



# ANNUAL REPORT 2021-2022

## INDEX

SR NO	CONTENTS	PAGE NO.
<b>A</b>	<b>CORPORATE OVERVIEW</b>	
	CORPORATE INFORMATION	01
<b>B</b>	<b><u>STATUTORY REPORTS</u></b>	
	NOTICE	02
	BOARD'S REPORT	13
	MANAGEMENT DISCUSSION AND ANALYSIS	29
	REPORT ON CORPORATE GOVERNANCE	32
<b>C</b>	<b><u>FINANCIAL STATEMENTS</u></b>	
	STANDALONE FINANCIAL STATEMENTS	
	INDEPENDENT AUDITORS REPORT	51
	BALANCE SHEET	58
	STATEMENT OF PROFIT AND LOSS	59
	CASH FLOW STATEMENT	60
	NOTES	61
	CONSOLIDATED FINANCIAL STATEMENTS	
	INDEPENDENT AUDITORS REPORT	89
	BALANCE SHEET	94
	STATEMENT OF PROFIT AND LOSS	95
	CASH FLOW STATEMENT	96
	NOTES	97



## ANNUAL REPORT 2021-2022

### CORPORATE INFORMATION

**BOARD OF DIRECTORS:**

**Mr. Jugal Shah**

Executive Director and Chairman

**Ms. Nidhi Busa**

Non-Executive Independent Woman Director

**Mr. Milin Ramani**

Non-Executive Independent Director

**Mr. Deepak Valecha**

Non-Executive Independent Director

**Mrs. Babita Bhatia**

Non-Executive Non Independent Woman Director

**Mr. Dipen Shah (w.e.f. 12/08/2021).**

Non-Executive Non Independent Director

**CHIEF EXECUTIVE OFFICER:**

**Mr. Rajesh Bhatia**

**CHIEF FINANCIAL OFFICER:**

**Mr. Navin Kumar Mane**

**COMPANY SECRETARY &****COMPLIANCE OFFICER:**

**Ms. Guddi Bajpai**

**BOARD COMMITTEES**

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

**STATUTORY AUDITOR:**

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

Chartered Accountants, Mumbai

**INTERNAL AUDITOR:**

**M/s. S. Dharmesh Parekh & Associates**

Chartered Accountants, Mumbai

**SECRETARIAL AUDITOR:**

**M/s. Kaushal Doshi & Associates**

Practicing Company Secretary, Mumbai

**BANKERS:**

ICICI Bank Ltd.

**REGISTRAR & TRANSFER AGENTS:**

**LinkIntime India Pvt. Ltd.**

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

Vikhroli (West), Mumbai – 400083

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**REGISTERED OFFICE:**

101, Sapphire Plaza, Dadabhai Road,

Opp. CNMS School, Vile Parle (West),

Mumbai – 400056.

Tel. No: 022-26201029

Email: [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net)

CIN: L80101MH2006PLC163028

**WEBSITE:**

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

[www.treehouseonline.org](http://www.treehouseonline.org)



## ANNUAL REPORT 2021-2022

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED ("THE COMPANY") WILL BE HELD ON THURSDAY, SEPTEMBER 29, 2022 AT 10.30 A.M. THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESS:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt;
  - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Jugal Bharat Shah (DIN: 08334114), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Rakesh Soni & Co., Chartered Accountants, as Statutory Auditors of the Company in place of M/s. S. Dedhia & Co., the retiring Statutory Auditors, to hold office from the conclusion of Sixteenth Annual General Meeting, until the conclusion of Twenty First Annual General Meeting on such remuneration as may be decided by the Board of Directors or any Committee thereof. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder the consent of the Company be and hereby accorded for the appointment of M/s. Rakesh Soni & Co., Chartered Accountants, (ICAI Firm Registration No. 114625W), Thane as the Statutory Auditor of the Company, who shall hold office as Statutory Auditors of the Company for a period of five years from the conclusion of Sixteenth Annual General Meeting till the conclusion of Twenty First Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** Board be and is hereby authorised to fix the remuneration of Statutory Auditors of the Company as recommended by the Audit Committee in consultation with the Statutory Auditors, in addition to reimbursement of out of pocket expenses.

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

#### SPECIAL BUSINESS:

4. To approve and ratify the remuneration of the Cost Auditor for the financial year ending March 31, 2023.

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 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or re-enactment thereof for the time being in force, the remuneration payable to M/s. Kishore Bhatia & Associates, Practicing Cost Accountants (Firm Registration Number 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 2022-23, amounting to Rs. 20,000/- p.a. (Rupees Twenty Thousand only) plus taxes as applicable and reimbursement of out-of-pocket expenses, if any for the F.Y. 2022-23 be and is hereby ratified and confirmed.

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

For Tree House Education & Accessories Limited

Sd/-

Jugal Shah

Director

(DIN: 08334114)

Date: August 29, 2022

Place: Mumbai



## ANNUAL REPORT 2021-2022

### NOTES

1. In view of the continuing outbreak of the COVID-19 pandemic, social distancing norm and pursuant to the Circular No. 14/2020 dated 08 April, 2020, Circular No.17/2020 dated 13 April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05 May, 2020, Circular No. 02/2021 dated 13 January, 2021 and Circular no. 21/2021 dated 14 December, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and the general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.
2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. The Members can join the AGM in the VC/OAVM mode 1(one) hour before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM and pursuant to the relevant circular(s), issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form is not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. Since, this AGM is held through VC, no road map of the location for the venue of Annual General Meeting is attached herewith.
6. Corporate /Institutional Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mihenhalani@gmail.com with a copy marked to evoting@nsdl.co.in and compliance@treehouseplaygroup.net.
7. **GREEN INITIATIVE:** - SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime India Private Limited in case the shares are held by them in physical form.
8. Members whose shareholding is in physical form are requested to immediately notify change in their address and bank account details, if any, to the Registrar and Transfer Agent of the Company, viz, Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083, quoting their Folio Number(s).
9. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with Link Intime India Private Limited.
10. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083 for assistance in this regard.



## ANNUAL REPORT 2021-2022

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.
12. Members are requested to address all correspondence, to the Registrar and Share Transfer Agent, Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083.
13. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not claimed the same so far for the financial year 2015, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim with the Company shall lie in respect thereof. Pursuant to provisions of Section 124(6) and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended by time to time.

### IEPF RELATED INFORMATION:

The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2013-14, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the Company's website.

Further, the Company will be transferring the unclaimed dividend and the respective shares to the IEPF Authority for its Dividend Account of the financial year 2014-15 which is due in November, 2022. The Company has sent individual correspondence to the shareholders and published a newspaper advertisement for claiming the un-paid/unclaimed dividend in respect of which dividend has not been encashed or claimed by the members for 7 consecutive years or more. The shareholders are once again requested to claim their un-paid/unclaimed dividend to avoid the transfer to IEPF.

Members who have not yet encashed their Final Dividend for financial year 2015 are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers/DP ID – Client ID in all their correspondence.

14. 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.
15. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and Annual Report has been uploaded on the website of the Company at [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net), and being sent by email to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) and with the Company's Registrar and Transfer Agent. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.mseil.in](http://www.mseil.in) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
16. The attendance of Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
17. 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.
18. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
19. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital in the company as on the cut-off-date i.e. Thursday September 22, 2022.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate





## ANNUAL REPORT 2021-2022

Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and all other relevant circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL on all resolutions set forth in this Notice.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on September, 26, 2022 at 09:00 A.M. and ends on September, 28, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2022.

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

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





#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43





## ANNUAL REPORT 2021-2022

### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.



## ANNUAL REPORT 2021-2022

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mihenhalani@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliance@treehouseplaygroup.net.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliance@treehouseplaygroup.net. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.



## ANNUAL REPORT 2021-2022

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions on or before Thursday, September 22, 2022 mentioning their name demat account number/folio number, email id, mobile number at [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net) and the same will be replied by the company during the AGM.
21. As meeting will be conducted through VC / OAVM facility voting through ballot paper will not be made available at AGM and members have to cast their vote by remote e-voting only.
22. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitle to cast their vote again. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
23. The Register of Members and Share Transfer Books of the Company will remain closed from, Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of Annual General Meeting.
24. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800-222-990.
25. 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.
26. M/s. Mihen Halani & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
27. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI Listing Regulations, and Secretarial Standard - 2 (SS-2):



## ANNUAL REPORT 2021-2022

<b>Name of the Director</b>	Mr. Jugal Shah
<b>Age</b>	35
<b>Director Identification Number (DIN)</b>	08334114
<b>Date of Appointment on the Board</b>	21/01/2019
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• MBA (Marketing) - Punjab Technical University.</li> <li>• PGPM (Major - Marketing &amp; Minor - IB) – United World School of Business.</li> <li>• B. Com - Shri Chinai College of Commerce &amp; Economics.</li> </ul>
<b>Expertise in specific functional area</b>	Marketing
<b>Number of shares held in the Company</b>	NIL
<b>Terms and Conditions</b>	NA
<b>Justification for appointment of Independent Director</b>	NA
<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>	NA
<b>Relationships between Directors inter-se</b>	NA

### OTHER INSTRUCTIONS

28. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote E-voting and make within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
29. The result declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net) and on the website of NSDL at <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, BSE Limited and Metropolitan Stock Exchange, where the shares of the Company are listed.

By order of the Board of Directors

For Tree House Education & Accessories Limited

Sd/-

Jugal Shah

Director

(DIN: 08334114)

Date: August 29, 2022

Place: Mumbai



## ANNUAL REPORT 2021-2022

### Explanatory 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

M/s. S. Dedhia & Co., Chartered Accountants have been the auditors of the Company. In terms of the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, an Individual Auditor can be appointed as statutory auditor of a company for not more than one term. Accordingly, M/s. S. Dedhia & Co, Chartered Accountants, will complete their term at the conclusion of this 16th Annual General Meeting ("AGM") and are not eligible for re-appointment.

Based on the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on August 29, 2022 had approved the appointment of M/s. Rakesh Soni & Co., Chartered Accountants, (Firm Registration No. 114625W) Thane as statutory auditor of the company for term of five years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting of the company at remuneration plus Goods & Service Tax & re-imbursement of out-of-pocket expenses in connection with the audit as determined by the Board of Directors of the Company in consultation with Audit Committee.

#### Disclosure pursuant to Regulation 36(5) of the SEBI LODR Regulations, 2015:

<b>Name of the Auditor</b>	M/s. Rakesh Soni & Co.
<b>Terms of Appointment</b>	For term of five Financial Years from the conclusion of this Annual General Meeting until the conclusion of 21st Annual General Meeting
<b>Proposed Fees payable and material change in the fee payable</b>	Rs.6,00,000/- p.a , No material change in the fee
<b>Basis of recommendation for appointment</b>	Recommended by Audit Committee
<b>Brief Credentials of the Auditor</b>	<p>M/S. RAKESH SONI &amp; CO- A practicing chartered accountants firm, having FRN-114625W, was established in the year 1994, having head office at Jaipur Rajasthan and Branch Office at Bhayandar Maharashtra. Senior partner CAR K SONI (M.N. 047151) is qualified chartered accountant, and have wide knowledge of more than 29 years in the field of Accounting, auditing, taxation, project finance, Bank audit and related work.</p> <p>Firm also has knowledge of statutory audit of listed company, Nationalized banks, as well as Concurrent audits of Cooperative banks.</p>

M/s. Rakesh Soni & Co., have confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and do not have any pecuniary interest in the Company or its subsidiary and associate companies, and their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, the Board recommends the passing of the Ordinary Resolution at Item No. 3 of the accompanying Notice for member(s) approval.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested either financially or otherwise in the said resolution.

#### In respect of Item No. 4

##### Ratification of the remuneration payable to the Cost Auditors

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Practicing Cost Accountant to conduct the audit of the cost records of the Company, for the financial year ending on March 31, 2023. Mentioned below are the details of the Cost Auditor appointed by the Board in their meeting held on 12th August, 2022.

<b>Name of the Cost Auditor</b>	<b>Audit fees (In Rs.)</b>	<b>F.Y.</b>
M/s. Kishore Bhatia & Associates	Rs. 20,000/- P.A.	2022-23



## ANNUAL REPORT 2021-2022

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors, Key Managerial Personnel or their relatives, in any way, concerned or interested in the said resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

By order of the Board of Directors

For Tree House Education & Accessories Limited

Sd/-

Jugal Shah

Executive Director

(DIN: 08334114)

**Date:** August 29, 2022

**Place:** Mumbai





# ANNUAL REPORT 2021-2022

## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the integrated 16th Annual Report of Tree House Education and Accessories Limited ("the Company") along with the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended March 31, 2022.

### FINANCIAL RESULTS

The Financial Performance of your Company for the financial year ended March 31, 2022 as compared to the previous financial year is summarized below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
<b>Total Revenue</b>	1,838	563	1,838	563
<b>Expenditures excluding depreciation</b>	3,163	1,258	3,163	1,259
<b>Profit before Depreciation and Tax</b>	(1,325)	(695)	(1,325)	(696)
<b>Depreciation</b>	1,701	2,465	1,701	2,465
<b>Net Profit Before exceptional Items and Tax</b>	(3,026)	(3,160)	(3,026)	(3,161)
<b>Share of net profit/(loss) of associates and joint ventures accounted for using the equity method</b>	Nil	Nil	(1)	(1)
<b>Exceptional Items</b>	385	(882)	385	(882)
<b>Net Profit Before Tax</b>	(2,641)	(4,042)	(2,642)	(4,044)
<b>Provision for Tax</b>	(78)	13	(78)	13
<b>Profit after Tax</b>	(2,719)	(4,029)	(2,721)	(4,031)
<b>Appropriations:</b>				
<b>Proposed Dividend on equity Shares</b>	Nil	Nil	Nil	Nil
<b>Tax on Dividend</b>	Nil	Nil	Nil	Nil
<b>Balance Carried to Balance Sheet</b>	(2,719)	(4,029)	(2,721)	(4,031)
<b>Paid up Share Capital</b>	4231	4,231	4231	4,231
<b>Reserves &amp; Surplus (excluding revaluation reserve)</b>	21,739	24,332	22,075	24,669

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

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On Standalone basis, the Company has generated revenue from operations of Rs.600 Lakhs for the current Financial Year as compared to Rs.529 Lakhs in the Previous Year. The Net Loss for the current Financial Year reduced to Rs.2719 Lakhs as against Rs.4029 lakhs as reported in the Previous Year.

Major Activities undertaken by the company during the Year:

Post calling off of the merger when the play groups of the company were abruptly shutdown owing to financial conditions of the company, it was not able to pay rentals to landlords & faced legal complications. The management was confident to restart the centres as and when the company regains its financial stability. However due to the covid-19 situation, the management has decided not to restart its play groups situated at various places in India and to sell/dispose off of the Assets situated at such playgroup centres. And thus the company is in the process of finding the buyers and to dispose them as the assets meant to be dispose off/sale are situated at play groups across India. The company is in the process of appointing professional agencies at various places to take possession and sell/dispose off of such assets on as is where is basis. Accordingly the lease hold assets which could not be sold/recovered since these assets include permanent alterations and modifications to the buildings/structures on the centres and having wdv of Rs. 10.19 crores as of 01.04.2021 was fully depreciated during the year.



## ANNUAL REPORT 2021-2022

As informed in our Last AGM held on 20-09-2021, wherein the share holders have approved the sale of Assets as mentioned below, the company had sold assets as under.

### Details of Assets to be written off:

Particulars	Lease Hold	Teaching Equipments	Office & Elec.	Furniture	Computer	Total
Balance as on 01.04.2021	10,18,98,593	14,22,188	63,47,396	58,36,44,141	5,61,394	69,38,73,712
Less: WDV of Assets Sold / W/off	10,18,98,593	2,10,303	7,39,673	18,03,88,410	2,75,415	28,35,12,395
Net Available for Sale/W/off	0	12,11,885	56,07,723	40,32,55,731	2,85,979	41,03,61,317

During the year the company had sold its school building situated at Jhunjhunu Rajasthan for Rs.11 crores and Property situated at 17th Road, Khar, Mumbai for Rs.4 crore. The proceeds of the sale is utilised to settle the outstanding bank loans.

### Explanation on Loss of Sale of Assets:

**The company has incurred loss on sale of Assets during the year, the details of the same is as under:**

Loss booked on sale of assets lying at playgroup centres transferred to Vasai Godown is Rs.13.12 crores and the loss on Sale of School Building at Jhunjhunu, Rajasthan is Rs.5.46 crores.

The company has put an advertisement and had invited tenders for sale of above assets. The company had received bids in response of tenders. The company had selected the highest bidder and had sold the assets accordingly. The Jhunjhunu school building was sold at market value as determined by the registration authority.

In accordance with the provisions contained in section 136 of the Companies Act, 2013 ("the Act"), the Annual Report of the Company, containing Notice of the Annual General Meeting, Consolidated and Standalone Financial Statements, Report of the Auditor's and Board of Directors' thereon are available on the website of the Company at [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net) Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis Report ("MDAR"), which forms part of this Annual report. The Consolidated and Standalone Financial Statements of the Company for the F.Y. year ended 31st March, 2022 have been prepared in accordance with applicable Indian Accounting Standards and the relevant provisions of the Act.

### RESERVES AND SURPLUS

The Company has not transferred any amount to the Reserves for the financial year ended March 31, 2022. The closing balance of the retained earnings of the Company for F.Y. 2021-22, after all appropriation and adjustments is Rs. (25,048) lakhs (Previous year Rs. (22,455) lakhs).

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your company does not have any subsidiary company and joint ventures. However, the Company has one associate Company viz., JT Infrastructure Private Limited.

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

### DIVIDEND

Due to loss during the year, the board does not recommend any dividend on the equity shares of the Company for the year under review.

### SHARE CAPITAL

During the year under review, no changes took place in the Share Capital of the Company. The issued, subscribed and paid up Equity Share Capital of the Company as on 31st March, 2022 is INR 423,107,240 (Indian Rupees Forty two crores, thirty one lacs, seven thousand two hundred and forty only) comprising of 42,310,724 Equity Shares of Rs.10 / each.



## ANNUAL REPORT 2021-2022

### INTERNAL FINANCIAL CONTROLS

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS AND SECURITIES

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

### PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposit under sections 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

The Board of Directors acknowledge the responsibility for ensuing compliances with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2022 and confirm that:

- The Financial Statements of the Company for the year ended March 31, 2022, 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, 2022, 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, 2022 and of the profits and loss of the company for financial year ended March 31, 2022.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- Requisite internal financial controls laid down and that financial controls are adequate and were operating effectively; and
- Proper systems to ensure compliance with the provisions of all applicable laws in place and that such systems were adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL'S

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

The list of Directors & Key Managerial Person's of the Company as on March 31, 2022 are as follows:

- Mr. Deepak Valecha (DIN: 07736480), Independent Director.
- Mr. Jugal Shah (DIN: 08334114), Executive Director & Chairman.
- Mrs. Babita Bhatia (DIN: 08767969) Non-Executive Non-Independent Woman Director.
- Ms. Nidhi Busa (DIN: 08792362) Non-Executive Independent Woman Director.
- Mr. Milin Ramani (DIN: 07697636) Non-Executive Independent Director.
- Mr. Dipen Shah (DIN: 07600611) Non-Executive Non-Independent Director (w.e.f 12/08/2021).
- Mr. Rajesh Bhatia (PAN: AAHPB9438N), Chief Executive Officer (CEO).
- Mr. Navin Kumar Mane (PAN: ATBPK9664Q), Chief Financial Officer (CFO).



## ANNUAL REPORT 2021-2022

9. Ms. Guddi Bajpai (PAN:AWYPB2768G), Company Secretary & Compliance Officer.

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

During the year under review, the following changes took place in the directors and key managerial personnel's;

1. On recommendation of the Nomination and Remuneration Committee, Mr. Dipen Shah (DIN: 07600611) was appointed as Additional Non- Executive Non Independent Director of the Company w.e.f. 12/08/2021 and also regularised as Non- Executive Non Independent Director in 15th Annual General Meeting held on September 20, 2021.
2. Mr. Suraj Manghnani (DIN: 06625583) ceased to be an Independent director of the Company due completion of his first term.
3. On recommendation of the Nomination and Remuneration Committee, Mr. Deepak Valecha (DIN: 07736480) was re-appointed as an Independent director of the Company for the second term of five years w.e.f. February 2022.

Pursuant to provisions of section 152 of the Companies Act, 2013 and subject to Articles of Association, Mr. Jugal Bharat Shah (DIN 08334114) Executive Director, of the Company is liable to retire by rotation at an ensuing Annual General Meeting and, being eligible has offered himself for re-appointment. The Board has recommended for the same. Details about the directors being appointed and/or re-appointed are given in the Notice of the 16th Annual General Meeting being sent to the members along with the Annual Report.

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

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

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of section 149(6) of the Companies Act, 2013 and there is no change in the circumstances as on the date of this report which may affect their respective status as an independent director. In the opinion of the board, the independent directors possess the requisite expertise and experience and are the person of integrity and repute. Your Board confirms that, the independent directors fulfil the conditions prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and they are independent of the management. All the independent directors on the Board of the Company have complied with the provisions of Section 150 of the Companies Act, 2013 read with rules framed thereunder.

