2018	1999936		64	
		31/03/2018	53		1796356	
	At the end of the year				1796356	4.25
<b>4</b>	<b>Polus Global Fund</b>					
	At the beginning of the year		1726403	4.08		
	Purchase(s) during the year		-	-	-	-
	Sale(s) during the year		-	-	-	-
	At the end of the year		1726403	4.08	1726403	4.08
<b>5</b>	<b>Greencrest Financial Services</b>					

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Sl. No.			Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		1098678	2.60		
	Purchase(s) during the year		-	-	-	-
	Sale(s) during the year		-	-	-	-
	At the end of the year		1098678	2.60	1098678	2.60
<b>6</b>	<b>Aditya Birla Private Equity Sunrise Fund</b>					
	At the beginning of the year		1024937	2.42		
	Purchase(s) during the year		-	-	-	-
	Sale(s) during the year		-	-	-	-
	At the end of the year		1024937	2.42	1024937	2.42
<b>7</b>	<b>Elara India Opportunities Fund Limited</b>					
	At the beginning of the year		960000	2.27		
	Purchase(s) during the year		-	-	-	-
	Sale(s) during the year		-	-	-	-
	At the end of the year		960000	2.27	960000	2.27
<b>8</b>	<b>Plasma Commercials Private Limited</b>					
	At the beginning of the year	-	-	-	-	-
	Purchase(s) during the year					
		21 /04/ 2017	815931		815931	
		30 /06/2017	7916		823847	
	Sale(s) during the year	-	-	-	-	-
	At the end of the year		823847	1.95	823847	1.95
<b>9</b>	<b>Vincent Trading Private Limited</b>					
	At the beginning of the year		206341	0.49		
	Purchase(s) during the year	14/04/2017	406871	-	613212	
	Sale(s) during the year		-	-	-	-
	At the end of the year		613212	1.45	613212	1.45
<b>10</b>	<b>Arch Finance Limited</b>					
	At the beginning of the year		829000	1.96		
	Purchase(s) during the year	16/06/2017	500		829500	
		07/07/2017	500		829500	
	Sale(s) during the year	30/06/2017	500		829000	
		12/01/2018	500		829000	
		31/03/2018	225000		604000	
	At the end of the year		604000	1.43	604000	1.43



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### V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Rajesh Bhatia (Managing Director and Key Managerial Person)</b>				
	At the beginning of the year	5,077,169	12.00	5,077,169	12.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	5,077,169	12.00	5,077,169	12.00
<b>2</b>	<b>Mrs. Geeta Bhatia (Non Executive Director)</b>				
	At the beginning of the year	3,565,000	8.43	3,565,000	8.43
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	3,565,000	8.43	3,565,000	8.43
<b>3</b>	<b>Mr. Suraj Naresh Manghnani (Independent Director)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>Mr. Deepak Valecha Vijaykumar (Independent Director)</b>				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year				
<b>5</b>	<b>Mr. Navin Kumar Bhandaradamane (CFO)(Date of Appointment : 22.04.2017)</b>				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year				

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### V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>6</b>	<b>Mr. Devanshu Parekh (Company Secretary &amp; Compliance Officer) (Date of Appointment : 21.10.2016)(Date of Cessation: 20.05.2017)</b>				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year				
<b>7</b>	<b>Ms. Hinal Mehta (Company Secretary &amp; Compliance Officer) (Date of Appointment : 15.07.2017)(Date of Cessation:31.03.2018)</b>				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year				

### VI. Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtednes
	<b>Indebtness at the beginning of the financial year 2017-18</b>				
i)	Principal Amount	72,39,25,504	4,33,55,280	0	76,72,80,784
ii)	Interest due but not paid	85,93,584			85,93,584
iii)	Interest accrued but not due	20,86,741			20,86,741
	<b>Total (i+ii+iii)</b>	<b>73,46,05,829</b>	<b>4,33,55,280</b>	<b>0</b>	<b>77,79,91,109</b>
	<b>Changes in Indebtness during the financial year 2017-18</b>				
i)	Addition	2,59,64,856	3,07,818	0	2,62,72,674
ii)	Reduction	-			
iii)	Net Change	2,59,64,856	0		2,59,64,856
	<b>Indebtness at the end of the financial year 2017-18</b>				
i)	Principal Amount	75,48,57,540	4,36,63,098	0	79,85,20,638
ii)	Interest due but not paid	53,37,055			53,37,055
iii)	Interest accrued but not due	3,76,090			3,76,090
	<b>Total (i+ii+iii)</b>	<b>76,05,70,685</b>	<b>4,36,63,098</b>	<b>0</b>	<b>80,42,33,783</b>

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### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>Gross Salary</b>		
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
(c) Profits in lieu of salary under	-	-
<b>Stock Option</b>		
<b>Sweat Equity</b>	-	-
<b>Commission</b>	-	-
as % profit		
others specify		
<b>Others, please specify</b>		
<b>Total (A)</b>	-	-
Celling as per the Act		

#### B Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of the Directors			Total
		Suraj Manghnani	Deepak Valecha	Geeta Bhatia	
1.	Independent Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Director Remuneration	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Cieling as per the Act.				

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### C. Remuneration to key managerial personnel other than md/manager/wtd

Particulars of Remuneration	Key Managerial Personnel		
	Company Secretary	CFO	Total
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,14,500	27,00,000	28,14,500
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission			
as % of profit	-	-	-
others, specify	-	-	-
Others, please specify	-	-	-
<b>Total</b>	<b>1,14,500</b>	<b>27,00,000</b>	<b>28,14,500</b>

### VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Tree House Education & Accessories Limited

Sd/-  
Rajesh Bhatia  
Managing Director  
(DIN: 00074393)

Sd/-  
Geeta Bhatia  
Director  
(DIN: 00074444)

## Annexure E

### REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

#### 1. A brief outline of the company's CSR policy

The Board of Directors at its meeting held on November 14, 2014 approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee has identified the following thrust areas around which your Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

- (i) the function, Global Champs, one of the CSR activities In TREE HOUSE has been fulfilling the Company's CSR commitment, for the past three years. Global Champs has focused on projects relating to Education and Environment as detailed as follow:
- (ii) Johar Health Maintenance Organization has multiple primary healthcare centers along with mobile medical van and ambulances in Hazaribagh and Ramgarh districts. The Mobile Medical Vans will provide free primary medical care and health awareness workshop (along with medicines) to the poor and needy in the remote rural areas, covering approximately 25000 patients annually. Funding operation of one Mobile Van for last three years were Rs. 27,00,000/-.

#### Global Champs Existing Projects:

Following projects are the existing and current CSR activities being handled through the Global Champs Function:

##### a. Education and Empowerment of children: Creating a better tomorrow.

With special emphasis on projects which focus on Education of under privileged children, girls and upliftment of rural sports for children. Global Champs believes in working in areas that can create long-term impact on the society. There for e focusing on projects in education, girl child and rural sports for children, have been chosen considering the impact they have in creating more empowering opportunities, building a better society, and nation building at large.

##### b. Project Green: For a cleaner, greener tomorrow

Project green will focus on adopting environment friendly measures and initiatives in every activity and process at TREEHOUSE.

- (iii) TREEHOUSE shall promote CSR activities / Projects in the field of:
  - A. Promotion of Education : including special education and employment Enhancing vocation skillse specially among children, woman, elderly and the differently-abled and livelihood enhancement projects; with special emphasis on the education of the girl child;
  - B. Health, Safety and Environment: ensuring healthy and environmental sustain ability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water.
  - C. Women Empowerment: developing skills through appropriate training, encourage capacity building to enhance in come opportunities for the female staffs.
- (iv) TREE HOUSE may also undertake other CSR activities in line with Schedule VII including contributions towards Swach Bharat Kosh.
- (v) The CSR activities shall be undertaken in locations with in India. TREE HOUSE shall give preference to the local areas and the area around which TREE HOUSE operates while considering the activities to be undertaken and spending the amount ear marked for CSR activity. However, TREE HOUSE has a multi-state presence and hence may be guided by the re requirements of the specific CSR activity / program in determining the locations with in India.

Policy on Corporate Social Responsibility is available on website of Company  
[http://www.nseprimeir.com/z\\_TreeHouse/pdf/files/Treehouse\\_CorporateSocialResponsibilityPolicy\\_0702pdf](http://www.nseprimeir.com/z_TreeHouse/pdf/files/Treehouse_CorporateSocialResponsibilityPolicy_0702pdf)

## 2. The composition of the CSR Committee

Name of the member of the committee	Nature of Directorship
Mr. Deepak Valecha (Chairman)	Independent Director
Mr. Rajesh Bhatia Executive,	Managing Director
Mr. Suraj Manghnani	Independent Director

3. Average Net Profit of the company for last 3 financial years: Rs. -83,75,40,835

4. Prescribed CSR expenditure (2% of amount): Rs. - NIL

5. Details of CSR activities/projects undertaken during the year:

a) Total amount spent for the financial year: - NIL

b) Amount un-spent, if any: -NIL

c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Location where the project undertaken	Amount outlay (budget) project/ program me wise	Amount spent on the project / program me Direct	Cumulative spend upto to the reporting period expenditure on project / program me,	Amount spent: Direct/ through implementing agency*
NIL							

6. In the last two years Company has suffered huge loss, due to which company has not spent any amount towards CSR activity.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

**Sd/-**  
**Managing Director**  
**DIN: 00074393**

**Chairman of CSR Committee**  
**DIN: 07736480**

Place: Mumbai  
Date: August 11, 2018

## Annexure F

### DISCLOSURE AS REQUIRED UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2018

#### A. Employee Stock Option Scheme

Sr. No	Particulars	ESOP 2010	ESOP 2012	ESOP 2014
1	Date of Shareholders' Approval	October 29, 2010	February 09, 2012	September 11, 2014
2	Total number of options approved under the scheme	14,00,000 Equity Shares of face value Rs. 10/- each	4,00,000 Equity Shares of face value Rs. 10/- each	4,00,000 Equity Shares of face value Rs. 10/- each
3	Vesting Requirements	The first vesting of the stock options shall happen only on completion of one year from the date of grant. Maximum vesting period is five years from the date of Grant	The first vesting of the stock options shall happen only on completion of one year from the date of grant. Maximum vesting period is five years from the date of Grant	The first vesting of the stock options shall happen only on completion of one year from the date of grant. Maximum vesting period is five years from the date of Grant
4	Exercise Price or Pricing Formula	Rs. 71/- per option	Rs. 228/- per option	Rs. 425.60/- per option
5	Variation in terms of Options	-	-	-
6	Source of Shares	Primary	Primary	Primary
7	Maximum Term of Options Granted	5 years from the date of Grant		

## B. Options/ RSU's Movement During the year

Particulars	Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2018		Year ended March 31, 2017	
	No. of share options	Weighted average Exercise price (in Rs.)	No. of share options	Weighted average Exercise price (in Rs.)	No. of share options	Weighted average Exercise price (in Rs.)	No. of share options	Weighted average Exercise price (in Rs.)	No. of share options	Weighted average Exercise price (in Rs.)	No. of share options	Weighted average Exercise price (in Rs.)
<b>PLAN</b>	<b>ESOP 2010</b>				<b>ESOP 2012</b>				<b>ESOP 2014</b>			
Outstanding options at the beginning of the year	-	-	-	-	1,03,975	-	1,03,975	-	3,76,800	-	3,76,800	-
No. of Options Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-
No. of Options Exercised during the year and No. of shares arising as a result of exercise of options	-	-	-	-	-	-	-	-	-	-	-	-
No. of Options Lapsed/ Cancelled during the year	-	-	-	-	-	1,03,975	-	-	-	-	-	-
No. of Options Cancelled revoked during the year	-	-	-	-	-	-	-	-	-	-	-	-
No. of Options Vested during the year	-	-	-	-	-	-	-	-	-	-	-	-
No. of Options Outstanding at the end of the year	-	-	-	-	-	1,03,975	-	3,76,800	-	3,76,800	-	-
No. of Options Exercisable at the end of the year	-	-	-	-	-	-	1,03,975	-	3,76,800	-	3,76,800	-
Money realised by exercise of options during the year (in Rs.)	-	-	-	-	-	-	-	-	-	-	-	-



## C. Employee-wise details of options granted during the year to:

		ESOP 2010	ESOP 2012	ESOP 2014
(i)	Senior Managerial Personnel	NIL	NIL	NIL
(ii)	Employees who were granted, during any one year, options Amounting to 5% or more of the options granted during the year	NIL	NIL	NIL
(iii)	Identified employees who were granted options during anyone year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL	NIL
		-	-	-

D. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (IND AS)

Consolidated: 22.98  
Standalone: 22.93

E. Method used to account for ESOS-

Black Scholes model

F. Method and Assumptions used to estimate the fair value of options granted during the year: NA

Particulars	As at March 31, 2018
Weighted average grant date share price	NA
Weighted average exercise price	NA
Dividend yield %	NA
Expected life	NA
Risk free interest rate	NA
Volatility	NA

**Volatility:** Volatility is a measure of the amount by which a price hedge fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black Scholes option-pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

**Risk free rate:** The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

**Expected life the Options:** Expected life or the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the options.

**Dividend yield:** Expected dividend yield has been calculated as a total of interim and final dividend declared in last year preceding date of grant.

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G.	For options outstanding at the end of the year, the period, the range of exercise price and weighted average remaining contractual life (vesting period + exercise period). If the range of the exercise prices is wide, the outstanding options should be divided into ranges that are meaningful or assessing the number and timing of additional shares that may be issued and cash that may be received upon exercise of those options:	
H.	For other instruments granted during the year (i.e., other than stock options) <ul style="list-style-type: none"> <li>• Number and weighted average fair value of those instruments at the grant date</li> <li>• Fair Value determination in case <ol style="list-style-type: none"> <li>(a) Fair value not measured on the basis of a non-servable market price</li> <li>(b) whether and how expected dividends were incorporated</li> <li>(c) whether and how any other features were incorporated</li> </ol> </li> </ul>	No other instruments were granted during the year
I.	For employee share-based payment plans that were modified / varied during the period – <ul style="list-style-type: none"> <li>• Explanation of those modifications/variations</li> <li>• Incremental fair value granted (as a result of those modifications/variations)-Information on how those incremental fair value granted was measured, consistently with the requirements set out in point 7 of SEBI (Share based employee benefits) Regulations, 2014.</li> </ul>	
J.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Members may refer the relevant Notes in Audited Financials Statement of the Company prepared for Financial Year 17-18

For Tree House Education and Accessories Limited

Sd/-  
**Rajesh Bhatia**  
Managing Director and Chairman  
DIN:00074393

## Management discussion and Analysis

### Overview of Operations of Our Company

The company has gone through challenging times in the past due to various circumstances. Your company has been able to withstand the difficult times and has been able to steer through the rough terrain.

Your company has been successful to convert its owned play school centers to franchise centers and exercise better control over finances of the company. The company earned Royalty Income and Sale of Kits to franchisee. Royalty income stood at Rs. 180.88 lakhs during the year as compared to Rs. 92.64 lakhs during the previous year. Similarly sale of kits was at Rs. 233.45 lakhs during the year as compared to Rs. 125.65 lakhs, during the previous year. The company expects to maintain the same trend in the coming year barring unforeseen circumstances.

Your Company also provides a wide variety of educational services to K-12 schools which include designing, curriculum and providing teaching aids, supplying methods for imparting education, organization extra curricular activities for students and teacher training. During the year the company commenced its services to K-12 schools which were discontinued due to lack of man power. The company is now providing its services to K-12 schools. The company expects to widen its scope of services and number of schools in near future.

### Company's Strengths:

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

The company is now focusing on developing new franchises for increasing its reach and become profitable.

### Financial Highlights for 2017-18.

(Rs. in Crores)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue	6.99	59.27
Operational EBIDTA	(0.86)	(16.64)
Profit (loss) before tax	(107.12)	(165.26)
Profit (Loss) after taxes	(97.02)	(162.31)
Earning Per Share	(22.93)	(38.51)

### 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 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.

### Opportunities & Threats

#### Opportunities:

- Franchisee Business model is vast.
- Capex will be NIL since Franchise will Invest.
- Risk to Centre Performance is on franchisee.
- Reaching tier III & IV towns & cities easy.
- Large section of educated women population available as resource pool can be tapped.

#### Threats:

- Competitors may reduce franchisee & royalty fees putting pricing pressure.
- Brand risk due to bad performance of franchisee owners.
- Unskilled staff at franchisee centres.
- Non payment of royalty and shifting of brand loyalty.



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### 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 the 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.



# ANNUAL REPORT 2017-2018

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

### 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.

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

### **GOVERNANCE FRAMEWORK**

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

#### **Board Leadership:**

- Your Company has a well-balanced Board of Directors with members from diverse backgrounds, who have years of experience and expertise in various fields;
- Out of 4 members on the Board, 2 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence;
- 1 out of 4 members is Non-Executive Director;
- The Managing Director is responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors;
- The Board over the period of years, has created a culture of leadership to provide longterm vision and policy approach to improve performance and quality of governance in your Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

#### **Board Committees:**

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Compensation Committee, Committee of Board.

These Committee members meet at such frequency as is necessary to address the responsibilities and tasks assigned to them.

#### **Managing Director:**

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

### **II. BOARD OF DIRECTORS:**

#### **i. Composition of Board:**

Your Company has a broad based Board of Directors with composition of Non-Executive, Executive and Independent Director in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as the Companies Act, 2013. Your Company also has a woman Director which brings diversity on the Board.

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The composition of Board of Directors as on March 31, 2018 is as follow:

Category	No. of Directors
Non-Executive/Independent Directors	2
Non-Executive Directors	1
Executive Director	1

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

### ii. Number of Board Meetings:

- During the financial year ended March 31, 2018, Seven (7) meetings of the Board of Directors were held. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held	
April 22, 2017	November 14, 2017
May 30, 2017	February 12, 2018
June 12, 2017	
July 15, 2017	
August 10, 2017	

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

- The details of nature of directorships, relationship inter-se, number of directorships, Committee chairmanships/ memberships held by them in other public companies and shareholding are detailed below as on March 31, 2018:

Name of the Director	Category	Relationship with each other	Attendance at meeting during FY 2017-18		No. of Directorship (s) (*)	No. of Membership (s)/ Chairmanship (s) of Board Committees in other Companies (**)		No. of Shares held
			Board	AGM		Chairman	Member	
Mr. Rajesh Bhatia	Executive Director/ Promoter (Managing Director)	Spouse of Mrs. Geeta Bhatia	7	Yes	-	-	-	5,077,169
Mrs. Geeta Bhatia	Non-Executive Director/ Promoter	Spouse of Mr. Rajesh Bhatia	7	Yes	-	-	-	3,565,000
Mr. Suraj Manghnani #	Non-Executive Director/ Independent	***	7	Yes	-	-	-	-
Mr. Deepak valecha ##	Non-Executive Director/ Independent	***	7	Yes	-	-	-	-



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

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

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

### iii. Board Meetings, Agenda and Procedure:

- The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the board.
- The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, Board also meets as and when necessary to address specific issues concerning the business of your company.
- The Board meetings are governed by well-designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of “Other Business” are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.
- The proceedings of each meeting of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

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

### v. Independent Directors’ Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on February 12, 2018, without the attendance of Non-Independent Directors and members of the management.