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 SEBI Listing Regulations is given in the Corporate Governance Report which is forming part of this Report.

### c) Annual Evaluation of the Board

Evaluation of the directors is done on an annual basis. The process is led by the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting, challenging situations, performing leadership role, 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 can be assessed on the link.

[https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_Terms\\_ConditionsofID\\_300914.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Treehouse_Terms_ConditionsofID_300914.pdf)

### e) Familiarisation Programme For Independent Directors

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



# ANNUAL REPORT 2021-2022

## BOARD MEETING AND BOARD COMMITTEES

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

## CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from Statutory Auditor confirming compliance conditions, forms an integral part of this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

Management Discussion and Analysis Report as stipulated under the SEBI Listing Regulations, is presented in a separate section forming part of this Annual Report. It provides information about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses, internal controls and their adequacy, risk management systems, human resources and other material developments during the financial year 2021-22.

## DISCLOSURES RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL'S 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, the details of 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 in respect of employees of the Company is provided in a separate exhibit which is available on the website of the Company at

[https://www.primeinfobase.in/z\\_TreeHouse/files/Treehouse\\_Statement\\_pursuant\\_to\\_rule\\_5\(2\)\\_\\_and\\_5\(3\)\\_of\\_comp\\_anies\\_appointment.zip](https://www.primeinfobase.in/z_TreeHouse/files/Treehouse_Statement_pursuant_to_rule_5(2)__and_5(3)_of_comp_anies_appointment.zip)

## AUDITORS

### a) Statutory Auditors

The Statutory Auditors, M/s. S. Dedhia & Co., Chartered Accountants having ICAI Firm Registration No. 117695W, have successfully completed their first term of appointment. Accordingly, M/s. S. Dedhia & Co., Chartered Accountants, retiring Statutory Auditor of the Company shall retire at ensuing Annual General Meeting. Pursuant to provisions of section 139 of the Companies Act, 2013 read with rule 5 and 6 of the Companies (Audit and Auditors) Rules, 2014 the company required to appoint New Statutory Auditor who shall hold office till the conclusion of 21st AGM i.e. for five consecutive AGM.

The Board of Directors, on recommendation of Audit Committee, in its Meeting held as on August 29, 2022 has considered the appointment of M/s. Rakesh Soni & Co. for the term of 5 (Five) years commencing from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting of the Company. The Board recommends the appointment of M/s. Rakesh Soni & Co. to the members at the ensuing 16th Annual General Meeting.

M/s. Rakesh Soni & Co., Chartered Accountants have expressed their willingness to be appointed 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 and that they have not been disqualified in any manner from appointment as Statutory Auditors.

The Independent Auditors' Report of M/s. S. Dedhia & Co., on the Financial Statements of the Company for the Financial Year 2021-22 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 25, 2022. Further, the Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013. However following are the explanations for their observations:





## ANNUAL REPORT 2021-2022

### Explanation on observation made by the Statutory Auditor:

**On Impairment Loss:** Since Vidya Bharti Samiti has started repayment of deposits, the company has reversed the impairment loss created during the financial year 2020-21 amounting to Rs. 3.90 crores during the current financial year.

The company has impaired loan given to Employee Welfare Trust by Rs.5.41 lakhs due to reduction in the valuation of the shares held by the Trust.

**Loan from HDFC Bank Ltd:** The loan from HDFC bank Ltd is classified as NPA and the bank has filed a case against the company for recovery in National Company Law Tribunal (NCLT), under Insolvency and Bankruptcy code 2016, where the case is still under process. The company has entered into One Time Settlement with the HDFC bank and is in the process of repaying loan as agreed considerable amount of the loan during the first quarter of the financial year 2022-23 and hope to clear the complete loan during the 2nd quarter as agreed with the bank.

**Interest benefit on one time settlement with ICICI bank:** The company has settled its loan of Rs.19.67 crores of ICICI bank Ltd with one time settlement arrangement, Total savings on account of one time settlement with ICICI Bank was to the tune of Rs.12.12 crores.

**Pending Trade Receivables:** The company has received considerable amount of long outstanding debtors during the first quarter of 2022-23 and the company is confident of collecting the full amount in near future.

### 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, 2022.

The Secretarial Audit Report is annexed herewith as “Annexure C”. The qualifications/ observations, made by M/s Kaushal Doshi & Associates in their Report, are self-explanatory.

### c) Cost Auditors

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 2022-23 on the recommendations made by the Audit committee. The remuneration proposed to be paid to the Cost Auditor, is subject to the ratification by the members at the ensuing AGM, would be not exceeding INR 20,000 (Rupees Twenty Thousand Only) excluding taxes and out of pocket expenses, if any. Your directors recommend the ratification in remuneration payable to the Cost Auditors of the Company at ensuing Annual General Meeting.

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 2022-23 along with certificate confirming their Independence.

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

### d) Internal Auditor:

M/s.Dharmesh Parekh & Associates., Practicing Chartered Accountant, Mumbai performed the duties of internal auditors of the company for the Financial Year 2021-22 and their report is reviewed by the audit committee from time to time.

### ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for F.Y. 2021-22 is available on Company's website at [https://primeinfobase.in/z\\_TreeHouse/files/Treehouse\\_Draft\\_Annual\\_Return\\_MGT\\_7\\_2021-22.zip](https://primeinfobase.in/z_TreeHouse/files/Treehouse_Draft_Annual_Return_MGT_7_2021-22.zip)

### RELATED PARTY TRANSACTIONS

All the transactions with Related Parties are placed before the Audit Committee and are also placed before the Board for approval. During the Financial Year 2021-22, 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,





## ANNUAL REPORT 2021-2022

which were in the ordinary course of business and on arms' length basis and in accordance with the provisions section 188 of the Companies Act, 2013, and Rules made thereunder read with Regulation 23 of the SEBI Listing Regulations, 2015. However, the Company has not entered into any material related party transactions under the SEBI Listing Regulations, 2015 read with 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 entered as required under "Ind. As -24" are set out in Note No. 32 to the standalone financial statements forming part of this Annual Report.

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

[https://primeinfobase.in/z\\_TreeHouse/pdf-](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

[files/TREEHOUSE\\_POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTION\\_Policy.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

### VIGIL MECHANISM & WHISTLE BLOWER POLICY:

In Compliance with the provisions of section 177(9) of the Companies Act, 2013 read with Regulation 22 of the SEBI Listing Regulations, the Company has adopted a vigil mechanism/Whistle Blower Policy. The Company's vigil mechanism/Whistle blower Policy aims to provide the appropriate platform and protection for Whistle Blowers to report instances of fraud and mismanagement, if any and to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or suspected incidents of violation of applicable laws and regulations including the Company's code of conduct or ethics policy or Code of Conduct for Prevention of Insider Trading in the Company, Code of Fair practices and Disclosure. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company for redressal.

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

### RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The company has been addressing various risks impacting the company and brief view of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis Report.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

### CORPORATE SOCIAL RESPONSIBILITY

The Company does not come under the purview of the provisions of section 135 of the Companies Act, 2013 read with the rules prescribed therein relating to Corporate Social Responsibility.

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

The operations of the Company are entirely service based and the Company is non-energy intensive organization. Conservation of energy and technology absorption information pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

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

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

### HUMAN RESOURCES

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

The Directors wish to place on record their appreciation and acknowledgment of the efforts and dedication and contributions made by employees at all levels during the year under review. The Company continues to focus on



## ANNUAL REPORT 2021-2022

attracting new talent & help them to acquire new skills, explore new roles and realize their potential.

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

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

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

During the period under review, your Company has transferred Rs. 5983.00/- to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the necessary forms with Ministry of Corporate Affairs and uploaded the details of unpaid and unclaimed dividend amounts lying with the Company, as on the date of last AGM (i.e. September 20, 2021).

Members who have not yet encashed their Final Dividends for financial year 2014-15 are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

### **EMPLOYEE'S STOCK OPTION SCHEME**

During the year, the Company did not grant any Employees Stock Option Scheme. Further, the Board of directors state that there are no material changes in the scheme and the scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Details of ESOP Scheme as required under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as required to be provided under the said regulations as on March 31, 2022 are available on website of the company and can be assessed at link :- [https://www.primeinfobase.in/z\\_TreeHouse/files/Treehouse\\_ESOP\\_details\\_as\\_on\\_31.03.2022.zip](https://www.primeinfobase.in/z_TreeHouse/files/Treehouse_ESOP_details_as_on_31.03.2022.zip)

### **CEO/CFO CERTIFICATION:**

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

### **IMPACT OF COVID – 19 ON THE COMPANY**

Impact of Covid – 19 on the Company has been explained in Management Discussion and Analysis Report which forms part of this report.

### **MISCELLANEOUS**

- The Company does not have any shares with differential rights.;
- During the year, your Company has not issued any sweat equity shares. Therefore, no disclosures as required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014;
- During the year under Report, no funds were raised through preferential allotment or qualified institutional placement.
- The Company has received an order from Securities Appellate Tribunal (“SAT”) Mumbai dated November 07, 2019, Appeal No. 78 of 2019 where it has quashed and set aside the impugned orders (both the confirmatory order dated November 16, 2018 and ad interim ex parte order dated March 7, 2018) restraining the appellants (i.e. the Company, Rajesh Bhatia, Geeta Bhatia, Giridharilal Bhatia, Vishal Shah and Hiten Trivedi) from dealing in the securities market in any manner. However, direction relating to forensic audit of Tree House was upheld and the forensic audit is continuing. Further as ordered by SAT, the Company is fully cooperating with the forensic Auditor to enable the Auditor to carry out and complete the forensic audit at the earliest.

There were no material changes and commitments occurred between and at the end of financial year of the company affecting financial position of the company.



## ANNUAL REPORT 2021-2022

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

- The Company has complied with Secretarial Standards on meetings of the Board of Directors and on General Meetings, issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

### ACKNOWLEDGEMENT

Your Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the shareholders, investors, bankers, customers, business partners, vendors, financial institutions, regulatory, government authorities and other stakeholders for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels during the year under review.

The Directors also thank the Government of India, Governments of various states in India and concerned Government departments and agencies for their co-operation.

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

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

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

**Date:** 29th August, 2022

**Place:** Mumbai.



# ANNUAL REPORT 2021-2022

## Annexure - A Form AOC-1

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

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

### Part "A": Subsidiaries

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

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

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

(Amount in Rupees)

Name of Associates/Joint Ventures	JT Infrastructure Private Limited (Associate)
<b>1. Latest unaudited Balance Sheet Date</b>	<b>Mar 31, 2022</b>
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	
No. of Shares	99,80,000
Amount of Investment in Associates/Joint Venture Rs.	9,98,00,000
Extent of Holding %	50%
<b>3. Description of how there is significant influence</b>	By virtue of shareholding
<b>4. Reason why the associate/joint venture is not consolidated</b>	<b>NA</b>
<b>5. Net worth attributable to Shareholding as per latest unaudited Balance Sheet.</b>	27,00,04,223
<b>6. Turnover</b>	0
<b>7. Contribution to Company's Profitability</b>	(1,42,698)
<b>8. Profit / Loss for the year</b>	(2,85,396)
i. Considered in Consolidation	(1,42,698)
i. Not Considered in Consolidation	(1,42,698)

### 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.



# ANNUAL REPORT 2021-2022

## 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 2021-22 is as follows:

Name of Director	Total Remuneration (Rs.)	Ratio of remuneration of director to the median remuneration
Mr. Suraj Manghnani#	NA	NA
Mr. Jugal Shah	13,60,000	15 Times
Mr. Deepak Valecha	NA	NA
Mrs. Babita Bhatia	NA	NA
Ms. Nidhi Busa	NA	NA
Mr. Milin Ramani	NA	NA
Mr. Dipen Shah##	NA	NA

**Note:**

# ceased w.e.f. 29.12.2021

## appointed w.e.f. 12.08.2021

B. Details of percentage increase in the remuneration of each Director and CEO, CFO & Company Secretary in the financial year 2021-22 are as follows:

Name	Designation	Remuneration (Rs.)		Increase %
		2021-22	2020-21	
Mr. Jugal Shah	Executive Director	13,60,000	10,94,473	24%
Mr. Suraj Manghnani#	Independent Director	NA	NA	—
Mr. Deepak Valecha	Independent Director	NA	NA	—
Mrs. Babita Bhatia	Non-Executive - Non Independent Women Director	NA	NA	—
Nidhi Busa	Independent Women Director	NA	NA	—
Milin Ramani	Independent Director	NA	NA	—
Mr. Dipen Shah##	Non-Executive - Non Independent Director	NA	NA	-
Mr. Rajesh Bhatia	CEO	27,70,000	24,00,000	15.42%
Mr. Navin Kumar B Mane	CFO	31,17,000	27,00,000	15.42%
Ms. Guddi Bajpai	Company Secretary	5,15,000	4,26,483	20.89%

# ceased w.e.f. 29.12.2021

## appointed w.e.f. 12.08.2021

C. Percentage increase in the median remuneration of all employees in the financial year 2021-22:

Particulars	2021-22 (Rs.)	2020-21 (Rs.)	Increase %
Median remuneration of all employee per annum.	88000	72,369	21.60%



## ANNUAL REPORT 2021-2022

### D. Number of employees on the rolls of the Company as on March 31, 2022:

Employees	2021-2022	2020-2021
Corporate Office	11	21
Teaching Staff	10	15
<b>TOTAL</b>	<b>21</b>	<b>36</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 2021-22 as compared to the financial year 2020-21 was 21.6%, whereas the loss for the financial year 2020-21 was Rs.4,030 Lakhs and the loss for the financial year 2021-22 is Rs.2,720 Lakhs.

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

Particulars	2021-2022 (In lakhs)	2020-2021 (In lakhs)	Growth %
Net Revenue from Operations	600	529	13.4%
Profit Before Tax and Exceptional Items	(3026)	(3161)	4.3%
Profit After Tax	(2720)	(4030)	32.5%

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:

Overall number of Non Managerial staff have reduced from 21 to 11 during the FY 2021-22 compared to FY 2020-21, the overall salary cost remains same. However, the salary of managerial staff has increased by 17% during the FY 2021-22 compared to FY 2020-21.

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

### H. Affirmation:

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





# ANNUAL REPORT 2021-2022

## Annexure C

### FORM MR-3

#### SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2022

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

To,  
**The Members,**  
**Tree House Education & Accessories Limited**  
**CIN: L80101MH2006PLC163028**  
**Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School,**  
**Vile Parle (West), Mumbai, MH-400 056, IN**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, **(the "Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- iii. The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Overseas Direct Investment and External Commercial Borrowings not applicable during the period under review;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018-**Not Applicable during the period under review;**
  - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021-**Not Applicable during the period under review;**
  - f) The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Securities) Regulations, **2021-Not Applicable during the period under review;**
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



## ANNUAL REPORT 2021-2022

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Audit Period and;**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
- vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.
- We have also examined compliance with the applicable clauses of the following:
- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI");
  - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- To the best of our knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that:

- a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- The committee of the Board is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent at least seven days in advance or with due consents for shorter notice from the directors 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) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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;

- Mr. Rajesh Bhatia & Anr. (Promoters of the Company) filed an appeal before Securities Appellate Tribunal ("SAT") against an Order No WTM/SM/IVD-ID-1/28/2021-22 dated May, 24, 2021 received from Securities and Exchange Board of India (SEBI) under the provisions of Sections 11(1), 11(4), 11B(1), 11B(2) and 11(4A) of the Securities and Exchange Board of India Act, 1992. Accordingly, the SAT vide its order dated August 30, 2021 directed the promoters of the Company to deposit a sum of Rs. 15 lakhs as a security deposit with respondent i.e. Securities and Exchange Board of India. Further, the said amount was deposited on time as per the order. Further the matter is awaiting hearing.
- The Company has received summons on 18th Day of November, 2021, 13th Day of December, 23rd Day of December, 2021 and 11th Day of February, 2022 respectively from Securities and Exchange Board of India ("SEBI") for production of documents before the Investigating Authority ('IA') under Section 11(2), 11C(2), (3) and (5) of the Securities And Exchange Board of India Act, 1992 regarding the preparation of financial statements of the Company in a manner detrimental to the investors or the securities market and any intermediary or any person associated with the Securities market under the provision of the SEBI Act, 1992, Securities Contracts (Regulations) Act, 1956 and other provisions as specified in Section 24 of the Companies Act, 2013 or the Rules or Regulations made or directions issued by SEBI thereunder. As informed to us, the Company has duly produced necessary documents and sent/shared necessary replies to SEBI.
- There is continuous default in repayment of loans to banks, due to which the banks have categorized the loans to non-performing asset (NPA).
- The Company has received reminder letter from National Stock Exchange of India ("NSE") vide letter No. NSE/SOP/RBF/0151 dated October 25, 2021 for freezing of Promoters Holding for the non-payment of fine of Rs. 9,02,700/- (Rupees Nine Lakhs Two Thousand Seven Hundred) for the Non-Compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed to us, the Company is in due process of filing an appeal/application before the high court of Mumbai.



## ANNUAL REPORT 2021-2022

- There was an ongoing arbitration matter between the Company and Janodhar Sikhshan Prasarak Mandal and others ("Respondents") in which the company has received order in its favour on January 11, 2021 wherein the company shall receive compensation from the Respondents. The company continues to pursue legal options for recovery of proceeds as per the order.
- Pursuant to SEBI (Prohibition of fraudulent and unfair trade Practices) Regulations, 2013, the SEBI has passed confirmatory order and ad-Interim Ex-Parte Order dated November 16, 2018 and March 7, 2018 respectively whereby SEBI has restricted the Company, Rajesh Bhatia, Geeta Bhatia, Giridharilal Bhatia, Vishal Shah and Hiten Trivedi from accessing the market and directing NSE to conduct detailed forensic audit of the books of accounts of the Company. The said order was challenged by the Company before Hon'ble Securities Appellate Tribunal (SAT). The SAT passed favorable order on November 7, 2019. As informed to us, the matter was partly allowed and restriction from accessing the securities market was quashed. However, the order relating to conduct of forensic audit was upheld. Also, the Company is fully co-operating with the forensic Auditor to enable the auditor to carry out and complete the forensic audit at the earliest.

We further report that during the audit period, the following event/action has taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above;

- The Company has approved sell, dispose or write off of the below mentioned movable assets of the Company lying from many years in different closed owned & franchisee converted centers and in warehouse of the Company amounting to Rs. 69,38,73,714/- (Rupees sixty nine crores thirty eight lakhs seventy three thousand seven hundred fourteen only) vide Special Resolution by the members at the 15th Annual General Meeting held on September 20, 2021;

Particulars	Lease Hold Improvements	Teaching aid & Equipments	Office & Elec. Equipments	Furniture & Fixture	Computers & Website	Total
<b>Gross value of Assets to be Written Off</b>	47,25,38,953	5,56,64,631	4,86,10,701	2,19,32,57,071	1,12,92,643	2,78,13,63,999
<b>Dep. value on asset w/off</b>	37,06,40,360	5,42,42,443	4,22,63,306	1,60,96,12,930	1,07,31,246	2,08,74,90,285
<b>Net Assets to be written off</b>	<b>10,18,98,593</b>	<b>14,22,188</b>	<b>63,47,395</b>	<b>58,36,44,141</b>	<b>5,61,397</b>	<b>69,38,73,714</b>

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

Sd/-

Kaushal Doshi

(Proprietor)

Date: 25th May, 2022

Place: Mumbai

FCS: 10609/COP: 13143

UDIN: F010609D000382673

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



## ANNUAL REPORT 2021-2022

### Annexure A

To,

**The Members,**

**Tree House Education & Accessories Limited**

**CIN: L80101MH2006PLC163028**

**Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School,  
Vile Parle (West), Mumbai, MH-400 056, IN**

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**

**Sd/-**

**Kaushal Doshi  
(Proprietor)**

**FCS: 10609/COP: 13143**

**UDIN: F010609D000382673**

**Date: 25th May, 2022**

**Place: Mumbai**

## Management discussion and Analysis

### Overview of Operations of Our Company:

Due to ongoing Pandemic, the company could not conduct physical classes throughout the year. However, the online classes were running smoothly and improved during the academic year compared to the previous academic year. The overall effect of the pandemic was mainly on the franchisee business due to closure of physical education since March 2020.

Company's total income from pre-school activity and other related business during the financial year was Rs.599lakhs which consist of the following:

Rs. in Lakhs

Particulars	Early Child Education	School Management Services	Rental Income	Sale of Educational Kit	Misc Income	Total
Gross Income	234.69	275.00	36.45	50.56	3.20	599.90
Operating Exps (Apportioned)	56.10	65.72	0.00	12.08	0.00	133.90
<b>Operating Profit</b>	<b>178.59</b>	<b>209.28</b>	<b>36.45</b>	<b>38.48</b>	<b>3.20</b>	<b>466.00</b>
Other Exps (Apportioned)	250.84	293.93	0.00	0.00	0.00	544.77
<b>EBIDTA</b>	<b>-72.25</b>	<b>-84.65</b>	<b>36.45</b>	<b>38.48</b>	<b>3.20</b>	<b>-78.77</b>

### Company's Strengths:

The Tree House brand is owned by the Company and is earning Royalty income from Franchises. Also the strong online platform created by the company in 2020 has resulted in gaining students for online preschool education and other activities like online dance class, online summer activities, online Art & Craft class etc.