### vi. Code of Conduct:

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

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

### vii. 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.





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### **Mr. Rajesh Bhatia (DIN: 00074393)** **Managing Director**

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

Other Directorship of Mr. Rajesh Bhatia is as follows:

SR. NO.	NAME OF THE FIRM/COMPANY	NATURE OF INTEREST
1.	KHEMI INVESTMENTS AND CONSULTANCY PRIVATE LIMITED	DIRECTOR
2.	MADHAV EDUCATION AND RESEARCH INSTITUTE INDIA PRIVATE LIMITED	DIRECTOR
3.	RAGE SHARES AND STOCKS PRIVATE LIMITED	DIRECTOR
4.	JT INFRASTRUCTURE PRIVATE LIMITED	DIRECTOR
5.	MEHTA TREE HOUSE INFRASTRUCTURE PRIVATE LIMITED	DIRECTOR

### **Mrs. Geeta Bhatia (DIN: 00074444)** **Non-Executive Non-Independent Director**

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

Other Directorship of Mrs. Geeta Bhatia is as follows:

SR. NO.	NAME OF THE FIRM/COMPANY	NATURE OF INTEREST
1.	KHEMI INVESTMENTS AND CONSULTANCY PRIVATE LIMITED	DIRECTOR
2.	MADHAV EDUCATION AND RESEARCH INSTITUTE INDIA PRIVATE LIMITED	DIRECTOR
3.	RAGE SHARES AND STOCKS PRIVATE LIMITED	DIRECTOR
4.	JT INFRASTRUCTURE PRIVATE LIMITED	DIRECTOR
5.	MEHTA TREE HOUSE INFRASTRUCTURE PRIVATE LIMITED	DIRECTOR

### **Mr. Suraj Manghnani (DIN: 06625583)** **Non-Executive Independent Director**

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

Other Directorship of Mr. Suraj Manghnani is as follows:

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

## viii. Support and Role of Company Secretary

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

## III. BOARD COMMITTEES:

With a view to have a more focused attention on business and for better governance with accountability, the Board has constituted various committees of directors. Some of the Committees of the Board were reconstituted, renamed and terms of reference were revised to align with the provisions of Companies Act, 2013 and Listing Regulations, 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 comprises of minimum three directors as members out of which at least two third should be Independent Directors and all directors shall be financially literate and at least one member shall have accounting or related financial management expertise. Chairperson of the committee shall be an independent director.

The Audit Committee met Six times in the financial year ended March 31, 2018 on 22.04.2017, 30.05.2017, 12.06.2017, 10.08.2017, 14.11.2017 and 12.02.2018. The necessary quorum was present for all the meetings.

a. The composition of the Committee during financial year ended March 31, 2018 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings held during year ended March 31, 2018	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	6	6
Mr. Suraj Manghnani	Independent, Non-Executive	Member	6	6
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	6	6

### b. Terms of Reference:

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same

- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## ii. Nomination and Remuneration Committee:

- The Nomination and Remuneration Committee met three times in the financial year ended March 31, 2018 on 22.04.2017, 30.05.2017 & 15.07.2017.
- 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, 2018:

Name	Category	Position	Number of meetings held during year ended March 31, 2018	
			Hel	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	3	3
Mr. Suraj Manghnani	Independent, Non-Executive	Member	3	3
Mrs. Geeta Bhatia	Non-Independent, Non-Executive	Member	3	3

\* Pursuant to section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, nomination and remuneration committee must fulfill below mentioned points:

- the committee shall comprise of at least three directors ;
- all directors of the committee shall be non-executive directors;
- at least fifty percent of the directors shall be independent directors.

### c. Terms of Reference:

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

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

### d. Performance Evaluation Criteria for Independent Directors:

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

### e. Remuneration & Sitting fees:

Pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with provisions of Article 41 of the Articles of Association of the Company, the sitting fees be paid to the Directors of the Company for attending meeting of the Board of Directors and any other Committee

Meetings of the Company. Such sitting fees for attending meeting of the Board of Directors and any other Committee Meetings held thereof shall be payable w.e.f. April 1, 2015.”

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

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

## f. Details of remuneration& sitting fees:

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

Name of Directors	Sitting Fees (FY 2017-18) (In Rs.)
Mrs. Geeta Bhatia	NIL
Mr. Suraj Manghnani	NIL
Mr. Deepak Valecha	NIL

## Note:

- Mrs. Geeta Bhatia, Non-Executive Director of the Company holds 35,65,000 equity Shares of the Company as on March 31, 2018.
- Remuneration paid to Managing Director, Executive Director and other employees of the Company for the financial year ended March 31, 2018:

Name	Category	Remuneration (In Rs.)
Mr. Rajesh Bhatia	Managing Director	NIL

## Note:

- Appointment, terms, conditions and payment of remuneration to the Managing Director is governed by the resolution(s) passed by the Nomination and Remuneration Committee, Board of Directors and Members of the Company and approval from the Government of India, Ministry of Corporate Affairs, if necessary.
- Mr. Rajesh Bhatia, Managing Director is holding 5,077,169 equity shares of the Company as on March 31, 2018.

## iii. Stakeholders' Relationship Committee:

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

- The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met Four times in the financial year ended March 31, 2018 on 30.05.2017, 10.08.2017, 14.11.2017 and 12.02.2018. The necessary quorum was present for all the meetings.

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- b. The composition of the Stakeholders' Relationship Committee during financial year ended March 31, 2018 and the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings held during year ended March 31, 2018	
			Hel	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Mr. Suraj Manghnani	Independent, Non-Executive	Member	4	4
Mrs. Geeta Bhatia	Non-Independent, Non-Executive	Member	4	4
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	4	4

- \* Pursuant to section 178 (5) of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 stakeholder's relationship committee must fulfill below mentioned points:

- Chairman of this committee shall be a non-executive director.

- c. The terms of reference of the Committee includes to look into the redressal of grievances of shareholders, resolve their grievances including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declaration of dividends.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was 1 As on March 31, 2018 there are NIL complaints pending with the Company.

- d. Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2018 are as follows:

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

- e. The Company has also adopted Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. 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, 2018 on 12.02.2018. The necessary quorum was present for the meeting.

- c. The composition of the Committee during the financial year ended March 31, 2018, the details of meetings held and attended by the members are as under:



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Name	Category	Position	Number of meetings during year ended March 31, 2018	
			Hel	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	1	1
Mr. Suraj Manghnani	Independent, Non-Executive	Member	1	1
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	1	1

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

### v. Committee of Board:

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

a. The composition of the Committee during the financial year ended March 31, 2018.

Name	Category (Director)	Position	Number of meetings during year ended March 31, 2018	
			Hel	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mrs. Geeta Bhatia	Non-Executive	Member	-	-
Mr. Rajesh Bhatia	Non-Independent, Executive	Member	-	-

No meeting of the Committee of Board held during the financial year 2017-18.

### b. Powers of the Committee of Board:

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

### vi. Compensation Committee

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

a. The composition of the Committee during the financial year ended March 31, 2018, the details of meetings held and attended by the members are as under:



## ANNUAL REPORT 2017-2018

Name	Category (Director)	Position	Number of meetings during year ended March 31, 2018	
			Hel	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mr. Suraj Manghnani	Independent, Non-Executive	Member	-	-
Mrs. Geeta Bhatia	Non-Executive	Member	-	-

**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. MD/CFO CERTIFICATION:

The Managing Director (MD) and Chief Financial Officer (CFO) of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual Compliance Certificate given by Managing Director and Chief Financial Officer is published in Annual Report.

## V. GENERAL BODY MEETINGS:

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

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

Meeting	Date and Time Venue	Special resolutions passed
11th Annual General Meetings	September 25, 2017; 9.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution was passed.
10th Annual General Meetings	September 26, 2016; 9.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution was passed.
9th Annual General Meetings	September 25, 2015; 10.00 a.m.; Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	No Special Resolution was passed.

### ii. Postal Ballot:

During the financial year ended March 31, 2018 the Company has not passed any resolution by postal ballot:

## VI. DISCLOSURES:

### i. Related Party Transaction:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (AS- 18) has been made in the notes to the Financial Statements. Please refer Note No. 33 of the financial statement for related party statement.

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/TREEHOUSE\\_POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTION\\_Policy.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

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

- ii. Your Company has complied with all the requirements of the Stock Exchanges(s) and Securities Exchange Board of India (SEBI) on matters related to Capital Markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard. However Company has received an interim order dated 07th March, 2018 under sections 11(1), 11(4) and 11B of The Securities And Exchange Board Of India Act, 1992 and Regulation 11 of The SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Company is in the process of filing appeal for the same.

### 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. Code of Conduct for Prevention of Insider Trading:

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to Unpublished Price Sensitive Information relating to the Company.

A policy on Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders is available on company's website:

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/CODE\\_OF\\_CONDUCT\\_INSIDER\\_TRADING.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/CODE_OF_CONDUCT_INSIDER_TRADING.pdf)

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

The 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)

### vi. Risk Management Policy -

The Audit Committee is empowered to take the necessary steps for mitigating risk for which Risk Management Policy was framed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

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

## vii. Materiality Policy –

Regulation 30 requires listed entities to frame a policy for determination of 'materiality' based on the criteria specified in the Regulation and disclosure to the Stock Exchanges.

Accordingly, this policy for determination of 'material' events or information, was approved at the Board Meeting of the Company held on December 23, 2015 and will come into effect from December 1, 2015.

The Policy for Determination of Material events or information is available on company's website:

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_Policy\\_on\\_Materiality\\_SEBI\\_LODR\\_Reg\\_2015.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Policy_on_Materiality_SEBI_LODR_Reg_2015.pdf)

## viii. Archival Policy -

The Listing Regulations mandates listed entities to formulate a Policy for preservation and archiving of documents pursuant to Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is in this context that the Document Retention and Archival Policy ("Policy") is being framed and implemented.

### Objectives of the Policy:

The objective of this Policy is to classify the documents in two categories i.e.

- (i) documents which need to be preserved permanently &
- (ii) documents which need to be preserved for a specific period of time.

The Archival Policy of the Company is available on company's

website:

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/Treehouse\\_Archival\\_Policy\\_SEBI\\_LODR\\_Reg\\_2015.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/Treehouse_Archival_Policy_SEBI_LODR_Reg_2015.pdf)

## ix. Policy on Material Subsidiary–

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

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

The Policy on Material Subsidiary is available on company's website.

[http://www.nseprimeir.com/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_for\\_determining\\_Material\\_Subsiadiary\\_ies\\_.pdf](http://www.nseprimeir.com/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsiadiary_ies_.pdf)

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

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

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

The status of compliance with non-mandatory recommendations 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 2017-18.

### iii. Separate posts of Chairman and CEO:

The Chairman and MD are same in the Company. The Board is chaired by Managing Director.

### iv. Reporting of Internal Auditor

The Internal auditor directly reports to the Audit Committee.

## VII. MEANS OF COMMUNICATION:

### I Quarterly/Half Yearly/Annual results:

The quarterly, half-yearly and annual financial results of the Company are regularly submitted to the Stock Exchanges where the shares of the Company are listed pursuant to the provision of the Listing 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 'Investors' on the Company's website given information on various announcements made by the Company, stock quote, Annual Report, Quarterly/Half yearly/Nine monthly and Annual financial results along with applicable policies of the Company. The Company's official news release and presentations are also available on the Company's website [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net).

### iii. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules and regulations issued by SEBI.

### iv. NEAPS (NSE Electronic Application Processing System):

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

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

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

## VIII. GENERAL INFORMATION TO SHAREHOLDERS

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

Date	September 22, 2018
Day	Saturday
Time	9 A.M.
Venue	Mayor hall, All India Institute of local self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (w), Mumbai 400 058.

### 2. Financial Year:

Financial Year - 1st April to 31st March

### 3. Financial Calendar:

The Company follows the period of 1st April, 2018 to 31st March, 2019, as the Financial Year.

First quarterly results	On or before August 14, 2018
Second quarterly / Half yearly results	On or before November 14, 2018
Third quarterly results	On or before February 14, 2019
Annual results for the year ending on March 31, 2019 Newspaper where the results are published	On or before May 30, 2019 Free Press Journal, Navshakti
Website where the financial results, shareholding pattern, annual report etc. are uploaded	<a href="http://www.bseindia.com">www.bseindia.com</a> , <a href="http://www.nseindia.com">www.nseindia.com</a> , <a href="http://www.mcxindia.com">www.mcxindia.com</a>



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#### 4. Date of Book Closure:

Monday, September 17, 2018 to Saturday, September 22, 2018 (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, BandraKurla 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 2017-18 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 Exchange	Code
BSE	533540
NSE	TREEHOUSE
MCX-SX	TREEHOUSE
Demat ISIN Numbers in NSDL and CDSL	INE040M01013
CIN	L80101MH2006PLC163028

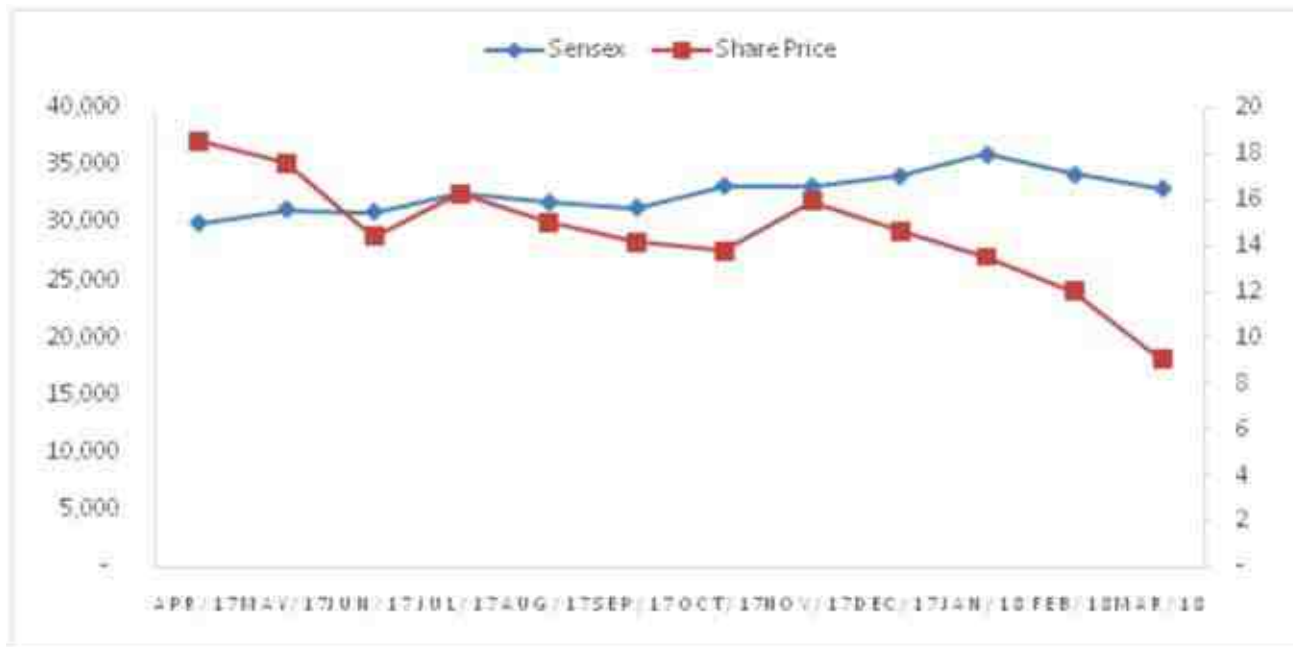
#### 7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2018 at the BSE Ltd. and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange (Face Value of Rs. 10/- Per Share)			National Stock Exchange (Face Value of Rs. 10/- Per Share)		
	High	Low	Volume	High	Low	Volume
April, 2017	20.10	18.00	462015	18.95	18.40	44,874
May, 2017	18.80	14.00	446187	17.85	17.4	148673
June, 2017	18.50	14.25	699251	14.75	14.3	65570
July, 2017	21.00	14.31	1044241	16.9	15.95	76738
August, 2017	16.65	14.20	316147	15.1	14.65	21039
Sept., 2017	16.00	13.60	156108	15.4	13.85	53089
October, 2017	15.12	13.00	158425	13.85	13.4	55319
Nov., 2017	15.91	11.20	379197	15.6	12.75	651760
Dec., 2017	19.05	12.90	1157693	14.8	14.2	67077
January, 2018	15.67	13.32	329711	14.15	13.5	12897
February, 2018	14.15	11.90	190632	12.35	11.9	58577
March, 2018	12.20	8.77	1492159	9.5	9.1	72912



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



### 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:

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

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



## 12. Distribution of Shareholding as on March 31, 2018 is as under:

Shareholding of Nominal Value of Rs. 10/- per share	Shareholders		Face Value of Rs. 10/- per Share	
	Numbers	% of total	Share Amount (Rs.)	% of Total
1 – 5000	14632	75.83	22653800	5.35
5001 – 10000	2107	10.92	17333990	4.10
10001 – 20000	1198	6.21	18525380	4.38
20001 – 30000	432	2.24	11140290	2.63
30001 – 40000	214	1.10	7641590	1.81
40001 – 50000	193	1.00	9150130	2.16
50001 – 100000	275	1.43	20190200	4.77
100001 – Above	246	1.27	316471860	74.80
<b>Total</b>	<b>19297</b>	<b>100</b>	<b>423107240</b>	<b>100</b>

## 13. Dematerialization of Shares and Liquidity:

About 99.95% 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, 2018.

The break-up of Equity shares held in physical and Demat form as on March 31, 2018 is given below:

Particulars	Shares	% of total shares
<b>Physical Shares (I)</b>	<b>20,004</b>	<b>0.05</b>
<b>Demat Shares</b>		
NSDL	3,27,33,301	77.36
CDSL	95,57,419	22.59
<b>Demat Shares (Total) (ii)</b>	<b>42,290,720</b>	<b>99.95</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.