During the year the company has settled the loans with ICICI bank Limited and with Kotak Bank Limited. The Company plans to become debt free by March 2023.

### Impact of Covid 19:

Due to ongoing Covid-19 pandemic, the online education has become a new norm. The Company has developed its online platform for online education for which the students from all over India has responded very well.

The franchise centres at metropolitan and Tier I cities have also received good response for the online education due to the closure of physical schools. The company is looking to reach other cities and to increase its pan India presence in online education. However during the end of the year, there were good response received for physical classes, which will be reflected in the next academic year.

In addition some of the major areas where the company's business has effected due to CoVID-19 are as follows:-

- 1) Cash flow crunch.
- 2) Closure of own and Franchise centers.
- 3) Reduction in collection of royalty payments.
- 4) Decrease in number of students.
- 5) Reduction in fees structure due to closure of physical centers.
- 6) Sale/Write off of Assets lying in the warehouse/centres due to closure of centres.

### Internal Control system and Risk Management:

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



## ANNUAL REPORT 2021-2022

### Opportunities & Threats

#### Opportunities:

Due to the Covid19 pandemic, the company has started online education in following areas which has resulted in :

1. Increase in direct admission to preschool through Online Education, which has resulted in increase in fees income.
2. Online Dance Activities.
3. Online Summer Camps.
4. Online Art and Craft.
5. Online Teacher Training etc.

#### Threats:

Company sees Covid-19 as the major threat to the business in the following areas:

1. Reduction in franchisee renewal & royalty fees due to closure of franchise centres
2. Brand name is in risk due to bad performance of franchisee owners
3. Unskilled staff at franchisee centres
4. Non payment of royalty and shifting of brand loyalty.
5. Discontinuation of Students in between the academic period results in refund of fees.
6. Non renewal of students for the next academic year

### Industry Structure and developments.

#### Industry Overview

India – One of the largest education markets in the world.

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

#### Key Market Segments

##### Pre-school Market

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

##### K-12 Market

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

#### Supplemental Education

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

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

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

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





## ANNUAL REPORT 2021-2022

### Changes in Key Financial Ratios:

Particulars	2021-22	2020-21	Change	Remarks
(i) Debtors Turnover	0.24	0.27	(11.40)%	Increase in Debtors due to pending collection.
(ii) Inventory Turnover	13.16	7.77	69.35%	Reduction in Old Inventory due to sale through tender.
(iii) Interest Coverage Ratio	(3.84)	(4.79)	19.84%	Interest reduced due to repayment of debts during the year.
(iv) Current Ratio	1.10	0.56	96.23%	Reduction in Current liabilities due to payment to creditors.
(v) Debt Equity Ratio	0.12	0.17	(31.52)%	Reduction due to payment of liabilities and debts.
(vi) Operating Profit Margin (%)	77.68	85.57	(9.22)%	Reduction in Margin due to online education.
(vii) Net Profit Margin (%)	(147.94)	(714.93)	79.31 %	Extra ordinary income due to OTS of loan with ICICI bank has improved Net profit ratio.
(viii) Return on Net Worth (%)	(11.84)	(15.62)	24.23%	Improved profit due to OTS of loan with ICICI bank.

### For Tree House Education & Accessories Limited

Sd/-  
**Jugal Shah**  
 Director  
 DIN: 08334114

Sd/-  
**Deepak Valecha**  
 Director  
 DIN:07736480



# ANNUAL REPORT 2021-2022

## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

Your Company believes that Corporate Governance is a set of guidelines which enhances to fulfill its responsibilities towards all stakeholders. It is a reflection of the Company's culture, policies, relationship with stakeholders, commitment to values and ethical business conduct.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

### II. BOARD OF DIRECTORS:

#### i. Composition & Category of Directors:

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, ("the Act") SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") and is in accordance with the best practices in Corporate Governance.

As on 31st March, 2022, the Board comprised of 6 Directors viz one Executive Director, Three Non – Executive Independent Directors and two Non-Executive Non – Independent Directors. The Chairman of the Company / Board is a Executive Director.

The details of composition of Board of Directors, categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below.

Name of Director	Category	No of shares held	Particulars of Attendance		No. of Directorships in all other Companies (Including the Company)		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
			Last AGM	Board Meeting	Chairman	Member	Chairman	Member	
Mr. Jugal Shah	Executive	0	Yes	4	0	0	0	0	0
*Mr. Suraj Manghnani	Independent	48	No	1	0	0	0	0	0
Mr. Deepak Valecha	Independent	0	Yes	5	0	0	0	0	0
Mrs. Babita Bhatia	Non – Executive, Non-Independent Women	0	Yes	5	0	0	0	0	0
Ms. Nidhi Busa	Independent Women	0	Yes	5	0	2	0	2	0
Mr. Milin Ramani	Independent	0	Yes	5	0	8	1	8	<ul style="list-style-type: none"> <li>• Comfort Commo trade Limited</li> <li>• Luharuka Media &amp; Infra Limited</li> <li>• Comfort Fincap Limited</li> <li>• Comfort Intech Limited</li> </ul>
**Dipen Shah	Non – Executive, Non-Independent	0	Yes	3	0	0	0	0	0

\* Mr. Suraj Manghnani ceased to be an Independent Director of the Company w.e.f. 29.12.2021 due to expiry of his first term. There was no other reason of his cessation.



## ANNUAL REPORT 2021-2022

**\*\*Mr. Dipen Shah** was appointed on 12th August, 2021 by Board of Directors and was regularized at the 15th Annual General Meeting held on September 20, 2021.

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 (the SEBI Listing Regulations).

None of the Directors have pecuniary or Business relationship with the Company except as mentioned elsewhere in the Annual Report. All the Directors have informed the Company periodically about their Directorship and Membership in the Board/Committees of the Board of other companies. As per disclosure received, none of the Directors is a director in more than ten (10) Public Limited Companies. Further, none of the Director acts as a member of more than ten (10) committees or acts as a chairman of more than five (5) committees across all Public Limited Companies in which they are Director. Further, none of the Directors acts as Independent Director in more than 7 Listed Companies. Further, there is no Inter-se relation between the Directors.

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

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

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

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

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

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

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

Sr. No.	Name of the Director	Area of Skills / Expertise / Competence
1	Deepak Valecha, (Independent Director)	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business and advising on Business Risks & environment.
2	Jugal Shah, (Executive Director)	Strategic policy formulation and advising, Regulatory framework knowledge, advising on Risk mitigation and Compliance requirements, Personnel Management, Knowledge in Marketing, Education, execution of policies framed by the Board identifying the growth areas for expanding the business and advising on Business Risks & environment.



## ANNUAL REPORT 2021-2022

Sr. No.	Name of the Director	Area of Skills / Expertise / Competence
3	Babita Bhatia (Non-Executive, Non- Independent Woman Director)	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, Education, Strategic Leadership, execution of policies framed by the Board.
4	Nidhi Busa (Independent Woman Director)	Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law and legal matters, execution of policies framed by the Board,
5	Milin Ramani (Independent Director)	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements, Education, Corporate Law, Corporate Governance, execution of policies framed by the Board, identifying the growth areas for expanding the business
6	Dipen Shah (Non- Executive, Non- Independent Director)	Regulatory framework knowledge, advising on Risk mitigation and Compliance requirements, Corporate Law, Corporate Governance, execution of policies framed by the Board.

### ii. Number of Board Meetings:

During the financial year ended March 31, 2022, five (5) meetings of the Board of Directors were held on June 25, 2021, August 12, 2021, November 01, 2021, February 09, 2022 and February 28, 2022.

### iii. 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 programme have been hosted on the website of the Company and can be assessed on the link:

[https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_FAMILIARIZATION\\_PROGRAMME\\_ID.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_Policy_FAMILIARIZATION_PROGRAMME_ID.pdf)

### iv. 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 like 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 [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_CodeofConduct\\_011014.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Treehouse_CodeofConduct_011014.pdf). All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Executive Director is attached as **Annexure – E** and forms part of the Annual Report of the Company.

The Company has also adopted a Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure with a view to regulate trading in securities by the Directors and designated employees person of the Company in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code is available on website of the Company at web link

[https://primeinfobase.in/z\\_TreeHouse/pdf-files/CODE\\_OF\\_CONDUCT\\_INSIDER\\_TRADING.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/CODE_OF_CONDUCT_INSIDER_TRADING.pdf)

### v. CONFIRMATION OF BOARD REGARDING INDEPENDENT DIRECTORS:

Board of Directors confirms that the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are Independent of the Management. It is hereby confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013 read with Schedule IV of the Act and the SEBI Listing Regulations and are independent of the management.



## ANNUAL REPORT 2021-2022

### vi. Meeting of Independent Director:

Pursuant to Section 149(8) read with Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a meeting of Independent Directors was held on February 09, 2022, without the attendance of Non-Independent Directors and members of the management. The said meeting was attended by all the Independent Directors.

Attendance of Independent Directors in Independent Directors Meeting:

Directors	Meetings held during Year	Meetings Attended
Deepak Valecha	1	1
Nidhi Busa	1	1
Milind Ramani	1	1

### 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 Chairman 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 Committee comprises of three Directors out of which 2/3rd are Independent Directors and Chairperson of the committee is an Independent Director. All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management.

The Audit Committee met four times during the financial year ended March 31, 2022 on 25.06.2021, 12.08.2021, 01.11.2021 and 09.02.2022. The necessary quorum was present for all the meetings.

a. The composition of the Committee during financial year ended March 31, 2022 and the details of meetings attended by the members are as under:

Name	Category	Position	Number of meetings held during the year ended March 31, 2022	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Mr. Jugal Shah	Executive	Member	4	4
Ms. Nidhi Busa	Independent, Non-Executive	Member	4	4

#### b. Terms of Reference:

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

#### ii. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee comprises of three directors out of which 2/3rd are independent directors and Chairperson of the committee is an independent director.

a. The Nomination and Remuneration Committee met four times in the financial year ended March 31, 2022 on 25.06.2021, 12.08.2021, 01.11.2021 and 09.02.2022.



## ANNUAL REPORT 2021-2022

- b. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of meetings attended by the members of the Committee during the financial year ended March 31, 2022

Name	Category	Position	Number of meetings held during the year ended March 31, 2022	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Mrs. Babita Bhatia	Non -Independent, Non-Executive	Member	4	4
Ms. Nidhi Busa	Independent, Non-Executive	Member	4	4

c. **Terms of Reference**

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

d. **Performance Evaluation Criteria**

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. Further, the performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their meeting. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Shareholders / Investors Relations and Grievance Committee. The Directors expressed their satisfaction with the evaluation process.

e. **Remuneration Policy**

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

The policy is been hosted on the website of the Company and can be assessed on the link: [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Nomination_and_Remuneration_Policy.pdf)

iii. **Stakeholders Relationship Committee:**

The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- a. 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, 2022 on 25.06.2021, 12.08.2021, 01.11.2021 and 09.02.2022. The necessary quorum was present for all the meetings.
- b. The composition of the Stakeholders Relationship Committee during financial year ended March 31, 2022 and the details of meetings attended by the members are as under:

Name	Category	Position	Number of meetings held during the year ended March 31, 2022	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Mr. Jugal Shah	Executive	Member	4	4
Mrs. Babita Bhatia	Non -Independent, Non-Executive	Member	4	4
Ms. Nidhi Busa	Independent, Non-Executive	Member	4	4





## ANNUAL REPORT 2021-2022

- c. The terms of reference of the Stakeholders Relationship Committee are as contained under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.
- d. As on March 31, 2022 there are NIL complaints pending with the Company. Details pertaining to the number of complaints received and responded and status thereof during the financial year ended March 31, 2022 are as follows:

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

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

#### iv. 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, 2022.

Name	Category (Director)	Position	Number of meetings held during the year ended March 31, 2022	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Mr. Jugal Shah	Executive	Member	-	-
*Mr. Suraj Manghnani	Independent, Non-Executive	Member	-	-
** Ms. Nidhi Busa	Independent, Non-Executive	Member	—	—

\* ceased to be a director \*w.e.f. 29th December, 2021

\*\*appointed w.e.f. 29th December, 2021

No meeting of the Committee of Board was held during the financial year 2021-22.

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

- Chairman of Committee holds the right to invite any specific person if the matter involves specific understanding and inputs.
- Approval of New Bank Account Opening.
- Approval for New Loan Application(s) 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.

#### v. Compensation Committee

The Compensation Committee was constituted pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

- a. The composition of the Committee during the financial year ended March 31, 2022, the details of meetings held and attended by the members are as under:



## ANNUAL REPORT 2021-2022

Name	Category (Director)	Position	Number of meetings held during the year ended March 31, 2022	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
*Mr. Suraj Manghnani	Independent, Non-Executive	Member	-	-
Mrs. Babita Bhatia	Non- Independent, Non-Executive	Member	-	-
** Ms. Nidhi Busa	Independent, Non-Executive	Member	-	-

\* ceased to be a director w.e.f. 29th December, 2021

\*\*appointed w.e.f. 29th December, 2021

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

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

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

**Sitting fees to Non-Executive Directors:** Non- Executive Directors are paid only sitting fees for attending meeting. The details of sitting fees paid to the Non-Executive Directors along with their shareholding are given below.



## ANNUAL REPORT 2021-2022

Sr. No	Particulars of Remuneration	Name of the Directors						Total
		Suraj Manghnani (ceased. w.e.f. 29.12.2021)	Deepak Valecha	Babita Bhatia	Nidhi Kaushik Busa	Milin Jagdish Ramani	Dipen Shah (Apt. w.e.f. 12.08.2021)	
1. Sitting Fees to Independent directors:								
	(a) Fee for attending board committee meetings	2500	410000	0	70000	90000	0	572500
	(b) Commission	-	-	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-	-	-
	Director Remuneration	-	-	-	-	-	-	-
	<b>Total (1)</b>	2500	410000	0	70000	90000	0	572500
2 Sitting Fees to Non- Executive Non Independent directors:								
	(a) Fee for attending board committee meetings	-		10000			30000	40000
	(b) Commission	-	-	-				-
	(c ) Others, please specify.	-	-	-				-
	<b>Total (2)</b>	0	0	10000	0	0	30000	40000
	<b>Total (B)=(1+2)</b>	2,500	410000	10000	70000	90000	30000	612500
	<b>Total Managerial Remuneration</b>							

Shareholding of Non-Executive Independent Director and Non-Executive Non-Independent Directors as on March 31, 2022 are given below:

Name	Category	Number of equity shares held
Deepak Valecha	Non-Executive Independent Director	NIL
Babita Bhatia	Non-Executive Non -Independent Director	NIL
Nidhi Busa	Non-Executive Independent Director	NIL
Suraj Manghnani*	Non-Executive Independent Director	48
Milin Ramani	Non-Executive Independent Director	NIL
Dipen Shah	Non-Executive Non -Independent Director	NIL

\* ceased to be a director w.e.f. 29th December, 2021

### Details of Remuneration Paid to all the Directors and Shareholding:

Details of Remuneration paid to Executive Director along with the Shareholding for the financial year 2021-22 are given below:

Name	Category	Remuneration Paid	Number of equity shares held
Jugal Shah	Executive Director	13,60,000	NIL

### V. GENERAL BODY MEETINGS:

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

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



## ANNUAL REPORT 2021-2022

Meeting	Date and Time Venue	Special resolutions passed
15th Annual General Meeting	September 20, 2021 10.30 a.m. Meeting conducted through Video Conferencing	1. To sell, dispose or write off the movable assets of the Company
14th Annual General Meeting	November 21, 2020 10.30 am. Meeting conducted through Video Conferencing	NA
13th Annual General Meeting	September 12, 2019; 9.00 a.m. <b>Venue:</b> Mayor Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri (W), Mumbai 400 058.	1. To deliver document through a particular mode as may be sought by the member.

### ii. Postal Ballot:

During the financial year ended March 31, 2022 the Company has not passed any resolution through postal ballot.

### 1) MEANS OF COMMUNICATION:

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

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

#### ii. Website and News Releases:

A separate dedicated section namely 'Investors' on the Company's website gives information on various announcements made by the Company, stock quote, Annual Report, Quarterly/Half yearly/ and Annual financial results along with applicable policies and other requisite details and information of the Company are 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 Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX) in terms of SEBI Listing Regulations, 2015 and other rules and regulations issued by SEBI.

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

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

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

My listing is a web-based application designed by Metropolitan Stock Exchange (MSE) for corporates whose securities are listed on MCX-SX. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.



# ANNUAL REPORT 2021-2022

## 2) GENERAL INFORMATION TO SHAREHOLDERS

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

Date	29th September, 2022
Day	Thursday
Time	10:30 A.M.
Venue	Meeting is being conducted through VC/OAVM

### 2. Financial Year:

Financial Year - 1st April to 31st March

### 3. Dividend payment date:

No dividend has been declared for the Financial Year 2021-22.

### 4. Date of Book Closure:

Friday, September 23rd, 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of Annual General Meeting.

### 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, MH, IN

#### **National Stock Exchange of India Limited (NSE)**

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

#### **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, MH, IN

The Company has paid annual listing fees to the stock exchanges for the financial year 2021-22 and has complied with the listing requirements. The Company has also paid annual custodian fee for the year under review to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### 6. Stock Codes:

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

## ANNUAL REPORT 2021-2022

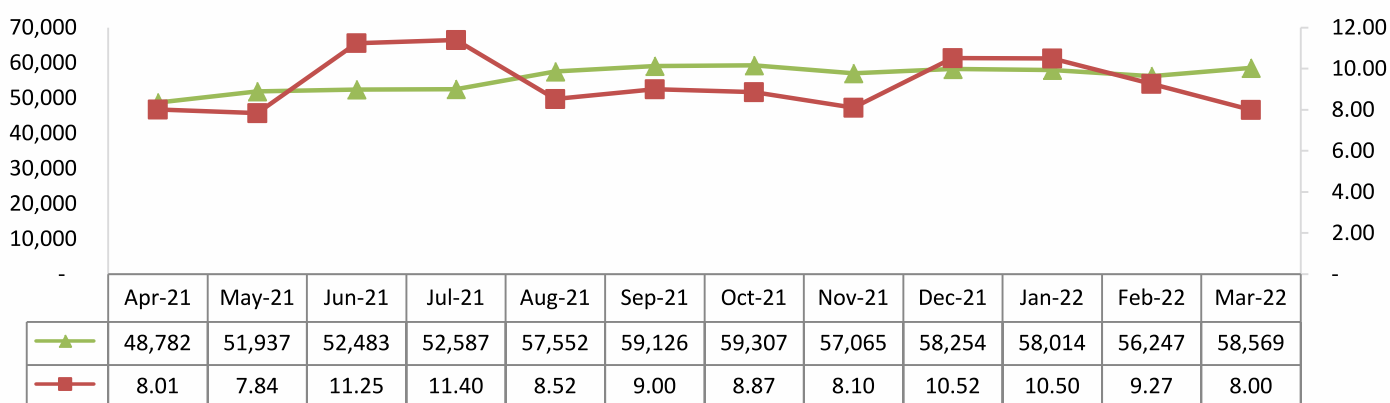
### 7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2022 at BSE Ltd and at National Stock Exchange of India Ltd were as under:

Month	Bombay Stock Exchange					National Stock Exchange				
	(Face Value of Rs. 10/- Per Share)					(Face Value of Rs. 10/- Per Share)				
	High	Low	Close	Volume	Sensex Close	High	Low	Close	Volume	NSE Close
Apr-21	9.69	7.06	8.01	237.69K	48,782	9.25	7.20	8.15	1.19M	14,631
May-21	8.79	7.51	7.84	109.79K	51,937	8.55	7.60	8.05	359.65K	15,583
Jun-21	11.25	7.61	11.25	409.14K	52,483	11.15	7.80	11.15	892.17K	15,722
Jul-21	13.70	10.25	11.40	450.17K	52,587	13.75	10.25	11.30	1.27M	15,763
Aug-21	12.00	8.21	8.52	104.67K	57,552	11.80	8.20	8.60	404.04K	17,132
Sep-21	9.90	8.15	9.00	56.20K	59,126	10.00	8.35	8.75	301.04K	17,618
Oct-21	9.65	8.40	8.87	89.52K	59,307	9.80	8.50	8.60	375.38K	17,672
Nov-21	9.36	7.90	8.10	58.57K	57,065	9.40	7.75	8.30	331.48K	16,983
Dec-21	12.90	7.82	10.52	353.45K	58,254	12.75	7.70	10.55	1.46M	17,354
Jan-22	13.37	10.09	10.50	227.86K	58,014	13.35	10.10	10.35	1.02M	17,340
Feb-22	11.45	8.59	9.27	75.27K	56,247	11.30	8.65	9.30	354.34K	16,794
Mar-22	9.45	7.32	8.00	178.29K	58,569	9.35	7.35	8.00	449.45K	17,465

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

BSE Index Vs Share Price







## ANNUAL REPORT 2021-2022

### 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:

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which from 1st April, 2019, onwards securities can be transferred only in dematerialized form. It is also clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.

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

### 12. Dematerialization of Shares and Liquidity:

About 99.98% 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, 2022.

The break-up of Equity shares held in physical and Demat form as on March 31, 2022 is given below:

Particulars	Shares	% of total shares
<b>Physical Shares (I)</b>	<b>10,004</b>	<b>0.02%</b>
<b>Demat Shares</b>		
<b>NSDL</b>	2,61,67,639	61.85%
<b>CDSL</b>	1,61,33,081	38.13%
<b>Demat Shares (Total) (ii)</b>	<b>4,23,00,720</b>	<b>99.98%</b>
<b>Total (i + ii)</b>	<b>4,23,10,724</b>	<b>100%</b>

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

### 13. Compliance Officer:

Ms. Guddi Bajpai

Company Secretary & Compliance Officer

Tel. No: +91 7777051465

Email ID: [compliance@treehouseplaygroup.net](mailto:compliance@treehouseplaygroup.net)

### 14. Bank Details for electronic shareholding:

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

## 15. Distribution of Share Holding as on March 31, 2022

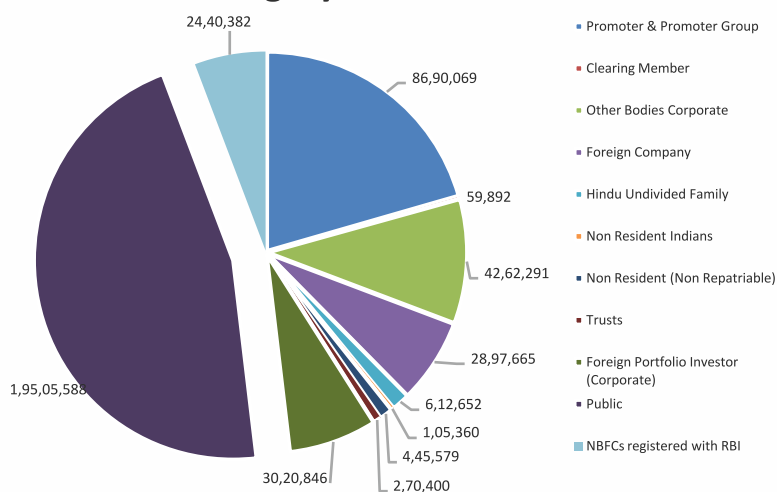
Shareholding of Nominal		Number of Shareholders	Percentage of Total Shareholders	No. of Shares	Percentages of Shareholdings
1	500	12558	77.3991	1723316	4.0730
501	1000	1646	10.1448	1371561	3.2416
1001	2000	934	5.7565	1460225	3.4512
2001	3000	342	2.1079	886409	2.0950
3001	4000	155	0.9553	554834	1.3113
4001	5000	151	0.9307	715208	1.6904
5001	10000	230	1.4176	1700013	4.0179
10001	And above	209	1.2881	33899158	80.1195
<b>Total</b>		<b>16225</b>	<b>100.0000</b>	<b>42310724</b>	<b>100.0000</b>

## 16. Shareholding Pattern as on March 31, 2022:

The shareholding of different categories of the shareholders as on March 31, 2022 is given below:-

Sr. No	Category of Shareholders	Total Shareholding	% of Shareholding
1	Promoter & Promoter Group	8,690,069	20.54
2	Clearing Member	59,892	0.14
3	Other Bodies Corporate	4,262,291	10.07
4	Foreign Company	2,897,665	6.85
5	Hindu Undivided Family	612,652	1.45
6	Non Resident Indians	105,360	0.25
7	Non Resident (Non Repatriable)	445,579	1.05
8	Trusts	270,400	0.64
9	Foreign Portfolio Investor (Corporate)	3,020,846	7.14
10	Public	19,505,588	46.10
11	NBFCs registered with RBI	2,440,382	5.77
	<b>TOTAL</b>	<b>4,23,10,724</b>	<b>100.00</b>

### Category of Shareholders





## ANNUAL REPORT 2021-2022

### 17. Registered Office:

Tree House Education and Accessories Limited  
L80101MH2006PLC163028  
101, Sapphire Plaza, Dadabhai Road, opp. CNMS School,  
Vile Parle (west) Mumbai – 400056, Maharashtra, India

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2022.

### 19. Addresses for Correspondence

#### Investors Correspondence:

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

### 20. Any query on Annual Report:

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

### 21. Plant Locations

The Company does not have any plants.

## 3) OTHER DISCLOSURES:

### i. Related Party Transactions:

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 basis. There were no materially significant transactions entered with related parties during the financial year. Suitable disclosure as required by the Indian Accounting Standards (AS- 18) has been made in the notes to the Financial Statements. Please refer Note No. 32 of the financial statement for related party transactions. Further, the policy on related party transactions is available on the website of the Company at

[https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTION\\_Policy.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

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

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

Your Company has complied with all the requirements of the Stock Exchanges(s) and Securities Exchange Board of India (SEBI) on matters related to Capital Markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard, except noticed and mentioned by secretarial auditor in his report.

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

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

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



## ANNUAL REPORT 2021-2022

In compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has established a Whistle Blower Policy and the same is placed on the website of the Company at [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_WhistleBlowerPolicy\\_Revised\\_14022016.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Treehouse_WhistleBlowerPolicy_Revised_14022016.pdf). The Company has a Whistle Blower Policy for Directors and Employees to report their concerns about unethical behavior, leakage of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and / or Employee(s) who avail the mechanism.

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

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. Policy on Prevention of Sexual Harassment at Workplace is available on company's website: [https://primeinfobase.in/z\\_TreeHouse/pdf-files/Treehouse\\_Sexual%20Harrasment%20Policy\\_Revised\\_14022016.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/Treehouse_Sexual%20Harrasment%20Policy_Revised_14022016.pdf)

The following is reported pursuant to Section 22 of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints received in the year : Nil
- b) Number of complaints disposed off during the year : Nil
- c) Number of cases pending more than ninety days: Nil
- d) Nature of action taken by the employer or district officer: Not applicable.

#### v. Policy on Material Subsidiary–

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

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

The Policy on Material Subsidiary is available on company's website at [https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_for\\_determining\\_Material\\_Subsiadiaries.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsiadiaries.pdf)

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

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

##### b. Compliance with non-mandatory requirements under listing regulations 2015:

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

##### i. Shareholder Rights

In addition to publishing its quarterly results in English and Marathi newspaper having wide circulation, the Company uploads its quarterly results, shareholding pattern, 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 statements for the financial year 2021-22.

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

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

##### iv. Reporting of Internal Auditor

The Internal auditor directly reports to the Audit Committee.



## ANNUAL REPORT 2021-2022

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

Particulars	Amount (Rs.)
<b>Paid to Statutory Auditors</b>	
Statutory Audit	600000
Income Tax Audit	75,000
Certification Fees	0
<b>To other entities in the same network</b>	0
<b>Total</b>	<b>675000</b>

- viii. The company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations 2015 except noticed and mentioned by secretarial auditor in his report.
- ix. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure - F**.
- x. Compliance with Accounting Standards / Ind AS:  
All applicable Ind AS have been consistently applied. Financial statements of the Company are prepared in accordance with the Indian Accounting Standards.
- xi. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

The Company has not raised funds through preferential allotment or qualified institutional placement.



## ANNUAL REPORT 2021-2022

### Certificate on Compliance with the conditions of Corporate Governance

To,  
The Members  
**Tree House Education & Accessories Limited**  
**CIN: L80101MH2006PLC163028**

We have examined the compliance of conditions of Corporate Governance by the Tree House Education & Accessories Limited ("the Company"), for the financial year ended March 31, 2022 as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the 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 as given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor's grievance, the Registrar and Transfer Agent of the Company have certified that as at 31st March, 2022, there were no investors' grievances received.

We further 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: August 12, 2022**  
**UDIN: 22102606AOWXHE9938**





## ANNUAL REPORT 2021-2022

### Annexure D

#### CEO / CFO Certificate

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

To,

The Board of Directors

**Tree House Education & Accessories Limited**

Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School,  
Vile Parle (west), Mumbai - 400056

**A.** We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

**B.** There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

**C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

**D.** We have indicated to the auditors and the Audit committee:

- (1) Significant changes in internal control over financial reporting during the year;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

**Sd/-**  
**Rajesh Bhatia**  
**Chief Executive Officer**

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

**Date:** May 25, 2022

**Place:** Mumbai

### Annexure E

#### Certificate on Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the senior management personnel of the Company have confirmed compliance with the Code of conduct for the financial year ended March 31, 2022.

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

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

**Date:** May 25, 2022

**Place:** Mumbai



## ANNUAL REPORT 2021-2022

### Annexure F

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
Tree House Education & Accessories Limited  
CIN: L80101MH2006PLC163028  
Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School,  
Vile Parle (West), Mumbai, MH-400 056, IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tree House Education & Accessories Limited bearing CIN - L80101MH2006PLC163028 and having registered office at **Office No.101, Sapphire Plaza, Dadabhai Road, Opp. CNMS School, Vile Parle (West), Mumbai, MH-400 056, IN (hereinafter referred to as "the Company")**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment In Company
1	Mr. Deepak Vijaykumar Valecha	07736480	Non-Executive - Independent Director	13/02/2017
2	Ms. Jugal Bharat Shah	08334114	Executive Director	21/01/2019
3	Mr. Dipen Vijaykumar Shah	07600611	Non-Executive - Non Independent Director	12/08/2021
4	Mrs. Babita Doulatram Bhatia	08767969	Non-Executive - Non Independent Director	23/06/2020
5	Ms. Nidhi Kaushik Busa	08792362	Non-Executive - Independent Director	01/09/2020
6	Mr. Milin Jagdish Ramani	07697636	Non-Executive - Independent Director	01/09/2020

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

For Kaushal Doshi & Associates  
Practicing Company Secretaries  
Sd/-

Kaushal Doshi  
(Proprietor)

Date: 25th May, 2022  
Place: Mumbai

FCS No: 10609 CP No: 13143  
UDIN: F010609D000382508



# ANNUAL REPORT 2021-2022

## INDEPENDENT AUDITOR'S REPORT

To

THE BOARD OF DIRECTORS  
TREE HOUSE EDUCATION & ACCESSORIES LIMITED

### Report on the Standalone Indian AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **TREEHOUSE EDUCATION & ACCESSORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2022**, 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 informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, converted franchise centres and own centres in a phased manner. During COVID-19 Pandemic has forced non-opening of pre-schools and hence all such assets held by the Company at those centres are reclassified as "Assets held for Disposal/Sale".
2. We draw attention to the Standalone Ind AS Financial Statements with regards to Trade Receivables. In our opinion the deliverables and receipts are outstanding for a longer period of time.



## ANNUAL REPORT 2021-2022

3. 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.
4. The COVID-19 Pandemic has forced non-opening of pre-schools. Hence the schools were conducted virtually during the year 2021-22.
5. Confirmation letters have been sent by the Company to sundry creditors and debtors and parties to whom loans & advances, deposits have been granted for confirming the balances lying in their ledger accounts in books of the Company. The balances under these heads have been shown as per books of accounts and are subject to confirmation, reconciliation and adjustment, if any.
6. The Company has defaulted in repayment of credit facility availed from HDFC Bank due to which it has been classified as short term borrowing. The management has informed us that the Company has received notice from HDFC Bank under "SARFAESI Act". The amount classified as short term borrowing is at Rs. 1980.57 lakhs.
7. The Company has booked impairment loss on shares held by TreeHouse Employees Welfare Trust of Rs. 5.41 lakhs based on the market value of the shares as on 31st March, 2022.
8. The Company has repaid loan of ICICI Bank in full under OTS Scheme (One Time Settlement Scheme) thereby being benefitted by waiver of interest of Rs 1211.84 lakhs.
9. The Company has sold its office at Khar, Mumbai, Maharashtra and school building in Jhunjunu, Rajasthan to pay off its debts & liabilities.
10. Out of the assets reclassified as "Assets held for Disposal/Sale" some of its assets such as furniture, teaching aids, office equipments and old computers & accessories lying at the Vasai godown have been sold off via tender bids.
11. Mr. Rajesh Bhatia & Anr. (Promoters of the Company) filed an appeal before Securities Appellate Tribunal ("SAT") against an Order No WTM/SM/IVD-ID-1/28/2021-22 dated May, 24, 2021 received from Securities and Exchange Board of India (SEBI) under the provisions of sections 11(1), 11(4), 11B(1), 11B(2) and 11(4A) of the Securities and Exchange Board of India Act, 1992. Accordingly, the SAT vide its order dated August 30, 2021 directed the promoters of the Company to deposit a sum of Rs. 15 lakhs as security deposit with respondent i.e. Securities and Exchange Board of India, the said amount was deposited on time as per the order. Further the matter is awaiting hearing.
12. The Company has received summons on 18th Day of November, 2021, 13th December, 2021 also 23rd Day of December, 2021 and 11th Day of February, 2022 from Securities and Exchange Board of India ("SEBI") for production of documents before the Investigating Authority ("IA") under Section 11(2), 11C(2), (3) and (5) of the Securities And Exchange Board of India Act, 1992 regarding the preparation of financial statements of the Company in a manner detrimental to the investors or the securities market and any intermediary or any person associated with the Securities market under the provision of the SEBI Act, 1992, Securities Contracts (Regulations) Act, 1956 and other provisions as specified in Section 24 of the Companies Act, 2013 or the Rules or Regulations made or directions issued by SEBI thereunder. As informed to us, the Company has duly produced necessary documents and sent/shared necessary replies to SEBI.
13. The Company has received reminder letter from National Stock Exchange of India ("NSE") vide letter No. NSE/SOP/RBF/0151 dated October 25, 2021 for freezing of Promoters Holding for the non- payment of fine of Rs. 9,02,700/- (Rupees Nine Lakhs Two Thousand Seven Hundred) for the Non-Compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed to us, the Company is in due process of filing an appeal/application before the high court of Mumbai.
14. There was an ongoing arbitration matter between the Company and Janodhar Sikhshan Prasarak Mandal and others ("Respondents") in which the company has received order in its favour on January 11, 2021 wherein the company shall receive compensation from the Respondents. The company continues to pursue legal options for recovery of proceeds as per the order.
15. Forensic Audit of the Company for the period from F.Y.2011-12 to 2017-18 is underway. The Company is defending/pursuing legal cases on various forums against itself and its past directors.
16. It is worthwhile to mention that Corporate Governance and legal compliances have always been the topmost priority of the Company and Company ensures that all available information about the impact of these events on the company and its operations is communicated in a timely and cogent manner to its investors and stakeholders.

### Opinion

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



## ANNUAL REPORT 2021-2022

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, 2022 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) 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.
  - f) 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. There are pending litigations and suits filed against the company and its past 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. The Company has transferred Rs. 5,984/- lying as unpaid dividend pertaining to the year 2014 to the Investor Education and Protection Fund during the year ended March 31, 2022.

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

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

**UDIN :22102606AJPJQJ3886**

**Date : 25/05/2022**

**Place : Mumbai**





## ANNUAL REPORT 2021-2022

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

Referred to in paragraph 11(f) of the Independent Auditors Report of even date to the members of TreeHouse Education & Accessories Limited on the Standalone Ind AS financial statement for the year ended March 31, 2022.

We have audited the internal financial controls over financial reporting of “TREEHOUSE EDUCATION & ACCESSORIES LIMITED” (“the Company”) as of March 31, 2022 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) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provides 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) provides 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





## ANNUAL REPORT 2021-2022

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.

**Date:** 25/05/2022

**Place:** Mumbai

**For S. Dedhia & Co.**

Chartered Accountants

F.R.N. 117695W

**Sd/-**

**CA Sandeep Dedhia**

Proprietor

M. No. 102606

UDIN :22102606AJPJQJ3886

## Annexure “B” to Independent Auditors’ Report on the Standalone Financial Statements of “TREEHOUSE EDUCATION & ACCESSORIES LIMITED”

Referred to in paragraph 1 under the heading “Report and Other Legal Regulatory Requirements” of Independent Auditors’ Report of even date to the Members of TreeHouse Education & Accessories Limited on the Standalone Ind AS financial statements as of and for the year ended March 31, 2022.

- 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 & equipment located at franchise centres and no material discrepancies were noticed on such verification. It is further explained by the management that the fixed assets consisting of furniture & fixtures and leasehold improvements lying at the centres closed during F.Y. 2015-16 & 2016-17 could not be physically verified as the company did not have access to those centres.
- c) During the year 2020-21, the Company has carried out physical verification of above fixed assets lying at Head Office, Centres at Bandra and Khar and those lying at godown. The COVID-19 Pandemic has forced non-opening of pre-schools and hence all such assets held by the Company at those centres are reclassified as “Assets held for Disposal/Sale”. The written down value of assets held as “Assets held for Disposal/Sale” as on March 31, 2022 is Rs 41,03,61,317/-.
- i. The title deeds of immovable properties are held in the name of the Company 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.
- 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 securities 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. 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, Income-tax, MVAT/CST, GST and any other statutory dues to the appropriate authorities though there has been a delay in few cases. As on 31st March, 2022 following are the amounts in arrears for a period 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	2,31,22,757/-
2	Maharashtra Vat Act, 2002	MVAT & CST	20,15,311/-
3	The Employees’ Provident Funds And Miscellaneous Provisions Act, 1952	PF	24,69,729/-
4	Profession Tax Act under respective states	Profession Tax	1,87,295/-
	<b>TOTAL</b>		<b>2,77,95,092/-</b>



## ANNUAL REPORT 2021-2022

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in the repayment of loans or borrowings to financial Institutions, banks or government during the year. The Company did not have any outstanding debentures at the balance sheet date.
- ix. According to the information and explanation given to us the Company has not raised moneys by way of initial public offer, further public offer including debt instruments during the year. In our opinion and according to the information and explanations given to us the company has applied the term loans for the purposes for which they were obtained.
- x. During the course of examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the Management.
- xi. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii. In view of the losses, managerial remuneration has been paid in accordance with the provisions of Section 197 read with Schedule V of the Act.
- 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. Hence 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. Hence 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. Hence 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. Hence the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**Date:** 25/05/2022  
**Place:** Mumbai

**For S. Dedhia & Co,**  
Chartered Accountants  
F.R.N. 117695W  
**Sd/-**  
**CA Sandeep Dedhia**  
Proprietor  
M. No. 102606  
UDIN: 22102606AJPJQJ3886



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Audited Standalone Balance Sheet as at 31st March 2022

Amount in Rs.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS:</b>			
Property, plant and equipment	2	41,30,87,564	69,97,97,211
Investment Properties	3	24,35,57,919	49,47,86,498
Goodwill	4A	26,61,406	31,88,920
Intangible assets	4B	13,20,06,802	14,06,28,894
<b>Financial assets:</b>			
- Investments	5	9,38,29,970	9,38,29,970
- Loans	6	21,63,200	27,04,000
- Other financial assets	7	1,51,64,26,170	1,50,05,47,215
Deferred tax Assets (Net)	8	10,05,07,200	10,83,49,128
<b>Total Non Current Assets</b>		<b>2,50,42,40,231</b>	<b>3,04,38,31,836</b>
<b>Current assets</b>			
Inventories	9	45,57,590	68,09,482
<b>Financial assets:</b>			
- Trade receivables	10	25,07,63,422	19,61,53,897
- Cash and cash equivalents	11	1,11,244	4,66,018
- Bank Balances other than Cash and cash equivalents	12	17,010	17,12,950
- Other financial assets	13	2,26,42,888	1,99,44,126
Other Current Assets	14	4,55,58,964	4,17,55,481
<b>Total current assets</b>		<b>32,36,51,118</b>	<b>26,68,41,954</b>
<b>Total Assets</b>		<b>2,82,78,91,349</b>	<b>3,31,06,73,790</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Equity Share capital	15	42,31,07,240	42,31,07,240
Other equity	16	2,10,99,08,587	2,40,79,61,912
<b>Total equity</b>		<b>2,53,30,15,827</b>	<b>2,83,10,69,152</b>
<b>LIABILITIES:</b>			
<b>Non-current liabilities</b>			
Financial liabilities:			
Provisions	17	3,52,380	6,67,432
<b>Total Non-Current liabilities</b>		<b>3,52,380</b>	<b>6,67,432</b>
<b>Current liabilities</b>			
<b>Financial liabilities:</b>			
- Borrowings	18	19,86,57,002	33,40,04,837
- Trade payables	19	2,31,64,989	7,56,31,333
- Other Financial Liabilities	20	30,77,843	40,70,755
Provisions	21	50,02,105	47,92,700
Other current liabilities	22	6,46,21,203	6,04,37,581
<b>Total Current liabilities</b>		<b>29,45,23,142</b>	<b>47,89,37,206</b>
<b>Total Liabilities</b>		<b>29,48,75,522</b>	<b>47,96,04,638</b>
<b>Total Equity and Liabilities</b>		<b>2,82,78,91,349</b>	<b>3,31,06,73,790</b>
Significant Accounting Policies .	1		
The Notes are an integral part of these standalone financial statements			

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPJQJ3886

**Place:** Mumbai  
**Date:** 25th May 2022

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

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

**Rajesh Bhatia**  
Chief Executive Officer

**Guddi Bajpai**  
Company Secretary

**Deepak Valecha**  
Director  
DIN No: 07736480

**Navin Kumar**  
Chief Financial Officer



# ANNUAL REPORT 2021-2022

Tree House Education & Accessories Limited			
Audited Statement of Standalone Profit & Loss Account for the year ended 31st March 2022			Amount in Rs.
Particulars	Note No.	Year ended	
		31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>I. INCOME:</b>			
Revenue from Operations	23	5,99,89,714	5,29,25,573
Other Income	24	12,38,53,370	34,35,777
<b>Total Income</b>		<b>18,38,43,084</b>	<b>5,63,61,350</b>
<b>II. EXPENSES:</b>			
Operating expenses	25	1,33,89,919	81,35,721
Employee Benefits Expense	26	1,38,15,007	1,29,78,652
Finance Costs	27	6,25,20,361	5,46,19,084
Depreciation & Amortisation	28	17,01,37,511	24,65,40,199
Other Expenses	29	22,65,60,397	5,01,54,183
<b>Total Expenses</b>		<b>48,64,23,195</b>	<b>37,24,27,839</b>
<b>III. Profit/ (Loss) before exceptional items and tax</b>		<b>(30,25,80,111)</b>	<b>(31,60,66,489)</b>
<b>IV. Exceptional Items</b>	30	<b>3,84,50,010</b>	<b>(8,81,52,666)</b>
<b>V. Profit/(Loss) Before Tax</b>		<b>(26,41,30,101)</b>	<b>(40,42,19,155)</b>
<b>VI. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax (Asset)/Liability		(78,41,928)	12,73,272
Short / (Excess) provision of earlier years		-	-
<b>VII. Profit/(Loss) for the Year (A)</b>		<b>(27,19,72,029)</b>	<b>(40,29,45,883)</b>
<b>VIII. Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Remeasurement of net defined benefit plans		-	-
(iii) Income tax relating to above items		-	-
Other Comprehensive Income for the Year (B)		-	-
<b>IX. Total comprehensive income for the Year (A+B)</b>		<b>(27,19,72,029)</b>	<b>(40,29,45,883)</b>
<b>X. Earnings per equity share of face value of Rs. 10 each</b>			
<b>Basic (in Rs.)</b>		<b>(6.43)</b>	<b>(9.52)</b>
<b>Diluted (in Rs.)</b>		<b>(6.43)</b>	<b>(9.52)</b>

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPJQJ3886

Place: Mumbai  
Date: 25th May 2022

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

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

**Deepak Valecha**  
Director  
DIN No: 07736480

**Rajesh Bhatia**  
Chief Executive Officer

**Navin Kumar**  
Chief Financial Officer

**Guddi Bajpai**  
Company Secretary



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Standalone Cash Flow Statement for the year ended 31st March 2022

Amount in Rs.