## 14. Compliance Officer:

Ms. Hinal Mehta  
Company Secretary & Compliance Officer (w.e.f. 15th July, 2017 to March 31, 2018)

Ms. Guddi Bajpai  
Company Secretary & Compliance Officer (w.e.f. 30th May, 2018)  
Tel. No: 7777051421  
Email ID: compliance@treehouseplaygroup.net

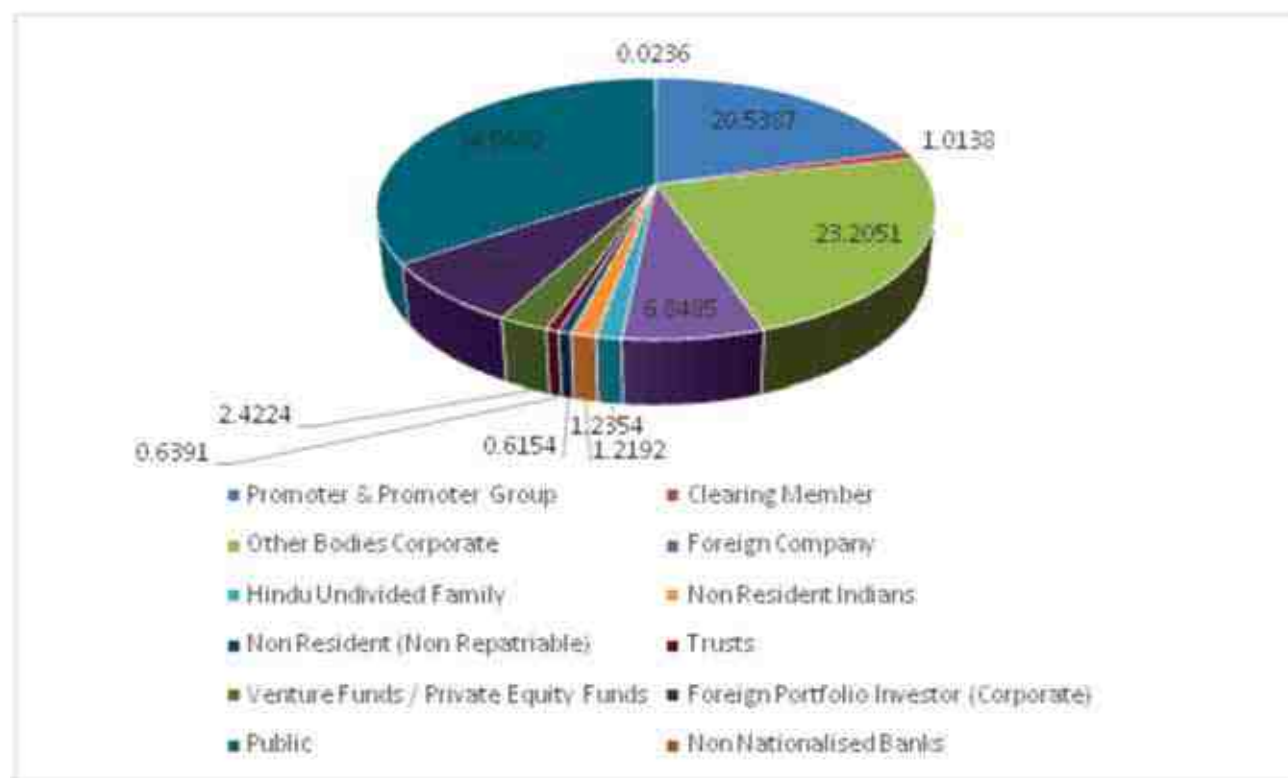
## 15. Bank Details for electronic shareholding:

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

## 16. Shareholding Pattern as on March 31, 2018:

The shareholding of different categories of the shareholders as on March 31, 2018 is given below:-

Sr. No.	Category of Shareholders	Total Shareholding	% of Shareholding
1.	Promoter & Promoter Group	8,690,069	20.5387
2.	Clearing Member	428,937	1.0138
3.	Other Bodies Corporate	9,818,263	23.2051
4.	Foreign Company	2,897,665	6.8485
5.	Hindu Undivided Family	522,721	1.2354
6.	Non Resident Indians	515,842	1.2192
7.	Non Resident (Non Repatriable)	260,380	0.6154
8.	Trusts	270,400	0.6391
9.	Venture Funds / Private Equity Funds	1,024,937	2.4224
10.	Foreign Portfolio Investor (Corporate)	3245,428	7.6705
11.	Public	14,626,082	34.5682
12.	Non Nationalised Banks	10,000	0.0236
	<b>TOTAL</b>	<b>42,310,724</b>	<b>100.0000</b>





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### 17. Registered Office:

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

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

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

### 19. Pending Investors' Grievances:

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

### 20. Reconciliation of Share Capital Audit:

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

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

### 21. Half Yearly Certificates (Regulation 40):

The Company has obtained and filed with the stock exchanges, the half yearly certificates received from Mr. Mihen Halani, Practicing Company Secretary for due compliance with shares transfer formalities as required under Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 22. 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, 2018.

### 23. 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)

### 24. Any query on Annual Report:

#### Tree House Education and Accessories Limited

#### Registered Office:

C-702, Morya House, Off. New Link Road,  
Andheri (W), Mumbai 400 053  
Tel: 07777051421



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### For Tree House Education & Accessories Limited

Sd/-  
**Rajesh Bhatia**  
**Managing Director**  
(DIN: 00074393)

Sd/-  
**Geeta Bhatia**  
**Director**  
(DIN: 00074444)

### 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, 2018.

**For and on behalf of the Board of Directors**

Sd/-  
**Rajesh Bhatia**  
**Managing Director**

**Place: Mumbai (DIN: 00074393)**

**Date: May 30, 2018**

### MD / CFO Certificate

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

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

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



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Yours sincerely,

**Sd/-**  
**Rajesh Bhatia**  
**Managing Director**  
Date: May 30, 2018  
Place: Mumbai

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

### 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, 2018 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation") as referred to in Regulation 15(2) 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: May 30, 2018**

## INDEPENDENT AUDITOR'S REPORT

TO ALL THE MEMBERS OF  
TREE HOUSE EDUCATION & ACCESSORIES LIMITED

### Report on the Standalone Indian AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **TREE HOUSE EDUCATION & ACCESSORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, 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 are responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

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

### Basis of Forming an Opinion

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



The management has informed us that furniture & fixtures lying at the some of the closed centres were taken over and were stored at various places. The other furniture & fixtures and leasehold improvements at the closed centres that could not be taken over by the Company or not in control of the Company, has been written off. In case of franchise converted centres the Company has entered into a service agreement wherein it has been provided that the franchise centre shall use the furniture & fixtures and leasehold improvement lying at the centres. The management is in the process of verifying the assets lying at the franchise centres.

2. We draw attention to Standalone Ind AS Financial Statements with regards to Intangible Assets in respect of Goodwill and "Business Commercial Rights". Management is of the view that no revenue is generated from Mira KG, Baroda and Utsah Education and therefore Goodwill of Mira KG, Baroda and Utsah Education has been impaired fully with in the meaning of Indian Accounting Standards (IND AS)-36. Similarly management is of the view that no revenue is generated from Dixit Education Society and therefore "Business Commercial Rights" in respect of Dixit Education Society has been fully impaired within the meaning of Indian Accounting Standards (INDAS)-36.

3. We draw attention to Standalone Ind AS Financial Statements with regards to Deposits given to Educational Trusts amounting to Rs. 18889 lakhs as on March 31, 2017, the management has carried out an exercise to book the impairment loss of Financial Assets within the meaning of Indian AS-109. Accordingly the management has booked impairment loss of Rs. 2425 lakhs based on DCF method and the balance carrying value of the deposits at Rs. 16533 lakhs is carried in books of accounts at carrying value for the year ended 31st March, 2018.

In respect of deposit given to Janodhar Shikshan Prasarak Mandal, the Company has filed complaint before Economic Offence Wing-I, Navi Mumbai for recovery of the said deposit. In view of pending proceedings the deposit verable from Janodhar Shikshan Prasarak Mandal is neither written off nor impaired in books of accounts.

4. We draw attention to the Standalone Ind AS Financial Statements with regards to loan advanced to Tree House Employees Welfare Trust to enable the Trust to buy ESOP's for its employees. The management has revalued the carrying amount of the said loan at face value and it represents the fair value of the loan receivable from Tree House Employees Welfare Trust as required and stated in compliance to Indian Accounting Standards issued under Companies (Indian Accounting standards) Rules 2015.
5. We draw attention to the Standalone Ind AS Financial Statements with regards to Trade Receivables amounting to Rs. 2540 lakhs due from Educational trust. In view of the management no provision is required as such balances are good and recoverable.

In our opinion the deliverables and receipts are outstanding for a longer period of time.

6. We draw attention to the Standalone Ind AS Financial Statements with regards to the carrying value of Lease Deposits with landlords amounting to Rs807.98lakhs related to closed/discontinued centres. The lease deposits w  
i  
t  
h landlords for centres already converted into franchise centres of completely closed centres has either been received back or adjusted against lease rentals payable or outstanding expenses or reimbursement of expenses that were found payable at the time of closure of the centres or conversion of the centres into franchise centres.
7. 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. 7549 lakhs.
8. The policies, procedures and overall internal controls needs to be strengthen in order to provide proper evidences regarding recover ability of receivables, valuations of financial assets including deposits, write off of fixed assets including impairments and accounting for direct & indirect taxes including other statutory compliances.
9. 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.
10. 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.
11. Some landlords and creditors have initiated legal proceedings against the Company, which may result in compensation, interest and other penalties.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2018 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) On the basis of written representations received from the directors of the Company as on March 31, 2018, and taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has numerous pending litigations and suits filed against the company and its directors which may impact its financial position. The Company has not disclosed the impact of such pending litigations.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606

Date : **30/05/2018**  
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 Tree House Education & Accessories Limited on the standalone Ind AS financial statement for the year ended March 31, 2018.

We have audited the internal financial controls over financial reporting of “TREE HOUSE EDUCATION & ACCESSORIES LIMITED” (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

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

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

### **AUDITORS' RESPONSIBILITY**

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

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

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



## ANNUAL REPORT 2017-2018

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **DISCLAIMER OF OPINION**

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

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

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

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606

Date : **30/05/2018**  
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 Tree House Education & Accessories Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018.

- 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 does 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, Service Tax, Cess, GST and any other statutory dues to the appropriate authorities though there has been a delay in few cases. As on 31st March, 2018 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	2,63,65,904/-
2	Finance Act, 1994	Service Tax	2,23,36,418/-
3	Maharashtra Vat Act, 2002	MVAT & CST	38,13,378/-
4	The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	PF	34,21,045/-
5	Employees' State Insurance Act, 1948	ESIC	1,11,270/-
6	Profession tax Act under respective states	Profession Tax	2,53,410/-
7	Goods & Service Tax Act, 2017	GST	53,22,242/-
	TOTAL		6,16,23,667/-

- b) According to the information and explanations given to us and the records of the Company examined by us, there are dues of sales tax of Rs. 10,64,744/- which have not been deposited on account of matter being pending in appeal.
- 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 our 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. 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.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. 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

Date : **30/05/2018**  
Place : **Mumbai**



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Standalone Balance Sheet as at 31st March, 2018

Amount in Rs.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>ASSETS</b>			
Property, plant and equipment	2A	1,51,78,00,317	2,24,33,30,931
Capital work-in-progress	2B	-	-
Investment Properties	3	91,04,47,958	91,75,03,169
Goodwill	4A	54,69,886	1,06,22,313
Intangible assets	4B	16,65,18,793	19,89,72,818
Intangible assets under development	-	-	-
Financial assets:			
- Investments	5	10,37,80,660	10,98,00,000
- Loans	6	27,04,000	5,52,76,125
- Other financial assets	7	1,65,59,18,794	1,90,42,35,200
Other Non Current Assets	-	-	-
Deferred tax Assets (Net)	8	10,08,74,983	-
<b>Total Non Current Assets</b>		<b>4,46,35,15,391</b>	<b>5,43,97,40,556</b>
<b>Current assets</b>			
Inventories	9	1,38,76,259	2,81,19,528
Financial assets:			
- Trade receivables	10	27,15,79,899	29,45,48,361
- Cash and cash equivalents	11	8,53,245	16,22,584
- Bank Balances other than Cash and cash equivalents	12	56,20,415	76,97,528
- Loans and Advances	13	12,05,794	1,56,02,487
- Other financial assets	14	11,77,98,059	19,25,14,159
Other Current Assets	15	3,39,63,136	3,01,83,530
<b>Total current assets</b>		<b>44,48,96,807</b>	<b>57,02,88,177</b>
<b>Total Assets</b>		<b>4,90,84,12,198</b>	<b>6,01,00,28,733</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	16	42,31,07,240	42,31,07,240
Other equity	17	3,48,23,04,229	4,50,80,52,551
<b>Total equity</b>		<b>3,90,54,11,469</b>	<b>4,93,11,59,791</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities:			
Provisions	18	3,35,166	17,16,133
<b>Total Non-Current liabilities</b>		<b>3,35,166</b>	<b>17,16,133</b>
<b>Current liabilities</b>			
Financial liabilities:			
- Borrowings	19	79,85,20,638	76,72,80,785
- Trade payables	20	11,98,46,709	21,52,64,382
- Other Financial Liabilities	21	57,50,673	1,07,17,852
Provisions	22	1,11,64,332	1,77,18,947
Other current liabilities	23	6,73,83,211	6,61,70,843
<b>Total Current liabilities</b>		<b>1,00,26,65,563</b>	<b>1,07,71,52,809</b>
<b>Total Liabilities</b>		<b>1,00,30,00,729</b>	<b>1,07,88,68,942</b>
<b>Total Equity and Liabilities</b>		<b>4,90,84,12,198</b>	<b>6,01,00,28,733</b>
Significant Accounting Policies	1		
The Notes are an integral part of these standalone financial statements	2-46		

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. 117659W

Rajesh Bhatia

Managing Director | DIN No: 00074393

Geeta Bhatia

Director | DIN No: 00074444

CA Sandeep Dedhia

Proprietor | Membership No. 102606

Navin Kumar

Chief Financial Officer

Deepak Valecha

Director | DIN No: 07736480

Place: Mumbai | Date : 30.05.2018



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Standalone Statement of Profit & Loss for the year ended 31st March, 2018

Amount in Rs.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>I. INCOME</b>			
Revenue from Operations	24	6,99,96,752	59,26,64,333
Other Income	25	3,54,28,050	3,72,31,771
<b>Total Income</b>		<b>10,54,24,803</b>	<b>62,98,96,104</b>
<b>II. EXPENSES</b>			
Operating expenses	26	2,77,91,000	34,98,16,758
Employee Benefits Expense	27	1,17,52,840	13,04,73,651
Finance Costs	28	5,52,67,080	10,74,94,345
Depreciation and Amortisation Expense	29	52,59,84,897	49,92,27,601
Other Expenses	30	20,44,19,204	31,60,18,458
<b>Total Expenses</b>		<b>82,52,15,020</b>	<b>1,40,30,30,814</b>
<b>III. Profit/ (Loss) before exceptional items and tax</b>		<b>(71,97,90,218)</b>	<b>(77,31,34,710)</b>
<b>IV. Less: Exceptional Items</b>	31	<b>35,13,30,684</b>	<b>87,94,64,691</b>
<b>V. Profit/(Loss) Before Tax</b>		<b>(1,07,11,20,902)</b>	<b>(1,65,25,99,402)</b>
<b>VI. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(10,08,74,983)	(2,42,35,024)
Short / (Excess) provision of earlier years		-	10,63,601
<b>VII. Profit/(Loss) for the Year (A)</b>		<b>(97,02,45,919)</b>	<b>(1,62,94,27,979)</b>
<b>VIII. Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit plans		-	62,97,690
Income tax relating to above items		-	62,97,690
Other Comprehensive Income for the Year (B)		-	62,97,690
<b>IX. Total comprehensive income for the Year (A+B)</b>		<b>(97,02,45,919)</b>	<b>(1,62,31,30,289)</b>
<b>X. Earnings per equity share of face value of Rs. 10 each</b>			
<b>Basic (in Rs.)</b>		<b>(22.93)</b>	<b>(38.51)</b>
<b>Diluted (in Rs.)</b>		<b>(22.93)</b>	<b>(38.51)</b>
<b>Significant Accounting Policies</b>	1		
<b>The Notes are an integral part of these financial statements</b>	2-46		

As per our report of even date

For S. Dedhia & Co.  
Chartered Accountants | Firm Registration No. 117659W

CA Sandeep Dedhia  
Proprietor | Membership No. 102606

Place: Mumbai | Date : 30.05.2018

Navin Kumar  
Chief Financial Officer

CIN No. L80101MH2006PLC163028  
For and on behalf of the Board of Directors of Tree House Education & Accessories Limited

Rajesh Bhatia  
Managing Director | DIN No: 00074393

Deepak Valecha  
Director | DIN No: 07736480

Geeta Bhatia  
Director | DIN No: 00074444





# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Standalone Cash Flow Statement for the Year ended 31st March, 2018

Amount in Rs.

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>A Cash flows from operating activities</b>		
Profit before tax	(1,07,11,20,902)	(1,65,25,99,401)
Adjustments for:		
Depreciation / amortisation	52,59,84,897	49,92,27,601
Loss on Sale of fixed assets	15,13,55,145	70,33,730
Capital WIP written off	-	8,90,52,535
Fixed Assets w/off	33,76,23,507	77,59,46,131
Remeasurement of net defined benefit plans	-	62,97,690
Finance charges	5,52,67,080	10,74,94,345
Interest on fixed deposits	(8,14,043)	(54,74,770)
<b>Operating profit before working capital changes</b>	<b>(17,04,316)</b>	<b>(17,30,22,139)</b>
Adjustments for:		
(Increase)/Decrease in inventories	1,42,43,269	1,51,59,501
Deposits given to K-12 Schools	47,49,994	(1,98,90,000)
Decrease/(Increase) in sundry debtors	2,29,68,462	27,65,63,011
(Increase)/Decrease in Financial Loans	1,43,96,693	1,40,49,828
(Increase)/Decrease in Other Financial Assets	7,52,58,746	4,74,90,770
(Increase)/Decrease in Other Current Assets	(14,01,543)	-
Increase /(Decrease) in liabilities and provisions	(10,71,08,065)	(6,52,98,366)
<b>Cash generated from operations</b>	<b>2,14,03,241</b>	<b>9,50,52,605</b>
Income tax paid	(23,78,063)	(1,36,82,569)
<b>Net cash generated from operating activities</b>	<b>1,90,25,177</b>	<b>8,13,70,036</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)	(3,87,090)	(2,53,40,706)
Proceeds from Sale of Fixed Assets	12,47,256	5,60,44,626
Interest received	12,95,432	53,42,211
<b>Net cash used in investing activities</b>	<b>21,55,598</b>	<b>3,60,46,130</b>
<b>C Cash flow from financing activities</b>		
Proceeds from working capital loan (net)	3,12,39,852	(22,18,48,775)
Interest paid	(5,52,67,080)	(10,74,94,345)
<b>Net cash provided by financing activities</b>	<b>(2,40,27,228)</b>	<b>(32,93,43,120)</b>
Net increase in cash and cash equivalents during the year	(28,46,453)	(21,19,26,953)
Cash and cash equivalents as at the beginning of the year	93,20,113	22,12,47,066
<b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b>	<b>64,73,659</b>	<b>93,20,113</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

For S. Dedhia & Co.  
Chartered Accountants | Firm Registration No. 117659W

CA Sandeep Dedhia  
Proprietor | Membership No. 102606

Place: Mumbai | Date : 30.05.2018

Navin Kumar  
Chief Financial Officer

CIN No. L80101MH2006PLC163028  
For and on behalf of the Board of Directors of Tree House Education & Accessories Limited

Rajesh Bhatia  
Managing Director | DIN No: 00074393

Deepak Valecha  
Director | DIN No: 07736480

Geeta Bhatia  
Director | DIN No: 00074444



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Financial Statements for the year ended 31st March, 2018

### A. Equity Share Capital

Amount in Rs.

Particulars	Amount
Balance as at 1st April, 2016	42,31,07,240
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	42,31,07,240
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	42,31,07,240

### B. Other Equity

Particulars	Reserve and Surplus				
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	Total
Balance as at 1st April, 2016	4,60,28,15,570	7,59,47,517	1,45,24,19,753	-	6,13,11,82,840
Profit for the year			(1,62,94,27,978)		(1,62,94,27,978)
Other Comprehensive Income for the year			62,97,690		62,97,690
Total Comprehensive Income for the year	-	-	(1,62,31,30,288)	-	(1,62,31,30,288)
Balance as at 31st March, 2017	4,60,28,15,570	7,59,47,517	(17,07,10,535)	-	4,50,80,52,552
Balance as at 1st April, 2017	4,60,28,15,570	7,59,47,517	(17,07,10,535)	-	4,50,80,52,552
Profit for the year			(97,02,45,919)	(5,55,02,403)	(1,02,57,48,322)
Other Comprehensive Income for the year- -					
Total Comprehensive Income for the year			(97,02,45,919)	(5,55,02,403)	(1,02,57,48,322)
Balance as at 31st March, 2018	4,60,28,15,570	7,59,47,517	(1,14,09,56,454)	(5,55,02,403)	3,48,23,04,230

Note:

- (i) The Company has revalued its immovable properties. Refer to Note No.39 for revaluation of Free hold Land Building.  
(ii) Refer to Note No. 42 for information on assets pledged as security by Company.