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A Cash flows from operating activities</b>		
Profit before tax	(26,41,30,101)	(40,42,19,155)
Adjustments for:		
Depreciation / amortisation	17,01,37,511	24,65,40,199
Loss on Sale of Assets	18,60,18,538	-
Finance charges	6,25,20,361	5,46,19,084
Interest on fixed deposits	(28,133)	(1,10,977)
Adjustment for Prior period depreciation	-	(2,57,765)
<b>Operating profit before working capital changes</b>	<b>15,45,18,176</b>	<b>(10,34,28,614)</b>
Adjustments for:	-	-
(Increase)/Decrease in inventories	22,51,892	(9,90,754)
Deposits given to K-12 Schools	2,18,34,114	2,17,50,984
Decrease/(Increase) in sundry debtors	(5,46,09,525)	73,75,315
(Increase)/Decrease in Financial Loans	5,40,800	10,81,800
(Increase)/Decrease in Other Financial Assets	(4,04,11,832)	9,05,74,518
(Increase)/Decrease in Other Current Assets	(38,03,483)	(14,04,225)
Increase /(Decrease) in Non Current Liabilities	(3,15,052)	6,67,432
Increase /(Decrease) in liabilities and provisions	(4,90,66,228)	(46,37,876)
<b>Cash generated from operations</b>	<b>3,09,38,862</b>	<b>1,09,88,579</b>
Income tax paid	-	-
<b>Net cash generated from operating activities</b>	<b>3,09,38,862</b>	<b>1,09,88,579</b>
<b>B Cash flow from investing activities:</b>		
Purchase of fixed assets	(67,44,415)	(28,67,325)
Sale of Assets	17,15,94,902	-
Interest received	28,133	1,10,977
<b>Net cash used in investing activities</b>	<b>16,48,78,620</b>	<b>(27,56,348)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from working capital loan (net)	(13,53,47,835)	4,69,23,071
Interest paid	(6,25,20,361)	(5,46,19,084)
<b>Net cash provided by financing activities</b>	<b>(19,78,68,196)</b>	<b>(76,96,013)</b>
Net increase in cash and cash equivalents during the year	(20,50,714)	5,36,218
Cash and cash equivalents as at the beginning of the year	21,78,968	16,42,750
<b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b>	<b>1,28,254</b>	<b>21,78,968</b>

The accompanying notes are an integral part of these financial statements.

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

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPJQJ3886

Place: Mumbai  
Date: 25th May 2022

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

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DIN No: 08334114

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Director  
DIN No: 07736480

**Navin Kumar**  
Chief Financial Officer





# ANNUAL REPORT 2021-2022

Tree House Education & Accessories Limited

Statement of Change in Equity

CIN No. L80101MH2006PLC163028

Notes on Standalone Financial Statements for the year Ended 31st March 2022

## A. Equity Share Capital

Amount in Rs.

Particulars	Amount
Balance as at 31st March 2020	42,31,07,240
Changes in equity share capital during the period	-
Balance as at 31st March 2021	42,31,07,240
Changes in equity share capital during the period	-
Balance as at 31st March 2022	42,31,07,240

## B. Other Equity

Amount in Rs.

Particulars	Reserve and Surplus				
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	Total
Balance as at 1st April, 2020	4,60,28,15,570	7,59,47,517	(1,84,25,95,852)	(5,55,02,403)	2,78,06,64,832
Profit/(Loss) for the year	-	-	(40,29,45,883)	3,02,42,964	(37,27,02,919)
Other Comprehensive Income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(40,29,45,883)	3,02,42,964	(37,27,02,919)
Balance as at 31st March, 2021	4,60,28,15,570	7,59,47,517	(2,24,55,41,735)	(2,52,59,439)	2,40,79,61,913
Profit/(Loss) for the year	-	-	(27,19,72,029)	-	(27,19,72,029)
Other Comprehensive Income for the year	-	-	1,26,79,944	(3,87,61,241)	(2,60,81,297)
Total Comprehensive Income for the year	-	-	(25,92,92,085)	(3,87,61,241)	(29,80,53,326)
Balance as at 31st March 2022	4,60,28,15,570	7,59,47,517	(2,50,48,33,820)	(6,40,20,680)	2,10,99,08,587

As per our report of even date,

For S. Dedhia & Co.

Chartered Accountants

Firm Registration No. 117695W

CA Sandeep Dedhia

Proprietor

Membership No. 102606

UDIN: 22102606AJPJQJ3886

Place: Mumbai

Date: 25th May 2022

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

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Executive Director

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Company Secretary

Deepak Valecha

Director

DIN No: 07736480

Navin Kumar

Chief Financial Officer



# ANNUAL REPORT 2021-2022

## Notes to the Standalone Financial Statements, for the year ended March 31, 2022.

### Note 1. Significant Accounting Policies

#### 1.1 Corporate Information:

TreeHouse 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 recognized 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 one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under INDAS. Hence it was 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 recognized 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 derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

## Depreciation methods, estimated useful lives and residual value:

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

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

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

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

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

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

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

## (d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building is provided over 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 amortization and impairments, if any.

### Trademark

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

### Amortization 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 recognized 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 realizable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises 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 recognized 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) **Amortized 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 amortized 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 amortized cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.



## ANNUAL REPORT 2021-2022

### **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 recognized using the effective interest rate method.

### **Dividends**

Dividends are recognized 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 amortization 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 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 amortized 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 recognized.



## ANNUAL REPORT 2021-2022

### Derivative financial instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized 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 recognized 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 recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized 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 recognized in Statement of Profit and Loss as finance costs.

### Borrowing costs

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

### Provisions and contingent liabilities

Provisions are recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 realized. Deferred tax assets are recognized 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 realized against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized 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 realized.

## **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 arising 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.



## ANNUAL REPORT 2021-2022

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

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer Note No. 45

# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

### Note 2: Property, Plant and Equipment

Amount in Rs.

Particulars	Lease Hold Improvements	Teaching aid and Equipments (Plant & Machinery)	Office Equipment	Electrical Equipment	Furniture & Fixture	Computers & Website	Total
<b>A. Gross Carrying amount :</b>							
Balance as at 31st March 2020	47,60,33,100	5,56,64,631	2,47,20,628	2,57,57,697	2,20,65,60,796	1,30,66,382	2,80,18,03,234
Additions	-	-	-	-	19,97,471	7,49,854	27,47,325
Disposals	-	-	-	-	-	-	-
Reclassification of asset held for Sale 31-03-21	47,25,38,953	5,56,64,631	2,40,91,312	2,45,19,390	2,19,32,57,071	1,12,92,640	2,78,13,63,997
<b>Balance as at 31st March 2021</b>	<b>34,94,147</b>	<b>-</b>	<b>6,29,316</b>	<b>12,38,307</b>	<b>1,53,01,196</b>	<b>25,23,596</b>	<b>2,31,86,562</b>
Additions	47,25,38,953	1,07,29,369	22,72,402	-	45,000	87,400	1,32,400
Disposals of Sale Assets	-	-	-	-	52,95,80,977	55,35,336	1,02,06,57,037
Disposals - Other Assets	-	-	-	-	19,09,343	-	19,09,343
Transfer from Stock to Assets for Sale	-	26,29,698	-	-	-	-	26,29,698
Balance of Reclassified Assets for Sale	(0)	4,75,64,960	2,18,18,910	2,45,19,390	1,66,36,76,094	57,57,304	1,76,33,36,658
<b>Balance as at 31st March 2022</b>	<b>34,94,147</b>	<b>-</b>	<b>6,29,316</b>	<b>12,38,307</b>	<b>1,34,36,853</b>	<b>26,10,996</b>	<b>2,14,09,619</b>
<b>B. Accumulated Depreciation:</b>							
Balance as at 31st March 2020	36,17,02,941	5,38,34,425	2,23,44,663	1,82,75,688	1,40,59,03,627	1,23,76,923	1,87,44,38,268
Additions	1,24,31,566	4,08,018	11,14,361	19,47,789	21,43,01,651	1,11,695	23,03,15,081
Disposals	-	-	-	-	-	-	-
Reclassification of asset held for Sale #	37,06,40,360	5,42,42,443	2,29,08,859	1,93,54,447	1,60,96,12,930	1,07,31,246	2,08,74,90,285
<b>Balance as at 31st March 2021</b>	<b>34,94,147</b>	<b>-</b>	<b>5,50,166</b>	<b>8,69,030</b>	<b>1,05,92,349</b>	<b>17,57,373</b>	<b>1,72,63,064</b>
Additions of Reclassified assets held for Sale	21,33,610	-	-	4,11,327	4,99,82,142	5,905	5,25,32,984
Additions for Other Assets	-	-	30,908	92,452	12,63,638	2,12,835	15,99,832
Disposals of Reclassified Assets	37,27,73,970	78,89,367	19,44,054	-	39,91,74,709	52,65,826	78,70,47,926
Disposals of Other Assets	-	-	-	-	1,79,524	-	1,79,524
Reclassification of asset held for Sale #	-	4,63,53,076	2,09,64,805	1,97,65,774	1,26,04,20,363	54,71,325	1,35,29,75,343
<b>Balance as at 31st March 2022</b>	<b>34,94,147</b>	<b>-</b>	<b>5,81,074</b>	<b>9,61,482</b>	<b>1,16,76,463</b>	<b>19,70,208</b>	<b>1,86,83,373</b>
<b>C. Net Carrying amount</b>							
Balance as at 31st March 2020	11,43,30,160	18,30,206	24,28,923	71,71,283	80,06,57,169	6,89,458	92,71,07,199
Balance of Asset for Disposed off as at 31st Mar 2021	10,18,98,593	14,22,188	11,82,453	51,64,943	58,36,44,141	5,61,394	69,38,73,712
Balance of Other Assets as at 31st Mar 2021	-	-	79,150	3,69,276	47,08,847	7,66,223	59,23,497
<b>Balance of Asset to be Disposed off as at 31 March 2022</b>	<b>(0)</b>	<b>12,11,885</b>	<b>8,54,105</b>	<b>47,53,618</b>	<b>40,32,55,731</b>	<b>2,85,979</b>	<b>41,03,61,317</b>
<b>Balance of Other Assets as at 31st March 2022</b>	<b>0</b>	<b>-</b>	<b>48,243</b>	<b>2,76,825</b>	<b>17,60,391</b>	<b>6,40,788</b>	<b>27,26,247</b>

Note: Refer to Note No.39 for disposal/ write off of Fixed Assets.

# Company has sold through tender process assets lying at warehouse which were classified as 'Assets held for write off/sale' amounting to Rs.13.36.23.835 (WDV)  
The total value of reclassified assets remaining for sale/write off as on 31.03.22 is Rs.41,03,61,317 (WDV).



## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

Amount in Rs.

#### Note 3 : Investment Properties

Particulars	Land - Free Hold	Building	Total
<b>A. Gross Carrying amount:</b>			
<b>Balance as at 31st March 2020</b>	<b>8,40,07,328</b>	<b>43,20,92,674</b>	<b>51,61,00,002</b>
Additions		1,20,000	1,20,000
Revaluation	(7,25,455)	3,09,68,419	3,02,42,964
Disposals	-	-	-
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March 2021</b>	<b>8,32,81,873</b>	<b>46,31,81,093</b>	<b>54,64,62,966</b>
Additions		39,82,317	39,82,317
Revaluation			-
Disposals	67,25,000	27,66,41,798	28,33,66,798
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March 2022</b>	<b>7,65,56,873</b>	<b>19,05,21,611</b>	<b>26,70,78,484</b>
<b>B. Accumulated Depreciation:</b>			
<b>Balance as at 31st March 2020</b>	-	<b>4,48,33,229</b>	<b>4,48,33,229</b>
Additions		68,43,239	68,43,239
Revaluation	-	-	-
Disposals	-	-	-
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31st March 2021</b>	-	<b>5,16,76,468</b>	<b>5,16,76,468</b>
Additions		68,69,812	68,69,812
Revaluation	-	-	-
Disposals		3,50,25,714	3,50,25,714
Reclassification of asset held for Sale	-	-	-
<b>Balance as at 31 March 2022</b>	-	<b>2,35,20,565</b>	<b>2,35,20,565</b>
<b>C. Net Carrying amount:</b>	-	-	-
Balance as at 31st March 2020	8,40,07,328	38,72,59,445	47,12,66,773
Balance as at 31st March 2021	8,32,81,873	41,15,04,625	49,47,86,498
<b>Balance as at 31 March 2022</b>	<b>7,65,56,873</b>	<b>16,70,01,046</b>	<b>24,35,57,919</b>

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Rental income derived from investment properties	36,44,712	36,44,712
Direct operating expenses (including repairs and maintenance) generating rental income	Nil	Nil
<b>Income arising from investment properties before depreciation</b>	<b>36,44,712</b>	<b>36,44,712</b>
Depreciation	68,69,812	68,43,239
<b>Income from investment properties (Net)</b>	<b>(32,25,100)</b>	<b>(31,98,527)</b>

Note: Refer to Note No.38 for revaluation of Land & Building.



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

### Note 4A: Goodwill\*

Amount in Rs.

Particulars	Goodwill	Total
<b>A. Gross Carrying amount:</b>		
Balance as at 31st March 2020	76,05,893	76,05,893
Additions	-	-
Disposals	-	-
Impairment	-	-
Balance as at 31st March 2021	76,05,893	76,05,893
Additions	-	-
Disposals	-	-
Impairment	-	-
Balance as at 31 March 2022	76,05,893	76,05,893
<b>B. Accumulated Depreciation:</b>		
Balance as at 31st March, 2020	36,57,185	36,57,185
Additions	7,59,788	7,59,788
Disposals	-	-
Reclassification of asset held for Sale	-	-
Balance as at 31st Mar 2021	44,16,973	44,16,973
Additions	5,27,514	5,27,514
Disposals	-	-
Reclassification of asset held for Sale	-	-
Balance as at 31 March 2022	49,44,487	49,44,487
<b>C. Net Carrying amount:</b>		
Balance as at 31st March 2020	39,48,708	39,48,708
Balance as at 31st Mar 2021	31,88,920	31,88,920
Balance as at 31 March 2022	26,61,406	26,61,406

\*Other than internally generated

#### Note:

Represents Fair value of transferable value of Goodwill purchased.  
Refer Note No.40 for impairment of Goodwill.



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

Amount in Rs.

### Note 4B : Intangible Assets\*

Particulars	Business Commercial rights	Brands	Total
<b>A. Gross Carrying amount:</b>			
Balance as at 31st March 2020	19,42,74,766	7,77,74,014	27,20,48,780
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2021	19,42,74,767	7,77,74,015	27,20,48,782
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Reclassification of asset held for Sale	-	-	-
Balance as at 31 March 2022	19,42,74,767	7,77,74,015	27,20,48,782
<b>B. Accumulated Depreciation:</b>			
Balance as at 31st March 2020	5,19,42,173	7,08,55,622	12,27,97,795
Additions	64,69,350	21,52,743	86,22,093
Disposals	-	-	-
Impairment	-	-	-
Reclassification of asset held for Sale	-	-	-
Balance as at 31st March 2021	5,84,11,523	7,30,08,365	13,14,19,888
Additions	64,69,350	21,52,743	86,22,093
Disposals	-	-	-
Impairment	-	-	-
Reclassification of asset held for Sale	-	-	-
Balance as at 31 March 2022	6,48,80,872	7,51,61,108	14,00,41,980
<b>C. Net Carrying amount:</b>			
Balance as at 31st March 2020	14,23,32,593	69,18,392	14,92,50,985
Balance as at 31st March 2021	13,58,63,244	47,65,650	14,06,28,894
Balance as at 31 March 2022	12,93,93,895	26,12,907	13,20,06,802

\* Other than internally generated

#### Note:

Represents Fair value of Business Commercial Rights purchased.

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





# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

Amount in Rs.

### Note 5 : Investments

Particulars	As at 31st March 2022		As at 31st March, 2021	
	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	9,38,29,970
<b>Total</b>		<b>9,38,29,970</b>		<b>9,38,29,970</b>
Aggregate amount of unquoted investments		9,38,29,970		9,38,29,970
<b>Note 5.1</b>		<b>Amount</b>		<b>Amount</b>
<b>Category-wise Non current</b>				
Financial assets carried at amortised cost		9,38,29,970		9,38,29,970
<b>Total</b>		<b>9,38,29,970</b>		<b>9,38,29,970</b>

#### Note:

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

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

1) The Company has a 50% interest in the assets, liabilities, expenses and income of JT Infrastructure Private Limited, a company incorporated in India and information (unaudited) provided by management of JT Infrastructure Private Limited. The assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2022 is as under:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Assets	27,29,09,053	13,66,23,474
Liabilities	29,04,830	14,88,885
Income	-	100
Expenditure	2,85,396	56,508

### Note 6: Non Current Financial Loans

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured considered good:</b>		
Loans Others (Employee Welfare Trust)	21,63,200	27,04,000
<b>Total</b>	<b>21,63,200</b>	<b>27,04,000</b>

#### Note:

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



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 7: Other Non Current Financial Assets:

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Share Application money	16,10,000	26,10,000
Security Deposits*	1,51,48,16,170	1,49,79,37,215
<b>Total</b>	<b>1,51,64,26,170</b>	<b>1,50,05,47,215</b>

### Note:

- 7.1 Share Application money of Rs.16,10,000/- 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 and amount reclassified from impaired assets after part recovery of deposits.
- 7.3 \*Security deposits includes deposit given to Educational Trust amounting to Rs.15,064/- Lakhs (Previous Year Rs.14,892/-Lakhs).
- 7.4 \*Refer Note No.42.2 for Fair Valuation of Security Deposits.

### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022

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 31st March, 2022		As at 31st March, 2021	
	Credit/ (charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)
Depreciation	(78,60,610)	38,63,199	13,17,606	1,17,23,809
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	18,682	6,86,268	(44,334)	6,67,586
Provision for doubtful trade receivables		(1,66,169)	-	(1,66,169)
Tax Loss Carried Forward		18,00,21,855	-	18,00,21,855
Others		2,07,23,897	-	2,07,23,897
<b>Total</b>	<b>(78,41,928)</b>	<b>10,05,07,200</b>	<b>12,73,272</b>	<b>10,83,49,128</b>

### Note 9 : Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Stock-in-Trade*	45,57,590	68,09,482
<b>Total</b>	<b>45,57,590</b>	<b>68,09,482</b>

### Note:

\* As certified by management .



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 10: Trade Receivables

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	11,77,16,275	12,15,33,340
Add: allowance for doubtful trade receivables	13,30,47,147	7,46,20,557
<b>Total Receivables*</b>	<b>25,07,63,422</b>	<b>19,61,53,897</b>
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	11,77,16,275	12,15,33,340
Doubtful	13,30,47,147	7,46,20,557
<b>Total</b>	<b>25,07,63,422</b>	<b>19,61,53,897</b>
Less: Provision for doubtful trade receivables	-	-
<b>Total Trade receivables</b>	<b>25,07,63,422</b>	<b>19,61,53,897</b>

\* Trade Receivables includes receivable amounting to Rs. 699/- Lakhs (Previous Year Rs. 678/- ) Lakhs due from educational trust.(Including provisions)

### Note 11: Cash and Bank Balances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash on Hand	1,10,245	84,130
Balances with banks - In Current Accounts	999	3,81,888
<b>Total</b>	<b>1,11,244</b>	<b>4,66,018</b>

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
In Fixed deposits (including Interest accrued)	-	16,89,956
Unpaid dividend account *	17,010	22,994
<b>Total</b>	<b>17,010</b>	<b>17,12,950</b>

#### Notes:

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

### Note 13: Other Current Financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits*	2,26,42,888	1,99,44,126
<b>Total</b>	<b>2,26,42,888</b>	<b>1,99,44,126</b>

\* The carrying value of lease deposits with landlords amounting to Rs.124 Lakhs (Previous Year Rs.144 Lakhs) is related to closed/ discontinued centres and administrative office.



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 14: Other Current assets

Amount in Rs.

Particulars	As at 31st Mar 2022	As at 31st March, 2021
Balances with government Authorities	4,52,15,481	4,12,85,267
Advance for Expenses	3,19,148	1,87,433
Prepaid Expenses	24,335	2,82,781
<b>Total</b>	<b>4,55,58,964</b>	<b>4,17,55,481</b>

### Note 15: Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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>

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

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

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

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	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	8.43%	35,65,000	8.43%
FC VI India Venture Mauritius Ltd	28,97,665	6.85%	28,97,665	6.85%
Bajaj Holding And Investment Ltd	24,30,882	5.75%	24,30,882	5.75%

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4,23,10,724	4,23,10,724
<b>Add:</b> 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 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 16: Other Equity

Amount in Rs.

Particulars	Reserve and Surplus				Total
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	
Balance as at 31st March, 2020	4,60,28,15,570	7,59,47,517	(1,84,25,95,852)	(5,55,02,403)	2,78,06,64,832
Profit (loss) for the year	-	-	(40,29,45,883)	3,02,42,964	(37,27,02,919)
Other Comprehensive Income for the year	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	<b>(40,29,45,883)</b>	<b>3,02,42,964</b>	<b>(37,27,02,919)</b>
Balance as at 31st March, 2021	4,60,28,15,570	7,59,47,517	(2,24,55,41,735)	(2,52,59,439)	2,40,79,61,913
Profit (loss) for the Period	-	-	(27,19,72,029)	-	(27,19,72,029)
Other Comprehensive Income for the Period	-	-	1,26,79,944	(3,87,61,241)	(2,60,81,297)
<b>Total Comprehensive Income for the Period</b>	-	-	<b>(25,92,92,085)</b>	<b>(3,87,61,241)</b>	<b>(29,80,53,326)</b>
Balance as at 31st March 2022	4,60,28,15,570	7,59,47,517	(2,50,48,33,820)	(6,40,20,680)	2,10,99,08,587

#### Note:

- (i) The Company has not revalued its immovable properties during the year, However it was revalued during the financials year 2020-21
- (ii) Refer to Note No.41 for information on assets pledged as security by Company.

#### Profit and loss account

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

Particulars	As at 31st Mar 2022	As at 31st March, 2021
<b>Cost for the year:</b>		
Service cost	3,89,847	2,66,093
Interest cost	35,751	37,895
Expected return on plan assets	-	-
Actuarial loss / (Gain)	(2,41,517)	(1,81,248)
<b>Total net cost recognized as employee remuneration</b>	<b>1,84,081</b>	<b>1,22,740</b>

### Note 17: Non-Current Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
	No. of Shares	No. of Shares
Provisions for Employee Benefits: Gratuity (Refer note 45 )	3,52,380	6,67,432
<b>Total</b>	<b>3,52,380</b>	<b>6,67,432</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 18: Current Financial Borrowings

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Term loans from bank	-	16,81,99,426
Bank Over Draft/ Cash Credit Facility with Bank	19,86,57,002	16,58,05,411
<b>Secured-Total (A)</b>	<b>19,86,57,002</b>	<b>33,40,04,837</b>
<b>Unsecured</b>		
- From Related Parties	-	-
<b>Unsecured-Total (B)</b>		
<b>Total</b>	<b>19,86,57,002</b>	<b>33,40,04,837</b>

#### Notes:

18.1 **Secured bank loan:** Secured by mortgage of Land & building and It has been Classified as Non Performing Assets by the bank

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

18.3 The amount payable to financial institutions is Rs.1,986/- Lakhs. (Previous year Rs.3,340/- Lakhs).

### Note 19: Trade Payables:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Micro, Small and Medium Enterprises*	43,14,930	89,14,930
Advance tuition fees received	-	42,00,800
Others	1,88,50,059	6,25,15,603
<b>Total</b>	<b>2,31,64,989</b>	<b>7,56,31,333</b>

\* The company has during the year, received from three of its suppliers information regarding their status under Micro, Small and Medium Enterprises Development Act, 2006.

### Note 20: Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued and due	30,60,833	40,47,761
Unclaimed Dividend	17,010	22,993
<b>Total</b>	<b>30,77,843</b>	<b>40,70,754</b>

### Note 21: Current Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provisions for Employee Benefits: Gratuity (Refer note 45)	3,84,830	33,851
Provisions for Employee Benefits : Others	46,17,275	47,58,849
<b>Total</b>	<b>50,02,105</b>	<b>47,92,700</b>





# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 22: Other Current liabilities

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance tuition fees received	72,08,200	-
Advance from Debtors	2,84,256	2,48,376
Withholding & other tax payables	3,05,71,627	3,30,63,400
Advance against sale of Property	2,60,00,000	2,60,00,000
Other Current Liabilities	5,57,120	11,25,805
<b>Total</b>	<b>6,46,21,203</b>	<b>6,04,37,581</b>

### Note 23: Revenue from operations

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Revenue from</b>		
- Sale of education kits	50,55,561	77,76,090
- <b>Sale of services</b>	-	
Consultancy income	2,75,00,000	1,12,00,000
Income from early childhood education	1,71,53,416	46,88,639
Royalty income	63,16,401	1,06,80,700
- <b>Other Operating Revenue</b>	-	
Other operating income	3,19,624	1,49,35,432
Rent income from education infrastructure	36,44,712	36,44,712
<b>Total</b>	<b>5,99,89,714</b>	<b>5,29,25,573</b>

### Note 24: Other Income

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest income	28,133	1,10,977
Prior Period Income	-	32,36,114
Scrap Sales	-	558
Other non-operating income *	12,38,25,237	88,128
<b>Total</b>	<b>12,38,53,370</b>	<b>34,35,777</b>

\* includes difference on account of One Time Settlement of bank loan of Rs.1211.84 lakhs and stock transferred to Fixed Assets worth Rs. 29.30 lakhs

### Note 25: Operating Expenses

Particulars	As at 31st March, 2021	As at 31st March, 2020
Rent (includes conducting charges and society maintenance)	51,08,604	3,00,959
Training material and equipment consumed	59,94,026	70,22,702
Online Class Expenses	12,60,080	4,96,059
Water, electricity and cleaning charges	10,27,209	3,16,001
<b>Total</b>	<b>1,33,89,919</b>	<b>81,35,721</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

### Note 26: Employee Benefits Expenses

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	1,35,67,832	1,25,89,954
Contribution to provident and other funds	8,446	1,94,449
Staff welfare expenses	2,38,729	1,94,249
<b>Total</b>	<b>1,38,15,007</b>	<b>1,29,78,652</b>

Note: (i) Employee benefits refer to all forms of compensation (cash/non-cash) paid by an employer to employee apart from salary/wages for the service provided to the employer. (IND AS 19)

### Note 27: Finance cost

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest expenses	6,25,20,361	5,46,19,084
Finance charges	-	-
<b>Total</b>	<b>6,25,20,361</b>	<b>5,46,19,084</b>

### Note 28: Depreciation and Amortisation Expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation Expenses	17,01,37,511	24,65,40,199
<b>Total</b>	<b>17,01,37,511</b>	<b>24,65,40,199</b>

### Note 29: Other expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advertisement and publicity expenses	1,41,29,357	1,44,50,567
Legal and professional fees	89,70,380	1,53,58,237
Office expenses	7,16,645	6,01,459
Rent, Rates and taxes	49,01,455	51,66,838
Website Maintenance	15,56,628	2,20,632
Insurance	-	28,340
Telephone and communication expenses	1,65,639	1,20,252
Auditors' remuneration (Refer note 37)	6,75,000	4,09,500
Printing and stationery	10,46,308	3,56,525
Repairs and maintenance	3,49,804	4,43,815
Travelling and conveyance	5,16,729	4,19,924
Provision for doubtful trade receivables	-	42,394
Loss on sale of Fixed Assets	18,58,98,538	-
Expected Credit Loss	14,82,764	15,60,699
Director Sitting Fees	6,12,500	5,40,000
Prior Period Expenses	35,894	11,24,717
VAT and GST expenses	29,75,063	19,99,193
Other Miscellaneous expenses	25,27,692	72,76,091
Discounts & W/off	-	35,000
<b>Total</b>	<b>22,65,60,397</b>	<b>5,01,54,183</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2022

Amount in Rs.

### Note 30: Exceptional Items

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rent Deposit Written off*	-	53,41,872
Impairment Gain (Loss) of Financial Assets	(3,84,50,010)	8,28,10,794
<b>Total</b>	<b>(3,84,50,010)</b>	<b>8,81,52,666</b>

\* written off due to closure of centres

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Commitments</b>		
Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal	-	16,89,956
<b>Total</b>	<b>-</b>	<b>16,89,956</b>

### Note 32: Related Party Disclosures

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

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

#### a) List of related party

i. Directors & Key management personnel (KMP) :	Jugal Bharat Shah Rajesh Bhatia Guddi Bajpai Navin Kumar Suraj Magnani Deepak Valecha Milan Ramani Nidhi Busa Babita Bhatia Dipen Shah
ii. Relative of key managerial personnel	Mrs. Geeta Bhatia Wife of Mr. Rajesh Bhatia
iii. Associates company :	JT Infrastructure Private Limited
iv. Entity over which there is a significant control:	Tree House Foundation



## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

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

Amount in Rs.

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

Particulars	Key management personnel (KMP)	Relatives of KMP	Associates company	Entity over which there is a significant control
<b>Remuneration</b>				
- Jugal Bharat Shah - Executive Director *	13,60,000	-	-	-
	(10,96,773)	-	-	-
- Mr. Rajesh Bhatia - CEO *	27,70,000	-	-	-
	(24,00,000)	-	-	-
- Ms. Guddi Bajpai - C S *	5,13,590	-	-	-
	(4,26,483)	-	-	-
- Mr. Navin Kumar - CFO *	31,17,000	-	-	-
	(27,00,000)	-	-	-
<b>Loan Repaid</b>				
- Rajesh Bhatia *	-	-	-	-
	(59,637)	-	-	-
<b>Interest on Loan Taken</b>				
- Rajesh Bhatia *	-	-	-	-
	(2,012)	-	-	-
- Geeta Bhatia *	-	2,87,810	-	-
	-	(4,13,631)	-	-
<b>Directors Sitting Fees:</b>				
Suraj Magnani *	2,500	-	-	-
	(10,000)	-	-	-
Deepak Valecha *	4,10,000	-	-	-
	(4,12,500)	-	-	-
Milin Ramani	90,000	-	-	-
	(67,500)	-	-	-
Nidhi Busa	70,000	-	-	-
	(37,500)	-	-	-
Babita Bhatia	10,000	-	-	-
	(12,500)	-	-	-
Dipen Shah	30,000	-	-	-
	-	-	-	-

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



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

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

Amount in Rs.

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Outstandings:</b>		
<b>Trade Payables-Others</b>		
Key management personnel - Lease Rent	-	87,96,283
Relatives of KMP - Lease Rent	-	87,94,248
<b>Short Term Provision-Others</b>		
Key management personnel	-	-
<b>Investment</b>		
Associate Company	9,38,29,970	9,38,29,970
<b>Unsecured Current Financial Borrowings</b>		
Key management personnel	-	-
Relatives of KMP	-	30,68,693
<b>Other Financial Liabilities</b>		
Key management personnel (Interest)	-	19,01,504
Relatives of KMP (Interest)	-	6,91,181

### Note 33: Employee Stock Option Plans

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

### Note 34: Segment information

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

### Note 35: Earnings Per Share

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit after tax	(27,19,72,029)	(40,29,45,883)
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	(6.43)	(9.52)
Diluted earnings per share	(6.43)	(9.52)

### Note 36: Auditors' Remuneration (Excluding GST)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory audit fees	6,00,000	4,50,000
Tax audit fees	75,000	67,500
<b>Total</b>	<b>6,75,000</b>	<b>5,17,500</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

Amount in Rs.

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

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

### Note 38: Revaluation of Assets and Liabilities

The Company has not revalued its immovable properties during the year and has continued with the valuation as on 31.03.2021. Share Investment with JT Infrastructure Pvt Ltd is not changed since Net Asset Value of JT Infrastructure Pvt Ltd is higher than the investment shown in the books. Details of revaluation done during the year is as follows:

Particulars	As at 31.03.2021	Additions / (Deletions)	Revaluation Amount (Rs)	As at 31.03.2022
Free Hold Land	8,32,81,873	(67,25,000)	-	7,65,56,873
Building	46,31,81,093	(27,26,59,481)	-	19,05,21,612
	<b>54,64,62,966</b>	<b>(27,93,84,481)</b>	-	<b>26,70,78,485</b>

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

The company has not sold/ disposed off assets during the financial year. However current covid-19 pandemic has forced the non-opening of pre-schools and hence, all such assets held by company at its pre-school centres are reclassified as Assets held for write off/sale.

### Note 40: Impairment of Fixed Assets

The Company has reversed the impairment of deposits given to K12 Schools to the tune of **Rs.(3,89,90,810/-)**, which was impaired during the Financial year **2020-21**, as Educational Trust started repaying the deposits during this year. Loan given to Employee Trust is impaired by Rs.5,40,800/- (Previous Years total Impairment Rs.8,28,10,794/-).

### Note 41: Assets Pledged as security

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade Receivable	-	-
<b>Total Current assets Pledged as security</b>	-	-
<b>Non - Current Assets</b>		
First Charge	-	-
Land	7,65,56,873	8,32,81,873
Building	16,70,01,046	32,80,32,340
<b>Total non current assets pledged as security</b>	<b>24,35,57,919</b>	<b>41,13,14,213</b>
<b>Total assets pledged as security</b>	<b>24,35,57,919</b>	<b>41,13,14,213</b>

### Note 42: Fair Value measurement - (Ind AS) 113

#### 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





# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

- The fair value of security deposits on which there is no recovery 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.

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

Amount in Rs.

Financial Assets and Liabilities as at 31st March, 2022	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	9,38,29,970	-	-	9,38,29,970	9,38,29,970
<b>Other Assets:</b>					
<b>Non Current Assets</b>					
Loans to Others	27,04,000	-5,40,800	-	21,63,200	21,63,200
Share application money	16,10,000	-	-	16,10,000	16,10,000
Security Deposits	1,47,58,25,360	3,89,90,810	-	1,51,48,16,170	1,51,48,16,170
<b>Current Assets:</b>					
Trade receivables	25,22,46,186	-14,82,764	-	25,07,63,422	25,07,63,422
Cash and cash equivalents	1,11,244	-	-	1,11,244	1,11,244
Bank Balances other than Cash and cash equivalents	17,010	-	-	17,010	17,010
Loans and Advances	-	-	-	-	-
Other financial assets	2,26,42,888	-	-	2,26,42,888	2,26,42,888
	<b>1,75,51,56,688</b>	<b>3,69,67,246</b>	<b>-</b>	<b>1,79,21,23,934</b>	<b>1,79,21,23,934</b>
<b>Financial Liabilities:</b>					
<b>Non Current Provisions</b>					
	3,52,380	-	-	3,52,380	3,52,380
<b>Current Liabilities</b>					
Borrowings	19,86,57,002	-	-	19,86,57,002	19,86,57,002
Trade Payables	2,31,64,989	-	-	2,31,64,989	2,31,64,989
Other Liabilities	30,77,843	-	-	30,77,843	30,77,843
	<b>22,52,52,214</b>	<b>-</b>	<b>-</b>	<b>22,52,52,214</b>	<b>22,52,52,214</b>

# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited

### Notes on Standalone Financial Statements for the year ended 31st March 2022

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

Amount in Rs.

Financial Assets and Liabilities as at 31st March, 2021	Amount	Routed through Profit and Loss	Routed through OCI	Carried at amortised Cost Level 3	Total Carrying Value
<b>Financial Assets:</b>					
Non Current Investments					
Investments in Equity shares of Joint Venture	9,38,29,970	-	-	9,38,29,970	9,38,29,970
<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	1,58,07,48,009	-8,28,10,794	-	1,49,79,37,215	1,49,79,37,215
<b>Current Assets:</b>					
Trade receivables	19,77,14,596	-15,60,699	-	19,61,53,897	19,61,53,897
Cash and cash equivalents	4,66,018	-	-	4,66,018	4,66,018
Bank Balances other than Cash and cash equivalents	17,12,950	-	-	17,12,950	17,12,950
Loans and Advances	-	-	-	-	-
Other financial assets	1,99,44,126	-	-	1,99,44,126	1,99,44,126
	<b>1,80,58,99,699</b>	<b>-8,43,71,493</b>	<b>-</b>	<b>1,72,15,28,206</b>	<b>1,72,15,28,206</b>
<b>Financial Liabilities:</b>					
Non Current Provisions	6,67,432	-	-	6,67,432	6,67,432
<b>Current Liabilities</b>	<b>-</b>				
Borrowings	33,40,04,837	-	-	33,40,04,837	33,40,04,837
Trade Payables	7,56,31,333	-	-	7,56,31,333	7,56,31,333
Other Liabilities	40,70,755	-	-	40,70,755	40,70,755
	<b>41,43,74,357</b>	<b>-</b>	<b>-</b>	<b>41,43,74,357</b>	<b>41,43,74,357</b>

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

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets:</b>				
Investments in Equity shares of Joint Venture	9,38,29,970	9,38,29,970	9,38,29,970	9,38,29,970
Security Deposits	1,47,58,25,360	1,51,48,16,170	1,49,79,37,215	1,49,79,37,215
Trade Receivable	25,22,46,186	25,07,63,422	19,61,53,897	19,61,53,897
Non Current Financial Loans	21,63,200	21,63,200	27,04,000	27,04,000
	<b>1,82,40,64,717</b>	<b>1,86,15,72,763</b>	<b>1,79,06,25,082</b>	<b>1,79,06,25,082</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

### Note 43: Financial Risk Management

#### Financial risk management objectives and policies

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

#### Credit Risk:

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

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

#### Movement in provisions of doubtful debts

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening provision	5,96,91,590	2,10,05,380
Add: Additional provision made	-	4,39,44,258
Less: Provision write off	12,65,000	52,58,048
Less: Provision reversed	-	-
Closing provisions	<b>5,84,26,590</b>	<b>5,96,91,590</b>

### Note 44: Net debt reconciliation

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents	1,11,244	4,66,018
Current Borrowings	(19,86,57,002)	(33,40,04,837)
Interest Payable	-	(25,92,685)
<b>Net Debt</b>	<b>(19,85,45,758)</b>	<b>(33,61,31,504)</b>

Particulars	Cash and cash equivalents	Current Borrowings	Interest Payable	Total
<b>Net Debt as at 1st April 2021</b>	<b>4,66,018</b>	<b>(33,40,04,837)</b>	<b>(25,92,685)</b>	<b>(33,61,31,504)</b>
Cash flows	(3,54,774)	13,53,47,835	-	13,49,93,061
Finance Costs	-	-	-	-
Interest Paid	-	-	25,92,685	25,92,685
<b>Net Debt as at 31st March 2022</b>	<b>1,11,244</b>	<b>(19,86,57,002)</b>	<b>-</b>	<b>(19,85,45,758)</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2022

### Note 45: Details of provision of gratuity

Amount in Rs.