As per our report of even date

For S. Dedhia & Co.  
Chartered Accountants  
Firm Registration No. 117659W

CA Sandeep Dedhia  
Proprietor  
Membership No. 102606

Navin Kumar  
Chief Financial Officer

CIN No. L80101MH2006PLC163028

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Deepak Valecha  
Director |  
DIN No: 07736480

Geeta Bhatia  
Director  
DIN No: 00074444

Place: Mumbai | Date : 30.05.2018

## Notes to the Standalone Financial Statements, for the year ended March 31, 2018.

### 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 amortised over the period of lease. Leasehold improvements are amortised 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 over draft, 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 is 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 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. 18

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## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

### Note 2A: Property, Plant and Equipment

Particulars	Lease Hold Improvements	Teaching aid and Equipments	Office Equipment	Furniture & Fixture	Electrical Equipment	Computers	Vehicles	Assets Under Write Off / Reuse	Total
<b>Gross Carrying amount</b>									
<b>Balance as at 1st April, 2016</b>	60,34,71,729	5,79,10,985	2,61,67,554	3,68,30,35,898	2,81,78,677	1,28,28,043	92,93,634	-	4,42,08,86,520
Additions	48,48,514	-	-	-	-	7,199	-	73,98,09,834	74,46,65,547
Disposals	7,88,08,338	3,29,755	9,58,658	99,82,12,894	97,500	-	21,38,272	72,66,71,086	1,80,72,16,501
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>52,95,11,905</b>	<b>5,75,81,230</b>	<b>2,52,08,897</b>	<b>2,68,48,23,005</b>	<b>2,80,81,177</b>	<b>1,28,35,242</b>	<b>71,55,362</b>	<b>1,31,38,748</b>	<b>3,35,83,35,566</b>
Additions	-	-	-	-	30,750	1,56,340	-	-	1,87,090
Disposals	4,06,49,326	-	5,54,235	47,74,49,432	2,44,452	-	36,14,074	1,31,38,748	53,56,50,267
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>48,88,62,580</b>	<b>5,75,81,230</b>	<b>2,46,54,662</b>	<b>2,20,73,73,573</b>	<b>2,78,67,475</b>	<b>1,29,91,582</b>	<b>35,41,288</b>	<b>-</b>	<b>2,82,28,72,389</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April, 2016</b>	25,22,15,487	4,06,93,514	80,61,153	61,72,33,547	96,63,602	1,02,30,777	41,71,472	-	94,22,69,552
Additions	7,75,62,727	45,92,441	43,59,437	36,35,49,597	31,06,480	11,62,100	10,35,597	-	45,53,68,379
Disposals	3,94,04,427	1,27,512	3,67,502	24,22,04,452	18,865	-	5,10,538	-	28,26,33,296
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>29,03,73,787</b>	<b>4,51,58,442</b>	<b>1,20,53,088</b>	<b>73,85,78,692</b>	<b>1,27,51,217</b>	<b>1,13,92,877</b>	<b>46,96,531</b>	<b>-</b>	<b>1,11,50,04,635</b>
Additions	5,16,31,855	37,92,777	41,01,238	26,44,72,725	29,09,445	6,55,815	5,02,875	-	32,80,66,730
Disposals	1,98,66,970	-	2,37,705	11,51,80,699	1,65,428	-	25,48,490	-	13,79,99,293
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>32,21,38,672</b>	<b>4,89,51,219</b>	<b>1,59,16,621</b>	<b>88,78,70,718</b>	<b>1,54,95,233</b>	<b>1,20,48,692</b>	<b>26,50,916</b>	<b>-</b>	<b>1,30,50,72,071</b>
<b>Net Carrying amount</b>									
<b>Balance as at 1st April, 2016</b>	35,12,56,242	1,72,17,472	1,81,06,402	3,06,58,02,351	1,85,15,074	25,97,265	51,22,162	-	3,47,86,16,968
<b>Balance as at 31st March, 2017</b>	<b>23,91,38,119</b>	<b>1,24,22,788</b>	<b>1,31,55,809</b>	<b>1,94,62,44,312</b>	<b>1,53,29,960</b>	<b>14,42,364</b>	<b>24,58,831</b>	<b>1,31,38,748</b>	<b>2,24,33,30,931</b>
<b>Balance as at 31st March, 2018</b>	<b>16,67,23,908</b>	<b>86,30,011</b>	<b>87,38,041</b>	<b>1,31,95,02,854</b>	<b>1,23,72,241</b>	<b>9,42,889</b>	<b>8,90,372</b>	<b>-</b>	<b>1,51,78,00,317</b>

Note:  
(i) 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 Standalone Financial Statements for the year ended 31st March, 2018

#### Note 2B : Capital work-in-progress

Particulars	Land - Free Hold	Total
<b>Gross Carrying amount</b>		
Balance as at 1st April, 2016	3,58,01,122	3,58,01,122
Additions	53,11,245	53,11,245
Disposals	4,11,12,367	4,11,12,367
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	-	-
Additions -	-	-
Disposals -	-	-
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	-	-
<b>Accumulated Depreciation</b>		
Balance as at 1st April, 2016	-	-
Additions -	-	-
Disposals -	-	-
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	-	-
Additions -	-	-
Disposals -	-	-
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	-	-
<b>Net Carrying amount</b>		
Balance as at 1st April, 2016	3,58,01,122	3,58,01,122
Balance as at 31st March, 2017	-	-
Balance as at 31st March, 2018	-	-

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### Note 3 : Investment Properties

Particulars	Land - Free Hold	Building	Total
<b>Gross Carrying amount</b>			
Balance as at 1st April, 2016	30,51,73,248	65,30,02,692	95,81,75,940
Additions	-	20,35,000	20,35,000
Disposals	-	-	-
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2017	30,51,73,248	65,50,37,692	96,02,10,940
Additions	2,00,000	-	2,00,000
Revaluation	12,34,080	18,54,982	30,89,062
Disposals	-	-	-
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>30,66,07,328</b>	<b>65,68,92,674</b>	<b>96,35,00,002</b>
<b>Accumulated Depreciation</b>			
Balance as at 1st April, 2016	-	3,24,14,014	3,24,14,014
Additions	-	1,02,93,757	1,02,93,757
Disposals	-	-	-
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2017	-	4,27,07,771	4,27,07,771
Additions	-	1,03,44,273	1,03,44,273
Disposals	-	-	-
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>-</b>	<b>5,30,52,044</b>	<b>5,30,52,044</b>
<b>Net Carrying amount</b>			
Balance as at 1st April, 2016	30,51,73,248	62,05,88,678	92,57,61,926
Balance as at 31st March, 2017	30,51,73,248	61,23,29,921	91,75,03,169
Balance as at 31st March, 2018	30,66,07,328	60,38,40,630	91,04,47,958

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rental income derived from investment properties	1,83,13,356	3,03,60,000
Direct operating expenses (including repairs and maintenance)	-	-
<b>Income arising from investment properties before depreciation</b>	<b>1,83,13,356</b>	<b>3,03,60,000</b>
Depreciation	1,03,44,273	1,02,93,757
<b>Income from investment properties (Net)</b>	<b>79,69,083</b>	<b>2,00,66,243</b>

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

### Note 4A: Goodwill\*

Particulars	Goodwill	Total
<b>Gross Carrying amount</b>		
Balance as at 1st April, 2016	1,95,20,992	1,95,20,992
Additions	-	-
Disposals	-	-
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	1,95,20,992	1,95,20,992
Additions	-	-
Disposals	-	-
Impairment	1,19,15,099	1,19,15,099
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	<b>76,05,893</b>	<b>76,05,893</b>
<b>Accumulated Depreciation</b>		
Balance as at 1st April, 2016	88,98,680	88,98,680
Additions	-	-
Disposals	-	-
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	88,98,680	88,98,680
Additions	-	-
Disposals	67,62,673	67,62,673
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	<b>21,36,007</b>	<b>21,36,007</b>
<b>Net Carrying amount</b>		
Balance as at 1st April, 2016	1,06,22,312	1,06,22,312
Balance as at 31st March, 2017	1,06,22,312	1,06,22,312
Balance as at 31st March, 2018	54,69,886	54,69,886

\* 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 Standalone Financial Statements for the year ended 31st March, 2018

### Note 4B : Intangible Assets\*

Particulars	Business Commercial rights	Brands	Total
<b>Gross Carrying amount</b>			
Balance as at 1st April, 2016	29,00,64,533	7,77,74,014	36,78,38,547
Additions	-	-	-
Disposals	6,57,59,767	-	6,57,59,767
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2017	22,43,04,766	7,77,74,014	30,20,78,780
Additions	-	-	-
Disposals	-	-	-
Impairment	3,00,30,000	-	3,00,30,000
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>19,42,74,766</b>	<b>7,77,74,014</b>	<b>27,20,48,780</b>
<b>Accumulated Depreciation</b>			
Balance as at 1st April, 2016	7,90,26,239	5,62,74,025	13,53,00,263
Additions	2,58,83,185	76,82,281	3,35,65,466
Disposals	6,57,59,767	-	6,57,59,767
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March 2017</b>	<b>3,91,49,657</b>	<b>6,39,56,305</b>	<b>10,31,05,962</b>
Additions	69,70,971	25,87,932	95,58,903
Disposals	71,34,878	-	71,34,878
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March, 2018	3,89,85,750	6,65,44,237	10,55,29,987
<b>Net Carrying amount</b>			
Balance as at 1st April, 2016	21,10,38,294	2,14,99,989	23,25,38,284
Balance as at 31st March, 2017	18,51,55,109	1,38,17,709	19,89,72,818
Balance as at 31st March, 2018	15,52,89,016	1,12,29,777	16,65,18,793

\* Other than internally generated

Note:

Represents Fair value of Business Commercial Rights purchased.

Refer Note No.41 for impairment of Business Commercial Rights.



## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

### Note 5 : Investments

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of 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	99,80,000	9,38,29,970	99,80,000	9,98,00,000
- Mehta Treehouse Infrastructure Private Limited equity shares of Rs. 10 each fully paid up	10,00,000	99,50,690	10,00,000	1,00,00,000
<b>Total</b>		<b>10,37,80,660</b>		<b>10,98,00,000</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		10,37,80,660		10,98,00,000
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		10,37,80,660		-
Financial assets measured at cost		-		10,98,00,000
Financial assets measured at fair value through other comprehensive income		-		-
Financial assets measured at Fair value through Profit & Loss		-		-
<b>Total</b>		<b>10,37,80,660</b>		<b>10,98,00,000</b>

Note:

Refer Note No.39 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, 2018 is as under:

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Assets	9,62,54,524	9,51,54,670
Liabilities	13,31,982	13,24,702
Income	2,50,000	2,50,000
Expenditure	21,55,162	20,98,615
Contingent Liabilities	Nil	Nil
Capital Commitment	Nil	Nil

2) The Company has a 50% interest in the assets, liabilities, expenses and income of Mehta Treehouse Infrastructure Private Limited, a company incorporated in India. The operations have not yet commenced and Company's share of the assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2018 is as under:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Assets	1,26,66,618	1,26,37,691
Liabilities	17,06,200	26,87,000
Income	Nil	Nil
Expenditure	15,778	16,093
Contingent Liabilities	Nil	Nil
Capital Commitment	Nil	Nil

#### Note 6: Non Current Financial Loans

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Unsecured considered good:</b>		
Loans Others	27,04,000	5,52,76,125
<b>Total</b>	<b>27,04,000</b>	<b>5,52,76,125</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, 2018	Year ended 31st March, 2017
Share Application money	26,10,000	26,10,000
Security Deposits	1,65,33,08,794	1,90,16,25,200
<b>Total</b>	<b>1,65,59,18,794</b>	<b>1,90,42,35,200</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.16,438/- Lacs (Previous Year Rs.18,889/-Lakhs).

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, 2018

### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018

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	As at 1st April 2016 Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2017 Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2018 Deferred Tax Asset/ (Liabilities)
Depreciation	(2,92,35,465)	2,92,35,465	-	42,52,992	42,52,992
Impairment of assets	-	-	-	(5,34,04,497)	(5,34,04,497)
Loss on Sale of Fixed Assets	-	-	-	(4,54,06,544)	(4,54,06,544)
Expense disallowed due to not paid during the year	-	-	-	(58,10,809)	(58,10,809)
Provision for Gratuity	31,61,573	(31,61,573)	-	6,64,258	6,64,258
Provision for doubtful trade receivables	-	-	-	(1,66,169)	(1,66,169)
Tax Loss Carried Forward	-	-	-	18,00,21,855	18,00,21,855
Others	18,38,868	(18,38,868)	-	2,07,23,897	2,07,23,897
<b>Total</b>	<b>(2,42,35,024)</b>	<b>2,42,35,024</b>	<b>-</b>	<b>10,08,74,983</b>	<b>10,08,74,983</b>

### Note 9 : Inventories

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Stock-in-Trade*	1,38,76,259	2,81,19,528
<b>Total</b>	<b>1,38,76,259</b>	<b>2,81,19,528</b>

Note:

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

### Note 10: Trade Receivables

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Trade receivables	27,31,65,692	29,55,80,256
Less: allowance for doubtful trade receivables	(15,85,793)	(10,31,895)
<b>Total Receivables*</b>	<b>27,15,79,899</b>	<b>29,45,48,361</b>
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	27,15,79,899	29,45,48,361
Doubtful	15,85,793	10,31,895
<b>Total</b>	<b>27,31,65,692</b>	<b>29,55,80,256</b>
Less: Provision for doubtful trade receivables	(15,85,793)	10,31,895
<b>Total Trade receivables</b>	<b>27,15,79,899</b>	<b>29,45,48,361</b>

\* Trade Receivables includes receivable amounting to Rs.2,668/- Lakhs (Previous Year Rs. 2,877/- 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, 2018

#### Note 11: Cash and Bank Balances

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash on Hand	-	22,290
Balances with banks - In Current Accounts	8,53,245	16,00,294
<b>Total</b>	<b>8,53,245</b>	<b>16,22,584</b>

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
In Fixed deposits*	55,82,886	76,60,000
Unpaid dividend account #	37,529	37,528
<b>Total</b>	<b>56,20,415</b>	<b>76,97,528</b>

Notes:

\* Includes fixed deposit of Rs.41,69,763/- (Previous Year Rs.38,00,000/-) Pledged as collateral securities.

\* Fixed deposit of Rs.14,13,124/- (previous year Rs. 38,60,000/-) placed with a bank against which bank has given a guarantee.

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

**12.1** As at 31st March, 2018, Company had available Rs. Nil (Previous Year Rs.Nil) of undrawn committed borrowing facilities.

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Unsecured and Considered good:		
Other Loans and Advances	12,05,794	1,56,02,487
<b>Total</b>	<b>12,05,794</b>	<b>1,56,02,487</b>

#### Note 14: Other Current Financial assets

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Accrued on Investment	99,242	5,80,631
Deposits*	8,07,98,719	14,74,29,048
Rent Equilisation Deposit	-	90,76,882
Advance Against Property #	3,69,00,098	3,54,27,598
<b>Total</b>	<b>11,77,98,059</b>	<b>19,25,14,159</b>

\* The carrying value of lease deposits with landlords amounting to Rs.793/- Lakhs

(Previous Year Rs.1473/- Lakhs) is related to closed/ discontinued centres and administrative office.

# Represents advance paid for purchase of two flats at Andheri, Mumbai.

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### Note 15: Other Current assets

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Balances with government Authorities	3,39,54,150	3,01,83,530
Prepaid Expenses	8,986	-
<b>Total</b>	<b>3,39,63,136</b>	<b>3,01,83,530</b>

#### Note 16: Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share capital</b>				
Equity Share Capital of Rs.10 each	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000
<b>Issued, subscribed &amp; paid up</b>				
Equity Share Capital of Rs.10 each fully paid up	4,23,10,724	42,31,07,240	4,23,10,724	42,31,07,240
<b>Total</b>	<b>4,23,10,724</b>	<b>42,31,07,240</b>	<b>4,23,10,724</b>	<b>42,31,07,240</b>

#### Notes:

##### 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. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Rajesh Bhatia	36,86,336	8.71%	36,86,336	8.71%
Geeta Bhatia	35,65,000	8.42%	35,65,000	8.42%
FC VI India Venture Mauritius Ltd	28,97,665	6.84%	28,97,665	6.84%
Bajaj Holding And Investment Ltd	24,30,882	5.75%	24,30,882	5.75%

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4,23,10,724	4,23,10,724
Add: Shares issued on exercise of employee stock options	-	-
<b>Equity Shares at the end of the year</b>	<b>4,23,10,724</b>	<b>4,23,10,724</b>

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### 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, 2016	4,60,28,15,570	7,59,47,517	1,45,24,19,753	-	6,13,11,82,840
Profit for the year			(1,62,94,27,979)		(1,62,94,27,979)
Other Comprehensive Income for the year			62,97,690		62,97,690
<b>Total Comprehensive Income for the year</b>		-	<b>(1,62,31,30,289)</b>	-	<b>(1,62,31,30,289)</b>
Balance as at 31st March, 2017	4,60,28,15,570	7,59,47,517	(17,07,10,535)	-	4,50,80,52,551
Balance as at 1st April, 2017	4,60,28,15,570	7,59,47,517	(17,07,10,535)	-	4,50,80,52,551
Profit for the year	-	-	(97,02,45,919)	(5,55,02,403)	(1,02,57,48,322)
Other Comprehensive Income for the year	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	<b>(97,02,45,919)</b>	<b>(5,55,02,403)</b>	<b>(1,02,57,48,322)</b>
Balance as at 31st March, 2018	4,60,28,15,570	7,59,47,517	(1,14,09,56,454)	(5,55,02,403)	3,48,23,04,229

Note:

- (i) The Company has revalued its immovable properties. Refer to Note No.39 for revaluation of Free hold Land & Building.  
(ii) Refer to Note No.42 for information on assets pledged as security by Company.

#### Note 18 : Provisions

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Provisions for Employee Benefits :Gratuity	3,35,166	17,16,133
<b>Total</b>	<b>3,35,166</b>	<b>17,16,133</b>

**Note:**

The following table sets out the status of the gratuity plan for the year ended March 31, 2018 in accordance with Indian Accounting Standard (Ind AS-19), Employee Benefits.

The company has a defined benefit gratuity plan. Employee at retirement are eligible for benefit, which will be equal to 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days salary (last drawn salary) for each completed years of service. The scheme is unfunded.

#### Profit and loss account

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Cost for the year:</b>		
Service cost	1,68,094	4,37,183
Interest cost	2,67,982	7,30,831
Expected return on plan assets		
Actuarial loss / (Gain)	(32,92,905)	(62,97,690)
<b>Total net cost recognized as employee remuneration</b>	<b>(28,56,829)</b>	<b>(51,29,676)</b>

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### Note 18 : Provisions (Contd...)

##### Balance sheet

##### Details of provision for gratuity

Present value of defined benefit obligation as at year end (A)	11,48,878	40,05,707
Fair value of plan assets as at year end (B)	-	-
Net liability as at year end recognized in Balance Sheet (A)-(B)	11,48,878	40,05,707

Provision for gratuity		
Long term	3,35,165	17,16,133
Short term	8,13,713	22,89,574

#### Changes in present value of the defined benefit obligation are as follows:

Changes in defined benefit obligation:		
Defined benefit obligation as at the beginning of the year	40,05,707	91,35,383
Current service cost	1,68,094	4,37,183
Interest cost	2,67,982	7,30,831
Actuarial loss / (gain) on obligations	(32,92,905)	(62,97,690)
Benefit paid	-	-
Present value of defined benefit obligation at the end of the year [A]	11,48,878	40,05,707

#### The principal assumptions used in determining gratuity for the Company's plans are shown below:

Assumptions		
Discount rate	7.60%	6.69%
Attrition rate	Upto age 35 - 20%	Upto age 35 - 20%
	36-40 - 10%	36-40 - 10%
	41-58 - 5%	41-58 - 5%
Salary escalation rate	6.00%	6.00%

#### Note 19: Current Financial Borrowings

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Secured</b>		
Term loans from bank	22,90,31,591	72,39,25,505
Bank Over Draft/ Cash Credit Facility with Bank	52,58,25,949	-
<b>Secured-Total (A)</b>	<b>75,48,57,540</b>	<b>72,39,25,505</b>
<b>Unsecured</b>		
- From Related Parties	4,36,63,098	4,12,95,236
- From Others	-	20,60,044
<b>Unsecured-Total (B)</b>	<b>4,36,63,098</b>	<b>4,33,55,280</b>
<b>Total</b>	<b>79,85,20,638</b>	<b>76,72,80,785</b>



## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

### Note:

#### 19.1 Secured bank loan

Secured by mortgage of Land & building, hypothecation of movable assets, book debts both present and future and fixed deposits to the extent of Rs.41,69,763/- (Previous year Rs.38,00,000/-) placed with a bank against working capital loan obtained from them.

19.2 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.

19.3 The amount payable to financial institutions is Rs.7549/- Lakhs (Previous year Rs.7260/- Lakhs).

### Note 20: Trade Payables

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Micro, Small and Medium Enterprises*		
Others	11,98,46,709	21,52,64,382
<b>Total</b>	<b>11,98,46,709</b>	<b>21,52,64,382</b>

\* The company has during the year, not received from any of its suppliers any information regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 In the light of the above facts, management has decided that none of them are registered under the said Act and disclosure, if any relating to amount unpaid as at the year end along with the interest payable / paid has not been given.

### Note 21: Other Financial Liabilities

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest accrued and due	53,37,055	85,93,584
Interest accrued but not due	3,76,090	20,86,741
Unclaimed Dividend	37,528	37,528
<b>Total</b>	<b>57,50,673</b>	<b>1,07,17,852</b>

### Note 22: Current Provisions

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Provisions for Employee Benefits: Gratuity (Refer note 19)	8,13,713	22,89,574
Provisions for Employee Benefits : Others	1,03,50,619	1,54,29,373
<b>Total</b>	<b>1,11,64,332</b>	<b>1,77,18,947</b>

### Note 23: Other Current liabilities

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Advance tuition fees received	11,14,800	1,17,50,232
Withholding & other tax payables	6,38,45,965	5,39,40,010
Other Current Liabilities	24,22,445	4,80,601
<b>Total</b>	<b>6,73,83,211</b>	<b>6,61,70,843</b>

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## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

### Note 24: Revenue from operations

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Revenue from</b>		
- Sale of education kits	2,33,45,372	1,25,65,383
- Sale of equipment	-	86,10,376
<b>- Sale of services</b>		
Consultancy income	8,47,456	10,26,32,213
Income from early childhood education	87,65,300	41,19,72,365
Income from early childhood training course	-	42,65,272
Royalty income	1,80,88,523	92,64,826
<b>- Other Operating Revenue</b>		
Other operating income	6,36,746	44,318
Rent income from education infrastructure	1,83,13,356	3,94,36,882
Franchisee Fee Received	-	38,72,697
<b>Total</b>	<b>6,99,96,752</b>	<b>59,26,64,333</b>

### Note 25: Other Income

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income	8,14,043	54,74,770
Liability no longer Payable	1,75,81,892	2,46,46,536
Prior Period Income	5,046	3,81,763
Gratuity written Back	22,58,041	51,29,676
Other non-operating income	1,47,69,029	15,99,025
<b>Total</b>	<b>3,54,28,050</b>	<b>3,72,31,771</b>

### Note 26: Operating Expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rent (includes conducting charges and society maintenance)	1,01,34,468	25,93,61,454
Security charges	10,99,054	1,35,46,144
Training material and equipment consumed	1,50,49,582	1,72,99,636
Water, electricity and cleaning charges	11,90,588	3,23,06,253
Activity expenses	3,17,307	70,96,777
Other centre expenses	-	2,02,06,495
<b>Total</b>	<b>2,77,91,000</b>	<b>34,98,16,758</b>

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### Note 27: Employee Benefits Expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and wages	1,11,42,098	11,64,91,606
Contribution to provident and other funds	3,29,419	1,35,76,589
Staff welfare expenses	2,81,323	4,05,456
<b>Total</b>	<b>1,17,52,840</b>	<b>13,04,73,651</b>

Refer Note 18 for disclosure as per Indian Accounting Standard 19 "Employee benefits"

#### Note 28: Finance cost

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expenses	5,48,40,080	10,43,12,322
Finance charges	4,27,000	31,82,023
<b>Total</b>	<b>5,52,67,080</b>	<b>10,74,94,345</b>

#### Note 29: Depreciation and Amortisation Expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation Expenses	33,84,11,003	46,56,62,136
Amortisation Expense	95,58,903	3,35,65,466
Impairment of assets	17,80,14,991	-
<b>Total</b>	<b>52,59,84,897</b>	<b>49,92,27,601</b>

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### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### Note 30: Other expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Advertisement and publicity expenses	26,97,145	75,04,369
Legal and professional fees	1,19,42,564	48,95,564
Office expenses	2,66,486	21,97,771
Rates and taxes	25,60,705	34,99,868
Insurance	63,290	8,86,568
Loss on sale of fixed assets	15,13,55,145	70,33,730
Telephone and courier expenses	4,15,605	11,60,238
Auditors' remuneration (Refer note 37)	9,40,000	23,00,000
Brokerage and commission	-	4,60,742
Business promotion	37,100	5,53,694
Printing and stationery	5,58,627	7,86,940
Donation	37,100	5,25,000
Repairs and maintenance	13,11,761	10,50,819
Travelling and conveyance	12,96,666	24,93,079
Freight and delivery expenses	-	14,84,313
Provision for doubtful trade receivables	5,53,898	27,47,77,028
Director Sitting Fees	52,500	7,61,875
Prior Period Expenses	1,39,87,850	-
Miscellaneous expenses	1,21,86,896	36,46,861
Discounts & W/off	41,55,867	-
<b>Total</b>	<b>20,44,19,204</b>	<b>31,60,18,458</b>

#### Note 31: Exceptional Items

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Capital WIP Written off*	-	8,90,52,535
Fixed Assets Written off*	33,76,23,507	77,59,46,131
Rent Deposit Written off*	1,37,07,177	1,44,66,025
<b>Total</b>	<b>35,13,30,684</b>	<b>87,94,64,691</b>

\* written off due to closure of centres

**Tree House Education & Accessories Limited**  
**Notes on Standalone Financial Statements for the year ended 31st March, 2018**

**Note 32: Contingent Liabilities and Commitments (to the the extent not provided for)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Commitments</b>		
Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal	14,13,124	38,60,000
<b>Total</b>	<b>14,13,124</b>	<b>38,60,000</b>

**Note 33: 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 - Managing Director  |
| ii. Relatives of key management personnel            | : Mrs. Geeta Bhatia - wife of Mr.Rajesh Bhatia  |
| iii. Associates company                              | : JT Infrastructure Private Limited ,<br>Mehta Treehouse 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, 2018

#### Note 33: 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>Rent expense</b>				
- Mr. Rajesh Bhatia	2,24,322	-	-	-
	(80,37,120)	-	-	-
- Mrs. Geeta Bhatia	-	2,24,322	-	-
	-	(80,37,120)	-	-
<b>Remuneration</b>				
- Mr. Vishal shah	-	-	-	-
	(8,00,000)	-	-	-
- Mr. Rajesh Bhatia	-	-	-	-
	(48,00,000)	-	-	-
<b>Loan Taken</b>				
- Rajesh Bhatia	36,00,000	-	-	-
	(3,68,13,098)	-	-	-
- Geeta Bhatia	-	-	-	-
	-	(37,50,000)	-	-
<b>Loan Repaid</b>				
- Rajesh Bhatia	5,00,000	-	-	-
	-	-	-	-
<b>Interest on Loan Taken</b>				
- Rajesh Bhatia	46,66,572	-	-	-
	(7,38,279)	-	-	-
- Geeta Bhatia	-	4,50,000	-	-
	-	(75,208)	-	-

Figures in Bracket represents Previous Year's amounts.

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

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Outstandings</b>		
<b>Trade Payables-Others</b>		
Key management personnel	1,00,02,898	97,34,236
Relatives of KMP	1,00,00,863	97,34,235
<b>Short Term Provision-Others</b>		
Key management personnel	49,77,239	49,77,239
<b>Investment</b>		
Associate Company	10,37,80,660	10,98,00,000
<b>Unsecured Current Financial Borrowings</b>		
Key management personnel	3,99,13,098	3,74,77,549
Relatives of KMP	37,50,000	38,17,687
<b>Other Financial Liabilities</b>		
Key management personnel	48,64,367	6,64,451
Relatives of KMP	4,72,687	67,687

### Note 34: 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 Standalone Financial Statements for the year ended 31st March, 2018

#### Note 35: 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 36: Earnings Per Share

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Profit after tax	(97,24,71,009)	(1,63,12,92,686)
Weighted average number of shares outstanding (Basic)	4,23,10,724	4,23,10,724
Weighted average number of shares outstanding (Diluted)	4,23,10,724	4,23,10,724
Nominal value per share	10	10
Basic earnings per share	(22.98)	(38.56)
Diluted earnings per share	(22.98)	(38.56)

#### Note 37: Auditors' Remuneration (Excluding Service Tax and GST)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Statutory audit fees	8,25,000	23,00,000
Tax audit fees	-	-
Other services	1,15,000	-
<b>Total</b>	<b>9,40,000</b>	<b>23,00,000</b>

#### Note 38: Corporate Social Responsibility (CSR) Expenses

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
A. Gross amount required to be spent by company during the year	-	1,09,01,943
B. Amount spent during the year.	-	-
C. Related party transaction in relation to corporate social	-	-
D. Provision made during the year	-	-
<b>Total</b>		<b>1,09,01,943</b>

## Note 39: Revaluation of Assets and Liabilities

The Company has revalued its immovable properties as per Valuation Report obtained from Independent Valuer. Share Investment are revalued at Net Asset Value as on 31.03.2017 of JT Infrastructure Pvt Ltd and MT Infrastructure Pvt Ltd respectively. Non Current Financial Loans are devalued based on Face value of Shares at Rs.10/- per share for the purpose of issue of ESOP.

Particulars	As at 31 <sup>st</sup> March, 2017	Additions	Revaluation Amount	As at 31 <sup>st</sup> March, 2018
Free hold Land	30,51,73,248	2,00,000	12,34,080	30,66,07,328
Building	65,50,37,692	-	18,54,982	65,68,92,674
Investments	10,98,00,000	-	(60,19,340)	10,37,80,660
Non Current Financial Loans to Other	5,52,76,125	-	(5,25,72,125)	27,04,000

## Note 40: Disposal/ Write off of Fixed Assets

The Company has written off Furniture & Fixtures and Lease hold Improvement as no amount was recoverable from such assets. The Company has written off/ disposed Furniture & Fixtures and Lease hold Improvement of Closed Centres total of Rs.38,30,51,089/- out of which Rs.32,44,84,760/- were written off and Rs.5,85,66,329/- were sold during the year.

## Note 41: Impairment of Fixed Assets

The Company has impaired Goodwill of Rs.51,52,426/- and Business Commercial Rights of Rs.2,28,95,122/- during the year as no income received / receiveable from the said business Commercial Rights.

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March, 2018

### Note 42: Assets Pledged as security

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

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Trade Receivable	27,15,79,899	29,45,48,361
<b>Total Current assets Pledged as security</b>	27,15,79,899	29,45,48,361
<b>Non - Current Assets</b>		
First Charge		
Land	30,66,07,328	30,51,73,248
Building	60,38,40,630	61,23,29,921
<b>Total non current assets pledged as security</b>	91,04,47,958	91,75,03,169
<b>Total assets pledged as security</b>	<b>1,18,20,27,857</b>	<b>1,21,20,51,530</b>

### Note 43: 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 Standalone Financial Statements for the year ended 31st March, 2018

#### Note 43: Fair Value measurement (Contd...)

Financial Assets and Liabilities as at 31st March, 2018	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	10,37,80,660	-	-	10,37,80,660	10,37,80,660
<b>Other Assets</b>					
<b>Non Current Assets</b>					
Loans to Others	27,04,000	-	-	27,04,000	27,04,000
Share application money	26,10,000	-	-	26,10,000	26,10,000
Security Deposits	1,65,33,08,794	1,65,33,08,794	-	-	1,65,33,08,794
<b>Current Assets</b>					
Trade receivables	27,15,79,899	-	-	27,15,79,899	27,15,79,899
Cash and cash equivalents	8,53,245	-	-	8,53,245	8,53,245
Bank Balances other than Cash and cash equivalents	56,20,415	-	-	56,20,415	56,20,415
Loans and Advances	12,05,794	-	-	12,05,794	12,05,794
Other financial assets	11,77,98,059	-	-	11,77,98,059	11,77,98,059
	<b>2,05,56,80,206</b>	<b>1,65,33,08,794</b>	<b>-</b>	<b>40,23,71,412</b>	<b>2,05,56,80,206</b>
<b>Financial Liabilities</b>					
<b>Non Current Provisions</b>					
	3,35,166	-	-	3,35,166	3,35,166
<b>Current Liabilities</b>					
Borrowings	79,85,20,638	-	-	79,85,20,638	79,85,20,638
Trade Payables	11,98,46,709	-	-	11,98,46,709	11,98,46,709
Other Liabilities	57,50,673	-	-	57,50,673	57,50,673
	<b>92,44,53,186</b>	<b>-</b>	<b>-</b>	<b>92,44,53,186</b>	<b>92,44,53,186</b>
				-	-

## Tree House Education & Accessories Limited

### Notes on Standalone Financial Statements for the year ended 31st March, 2018

#### Note 43: Fair Value measurement (Contd...)

Financial Assets and Liabilities as at 31st March, 2017	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	10,98,00,000	-	-	10,98,00,000	10,98,00,000
<b>Other Assets</b>					
<b>Non Current Assets</b>					
Loans to Others	5,52,76,125	-	-	5,52,76,125	5,52,76,125
Share application money	26,10,000	-	-	26,10,000	26,10,000
Security Deposits	1,90,16,25,200	-	-	1,90,16,25,200	1,90,16,25,200
<b>Current Assets</b>					
Trade receivables	29,45,48,361	-	-	29,45,48,361	29,45,48,361
Cash and cash equivalents	16,22,584	-	-	16,22,584	16,22,584
Bank Balances other than Cash and cash equivalents	76,97,528	-	-	76,97,528	76,97,528
Loans and Advances	1,56,02,487	-	-	1,56,02,487	1,56,02,487
Other financial assets	19,25,14,159	-	-	19,25,14,159	19,25,14,159
	<b>2,47,14,96,444</b>	<b>-</b>	<b>-</b>	<b>2,47,14,96,444</b>	<b>2,47,14,96,444</b>
<b>Financial Liabilities</b>					
<b>Non Current Provisions</b>					
Non Current Provisions	17,16,133	-	-	17,16,133	17,16,133
<b>Current Liabilities</b>					
Borrowings	76,72,80,785	-	-	76,72,80,785	76,72,80,785
Trade Payables	21,52,64,382	-	-	21,52,64,382	21,52,64,382
Other Liabilities	1,07,17,852	-	-	1,07,17,852	1,07,17,852
	<b>99,49,79,152</b>	<b>-</b>	<b>-</b>	<b>99,49,79,152</b>	<b>99,49,79,152</b>
				-	-

#### Note 43: Fair Value measurement (Contd...)

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

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Investments in Equity shares of Joint Venture	10,37,80,660	10,37,80,660	10,98,00,000	10,98,00,000
Security Deposits	1,61,38,09,104	1,61,38,09,104	-	-
Non Current Financial Loans	27,04,000	27,04,000	-	-
	<b>1,72,02,93,764</b>	<b>1,72,02,93,764</b>	<b>10,98,00,000</b>	<b>10,98,00,000</b>

#### Note 44: 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, 2018

### Movement in provisions of doubtful debts

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Opening provision	10,31,895	51,57,161
Add: Additional provision made	5,53,898	4,51,57,533
Less: Provision write off	-	1,20,80,578
Less: Provision reversed	-	3,72,02,221
Closing provisions	15,85,793	10,31,895

### Note 45: Net debt reconciliation

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Cash and cash equivalents	8,53,245	16,22,584
Current Borrowings	(79,85,20,638)	(76,72,80,785)
Interest Payable	(57,13,145)	(1,06,80,324)
<b>Net Debt</b>	<b>(80,33,80,538)</b>	<b>(77,63,38,525)</b>

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Cash and cash equivalents	8,53,245	16,22,584
Current Borrowings	(79,85,20,638)	(76,72,80,785)
Interest Payable	(57,13,145)	(1,06,80,324)
<b>Net Debt</b>	<b>(80,33,80,538)</b>	<b>(77,63,38,525)</b>

Particulars	Cash and cash equivalents	Current Borrowings	Interest Payable	Total
<b>Net Debt as at 1st April 2017</b>	16,22,584	(76,72,80,785)	(1,06,80,324)	(77,63,38,525)
Cash flows	(7,69,339)	(3,12,39,852)	-	(3,20,09,192)
Finance Costs	-	-	(2,03,99,958)	(2,03,99,958)
Interest Paid	-	-	2,53,67,137	2,53,67,137
<b>Net Debt as at 31st March 2018</b>	<b>8,53,245</b>	<b>(79,85,20,638)</b>	<b>(57,13,145)</b>	<b>(80,33,80,538)</b>

### Note 46: Approval of financial statements

The financial statements were approved for issue by the board of directors on 30th May, 2018.

As per our report of even date

**For S. Dedhia & Co.**  
Chartered Accountants  
Firm Registration No. 117659W

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606

**Navin Kumar**  
Chief Financial Officer

**CIN No. L80101MH2006PLC163028**  
**For and on behalf of the Board of Directors of**  
**Tree House Education & Accessories Limited**

**Rajesh Bhatia**  
Managing Director  
DIN No: 00074393

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

**Geeta Bhatia**  
Director  
DIN No: 00074444

Place: Mumbai | Date : 30.05.2018



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## INDEPENDENT AUDITOR'S REPORT

### TO ALL THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED

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

We have audited the accompanying consolidated Ind AS financial statements of TREE HOUSE EDUCATION & ACCESSORIES LIMITED (hereinafter referred to as "the Venturer Company") and its jointly controlled entities which are companies incorporated in India; comprising of the consolidated Balance Sheet as at March 31, 2018, 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 Venturer Company's Board of Directors are 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 Venturer 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 Venturer 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 Venturer 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 Venturer 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' judgment, 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 Venturer 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 Venturer 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 Venturer Company has discontinued most of the centres operated by the Venturer Company during F.Y. 2016-17 and have converted some of them into franchisee during F.Y. 2016-17 & 2017-18. The Venturer Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, franchise centres and own centres.

The management has informed us that furniture & fixtures lying at some of the closed centres were taken over and stored at various places. The other furniture & fixtures and leasehold improvements at the closed centres that could not be taken over by the Venturer Company or not in control of the Venturer Company, has been written off. In case of franchise converted centres the Venturer Company has entered into a service agreement wherein it has been provided that the franchise centre shall use the furniture & fixtures and leasehold improvement lying at the centres. The management is in the process of verifying the assets lying at such centres in a phased manner.