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Present value of defined benefit obligation as at year end (A)	7,37,210	7,01,283
Fair value of plan assets as at year end (B)	-	-
Net liability as at year end recognized in Balance Sheet (A)-(B)	7,37,210	7,01,283
<b>Provision for gratuity</b>		
Long term	3,52,380	6,67,432
Short term	3,84,830	33,851
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
<b>Changes in defined benefit obligation:</b>		
Defined benefit obligation as at the beginning of the year	7,01,283	5,78,543
Current service cost	3,89,847	2,66,093
Interest cost	35,751	37,895
Actuarial loss / (gain) on obligations	(2,41,517)	(1,81,248)
Benefit paid	(1,48,154)	-
Present value of defined benefit obligation at the end of the year [A]	<b>7,37,210</b>	<b>7,01,283</b>
<b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b>		
<b>Assumptions:</b>		
Discount rate	6.28%	5.70%
Attrition rate (Age)	Up to 35 : 20%	Up to 35 - 20%
	36 to 40 : 10%	36-40 - 10%
	41 and above : 5%	41-58 - 5%
Salary escalation rate	6.00%	6.00%

### Note 46: Approval of financial statements

The financial statements were approved for issue by the board of directors on 25th May, 2022.

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPJQJ3886

**Place:** Mumbai  
**Date:** 25th May 2022

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

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

**Rajesh Bhatia**  
Chief Executive Officer

**Guddi Bajpai**  
Company Secretary

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

**Navin Kumar**  
Chief Financial Officer



# ANNUAL REPORT 2021-2022

## INDEPENDENT AUDITOR'S REPORT

TO

THE BOARD OF DIRECTORS

**TREE HOUSE EDUCATION & ACCESSORIES LIMITED**

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

We have audited the accompanying consolidated Ind AS financial statements of TREEHOUSE EDUCATION & ACCESSORIES LIMITED (hereinafter referred to as "the Holding Company") and its jointly controlled entities which are companies incorporated in India; comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

The Holding Company's Board of Directors 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 Holding Company and its jointly controlled entities which are companies incorporated in India in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the jointly controlled entities which are companies incorporated in India are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its jointly controlled entities which are companies incorporated in India and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

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

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

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

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



# ANNUAL REPORT 2021-2022

## Basis of Forming an Opinion

1. We draw your attention to the Consolidated Ind AS Financial Statements with regard to Fixed Assets. The Holding Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, converted franchise centres and own centres in a phased manner. During COVID-19 Pandemic has forced non-opening of pre-schools and hence all such assets held by the Company at those centres are reclassified as "Assets held for Disposal/Sale".
2. We draw attention to the Consolidated Ind AS Financial Statements with regards to Trade Receivables. In our opinion the deliverables and receipts are outstanding for a longer period of time.
3. We did not audit the financial statements of one Associate Company included in the consolidated financial results, whose financial statements reflect total assets of Rs. 28614.14 lakhs as at March 31, 2022, total revenues of Rs. 1367.25 lakhs, total net profit after tax of Rs. 933.98lakhs and total comprehensive loss of Rs933.98 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.
4. The Holding Company has defaulted in repayment of credit facility from HDFC Bank due to which it has been classified as short term borrowing. The management has informed us that the Holding Company has received notice from HDFC Bank under "SARFAESI Act". The amount classified as short term borrowing is at Rs. 1980.57 lakhs.
5. 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.
6. Confirmation letters have been sent by the Holding Company to sundry creditors and debtors and parties to whom loans & advances, deposits have been granted for confirming the balances lying in their ledger accounts in books of the Company. The balances under these heads have been shown as per books of accounts and are subject to confirmation, reconciliation and adjustment, if any.
7. The Holding Company has booked impairment loss on shares held by Treehouse Employees Welfare Trust of Rs. 5.41 lakhs based on the market value of the shares as on 31st March, 2022.
8. The Holding Company has repaid loan of ICICI Bank in full under OTS Scheme (One Time Settlement Scheme) thereby being benefitted by waiver of interest of Rs 1211.84 lakhs.
9. The Holding Company has sold its office at Khar, Mumbai, Maharashtra and school building in Jhunjunu, Rajasthan to pay off its debts & liabilities.
10. The Holding Company has sold some of its assets such as furniture, teaching aids, office equipments and old computers & accessories out of the assets reclassified as "Assets held for Disposal/Sale" lying at the Vasai godown via tender bids.
11. Forensic Audit of the Holding Company for the period from F.Y. 2011-12 to 2017-18 is underway. The Holding Company is defending/pursuing legal cases on various forums against itself and its past directors.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Holding Company and its jointly controlled entities which are companies incorporated in India as at March 31, 2022 and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated changes in Equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law maintained by the Holding Company and its jointly controlled entities which are companies incorporated in India including relevant records relating to the preparation of aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of other auditors.





## ANNUAL REPORT 2021-2022

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained by the Holding Company and its jointly controlled entities which are companies incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its jointly controlled entities which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- f) 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:
- The consolidated Ind AS financial statements disclose the impact if any of pending litigations as at March 31, 2022 on the consolidated financial position of the Holding Company and its jointly controlled entities which are incorporated in India. However the Holding Company has pending litigations and suits filed against the company and its past directors which may impact its financial position. The Holding Company has not disclosed the impact of such pending litigations.
  - The Holding Company and its jointly controlled entities which are incorporated in India did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - Rs. 5984/- lying as unpaid dividend pertaining to the year 2014 has been transferred to the Investor Education and Protection Fund by the Holding Company and its jointly controlled entities which are incorporated in India during the year ended March 31, 2022.

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

**Sd/-  
CA Sandeep Dedhia  
Proprietor  
M. No. 102606**

**UDIN: 22102606AJPKAF3215**

**Date: 25/05/2022**

**Place: Mumbai**



## ANNUAL REPORT 2021-2022

### 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, 2022 we have audited internal financial controls over financial reporting of Tree House Education & Accessories Limited (hereinafter referred to as “the Holding Company”) and its jointly controlled entities which are companies incorporated in India, as of that date.

#### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and 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 Holding Company and its jointly controlled entities’ 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 Holding Company and its jointly controlled entities’ 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) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company;
- (2) provides 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 Holding Company and
- (3) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Holding Company’s assets that could have a material effect on the financial statements.



## ANNUAL REPORT 2021-2022

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

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

### Disclaimer of Opinion

According to information and explanation given to us by the Holding Company and its jointly controlled entities which are companies incorporated in India and based on the unaudited accounts of such companies, as referred to in the Other Matters paragraph, the company's internal financial control over financial reporting in the current financial year to cover the essential components of Internal controls stated in Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by ICAI are not commensurate to the size of the Company.

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

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

### 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 one jointly controlled entities which are incorporated in India is based on the unaudited accounts of such companies incorporated in India. Our opinion is not qualified in respect to this matter.

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

**CA Sandeep Dedhia  
Proprietor**

**M. No. 102606**

**UDIN :22102606AJPKAF3215**

**Date: 25/05/2022  
Place: Mumbai**



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Audited Consolidated Balance Sheet as at 31<sup>st</sup> March 2022

Amount in Rs.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS :</b>			
Property, plant and equipment	2	41,30,87,564	69,97,97,211
Investment Properties	3	24,35,57,919	49,47,86,498
Goodwill	4A	26,61,406	31,88,920
Intangible assets	4B	13,20,06,801	14,06,28,894
<b>Financial assets:</b>			
- Investments	5	12,73,68,608	12,75,11,306
- Loans	6	21,63,200	27,04,000
- Other financial assets	7	1,51,64,26,170	1,50,05,47,215
Deferred tax Assets (Net)	8	10,05,07,200	10,83,49,128
<b>Total Non Current Assets</b>		<b>2,53,77,78,868</b>	<b>3,07,75,13,172</b>
<b>Current assets</b>			
Inventories	9	45,57,590	68,09,482
<b>Financial assets:</b>			
- Trade receivables	10	25,07,63,423	19,61,53,897
- Cash and cash equivalents	11	1,11,244	4,66,018
- Bank Balances other than Cash and cash equivalents	12	17,010	17,12,950
- Other financial assets	13	2,26,42,888	1,99,44,126
Other Current Assets	14	4,55,58,964	4,17,55,481
<b>Total current assets</b>		<b>32,36,51,119</b>	<b>26,68,41,954</b>
<b>Total Assets</b>		<b>2,86,14,29,987</b>	<b>3,34,43,55,126</b>
<b>EQUITY AND LIABILITIES</b>			
Equity:			
Equity Share capital	15	42,31,07,240	42,31,07,240
Other equity	16	2,14,34,47,224	2,44,16,43,248
<b>Total equity</b>		<b>2,56,65,54,464</b>	<b>2,86,47,50,488</b>
<b>LIABILITIES:</b>			
Non-current liabilities			
<b>Financial liabilities:</b>			
Provisions	17	3,52,380	6,67,432
<b>Total Non-Current liabilities</b>		<b>3,52,380</b>	<b>6,67,432</b>
<b>Current liabilities</b>			
<b>Financial liabilities:</b>			
- Borrowings	18	19,86,57,002	33,40,04,837
- Trade payables	19	2,31,64,989	7,56,31,333
- Other Financial Liabilities	20	30,77,844	40,70,755
Provisions	21	50,02,105	47,92,700
Other current liabilities	22	6,46,21,203	6,04,37,581
<b>Total Current liabilities</b>		<b>29,45,23,143</b>	<b>47,89,37,206</b>
<b>Total Liabilities</b>		<b>29,48,75,523</b>	<b>47,96,04,638</b>
<b>Total Equity and Liabilities</b>		<b>2,86,14,29,987</b>	<b>3,34,43,55,126</b>
Significant Accounting Policies. The notes are integral part of these Consolidated Financial Statements	1		

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPKAF3215

**Place:** Mumbai  
**Date:** 25th May 2022

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

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

**Rajesh Bhatia**  
Chief Executive Officer

**Guddi Bajpai**  
Company Secretary

**Deepak Valecha**  
Director  
DIN No: 07736480

**Navin Kumar**  
Chief Financial Officer



# ANNUAL REPORT 2021-2022

Tree House Education & Accessories Limited			
Audited Statement of Consolidated Profit & Loss Account for the year ended 31st March 2022			
Amount in Rs.			
Particulars	Note No.	Year ended	
		Audited 31 <sup>st</sup> March 2022	Audited 31 <sup>st</sup> March 2021
<b>I. INCOME:</b>			
Revenue from Operations	23	5,99,89,714	5,29,25,573
Other Income	24	12,38,53,370	34,35,777
<b>Total Income</b>		<b>18,38,43,084</b>	<b>5,63,61,350</b>
<b>II. EXPENSES:</b>			
Operating expenses	25	1,33,89,919	81,35,721
Employee Benefits Expense	26	1,38,15,007	1,29,78,652
Finance Costs	27	6,25,20,361	5,46,19,084
Depreciation, Amortisation	28	17,01,37,511	24,65,40,199
Other Expenses	29	22,65,60,397	5,01,54,182
<b>Total Expenses</b>		<b>48,64,23,195</b>	<b>37,24,27,838</b>
<b>III. Profit/ (Loss) before exceptional items and tax</b>		<b>(30,25,80,111)</b>	<b>(31,60,66,488)</b>
<b>IV. Share of net profit/(loss) of associates and joint ventures accounted for using the equity method</b>		<b>(1,42,698)</b>	<b>(56,408)</b>
<b>IV. Less: Exceptional Items</b>	30	<b>3,84,50,010</b>	<b>(8,81,52,667)</b>
<b>V. Profit/(Loss) Before Tax</b>		<b>(26,42,72,799)</b>	<b>(40,42,75,563)</b>
<b>VI. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(78,41,928)	12,73,272
Short / (Excess) provision of earlier years		-	-
<b>VII. Profit/(Loss) for the Year (A)</b>		<b>(27,21,14,727)</b>	<b>(40,30,02,291)</b>
<b>VIII. Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Remeasurement of net defined benefit plans		-	-
(iii) Income tax relating to above items		-	-
Other Comprehensive Income for the Year (B)		-	-
<b>IX. Total comprehensive income for the Year (A+B)</b>		<b>(27,21,14,727)</b>	<b>(40,30,02,291)</b>
<b>X. Earnings per equity share of face value of Rs. 10 each</b>			
<b>Basic (in Rs.)</b>		<b>(6.43)</b>	<b>(9.52)</b>
<b>Diluted (in Rs.)</b>		<b>(6.43)</b>	<b>(9.52)</b>

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPKAF3215

**Place:** Mumbai  
**Date:** 25th May 2022

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

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

**Rajesh Bhatia**  
Chief Executive Officer

**Guddi Bajpai**  
Company Secretary

**Deepak Valecha**  
Director  
DIN No: 07736480

**Navin Kumar**  
Chief Financial Officer



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Audited Consolidated Cash Flow Statement for the year ended 31st March 2022

Amount in Rs.

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A Cash flows from operating activities</b>		
Profit before tax	(26,42,72,799)	(40,42,75,563)
Adjustments for:		
Depreciation / amortisation	17,01,37,511	24,65,40,199
Loss on Sale of Assets	18,60,18,538	-
Finance charges	6,25,20,361	5,46,19,084
Interest on fixed deposits	(28,133)	(1,10,977)
Adjustment for Prior period depreciation	-	(2,57,765)
<b>Operating profit before working capital changes</b>	<b>15,43,75,478</b>	<b>(10,34,85,022)</b>
Adjustments for:	-	-
(Increase)/Decrease in inventories	22,51,892	(9,90,754)
Deposits given to K-12 Schools	2,18,34,115	2,17,50,984
Decrease/(Increase) in sundry debtors	(5,46,09,525)	73,75,315
(Increase)/Decrease in Financial Loans	5,40,800	10,81,800
(Increase)/Decrease in Other Financial Assets	(4,02,69,134)	9,06,30,927
(Increase)/Decrease in Other Current Assets	(38,03,483)	(14,04,225)
Increase /(Decrease) in Non Current Liabilities	(3,15,052)	6,67,432
Increase /(Decrease) in liabilities and provisions	(4,90,66,228)	(46,37,876)
<b>Cash generated from operations</b>	<b>3,09,38,863</b>	<b>1,09,88,579</b>
Income tax paid		
<b>Net cash generated from operating activities</b>	<b>3,09,38,863</b>	<b>1,09,88,579</b>
<b>B Cash flow from investing activities:</b>		
Purchase of fixed assets	(67,44,415)	(28,67,325)
Proceeds from Sale of Fixed Assets	17,15,94,902	-
Interest received	28,133	1,10,977
<b>Net cash used in investing activities</b>	<b>16,48,78,620</b>	<b>(27,56,348)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from working capital loan (net)	(13,53,47,835)	4,69,23,071
Interest paid	(6,25,20,361)	(5,46,19,084)
<b>Net cash provided by financing activities</b>	<b>(19,78,68,196)</b>	<b>(76,96,013)</b>
Net increase in cash and cash equivalents during the year	(20,50,713)	5,36,218
Cash and cash equivalents as at the beginning of the year	21,78,968	16,42,750
<b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b>	<b>1,28,255</b>	<b>21,78,968</b>

The accompanying notes are an integral part of these financial statements

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

As per our report of even date,

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

**CA Sandeep Dedhia**  
Proprietor  
Membership No. 102606  
UDIN: 22102606AJPKAF3215

Place: Mumbai  
Date: 25th May 2022

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

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

**Rajesh Bhatia**  
Chief Executive Officer

**Guddi Bajpai**  
Company Secretary

**Deepak Valecha**  
Director  
DIN No: 07736480

**Navin Kumar**  
Chief Financial Officer





# ANNUAL REPORT 2021-2022

Tree House Education & Accessories Limited

Statement of Change in Equity

CIN No. L80101MH2006PLC163028

Notes on Audited Consolidated Financial Statements for the year Ended 31<sup>st</sup> March 2022

## A. Equity Share Capital

Amount in Rs.

Particulars	Amount
Balance as at 31st March 2020	42,31,07,240
Changes in equity share capital during the period	-
Balance as at 31st March 2021	42,31,07,240
Changes in equity share capital during the period	
Balance as at 31st March 2022	42,31,07,240

## B. Other Equity

Amount in Rs.

Particulars	Reserve and Surplus				
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	Total
Balance as at 1st April, 2020	4,60,28,15,570	7,59,47,517	(1,80,88,58,109)	(5,55,02,403)	2,81,44,02,575
Profit/(Loss) for the year	-	-	(40,30,02,291)	3,02,42,964	(37,27,59,327)
Other Comprehensive Income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(40,30,02,291)	3,02,42,964	(37,27,59,327)
Balance as at 31st March, 2021	4,60,28,15,570	7,59,47,517	(2,21,18,60,400)	(2,52,59,439)	2,44,16,43,248
Profit/(Loss) for the year	-	-	(27,21,14,727)		(27,21,14,727)
Other Comprehensive Income for the year	-	-	1,26,79,944	(3,87,61,241)	(2,60,81,297)
Total Comprehensive Income for the year	-	-	(25,94,34,783)	(3,87,61,241)	(29,81,96,024)
Balance as at 31st March 2022	4,60,28,15,570	7,59,47,517	(2,47,12,95,183)	(6,40,20,680)	2,14,34,47,224

As per our report of even date,

For S. Dedhia & Co.

Chartered Accountants

Firm Registration No. 117695W

CA Sandeep Dedhia

Proprietor

Membership No. 102606

UDIN: 22102606AJPKAF3215

Place: Mumbai

Date: 25th May 2022

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

Jugal Shah

Executive Director

DIN No: 08334114

Deepak Valecha

Director

DIN No: 07736480

Rajesh Bhatia

Chief Executive Officer

Navin Kumar

Chief Financial Officer

Guddi Bajpai

Company Secretary



# ANNUAL REPORT 2021-2022

## Notes to the Consolidated Financial Statements, for the year ended March 31, 2022.

### 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 recognized 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 it is regarded thereafter as historical cost.

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

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

## Depreciation methods, estimated useful lives and residual value:

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

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

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

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

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

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

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

## (d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building is provided over 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 amortization and impairments, if any.

### Trademark

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

### Amortization 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 recognized 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 comprises 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 recognized 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) Amortized 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 amortized 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 amortized 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 recognized using the effective interest rate method.

## **Dividends**

Dividends are recognized 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 amortization 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 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



## ANNUAL REPORT 2021-2022

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 amortized 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 recognized.

### 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.



## ANNUAL REPORT 2021-2022

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

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

### Ind AS 115

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

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

### The standard permits two possible methods of transition:

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

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

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

### Critical estimates and judgments

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

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

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer Note No. 45

# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2022

### Note 2: Property, Plant and Equipment

Amount in Rs.

Particulars	Lease Hold Improvements	Teaching aid and Equipments (Plant & Machinery)	Office Equipment	Electrical Equipment	Furniture & Fixture	Computers & Website	Total
<b>A. Gross Carrying amount :</b>							
Balance as at 31st March 2020	47,60,33,100	5,56,64,631	2,47,20,628	2,57,57,697	2,20,65,60,796	1,30,66,382	2,80,18,03,234
Additions	-	-	-	-	19,97,471	7,49,854	27,47,325
Disposals	-	-	-	-	-	-	-
Reclassification of asset held for Sale 31-03-21	47,25,38,953	5,56,64,631	2,40,91,312	2,45,19,390	2,19,32,57,071	1,12,92,640	2,78,13,63,997
<b>Balance as at 31st March 2021</b>	<b>34,94,147</b>	<b>-</b>	<b>6,29,316</b>	<b>12,38,307</b>	<b>1,53,01,196</b>	<b>25,23,596</b>	<b>2,31,86,562</b>
Additions	47,25,38,953	1,07,29,369	22,72,402	-	45,000	87,400	1,32,400
Disposals of Sale Assets	-	-	-	-	52,95,80,977	55,35,336	1,02,06,57,037
Disposals - Other Assets	-	-	-	-	19,09,343	-	19,09,343
Transfer from Stock to Assets for Sale	-	26,29,698	-	-	-	-	26,29,698
Balance of Reclassified Assets for Sale	(0)	4,75,64,960	2,18,18,910	2,45,19,390	1,66,36,76,094	57,57,304	1,76,33,36,658
<b>Balance as at 31st March 2022</b>	<b>34,94,147</b>	<b>-</b>	<b>6,29,316</b>	<b>12,38,307</b>	<b>1,34,36,853</b>	<b>26,10,996</b>	<b>2,14,09,619</b>
<b>B. Accumulated Depreciation:</b>							
Balance as at 31st March 2020	36,17,02,941	5,38,34,425	2,23,44,663	1,82,75,688	1,40,59,03,627	1,23,76,923	1,87,44,38,268
Additions	1,24,31,566	4,08,018	11,14,361	19,47,789	21,43,01,651	1,11,695	23,03,15,081
Disposals	-	-	-	-	-	-	-
Reclassification of asset held for Sale #	37,06,40,360	5,42,42,443	2,29,08,859	1,93,54,447	1,60,96,12,930	1,07,31,246	2,08,74,90,285
<b>Balance as at 31st March 2021</b>	<b>34,94,147</b>	<b>-</b>	<b>5,50,166</b>	<b>8,69,030</b>	<b>1,05,92,349</b>	<b>17,57,373</b>	<b>1,72,63,064</b>
Additions of Reclassified assets held for Sale	21,33,610	-	-	4,11,327	4,99,82,142	5,905	5,25,32,984
Additions for Other Assets	-	-	30,908	92,452	12,63,638	2,12,835	15,99,832
Disposals of Reclassified Assets	37,27,73,970	78,89,367	19,44,054	-	39,91,74,709	52,65,826	78,70,47,926
Disposals of Other Assets	-	-	-	-	1,79,524	-	1,79,524
Reclassification of asset held for Sale #	-	4,63,53,076	2,09,64,805	1,97,65,774	1,26,04,20,363	54,71,325	1,35,29,75,343
<b>Balance as at 31st March 2022</b>	<b>34,94,147</b>	<b>-</b>	<b>5,81,074</b>	<b>9,61,482</b>	<b>1,16,76,463</b>	<b>19,70,208</b>	<b>1,86,83,373</b>
<b>C. Net Carrying amount</b>							
Balance as at 31st March 2020	11,43,30,160	18,30,206	24,28,923	71,71,283	80,06,57,169	6,89,458	92,71,07,199
Balance of Asset for Disposed off as at 31st Mar 2021	10,18,98,593	14,22,188	11,82,453	51,64,943	58,36,44,141	5,61,394	69,38,73,712
Balance of Other Assets as at 31st Mar 2021	-	-	79,150	3,69,276	47,08,847	7,66,223	59,23,497
<b>Balance of Asset to be Disposed off as at 31 March 2022</b>	<b>(0)</b>	<b>12,11,885</b>	<b>8,54,105</b>	<b>47,53,618</b>	<b>40,32,55,731</b>	<b>2,85,979</b>	<b>41,03,61,317</b>
<b>Balance of Other Assets as at 31st March 2022</b>	<b>0</b>	<b>-</b>	<b>48,243</b>	<b>2,76,825</b>	<b>17,60,391</b>	<b>6,40,788</b>	<b>27,26,247</b>

Note: Refer to Note No.39 for disposal/ write off of Fixed Assets.