2. We draw attention to the Consolidated Ind AS Financial Statements with regards to Intangible Assets in respect of Goodwill and "Business Commercial Rights". Management is of the view that no revenue is generated from Mira KG, Baroda and Utsah Education and therefore Goodwill of Mira KG, Baroda and Utsah Education has been impaired fully within the meaning of Indian Accounting Standards (IND AS)-36. Similarly management is of the view that no revenue is generated from Dixit Education Society and therefore "Business Commercial Rights" in respect of Dixit Education Society has been fully impaired within the meaning of Indian Accounting Standards (IND AS)-36.
3. We draw attention to the Consolidated Ind AS Financial Statements with regards to Deposits given to Educational Trusts amounting to Rs. 18889 lakhs as on March 31, 2017, the management has carried out an exercise to book the impairment loss of Financial Assets within the meaning of Indian AS-109. Accordingly the management has booked impairment loss of Rs. 2425 lakhs based on DCF method and the balance carrying value of the deposits at Rs. 16533 lakhs is carried in books of accounts at carrying value for the year ended 31st March, 2018.

In respect of deposit given to Janodhar Shikshan Prasarak Mandal, the management has informed us that the Venturer Company has filed complaint before Economic Offence Wing-I, Navi Mumbai for recovery of the said deposit. In view of pending proceedings the deposit recoverable from Janodhar Shikshan Prasarak Mandal is neither written off nor impaired in books of accounts.

4. We draw attention to the Consolidated Ind AS Financial Statements with regards to loan advanced to Tree House Employees Welfare Trust to enable the Trust to buy ESOP's for its employees. The management has revalued the carrying amount of the said loan at face value and it represents the fair value of the loan receivable from Tree House Employees Welfare Trust as required and stated in compliance to Indian Accounting Standards issued under Companies (Indian Accounting standards) Rules 2015.
5. We draw attention to the Consolidated Ind AS Financial Statements with regards to Trade Receivables amounting to Rs. 2540 lakhs due from Educational trust. In view of the management no provision is required as such balances are good and recoverable.

In our opinion the deliverables and receipts are outstanding for a longer period of time.

6. We draw attention to the Consolidated Ind AS Financial Statements with regards to the carrying value of Lease Deposits with landlords amounting to Rs 807.98 lakhs related to closed/discontinued centres. The lease deposits with landlords for centres already converted into franchise centres of completely closed centres has either been received back or adjusted against lease rentals payable or outstanding expenses or reimbursement of expenses that were found payable at the time of closure of the centres or conversion of the centres into franchise centres.
7. We did not audit the financial statements of two Joint Ventures included in the consolidated financial results, whose financial statements reflect total assets of Rs. 2178 lakhs as at March 31, 2018, total revenues of Rs. 5.00 lakhs, total net loss after tax of Rs. 44 lakhs and total comprehensive income of Rs 1059 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.
8. The Venturer 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 Venturer Company has received notices from financial institutions under "SARFAESI Act". The amount classified as short term borrowings is at Rs. 7549 lakhs.

9. The policies, procedures and overall internal controls needs to be strengthened in order to provide proper evidences regarding recoverability of receivables, valuations of financial assets including deposits, write off of fixed assets including impairments and accounting for direct & indirect taxes including other statutory compliances.
10. 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.
11. Confirmation letters have been sent by the Venturer 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.
12. Some landlords and creditors have initiated legal proceedings against the Venturer Company and its directors, which may result in compensation, interest and other penalties.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Venturer Company and its jointly controlled entities which are companies incorporated in India as at March 31, 2018 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 Venturer 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 Venturer 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 Venturer 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) On the basis of written representations received from the directors of the Venturer Company as on March 31, 2018, and taken on record by the Board of Directors of the Venturer Company and the unaudited accounts of its jointly controlled entities which are companies incorporated in India, none of the directors of the Venturer Company and its jointly controlled entities which are incorporated in India are disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Venturer 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:
    - i) The consolidated Ind AS financial statements disclose the impact if any of pending litigations as at March 31, 2018 on the consolidated financial position of the Venturer Company and its jointly controlled entities which are incorporated in India. However Venturer Company has numerous pending litigations and suits filed



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against the company and its directors which may impact its financial position. The Venturer Company has not disclosed the impact of such pending litigations.

- ii. The Venturer 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 Venturer Company and its jointly controlled entities which are incorporated in India during the year ended March 31, 2018.

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

**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606

Date: 30/05/2018  
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, 2018 we have audited internal financial controls over financial reporting of Tree House Education & Accessories Limited (hereinafter referred to as “the Venturer 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 Venturer 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 Venturer 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

Date : 30/05/2018  
Place : Mumbai



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018

Amount in Rs.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>ASSETS</b>			
Property, plant and equipment	2A	1,51,78,00,317	2,24,33,30,931
Capital work-in-progress	2B	-	-
Investment Properties	3	91,04,47,958	91,75,03,169
Goodwill	4A	54,69,886	1,06,22,313
Intangible assets	4B	16,65,18,793	19,89,72,818
Intangible assets under development		-	-
<u>Financial assets:</u>			
- Investments	5	9,77,21,455	10,59,65,885
- Loans	6	27,04,000	5,52,76,125
- Other financial assets	7	1,65,59,18,794	1,90,42,35,200
Other Non Current Assets		-	-
Deferred tax Assets (Net)	8	10,08,74,983	
<b>Total Non Current Assets</b>		<b>4,45,74,56,187</b>	<b>5,43,59,06,441</b>
<b>Current assets</b>			
Inventories	9	1,38,76,259	2,81,19,528
<u>Financial assets:</u>			
- Trade receivables	10	27,15,79,899	29,45,48,361
- Cash and cash equivalents	11	8,53,245	16,22,584
- Bank Balances other than Cash and cash equivalents	12	56,20,415	76,97,528
- Loans and Advances	13	12,05,794	1,56,02,487
- Other financial assets	14	11,77,98,059	19,25,14,159
<b>Other Current Assets</b>	15	3,39,63,136	3,01,83,530
<b>Total current assets</b>		<b>44,48,96,807</b>	<b>57,02,88,177</b>
<b>Total Assets</b>		<b>4,90,23,52,994</b>	<b>6,00,61,94,618</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	16	42,31,07,240	42,31,07,240
Other equity	17	3,47,62,45,024	4,50,42,18,436
<b>Total equity</b>		<b>3,89,93,52,264</b>	<b>4,92,73,25,676</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<u>Financial liabilities:</u>			
Provisions	18	3,35,166	17,16,133
<b>Total Non-Current liabilities</b>		<b>3,35,166</b>	<b>17,16,133</b>
<b>Current liabilities</b>			
<u>Financial liabilities:</u>			
- Borrowings	19	79,85,20,638	76,72,80,785
- Trade payables	20	11,98,46,709	21,52,64,382
- Other Financial Liabilities	21	57,50,673	1,07,17,852
Provisions	22	1,11,64,332	1,77,18,947
Other current liabilities	23	6,73,83,211	6,61,70,843
<b>Total Current liabilities</b>		<b>1,00,26,65,563</b>	<b>1,07,71,52,809</b>
<b>Total Liabilities</b>		<b>1,00,30,00,729</b>	<b>1,07,88,68,942</b>
<b>Total Equity and Liabilities</b>		<b>4,90,23,52,994</b>	<b>6,00,61,94,618</b>
<b>Significant Accounting Policies</b>	1		
<b>The Notes are an integral part of these standalone financial statements</b>	2-46		

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. 117659W

Rajesh Bhatia  
Managing Director | DIN No: 00074393

Geeta Bhatia  
Director | DIN No: 00074444

CA Sandeep Dedhia  
Proprietor | Membership No. 102606

Navin Kumar  
Chief Financial Officer

Deepak Valecha  
Director | DIN No: 07736480

Place: Mumbai | Date : 30.05.2018





# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2018

Amount in Rs.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>I. INCOME</b>			
Revenue from Operations	24	6,99,96,752	59,26,64,333
Other Income	25	3,54,28,050	3,72,31,771
<b>Total Income</b>		<b>10,54,24,803</b>	<b>62,98,96,104</b>
<b>II. EXPENSES</b>			
Operating expenses	26	2,77,91,000	34,98,16,758
Employee Benefits Expense	27	1,17,52,840	13,04,73,651
Finance Costs	28	5,52,67,080	10,74,94,345
Depreciation and Amortisation Expense	29	52,59,84,897	49,92,27,601
Other Expenses	30	20,44,19,204	31,60,18,459
<b>Total Expenses</b>		<b>82,52,15,020</b>	<b>1,40,30,30,814</b>
<b>III. Profit/ (Loss) before exceptional items and tax</b>		<b>(71,97,90,218)</b>	<b>(77,31,34,710)</b>
<b>IV. Share of net profit/(loss) of associates and joint ventures accounted for using the equity method</b>		<b>(22,25,090)</b>	<b>(18,64,707)</b>
<b>V. Less: Exceptional Items</b>	31	<b>35,13,30,684</b>	<b>87,94,64,691</b>
<b>VI. Profit/(Loss) Before Tax</b>		<b>(1,07,33,45,992)</b>	<b>(1,65,44,64,109)</b>
<b>VII. Tax Expenses</b>			
Short / (Excess) provision of earlier years		-	10,63,601
<b>VIII. Profit/(Loss) for the Year (A)</b>		<b>(97,24,71,009)</b>	<b>(1,631,292,686)</b>
<b>IX. Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit plans		-	62,97,690
Income tax relating to above items			
Other Comprehensive Income for the Year (B)		-	62,97,690
<b>X. Total comprehensive income for the Year (A+B)</b>		<b>(97,24,71,009)</b>	<b>(1,62,49,94,996)</b>
<b>XI. Earnings per equity share of face value of Rs. 10 each</b>			
<b>Basic (in Rs.)</b>		<b>-22.98</b>	<b>-38.56</b>
<b>Diluted (in Rs.)</b>		<b>-22.98</b>	<b>-38.56</b>
<b>Significant Accounting Policies</b>	1		
<b>The Notes are an integral part of these financial statements</b>	2-46		

As per our report of even date

For S. Dedhia & Co.  
Chartered Accountants | Firm Registration No. 117659W

CA Sandeep Dedhia  
Proprietor | Membership No. 102606

Place: Mumbai | Date : 30.05.2018

Navin Kumar  
Chief Financial Officer

CIN No. L80101MH2006PLC163028  
For and on behalf of the Board of Directors of Tree House Education & Accessories Limited

Rajesh Bhatia  
Managing Director | DIN No: 00074393

Deepak Valecha  
Director | DIN No: 07736480

Geeta Bhatia  
Director | DIN No: 00074444





# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Consolidated Cash Flow Statement for the Year ended 31st March, 2018

Amount in Rs.

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>A Cash flows from operating activities</b>		
Profit before tax	(1,07,33,45,992)	(1,65,44,64,109)
Adjustments for:		
Depreciation / amortisation	52,59,84,897	49,92,27,601
Loss on Sale of fixed assets	15,13,55,145	70,33,730
Capital WIP written off	-	8,90,52,535
Fixed Assets w/off	33,76,23,507	77,59,46,131
Remeasurement of net defined benefit plans	-	62,97,690
Finance charges	5,52,67,080	10,74,94,345
Interest on fixed deposits	(8,14,043)	(54,74,770)
Share of net profit/(loss) of associates and joint ventures	22,25,090	18,64,707
<b>Operating profit before working capital changes</b>	<b>(17,04,315)</b>	<b>(17,30,22,139)</b>
Adjustments for:		
(Increase)/Decrease in inventories	1,42,43,269	1,51,59,501
Deposits given to K-12 Schools	47,49,994	(1,98,90,000)
Decrease/(Increase) in sundry debtors	2,29,68,462	27,65,63,011
(Increase)/Decrease in Financial Loans	1,43,96,693	1,40,49,828
(Increase)/Decrease in Other Financial Assets	7,52,58,746	4,74,90,770
(Increase)/Decrease in Other Current Assets	(14,01,543)	-
Increase in liabilities and provisions	(10,71,08,065)	(6,52,98,366)
<b>Cash generated from operations</b>	<b>2,14,03,241</b>	<b>9,50,52,605</b>
Income tax paid	(23,78,064)	(1,36,82,569)
<b>Net cash generated from operating activities</b>	<b>1,90,25,177</b>	<b>8,13,70,036</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)	(3,87,090)	(2,53,40,706)
Proceeds from Sale of Fixed Assets	12,47,256	5,60,44,626
Interest received	12,95,432	53,42,211
<b>Net cash used in investing activities</b>	<b>21,55,598</b>	<b>3,60,46,130</b>
<b>C Cash flow from financing activities</b>		
Proceeds from working capital loan (net)	3,12,39,852	(22,18,48,775)
Interest paid	(5,52,67,080)	(10,74,94,345)
<b>Net cash provided by financing activities</b>	<b>(2,40,27,228)</b>	<b>(32,93,43,120)</b>
Net increase in cash and cash equivalents during the year	(28,46,453)	(21,19,26,953)
Cash and cash equivalents as at the beginning of the year	93,20,112	22,12,47,066
<b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b>	<b>64,73,659</b>	<b>93,20,113</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

For S. Dedhia & Co.  
Chartered Accountants | Firm Registration No. 117659W

CA Sandeep Dedhia  
Proprietor | Membership No. 102606

Place: Mumbai | Date : 30.05.2018

Navin Kumar  
Chief Financial Officer

CIN No. L80101MH2006PLC163028  
For and on behalf of the Board of Directors of Tree House Education & Accessories Limited

Rajesh Bhatia  
Managing Director | DIN No: 00074393

Deepak Valecha  
Director | DIN No: 07736480

Geeta Bhatia  
Director | DIN No: 00074444



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Consolidated Statement of Change in Equity For the Year ended 31st March, 2018

Amount in Rs.

### A. Equity Share Capital

Particulars	Amount
Balance as at 1st April, 2016	42,31,07,240
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	42,31,07,240
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	42,31,07,240

### B. Other Equity

Particulars	Reserve and Surplus				Total
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	
Balance as at 1st April, 2016	4,60,28,15,570	7,59,47,517	1,45,04,50,346	-	6,12,92,13,433
Profit for the year			(1,63,12,92,686)		(1,63,12,92,686)
Other Comprehensive Income for the year			62,97,690		62,97,690
<b>Total Comprehensive Income for the year -</b>	-		<b>(1,62,49,94,996)</b>	-	<b>(1,62,49,94,996)</b>
Balance as at 31st March, 2017	4,60,28,15,570	7,59,47,517	(17,45,44,650)	-	4,50,42,18,436
Balance as at 1st April, 2017	4,60,28,15,570	7,59,47,517	(17,45,44,650)	-	4,50,42,18,436
Profit for the year			(97,24,71,009)	(5,55,02,403)	(1,02,79,73,412)
<b>Other Comprehensive Income for the year -</b>	-				
<b>Total Comprehensive Income for the year -</b>	-	-	<b>(97,24,71,009)</b>	<b>(5,55,02,403)</b>	<b>(1,02,79,73,412)</b>
Balance as at 31st March, 2018	4,60,28,15,570	7,59,47,517	(1,14,70,15,659)	(5,55,02,403)	3,47,62,45,024

Note:

- (i) The Company has revalued its immovable properties. Refer to Note No.39 for revaluation of Free hold Land Building.  
(ii) Refer to Note No. 42 for information on assets pledged as security by Company.

As per our report of even date

**For S. Dedhia & Co.**  
Chartered Accountants  
Firm Registration No. 117659W

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606

**Navin Kumar**  
Chief Financial Officer

**CIN No. L80101MH2006PLC163028**  
**For and on behalf of the Board of Directors of**  
**Tree House Education & Accessories Limited**

**Rajesh Bhatia**  
Managing Director  
DIN No: 00074393

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

**Geeta Bhatia**  
Director  
DIN No: 00074444

Place: Mumbai | Date : 30.05.2018

## Notes to the Financial Statements, for the year ended March 31, 2018.

### 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 amortised over the period of lease. Leasehold improvements are amortised 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 its 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 is 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 preferences hares 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. 18

# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### Note 2A: Property, Plant and Equipment

Particulars	Lease Hold Improvements	Teaching aid and Equipments	Office Equipment	Furniture & Fixture	Electrical Equipment	Computers	Vehicles	Assets Under Write Off / Reuse	Total
<b>Gross Carrying amount</b>									
<b>Balance as at 1st April, 2016</b>	60,34,71,729	5,79,10,985	2,61,67,554	3,68,30,35,898	2,81,78,677	1,28,28,043	92,93,634	-	4,42,08,86,520
Additions	48,48,514	-	-	-	-	7,199	-	73,98,09,834	74,46,65,547
Disposals	7,88,08,338	3,29,755	9,58,658	99,82,12,894	97,500	-	21,38,272	72,66,71,086	1,80,72,16,501
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>52,95,11,905</b>	<b>5,75,81,230</b>	<b>2,52,08,897</b>	<b>2,68,48,23,005</b>	<b>2,80,81,177</b>	<b>1,28,35,242</b>	<b>71,55,362</b>	<b>1,31,38,748</b>	<b>3,35,83,35,566</b>
Additions	-	-	-	-	30,750	1,56,340	-	-	1,87,090
Disposals	4,06,49,326	-	5,54,235	47,74,49,432	2,44,452	-	36,14,074	1,31,38,748	53,56,50,267
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>48,88,62,580</b>	<b>5,75,81,230</b>	<b>2,46,54,662</b>	<b>2,20,73,73,573</b>	<b>2,78,67,475</b>	<b>1,29,91,582</b>	<b>35,41,288</b>	<b>-</b>	<b>2,82,28,72,389</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April, 2016</b>	25,22,15,487	4,06,93,514	80,61,153	61,72,33,547	96,63,602	1,02,30,777	41,71,472	-	94,22,69,552
Additions	7,75,62,727	45,92,441	43,59,437	36,35,49,597	31,06,480	11,62,100	10,35,597	-	45,53,68,379
Disposals	3,94,04,427	1,27,512	3,67,502	24,22,04,452	18,865	-	5,10,538	-	28,26,33,296
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>29,03,73,787</b>	<b>4,51,58,442</b>	<b>1,20,53,088</b>	<b>73,85,78,692</b>	<b>1,27,51,217</b>	<b>1,13,92,877</b>	<b>46,96,531</b>	<b>-</b>	<b>1,11,50,04,635</b>
Additions	5,16,31,855	37,92,777	41,01,238	26,44,72,725	29,09,445	6,55,815	5,02,875	-	32,80,66,730
Disposals	1,98,66,970	-	2,37,705	11,51,80,699	1,65,428	-	25,48,490	-	13,79,99,293
Reclassification of asset held for Sale	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>32,21,38,672</b>	<b>4,89,51,219</b>	<b>1,59,16,621</b>	<b>88,78,70,718</b>	<b>1,54,95,233</b>	<b>1,20,48,692</b>	<b>26,50,916</b>	<b>-</b>	<b>1,30,50,72,071</b>
<b>Net Carrying amount</b>									
<b>Balance as at 1st April, 2016</b>	35,12,56,242	1,72,17,472	1,81,06,402	3,06,58,02,351	1,85,15,074	25,97,265	51,22,162	-	3,47,86,16,968
<b>Balance as at 31st March, 2017</b>	<b>23,91,38,119</b>	<b>1,24,22,788</b>	<b>1,31,55,809</b>	<b>1,94,62,44,312</b>	<b>1,53,29,960</b>	<b>14,42,364</b>	<b>24,58,831</b>	<b>1,31,38,748</b>	<b>2,24,33,30,931</b>
<b>Balance as at 31st March, 2018</b>	<b>16,67,23,908</b>	<b>86,30,011</b>	<b>87,38,041</b>	<b>1,31,95,02,854</b>	<b>1,23,72,241</b>	<b>9,42,889</b>	<b>8,90,372</b>	<b>-</b>	<b>1,51,78,00,317</b>

Note:

(i) 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, 2018

### Note 2B : Capital work-in-progress

Particulars	Land - Free Hold	Total
<b>Gross Carrying amount</b>		
Balance as at 1st April, 2016	3,58,01,122	3,58,01,122
Additions	53,11,245	53,11,245
Disposals	4,11,12,367	4,11,12,367
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	-	-
Additions -	-	-
Disposals -	-	-
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	-	-
<b>Accumulated Depreciation</b>		
Balance as at 1st April, 2016	-	-
Additions -	-	-
Disposals -	-	-
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	-	-
Additions -	-	-
Disposals -	-	-
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	-	-
<b>Net Carrying amount</b>		
Balance as at 1st April, 2016	3,58,01,122	3,58,01,122
Balance as at 31st March, 2017	-	-
Balance as at 31st March, 2018	-	-

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 3 : Investment Properties

Particulars	Land - Free Hold	Building	Total
<b>Gross Carrying amount</b>			
Balance as at 1st April, 2016	30,51,73,248	65,30,02,692	95,81,75,940
Additions -	20,35,000	20,35,000	
Disposals -	-	-	
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2017	30,51,73,248	65,50,37,692	96,02,10,940
Additions	2,00,000	-	2,00,000
Revaluation	12,34,080	18,54,982	30,89,062
Disposals -	-	-	
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>30,66,07,328</b>	<b>65,68,92,674</b>	<b>96,35,00,002</b>
<b>Accumulated Depreciation</b>			
Balance as at 1st April, 2016	-	3,24,14,014	3,24,14,014
Additions -		1,02,93,757	1,02,93,757
Disposals -	-	-	
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2017	-	4,27,07,771	4,27,07,771
Additions -		1,03,44,273	1,03,44,273
Disposals -	-	-	
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>-</b>	<b>5,30,52,044</b>	<b>5,30,52,044</b>
<b>Net Carrying amount</b>			
Balance as at 1st April, 2016	30,51,73,248	62,05,88,678	92,57,61,926
Balance as at 31st March, 2017	30,51,73,248	61,23,29,921	91,75,03,169
Balance as at 31st March, 2018	30,66,07,328	60,38,40,630	91,04,47,958

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rental income derived from investment properties	1,83,13,356	3,03,60,000
Direct operating expenses (including repairs and maintenance)	-	-
<b>Income arising from investment properties before depreciation</b>	<b>1,83,13,356</b>	<b>3,03,60,000</b>
Depreciation	1,03,44,273	1,02,93,757
<b>Income from investment properties (Net)</b>	<b>79,69,083</b>	<b>2,00,66,243</b>

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 4A: Goodwill\*

Particulars	Goodwill	Total
<b>Gross Carrying amount</b>		
Balance as at 1st April, 2016	1,95,20,992	1,95,20,992
Additions -	-	
Disposals -	-	
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	1,95,20,992	1,95,20,992
Additions -	-	
Disposals -	-	
Impairment	1,19,15,099	1,19,15,099
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	<b>76,05,893</b>	<b>76,05,893</b>
<b>Accumulated Depreciation</b>		
Balance as at 1st April, 2016	88,98,680	88,98,680
Additions -	-	
Disposals -	-	
Reclassification of asset held for Sale	-	-
Balance as at 31st March 2017	88,98,680	88,98,680
Additions -	-	
Disposals	67,62,673	67,62,673
Reclassification of asset held for Sale	-	-
<b>Balance as at 31st March, 2018</b>	<b>21,36,007</b>	<b>21,36,007</b>
<b>Net Carrying amount</b>		
Balance as at 1st April, 2016	1,06,22,312	1,06,22,312
Balance as at 31st March, 2017	1,06,22,312	1,06,22,312
Balance as at 31st March, 2018	54,69,886	54,69,886

\* Other than internally generated

Note:

Represents Fair value of transferable value of Goodwill purchased.

Refer Note No.41 for impairment of Goodwill.

# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### Note 4B : Intangible Assets\*

Particulars	Business Commercial rights	Brands	Total
<b>Gross Carrying amount</b>			
Balance as at 1st April, 2016	29,00,64,533	7,77,74,014	36,78,38,547
Additions	-	-	-
Disposals	6,57,59,767	-	6,57,59,767
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2017	22,43,04,766	7,77,74,014	30,20,78,780
Additions	-	-	-
Disposals	-	-	-
Impairment	3,00,30,000	-	3,00,30,000
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>19,42,74,766</b>	<b>7,77,74,014</b>	<b>27,20,48,780</b>
<b>Accumulated Depreciation</b>			
Balance as at 1st April, 2016	7,90,26,239	5,62,74,025	13,53,00,263
Additions	2,58,83,185	76,82,281	3,35,65,466
Disposals	6,57,59,767	-	6,57,59,767
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March 2017</b>	<b>3,91,49,657</b>	<b>6,39,56,305</b>	<b>10,31,05,962</b>
Additions	69,70,971	25,87,932	95,58,903
Disposals	71,34,878	-	71,34,878
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March, 2018	3,89,85,750	6,65,44,237	10,55,29,987
<b>Net Carrying amount</b>			
Balance as at 1st April, 2016	21,10,38,294	2,14,99,989	23,25,38,284
Balance as at 31st March, 2017	18,51,55,109	1,38,17,709	19,89,72,818
Balance as at 31st March, 2018	15,52,89,016	1,12,29,777	16,65,18,793

\* Other than internally generated

Note:

Represents Fair value of Business Commercial Rights purchased.

Refer Note No.41 for impairment of Business Commercial Rights.



## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 5 : Investments

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of 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	99,80,000	8,81,25,373	99,80,000	9,60,00,565
- Mehta Tree house Infrastructure Private Limited equity shares of Rs. 10 each fully paid up	10,00,000	95,96,083	10,00,000	99,65,321
<b>Total</b>		<b>9,77,21,455</b>		<b>10,59,65,885</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		9,77,21,455		10,59,65,885
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		9,77,21,455		-
Financial assets measured at cost		-		10,59,65,885
Financial assets measured at fair value through other comprehensive income		-		-
Financial assets measured at Fair value through Profit & Loss		-		-
<b>Total</b>		<b>9,77,21,455</b>		<b>10,59,65,885</b>

Note :

Refer Note No.39 for revaluation of investments in subsidiaries. Represents fair value of investment in subsidiaries / joint ventures.

## ANNUAL REPORT 2017-2018

### Note 6: Non Current Financial Loans

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Unsecured considered good: Loans Others*	27,04,000	5,52,76,125
<b>Total</b>	<b>27,04,000</b>	<b>5,52,76,125</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 31st March, 2018	As at 31st March, 2017
Share Application money	26,10,000	26,10,000
Security Deposits*	1,65,33,08,794	1,90,16,25,200
<b>Total</b>	<b>1,65,59,18,794</b>	<b>1,90,42,35,200</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.16,438/- Lacs (Previous Year Rs.18,889/-Lacs).

7.4 Refer Note No.44 for Fair Valuation of Security Deposits

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

**Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018**

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	As at 1st April 2016 Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2017 Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2018 Deferred Tax Asset/ (Liabilities)
Depreciation	(2,92,35,465)	2,92,35,465	-	42,52,992	42,52,992
Impairment of assets	-	-	-	(5,34,04,497)	(5,34,04,497)
Loss on Sale of Fixed Assets	-	-	-	(4,54,06,544)	(4,54,06,544)
Expense disallowed due to not paid during the year -	-	-	-	(58,10,809)	(58,10,809)
Provision for Gratuity	31,61,573	(31,61,573)	-	6,64,258	6,64,258
Provision for doubtful trade receivables	-	-	-	(1,66,169)	(1,66,169)
Tax Loss Carried Forward	-	-	-	18,00,21,855	18,00,21,855
Others	18,38,868	(18,38,868)	-	2,07,23,897	2,07,23,897
<b>Total</b>	<b>(2,42,35,024)</b>	<b>2,42,35,024</b>	<b>-</b>	<b>10,08,74,983</b>	<b>10,08,74,983</b>

**Note 9 : Inventories**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Stock-in-Trade*	1,38,76,259	2,81,19,528
<b>Total</b>	<b>1,38,76,259</b>	<b>2,81,19,528</b>

Note:

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

**Note 10: Trade Receivables**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Trade receivables	27,31,65,692	29,55,80,256
Less: allowance for doubtful trade receivables	(15,85,793)	10,31,895
<b>Total Receivables*</b>	<b>27,15,79,899</b>	<b>29,45,48,361</b>
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	27,15,79,899	29,45,48,361
Doubtful	15,85,793	10,31,895
<b>Total</b>	<b>27,31,65,692</b>	<b>29,55,80,256</b>
Less: Provision for doubtful trade receivables	(15,85,793)	10,31,895
<b>Total Trade receivables</b>	<b>27,15,79,899</b>	<b>29,45,48,361</b>

\* Trade Receivables includes receivable amounting to Rs.2,668/- Lakhs (Previous Year Rs. 2,877/- Lakhs) due from educational trust.

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 11: Cash and Bank Balances

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash on Hand	-	22,290
Balances with banks - In Current Accounts	8,53,245	16,00,294
<b>Total</b>	<b>8,53,245</b>	<b>16,22,584</b>

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
In Fixed deposits*	55,82,886	76,60,000
Unpaid dividend account #	37,529	37,528
<b>Total</b>	<b>56,20,415</b>	<b>76,97,528</b>

#### Notes:

\* Includes fixed deposit of Rs.41,69,763/- (Previous Year Rs.38,00,000/-) Pledged as collateral securities.

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

\* Fixed deposit of Rs.14,13,124/- (previous year Rs. 38,60,000/-) placed with a bank against which bank has given a guarantee.

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Unsecured and Considered good: Other Loans and Advances	12,05,794	1,56,02,487
<b>Total</b>	<b>12,05,794</b>	<b>1,56,02,487</b>

#### Note 14: Other Current Financial assets

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Accrued on Investment	99,242	5,80,631
Deposits*	8,07,98,719	14,74,29,048
Rent Equilisation Deposit	-	90,76,882
Advance Against Property #	3,69,00,098	3,54,27,598
<b>Total</b>	<b>11,77,98,059</b>	<b>19,25,14,159</b>

\* The carrying value of lease deposits with landlords amounting to Rs.793/- Lacs

(Previous Year Rs.1473/- Lacs) is related to closed/ discontinued centres and administrative office.

# Represents advance paid for purchase of two flats at Andheri, Mumbai.



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### Note 15: Other Current assets

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Balances with government Authorities	3,39,54,150	3,01,83,530
Prepaid Expenses	8,986	-
<b>Total</b>	<b>3,39,63,136</b>	<b>3,01,83,530</b>

### Note 16: Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share capital</b>				
Equity Share Capital of Rs.10 each	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000
<b>Issued, subscribed &amp; paid up</b>				
Equity Share Capital of Rs.10 each fully paid up	4,23,10,724	42,31,07,240	4,23,10,724	42,31,07,240
<b>Total</b>	<b>4,23,10,724</b>	<b>42,31,07,240</b>	<b>4,23,10,724</b>	<b>42,31,07,240</b>

#### Notes:

#### 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. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Rajesh Bhatia	36,86,336	8.71%	36,86,336	8.71%
Geeta Bhatia	35,65,000	8.42%	35,65,000	8.42%
FC VI India Venture Mauritius Ltd	28,97,665	6.84%	28,97,665	6.84%
Bajaj Holding And Investment Ltd	24,30,882	5.75%	24,30,882	5.75%

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4,23,10,724	4,23,10,724
Add: Shares issued on exercise of employee stock options	-	-
<b>Equity Shares at the end of the year</b>	<b>4,23,10,724</b>	<b>4,23,10,724</b>

# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### 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, 2016	4,60,28,15,570	7,59,47,517	1,45,04,50,346	-	6,12,92,13,433
Profit for the year			(1,63,12,92,686)		(1,63,12,92,686)
Other Comprehensive Income for the year			62,97,690		62,97,690
<b>Total Comprehensive Income for the year</b>	-	-	<b>(1,62,49,94,996)</b>	-	<b>(1,62,49,94,996)</b>
Balance as at 31st March, 2017	4,60,28,15,570	7,59,47,517	(17,45,44,650)	-	4,50,42,18,436
Balance as at 1st April, 2017	4,60,28,15,570	7,59,47,517	(17,45,44,650)	-	4,50,42,18,436
Profit for the year	-	-	(97,24,71,009)	(5,55,02,403)	(1,02,79,73,412)
Other Comprehensive Income for the year	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	<b>(97,24,71,009)</b>	<b>(5,55,02,403)</b>	<b>(1,02,79,73,412)</b>
Balance as at 31st March, 2018	4,60,28,15,570	7,59,47,517	(1,14,70,15,659)	(5,55,02,403)	3,47,62,45,024

Note:

- (i) The Company has revalued its immovable properties. Refer to Note No.39 for revaluation of Free hold Land Building.  
(ii) Refer to Note No.42 for information on assets pledged as security by Company.

### Note 18 : Provisions

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Provisions for Employee Benefits :Gratuity	3,35,166	17,16,133
<b>Total</b>	<b>3,35,166</b>	<b>17,16,133</b>

Note:

The following table sets out the status of the gratuity plan for the year ended March 31, 2018 in accordance with Indian Accounting Standard (Ind AS-19), Employee Benefits  
The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days salary (last drawn salary) for each completed years of service. The scheme is unfunded.

### Profit and loss account

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Cost for the year:</b>		
Service cost	1,68,094	4,37,183
Interest cost	2,67,982	7,30,831
Expected return on plan assets		
Actuarial loss / (Gain)	(32,92,905)	(62,97,690)
<b>Total net cost recognized as employee remuneration</b>	<b>(28,56,829)</b>	<b>(51,29,676)</b>

# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### Note 18 : Provisions (Contd...)

#### Balance sheet

#### Details of provision for gratuity

Present value of defined benefit obligation as at year end (A)	11,48,878	40,05,707
Fair value of plan assets as at year end (B)	-	-
Net liability as at year end recognized in Balance Sheet (A)-(B)	11,48,878	40,05,707

Provision for gratuity		
Long term	3,35,165	17,16,133
Short term	8,13,713	22,89,574

#### Changes in present value of the defined benefit obligation are as follows:

Changes in defined benefit obligation:		
Defined benefit obligation as at the beginning of the year	40,05,707	91,35,383
Current service cost	1,68,094	4,37,183
Interest cost	2,67,982	7,30,831
Actuarial loss / (gain) on obligations	(32,92,905)	(62,97,690)
Benefit paid	-	-
Present value of defined benefit obligation at the end of the year [A]	11,48,878	40,05,707

#### The principal assumptions used in determining gratuity for the Company's plans are shown below:

Assumptions		
Discount rate	7.60%	6.69%
Attrition rate	Upto age 35 - 20%	Upto age 35 - 20%
	36-40 - 10%	36-40 - 10%
	41-58 - 5%	41-58 - 5%
Salary escalation rate	6.00%	6.00%

### Note 19: Current Financial Borrowings

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Secured</b>		
Term loans from bank	22,90,31,591	72,39,25,505
Bank Over Draft/ Cash Credit Facility with Bank	52,58,25,949	-
<b>Secured-Total (A)</b>	<b>75,48,57,540</b>	<b>72,39,25,505</b>
<b>Unsecured</b>		
- From Related Parties	4,36,63,098	4,12,95,236
- From Others	-	20,60,044
<b>Unsecured-Total (B)</b>	<b>4,36,63,098</b>	<b>4,33,55,280</b>
<b>Total</b>	<b>79,85,20,638</b>	<b>76,72,80,785</b>



**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

**Note:**

**19.1 Secured bank loan**

Secured by mortgage of Land & building, hypothecation of movable assets, book debts both present and future and fixed deposits to the extent of Rs.41,69,763/- (Previous year Rs.38,00,000/-) placed with a bank against working capital loan obtained from them.

**19.2** 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.

**19.3** The amount payable to financial institutions is Rs.7549/- Lakhs (Previous year Rs.7260/- Lakhs).

**Note 20: Trade Payables**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Micro, Small and Medium Enterprises*		
Others	11,98,46,709	21,52,64,382
<b>Total</b>	<b>11,98,46,709</b>	<b>21,52,64,382</b>

\* The company has during the year, not received from any of its suppliers any information regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 In the light of the above facts, management has decided that none of them are registered under the said Act and disclosure, if any relating to amount unpaid as at the year end along with the interest payable / paid

**Note 21: Other Financial Liabilities**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest accrued and due	53,37,055	85,93,584
Interest accrued but not due	3,76,090	20,86,741
Unclaimed Dividend	37,528	37,528
<b>Total</b>	<b>57,50,673</b>	<b>1,07,17,852</b>

**Note 22: Current Provisions**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Provisions for Employee Benefits: Gratuity (Refer note 19)	8,13,713	22,89,574
Provisions for Employee Benefits : Others	1,03,50,619	1,54,29,373
<b>Total</b>	<b>1,11,64,332</b>	<b>1,77,18,947</b>

**Note 23: Other Current liabilities**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Advance tuition fees received	11,14,800	1,17,50,232
Withholding & other tax payables	6,38,45,965	5,39,40,010
Other Current Liabilities	24,22,445	4,80,601
<b>Total</b>	<b>6,73,83,211</b>	<b>6,61,70,843</b>

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 24: Revenue from operations

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Revenue from</b>		
- Sale of education kits	2,33,45,372	1,25,65,383
- Sale of equipment	-	86,10,376
<b>- Sale of services</b>		
Consultancy income	8,47,456	10,26,32,213
Income from early childhood education	87,65,300	41,19,72,365
Income from early childhood training course	-	42,65,272
Royalty income	1,80,88,523	92,64,826
<b>- Other Operating Revenue</b>		
Other operating income	6,36,746	44,318
Rent income from education infrastructure	1,83,13,356	3,94,36,882
Franchisee Fee Received	-	38,72,697
<b>Total</b>	<b>6,99,96,752</b>	<b>59,26,64,333</b>

#### Note 25: Other Income

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income	8,14,043	54,74,770
Liability no longer Payable	1,75,81,892	2,46,46,536
Prior Period Income	5,046	3,81,763
Gratuity written Back	22,58,041	51,29,676
Other non-operating income	1,47,69,029	15,99,025
<b>Total</b>	<b>3,54,28,050</b>	<b>3,72,31,771</b>

#### Note 26: Operating Expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rent (includes conducting charges and society maintenance)	1,01,34,468	25,93,61,454
Security charges	10,99,054	1,35,46,144
Training material and equipment consumed	1,50,49,582	1,72,99,636
Water, electricity and cleaning charges	11,90,588	3,23,06,253
Activity expenses	3,17,307	70,96,777
Other centre expenses	-	2,02,06,495
<b>Total</b>	<b>2,77,91,000</b>	<b>34,98,16,758</b>



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## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### Note 27: Employee Benefits Expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and wages	1,11,42,098	11,64,91,606
Contribution to provident and other funds	3,29,419	1,35,76,589
Staff welfare expenses	2,81,323	4,05,456
<b>Total</b>	<b>1,17,52,840</b>	<b>13,04,73,651</b>

Refer Note 18 for disclosure as per Indian Accounting Standard 19 "Employee benefits"

### Note 28: Finance cost

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expenses	5,48,40,080	10,43,12,322
Finance charges	4,27,000	31,82,023
<b>Total</b>	<b>5,52,67,080</b>	<b>10,74,94,345</b>

### Note 29: Depreciation and Amortisation Expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation Expenses	33,84,11,003	46,56,62,136
Amortisation Expense	95,58,903	3,35,65,466
Impairment of assets	17,80,14,991	-
<b>Total</b>	<b>52,59,84,897</b>	<b>49,92,27,601</b>

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 30: Other expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Advertisement and publicity expenses	26,97,145	75,04,369
Legal and professional fees	1,19,42,564	48,95,564
Office expenses	2,66,486	21,97,771
Rates and taxes	25,60,705	34,99,868
Insurance	63,290	8,86,568
Loss on sale of fixed assets	15,13,55,145	70,33,730
Telephone and courier expenses	4,15,605	11,60,238
Auditors' remuneration (Refer note 37)	9,40,000	23,00,000
Brokerage and commission	-	4,60,742
Business promotion	37,100	5,53,694
Printing and stationery	5,58,627	7,86,940
Donation	37,100	5,25,000
Repairs and maintenance	13,11,761	10,50,819
Travelling and conveyance	12,96,666	24,93,079
Freight and delivery expenses	-	14,84,313
Provision for doubtful trade receivables	5,53,898	27,47,77,028
Director Sitting Fees	52,500	7,61,875
Prior Period Expenses	1,39,87,850	-
Miscellaneous expenses	1,21,86,896	36,46,861
Discounts & W/off	41,55,867	-
<b>Total</b>	<b>20,44,19,204</b>	<b>31,60,18,459</b>

#### Note 31: Exceptional Items

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Capital WIP Written off*		8,90,52,535
Fixed Assets Written off*	33,76,23,507	77,59,46,131
Rent Deposit Written off*	1,37,07,177	1,44,66,025
<b>Total</b>	<b>35,13,30,684</b>	<b>87,94,64,691</b>

\* written off due to closure of centres



## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018

#### Note 32: Contingent Liabilities and Commitments (to the the extent not provided for)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Commitments</b>		
Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal	14,13,124	38,60,000
<b>Total</b>	<b>14,13,124</b>	<b>38,60,000</b>

#### Note 33: 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 - Managing Director  |
| ii. Relatives of key management personnel            | : Mrs. Geeta Bhatia - wife of Mr.Rajesh Bhatia  |
| iii. Associates company                              | : JT Infrastructure Private Limited ,<br>Mehta Treehouse Infrastructure Private Limited |
| iv. Entity over which there is a significant control | : Tree House Foundation   |

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 33: 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>Rent expense</b>				
- Mr. Rajesh Bhatia	2,24,322	-	-	-
	(80,37,120)	-	-	-
- Mrs. Geeta Bhatia	-	2,24,322	-	-
	-	(80,37,120)	-	-
<b>Remuneration</b>				
- Mr. Vishal shah	-	-	-	-
	(8,00,000)	-	-	-
- Mr. Rajesh Bhatia	-	-	-	-
	(48,00,000)	-	-	-
<b>Loan Taken</b>				
- Rajesh Bhatia	36,00,000	-	-	-
	(3,68,13,098)	-	-	-
- Geeta Bhatia	-	-	-	-
	-	(37,50,000)	-	-
<b>Loan Repaid</b>				
- Rajesh Bhatia	5,00,000	-	-	-
	-	-	-	-
<b>Interest on Loan Taken</b>				
- Rajesh Bhatia	46,66,572	-	-	-
	(7,38,279)	-	-	-
- Geeta Bhatia	-	4,50,000	-	-
	-	(75,208)	-	-

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,

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

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Outstandings</b>		
<b>Trade Payables-Others</b>		
Key management personnel	1,00,02,898	97,34,236
Relatives of KMP	1,00,00,863	97,34,235
<b>Short Term Provision-Others</b>		
Key management personnel	49,77,239	49,77,239
<b>Investment</b>		
Associate Company	10,37,80,660	10,98,00,000
<b>Unsecured Current Financial Borrowings</b>		
Key management personnel	3,99,13,098	3,74,77,549
Relatives of KMP	37,50,000	38,17,687
<b>Other Financial Liabilities</b>		
Key management personnel	48,64,367	6,64,451
Relatives of KMP	4,72,687	67,687

### Note 34: 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.



## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 35: 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 36: Earnings Per Share

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Profit after tax	(97,24,71,009)	(1,63,12,92,686)
Weighted average number of shares outstanding (Basic)	4,23,10,724	4,23,10,724
Weighted average number of shares outstanding (Diluted)	4,23,10,724	4,23,10,724
Nominal value per share	10	10
Basic earnings per share	(22.98)	(38.56)
Diluted earnings per share	(22.98)	(38.56)

#### Note 37: Auditors' Remuneration (Excluding Service Tax and GST)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Statutory audit fees	8,25,000	23,00,000
Tax audit fees	-	-
Other services	1,15,000	-
<b>Total</b>	<b>9,40,000</b>	<b>23,00,000</b>

#### Note 38: Corporate Social Responsibility (CSR) Expenses

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
A. Gross amount required to be spent by company during the year	-	1,09,01,943
B. Amount spent during the year.	-	-
C. Related party transaction in relation to corporate social responsibility expenses.	-	-
D. Provision made during the year	-	-
<b>Total</b>		<b>1,09,01,943</b>



## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

#### Note 39: Revaluation of Assets and Liabilities

The Company has revalued its immovable properties as per Valuation Report obtained from Independent Valuer. Share Investment are revalued at Net Asset Value as on 31.03.2017 of JT Infrastructure Pvt Ltd and MT Infrastructure Pvt Ltd respectively. Non Current Financial Loans are devalued based on Face value of Shares at Rs.10/- per share for the purpose of issue of ESOP.

Particulars	As at 31 <sup>st</sup> March, 2017	Additions	Revaluation Amount	As at 31st March, 2018
Free hold Land	30,51,73,248	2,00,000	12,34,080	30,66,07,328
Building	65,50,37,692	-	18,54,982	65,68,92,674
Investments	10,98,00,000	-	(60,19,340)	10,37,80,660
Non Current Financial Loans to Other	5,52,76,125	-	(5,25,72,125)	27,04,000

#### Note 40: Disposal/ Write off of Fixed Assets

The Company has written off Furniture & Fixtures and Lease hold Improvement as no amount was recoverable from such assets. The Company has written off/ disposed Furniture & Fixtures and Lease hold Improvement of Closed Centres total of Rs.38,30,51,089/- out of which Rs.32,44,84,760/- were written off and Rs.5,85,66,329/- were sold during the year.

#### Note 41: Impairment of Fixed Assets

The Company has impaired Goodwill of Rs.51,52,426/- and Business Commercial Rights of Rs.2,28,95,122/- during the year as no income received / receiveable from the said business Commercial Rights.

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March, 2018**

**Note 42: Assets Pledged as security**

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

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Trade Receivable	27,15,79,899	29,45,48,361
<b>Total Current assets Pledged as security</b>	<b>27,15,79,899</b>	<b>29,45,48,361</b>
<b>Non - Current Assets</b>		
First Charge		
Land	30,66,07,328	30,51,73,248
Building	60,38,40,630	61,23,29,921
<b>Total non current assets pledged as security</b>	<b>91,04,47,958</b>	<b>91,75,03,169</b>
<b>Total assets pledged as security</b>	<b>1,18,20,27,857</b>	<b>1,21,20,51,530</b>

**Note 43: 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, 2018

#### Note 43: Fair Value measurement (Contd...)

Financial Assets and Liabilities as at 31st March, 2018	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	10,37,80,660	-	-	10,37,80,660	10,37,80,660
<b>Other Assets</b>					
<b>Non Current Assets</b>					
Loans to Others	27,04,000	-	-	27,04,000	27,04,000
Share application money	26,10,000	-	-	26,10,000	26,10,000
Security Deposits	1,65,33,08,794	1,65,33,08,794	-	-	1,65,33,08,794
<b>Current Assets</b>					
Trade receivables	27,15,79,899	-	-	27,15,79,899	27,15,79,899
Cash and cash equivalents	8,53,245	-	-	8,53,245	8,53,245
Bank Balances other than Cash and cash equivalents	56,20,415	-	-	56,20,415	56,20,415
Loans and Advances	12,05,794	-	-	12,05,794	12,05,794
Other financial assets	11,77,98,059	-	-	11,77,98,059	11,77,98,059
	<b>2,05,56,80,206</b>	<b>1,65,33,08,794</b>	<b>-</b>	<b>40,23,71,412</b>	<b>2,05,56,80,206</b>
<b>Financial Liabilities</b>					
<b>Non Current Provisions</b>					
Non Current Provisions	3,35,166	-	-	3,35,166	3,35,166
<b>Current Liabilities</b>					
Borrowings	79,85,20,638	-	-	79,85,20,638	79,85,20,638
Trade Payables	11,98,46,709	-	-	11,98,46,709	11,98,46,709
Other Liabilities	57,50,673	-	-	57,50,673	57,50,673
	<b>92,44,53,186</b>	<b>-</b>	<b>-</b>	<b>92,44,53,186</b>	<b>92,44,53,186</b>
				-	-

## ANNUAL REPORT 2017-2018

### Tree House Education & Accessories Limited

#### Notes on Consolidated Financial Statements for the year ended 31st March, 2018

##### Note 43: Fair Value measurement (Contd...)

Financial Assets and Liabilities as at 31st March, 2017	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	10,98,00,000	-	-	10,98,00,000	10,98,00,000
<b>Other Assets</b>					
<b>Non Current Assets</b>					
Loans to Others	5,52,76,125	-	-	5,52,76,125	5,52,76,125
Share application money	26,10,000	-	-	26,10,000	26,10,000
Security Deposits	1,90,16,25,200	-	-	1,90,16,25,200	1,90,16,25,200
<b>Current Assets</b>					
Trade receivables	29,45,48,361	-	-	29,45,48,361	29,45,48,361
Cash and cash equivalents	16,22,584	-	-	16,22,584	16,22,584
Bank Balances other than Cash and cash	76,97,528	-	76,97,528	76,97,528	76,97,528
Loans and Advances	1,56,02,487	-	-	1,56,02,487	1,56,02,487
Other financial assets	19,25,14,159	-	-	19,25,14,159	19,25,14,159
	<b>2,47,14,96,444</b>	<b>-</b>	<b>-</b>	<b>2,47,14,96,444</b>	<b>2,47,14,96,444</b>
<b>Financial Liabilities</b>					
<b>Non Current Provisions</b>					
Non Current Provisions	17,16,133	-	-	17,16,133	17,16,133
<b>Current Liabilities</b>					
Borrowings	76,72,80,785	-	-	76,72,80,785	76,72,80,785
Trade Payables	21,52,64,382	-	-	21,52,64,382	21,52,64,382
Other Liabilities	1,07,17,852	-	-	1,07,17,852	1,07,17,852
	<b>99,49,79,152</b>	<b>-</b>	<b>-</b>	<b>99,49,79,152</b>	<b>99,49,79,152</b>
				-	-

##### Note 43: Fair Value measurement (Contd...)

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

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Investments in Equity shares of Joint Venture	10,37,80,660	10,37,80,660	10,98,00,000	10,98,00,000
Security Deposits	1,61,38,09,104	1,61,38,09,104	-	-
Non Current Financial Loans	27,04,000	27,04,000	-	-
	<b>1,72,02,93,764</b>	<b>1,72,02,93,764</b>	<b>10,98,00,000</b>	<b>10,98,00,000</b>

##### Note 44: 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.



# ANNUAL REPORT 2017-2018

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### Movement in provisions of doubtful debts

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Opening provision	10,31,895	51,57,161
Add: Additional provision made	5,53,898	4,51,57,533
Less: Provision write off	-	1,20,80,578
Less: Provision reversed	-	3,72,02,221
Closing provisions	15,85,793	10,31,895

### Note 45: Net debt reconciliation

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Cash and cash equivalents	8,53,245	16,22,584
Current Borrowings	(79,85,20,638)	(76,72,80,785)
Interest Payable	(57,13,145)	(1,06,80,324)
<b>Net Debt</b>	<b>(80,33,80,538)</b>	<b>(77,63,38,525)</b>

Particulars	Cash and cash equivalents	Current Borrowings	Interest Payable	Total
<b>Net Debt as at 1st April 2017</b>	16,22,584	(76,72,80,785)	(1,06,80,324)	(77,63,38,525)
Cash flows	(7,69,339)	(3,12,39,852)	-	(3,20,09,192)
Finance Costs	-	-	(2,03,99,958)	(2,03,99,958)
Interest Paid	-	-	2,53,67,137	2,53,67,137
<b>Net Debt as at 31st March 2018</b>	<b>8,53,245</b>	<b>(79,85,20,638)</b>	<b>(57,13,145)</b>	<b>(80,33,80,538)</b>

### Note 46: Approval of financial statements

The financial statements were approved for issue by the board of directors on 30th May, 2018.

As per our report of even date

**For S. Dedhia & Co.**  
Chartered Accountants  
Firm Registration No. 117659W

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606

**Navin Kumar**  
Chief Financial Officer

**CIN No. L80101MH2006PLC163028**  
For and on behalf of the Board of Directors of  
Tree House Education & Accessories Limited

**Rajesh Bhatia**  
Managing Director  
DIN No: 00074393

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

**Geeta Bhatia**  
Director  
DIN No: 00074444

Place: Mumbai | Date : 30.05.2018



## ANNUAL REPORT 2017-2018

12th Annual General Meeting – September 22, 2018

### ATTENDANCE SLIP

Registered Folio no. / DP ID no. / Client ID no.	
Number of shares held	
Name and Address of the Shareholder/Proxy	

I hereby record my presence at the Twelveth Annual General Meeting of **TREE HOUSE EDUCATION & ACCESSORIES LIMITED** held on Saturday, September 22, 2018 at 9a.m.at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (West), Mumbai - 400 058.

Signature of the Shareholder/Proxy

#### Notes:

- Shareholders attending the meeting in person or through proxy are requested to fill in the Attendance Slip and submit the same at the attendance verification counter at the entrance of Meeting hall.
- Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.
- Electronic copy of the Annual Report for financial year 2017-18 alongwith Notice of the Annual General Meeting (AGM), attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical copy of the Annual Report for financial year 2017-18 along with Notice of the AGM, attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

#### E-Voting Information

The electronic voting particulars are set out below:

EVEN (E -Voting Event Number)	USER ID	PASSWORD

Please refer notice for instructions on e-voting.

E-voting facility is available during the following voting period

Commencement of E-voting	Conclusion of E-voting
Wednesday, September 19, 2018 at 9.00 a.m.	Friday, September 21, 2018 till 5.00 p.m.





## ANNUAL REPORT 2017-2018

### Form No. MGT - 11

12th Annual General Meeting – September 22, 2018

#### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s): \_\_\_\_\_

Registered Address of Member(s): \_\_\_\_\_

E-mail id: \_\_\_\_\_

Folio No. / Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member(s) of TREE HOUSE EDUCATION & ACCESSORIES LIMITED, holding \_\_\_\_\_ Equity Shares hereby appoint:

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him \_\_\_\_\_

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him \_\_\_\_\_

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company, to be held on Saturday, September 22, 2018 at 9 a.m. at Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (West), Mumbai - 400 058 and at any adjournment thereof in respect of such resolutions as are indicated below:



## ANNUAL REPORT 2017-2018

Sr.No.	Resolution	Vote (Optional see Note 1)		
		For	Against	Abstain
	Ordinary Business			
1.	To receive, consider and adopt; a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018, 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, 2018, and the Report of the Auditor's thereon.			
2.	To appoint a Director in place of Mrs. Geeta Bhatia (DIN 00074444), who retires by rotation and being eligible, offers herself for re-appointment.			
	Special Business			
3.	To approve the appointment and remuneration of the Cost Auditor for the financial year ending March 31, 2019.			
4.	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.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of the member

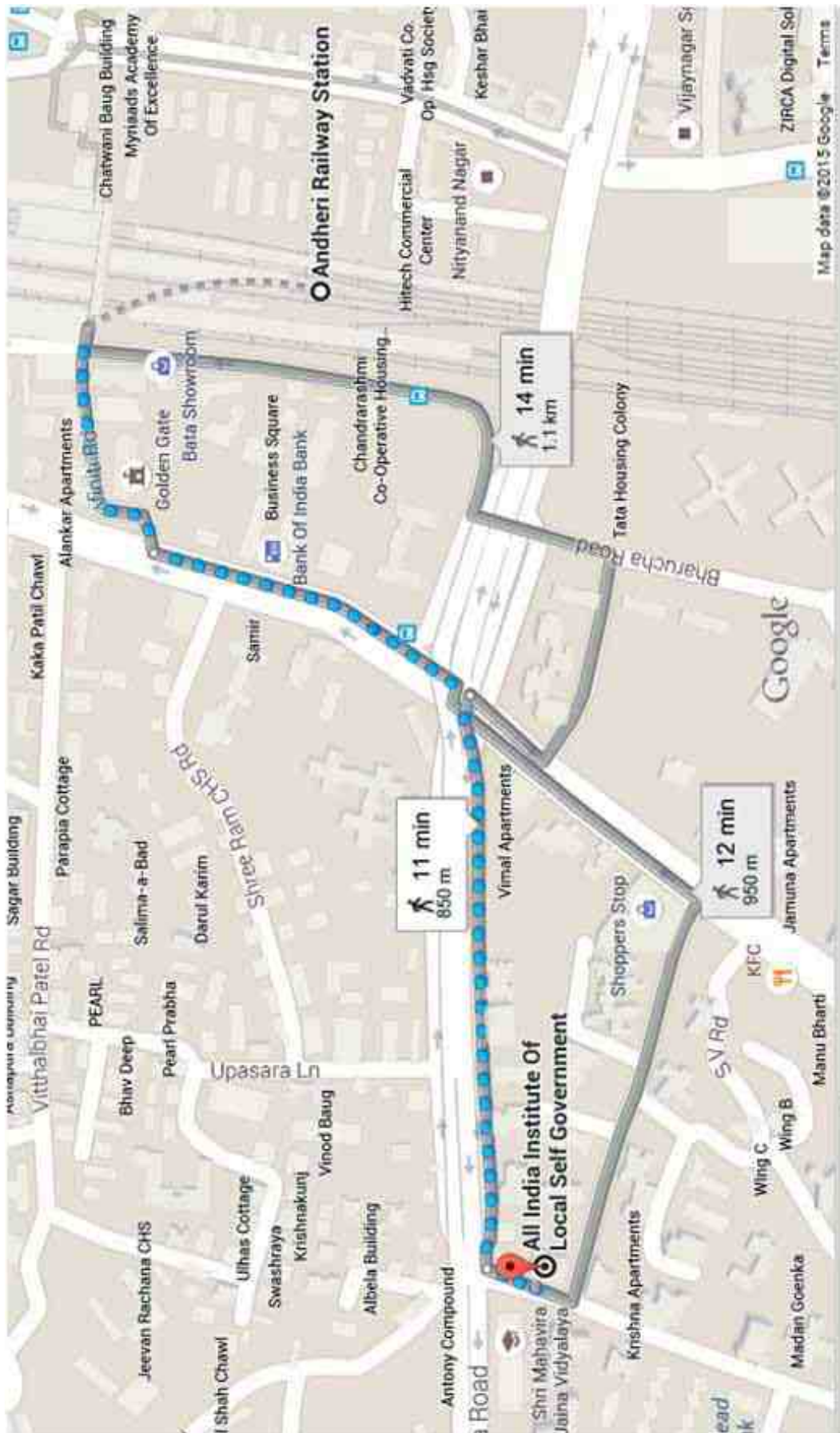
\_\_\_\_\_  
Signature of 1st proxy holder

\_\_\_\_\_  
Signature of 1st proxy holder

\_\_\_\_\_  
Signature of 1st proxy holder

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.





## ANNUAL REPORT 2017-2018

### NOTES