# Company has sold through tender process assets lying at warehouse which were classified as 'Assets held for write off/sale' amounting to Rs.13.36.23.835 (WDV). The total value of reclassified assets remaining for sale/write off as on 31.03.22 is Rs.41,03,61,317 (WDV).



## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31st March 2022

Amount in Rs.

#### Note 3 : Investment Properties

Particulars	Land - Free Hold	Building	Total
<b>Gross Carrying amount</b>			
<b>Balance as at 31st March 2020</b>	<b>8,40,07,328</b>	<b>43,20,92,674</b>	<b>51,61,00,002</b>
Additions		<b>1,20,000</b>	1,20,000
Revaluation	<b>(7,25,455)</b>	<b>3,09,68,419</b>	3,02,42,964
Disposals			-
Reclassification of asset held for Sale			
<b>Balance as at 31st March 2021</b>	<b>8,32,81,873</b>	<b>46,31,81,093</b>	<b>54,64,62,966</b>
Additions		39,82,317	39,82,317
Revaluation			-
Disposals	67,25,000	27,66,41,798	28,33,66,798
Reclassification of asset held for Sale	-	-	
<b>Balance as at 31st March 2022</b>	<b>7,65,56,873</b>	<b>19,05,21,611</b>	<b>26,70,78,484</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at 31st March 2020</b>	-	<b>4,48,33,229</b>	<b>4,48,33,229</b>
Additions		<b>68,43,239</b>	<b>68,43,239</b>
Revaluation			
Disposals			
Reclassification of asset held for Sale	-	-	
<b>Balance as at 31st March 2021</b>	-	<b>5,16,76,468</b>	<b>5,16,76,468</b>
Additions		<b>68,69,812</b>	<b>68,69,812</b>
Revaluation			-
Disposals		<b>3,50,25,714</b>	<b>3,50,25,714</b>
Reclassification of asset held for Sale	-		
<b>Balance as at 31 March 2022</b>	-	<b>2,35,20,565</b>	<b>2,35,20,565</b>
<b>Net Carrying amount</b>	-	-	-
Balance as at 31st March 2020	8,40,07,328	38,72,59,445	47,12,66,773
Balance as at 31st March 2021	<b>8,32,81,873</b>	<b>41,15,04,625</b>	<b>49,47,86,498</b>
<b>Balance as at 31 March 2022</b>	<b>7,65,56,873</b>	<b>16,70,01,046</b>	<b>24,35,57,919</b>

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Rental income derived from investment properties	36,44,712	36,44,712
Direct operating expenses (including repairs and maintenance) generating rental income	Nil	Nil
<b>Income arising from investment properties before depreciation</b>	<b>36,44,712</b>	<b>36,44,712</b>
Depreciation	68,69,812	68,43,239
<b>Income from investment properties (Net)</b>	<b>(32,25,100)</b>	<b>(31,98,527)</b>

Note: Refer to Note No.38 for revaluation of Land & Building.



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 4A: Goodwill\*

Amount in Rs.

Particulars	Goodwill	Total
<b>Gross Carrying amount</b>		
<b>Balance as at 31st March 2020</b>	76,05,893	76,05,893
Additions		
Disposals		
Impairment		
<b>Balance as at 31st March 2021</b>	76,05,893	76,05,893
Additions		
Disposals		
Impairment		
<b>Balance as at 31 March 2022</b>	76,05,893	76,05,893
<b>Accumulated Depreciation:</b>		
<b>Balance as at 31st March, 2020</b>	36,57,185	36,57,185
Additions	7,59,788	7,59,788
Disposals		
Reclassification of asset held for Sale		
<b>Balance as at 31st Mar 2021</b>	44,16,973	44,16,973
Additions	5,27,514	5,27,514
Disposals		
Reclassification of asset held for Sale		
<b>Balance as at 31 March 2022</b>	49,44,487	49,44,487
<b>Net Carrying amount</b>		
<b>Balance as at 31st March 2020</b>	39,48,708	39,48,708
<b>Balance as at 31st Mar 2021</b>	31,88,920	31,88,920
<b>Balance as at 31 March 2022</b>	26,61,406	26,61,406

\* Other than internally generated

#### Note:

Represents Fair value of transferable value of Goodwill purchased.  
Refer Note No.40 for impairment of Goodwill.



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 4B: Intangible Assets\*

Amount in Rs.

Particulars	Business Commercial rights	Brands	Total
<b>Gross Carrying amount</b>			
<b>Balance as at 31st March 2020</b>	<b>19,42,74,766</b>	<b>7,77,74,014</b>	<b>27,20,48,780</b>
Additions			
Disposals			
Impairment			
Reclassification of asset held for Sale			
<b>Balance as at 31st March 2021</b>	<b>19,42,74,767</b>	<b>7,77,74,015</b>	<b>27,20,48,782</b>
Additions			
Disposals			
Impairment			
Reclassification of asset held for Sale			
<b>Balance as at 31 March 2022</b>	<b>19,42,74,767</b>	<b>7,77,74,015</b>	<b>27,20,48,782</b>
<b>Accumulated Depreciation:</b>			
<b>Balance as at 31st March 2020</b>	<b>5,19,42,173</b>	<b>7,08,55,622</b>	<b>12,27,97,795</b>
Additions	64,69,350	21,52,743	86,22,093
Disposals			
Impairment			
Reclassification of asset held for Sale			
<b>Balance as at 31st March 2021</b>	<b>5,84,11,523</b>	<b>7,30,08,365</b>	<b>13,14,19,888</b>
Additions	64,69,350	21,52,743	86,22,093
Disposals			
Impairment			
Reclassification of asset held for Sale			
<b>Balance as at 31 March 2022</b>	<b>6,48,80,872</b>	<b>7,51,61,108</b>	<b>14,00,41,980</b>
<b>Net Carrying amount</b>			
Balance as at 31st March 2020	14,23,32,593	69,18,392	14,92,50,985
<b>Balance as at 31st March 2021</b>	<b>13,58,63,244</b>	<b>47,65,650</b>	<b>14,06,28,894</b>
<b>Balance as at 31 March 2022</b>	<b>12,93,93,895</b>	<b>26,12,907</b>	<b>13,20,06,802</b>

\* Other than internally generated

#### Note:

Represents Fair value of Business Commercial Rights purchased.  
Refer Note No.40 for impairment of Business Commercial Rights.





# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

### Note 5 : Investments

Particulars	As at 31st March 2022		As at 31st March, 2021	
	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	12,73,68,608	99,80,000	12,75,11,306
<b>Total</b>		<b>12,73,68,608</b>		<b>12,75,11,306</b>
Aggregate amount of unquoted investments		12,73,68,608		12,75,11,306
<b>Note 5.1</b>		<b>Amount</b>		<b>Amount</b>
<b>Category-wise Non current</b>				
Financial assets carried at amortised cost		12,73,68,608		12,75,11,306
<b>Total</b>		<b>12,73,68,608</b>		<b>12,75,11,306</b>

### Note:

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

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

1) The Company has a 50% interest in the assets, liabilities, expenses and income of JT Infrastructure Private Limited, a company incorporated in India and information (unaudited) provided by management of JT Infrastructure Private Limited. The assets and liabilities of the jointly controlled entity as per the information provided as at March 31, 2022 is as under:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Assets	27,29,09,053	27,32,46,948
Liabilities	29,04,830	29,77,770
Income	-	100
Expenditure	2,85,396	1,13,016



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

### Note 6: Non Current Financial Loans

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured considered good:</b>		
Loans Others	21,63,200	27,04,000
<b>Total</b>	<b>21,63,200</b>	<b>27,04,000</b>

#### Note:

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

### Note 7: Other Non Current Financial Assets:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Share Application money	16,10,000	26,10,000
Security Deposits*	1,51,48,16,170	1,49,79,37,215
<b>Total</b>	<b>1,51,64,26,170</b>	<b>1,50,05,47,215</b>

#### Note:

7.1 Share Application money of Rs.16,10,000/- given to Mehta Tree House & Infrastructure Private Limited towards purchase of shares.

7.2 \*The carrying amount of these deposits classified as financial assets represents fair value as required within the meaning of Indian Accounting Standard (Ind AS) 109.

7.3 \*Security deposits includes deposit given to Educational Trust amounting to Rs.15,064/- Lakhs (Previous Year Rs.14,892/-Lakhs).

7.4 \*Refer Note No.42.2 for Fair Valuation of Security Deposits.

### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022

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 31st March 2022		As at 31st March, 2021	
	Credit/ (charge) in statement of Profit and Loss	Deferred Tax Asset / (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Deferred Tax Asset/ (Liabilities)
Depreciation	(78,60,610)	38,63,199	13,17,606	1,17,23,809
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	18,682	6,86,268	(44,334)	6,67,586
Provision for doubtful trade receivables	-	(1,66,169)	-	(1,66,169)
Tax Loss Carried Forward	-	18,00,21,855	-	18,00,21,855
Others	-	2,07,23,897	-	2,07,23,897
<b>Total</b>	<b>(78,41,928)</b>	<b>10,05,07,200</b>	<b>12,73,272</b>	<b>10,83,49,128</b>



## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

#### Note 9 : Inventories:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Stock-in-Trade*	45,57,590	68,09,482
<b>Total</b>	<b>45,57,590</b>	<b>68,09,482</b>

#### Note:

\* As certified by management.

#### Note 10: Trade Receivables:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	11,77,16,275	12,15,33,340
Add: allowance for doubtful trade receivables	13,30,47,147	7,46,20,557
<b>Total Receivables*</b>	<b>25,07,63,423</b>	<b>19,61,53,897</b>
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	11,77,16,275	12,15,33,340
Doubtful	13,30,47,147	7,46,20,557
<b>Total</b>	<b>25,07,63,423</b>	<b>19,61,53,897</b>
Less: Provision for doubtful trade receivables	-	-
<b>Total Trade receivables</b>	<b>25,07,63,423</b>	<b>19,61,53,897</b>

\* Trade Receivables includes receivable amounting to Rs. 699/- Lakhs (Previous Year Rs. 678/- Lakhs) due from educational trust. (Including provisions)

#### Note 11: Cash and Bank Balances:

Particulars	As at 31st March 2022	As at 31st March, 2021
Cash on Hand	1,10,245	84,130
Balances with banks - In Current Accounts	999	3,81,888
<b>Total</b>	<b>1,11,244</b>	<b>4,66,018</b>

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

Particulars	As at 31st March 2022	As at 31st March, 2021
In Fixed deposits (including Interest accrued)*	-	16,89,956
Unpaid dividend account #	17,010	22,994
<b>Total</b>	<b>17,010</b>	<b>17,12,950</b>

#### Notes:

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



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

### Note 13: Other Current Financial assets

Particulars	As at 31st March 2022	As at 31st March, 2021
Deposits*	2,26,42,888	1,99,44,126
Advance Against Property#	-	-
<b>Total</b>	<b>2,26,42,888</b>	<b>1,99,44,126</b>

\* The carrying value of lease deposits with landlords amounting to Rs.124 Lakhs (Previous Year Rs.144 Lakhs) is related to closed/ discontinued centres and administrative office.

### Note 14: Other Current assets

Particulars	As at 31st March 2022	As at 31st March, 2021
Balances with government Authorities	4,52,15,481	4,12,85,267
Advance for Expenses	3,19,148	1,87,433
Prepaid Expenses	24,335	2,82,781
<b>Total</b>	<b>4,55,58,964</b>	<b>4,17,55,481</b>

### Note 15: Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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
Issued, subscribed & paid up				
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>

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

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

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

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	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	8.43%	35,65,000	8.43%
FC VI India Venture Mauritius Ltd	28,97,665	6.85%	28,97,665	6.85%
Bajaj Holding And Investment Ltd	24,30,882	5.75%	24,30,882	5.75%



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2021

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

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4,23,10,724	4,23,10,724
<b>Add:</b> 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>

### Note 16: Other Equity

Particulars	Reserve and Surplus				Total
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	
<b>Balance as at 31st March, 2020</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(1,80,88,58,109)</b>	<b>(5,55,02,403)</b>	<b>2,81,44,02,575</b>
Profit (loss) for the year	-	-	(40,30,02,291)	3,02,42,964	(37,27,59,327)
Other Comprehensive Income for the year	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>(40,30,02,291)</b>	<b>3,02,42,964</b>	<b>(37,27,59,327)</b>
<b>Balance as at 31st March, 2021</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(2,21,18,60,400)</b>	<b>(2,52,59,439)</b>	<b>2,44,16,43,248</b>
Profit (loss) for the Period	-	-	(27,21,14,727)	-	(27,21,14,727)
Other Comprehensive Income for the Period	-	-	1,26,79,944	(3,87,61,241)	(2,60,81,297)
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>(25,94,34,783)</b>	<b>(3,87,61,241)</b>	<b>(29,81,96,024)</b>
<b>Balance as at 31st March 2022</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(2,47,12,95,183)</b>	<b>(6,40,20,680)</b>	<b>2,14,34,47,224</b>

**Note:** (i) The Company has not revalued its immovable properties during the year, However it was revalued during the financials year 2020-21 (ii) Refer to Note No.41 for information on assets pledged as security by Company.

### Profit and loss account

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Cost for the year:</b>		
Service cost	3,89,847	2,66,093
Interest cost	35,751	37,895
Expected return on plan assets	-	-
Actuarial loss / (Gain)	(2,41,517)	(1,81,248)
<b>Total net cost recognized as employee remuneration</b>	<b>1,84,081</b>	<b>1,22,740</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 17: Non-Current Provisions

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provisions for Employee Benefits: Gratuity (Refer note 45)	3,52,380	6,67,432
<b>Total</b>	<b>3,52,380</b>	<b>6,67,432</b>

### Note 18: Current Financial Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Term loans from bank	-	16,81,99,426
Bank Over Draft / Cash Credit Facility with Bank	19,86,57,002	16,58,05,411
<b>Secured-Total (A)</b>	<b>19,86,57,002</b>	<b>33,40,04,837</b>
<b>Unsecured</b>		
- From Related Parties	-	-
<b>Unsecured-Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>19,86,57,002</b>	<b>33,40,04,837</b>

#### Notes:

- 18.1 **Secured bank loan:** Secured by mortgage of Land & building and It has been Classified as Non Performing Assets by the bank
- 18.2 The Company has defaulted in repayment of loans availed from financial institutions due to which Non Current Financial borrowings have been classified as Current Financial borrowings .
- 18.3 The amount payable to financial institutions is Rs.1,986/- Lakhs. (Previous year Rs.3,340/- Lakhs).

### Note 19: Trade Payables:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Micro, Small and Medium Enterprises*	43,14,930	89,14,930
Advance tuition fees received	-	42,00,800
Others	1,88,50,059	6,25,15,603
<b>Total</b>	<b>2,31,64,989</b>	<b>7,56,31,333</b>

\* The company has during the year, received from three of its suppliers information regarding their status under Micro, Small and Medium Enterprises Development Act, 2006.

### Note 20: Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued and due	30,60,834	40,47,761
Unclaimed Dividend	17,010	22,993
<b>Total</b>	<b>30,77,844</b>	<b>40,70,754</b>





# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 21: Current Provisions

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provisions for Employee Benefits: Gratuity (Refer note 45)	3,84,830	33,851
Provisions for Employee Benefits : Others	46,17,275	47,58,849
<b>Total</b>	<b>50,02,105</b>	<b>47,92,700</b>

### Note 22: Other Current liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance tuition fees received	72,08,200	-
Advance from Debtors	2,84,256	2,48,376
Withholding & other tax payables	3,05,71,627	3,30,63,400
Advance against sale of Property	2,60,00,000	2,60,00,000
Other Current Liabilities	5,57,120	11,25,805
<b>Total</b>	<b>6,46,21,203</b>	<b>6,04,37,581</b>

### Note 23: Revenue from operations

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Revenue from</b>		
- Sale of education kits	50,55,561	77,76,090
- <b>Sale of services</b>	-	
Consultancy income	2,75,00,000	
Income from early childhood education	1,71,53,416	1,58,88,639
Royalty income	63,16,401	1,06,80,700
- <b>Other Operating Revenue</b>	-	
Other operating income	3,19,624	1,49,35,432
Rent income from education infrastructure	36,44,712	36,44,712
<b>Total</b>	<b>5,99,89,714</b>	<b>5,29,25,573</b>

### Note 24: Other Income

Particulars	As at 31st March 2022	As at 31st March, 2021
Interest income	28,133	1,10,977
Prior Period Income	-	32,36,114
Scrap Sales	-	558
Other non-operating income*	12,38,25,237	88,128
<b>Total</b>	<b>12,38,53,370</b>	<b>34,35,777</b>

\* includes difference on account of One Time Settlement of bank loan of Rs.1211.84 lakhs and stock transferred to Fixed Assets worth Rs. 29.30 lakhs



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 25: Operating Expenses

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rent (includes conducting charges and society maintenance)	51,08,604	3,00,959
Training material and equipment consumed	59,94,026	70,22,702
Online Class Expenses	12,60,080	4,96,059
Water, electricity and cleaning charges	10,27,209	3,16,001
Activity expenses	-	-
<b>Total</b>	<b>1,33,89,919</b>	<b>81,35,721</b>

### Note 26: Employee Benefits Expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	1,35,67,832	1,25,89,954
Contribution to provident and other funds	8,446	1,94,449
Staff welfare expenses	2,38,729	1,94,249
<b>Total</b>	<b>1,38,15,007</b>	<b>1,29,78,652</b>

**Note:** (i) Employee benefits refer to all forms of compensation (cash/non-cash) paid by an employer to employee apart from salary/wages for the service provided to the employer. (IND AS 19)

### Note 27: Finance cost

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest expenses	6,25,20,361	5,46,19,084
Finance charges	-	-
<b>Total</b>	<b>6,25,20,361</b>	<b>5,46,19,084</b>

### Note 28: Depreciation and Amortisation Expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation Expenses	17,01,37,511	24,65,40,199
<b>Total</b>	<b>17,01,37,511</b>	<b>24,65,40,199</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

### Note 29: Other expenses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advertisement and publicity expenses	1,41,29,357	1,44,50,567
Legal and professional fees	89,70,380	1,53,58,237
Office expenses	7,16,645	6,01,459
Rent, Rates and taxes	49,01,455	51,66,838
Website Maintenance	15,56,628	2,20,632
Insurance	-	28,340
Telephone and communication expenses	1,65,639	1,20,252
Auditors' remuneration (Refer note 37)	6,75,000	4,09,500
Printing and stationery	10,46,308	3,56,525
Repairs and maintenance	3,49,804	4,43,815
Travelling and conveyance	5,16,729	4,19,924
Provision for doubtful trade receivables	-	42,393
Loss on sale of fixed assets	18,58,98,538	-
Expected Credit Loss	14,82,764	-
Director Sitting Fees	6,12,500	5,40,000
Prior Period Expenses	35,894	11,24,717
VAT and GST expenses	29,75,063	19,99,193
Other Miscellaneous expenses	25,27,692	88,36,790
Discounts & W/off	-	35,000
<b>Total</b>	<b>22,65,60,397</b>	<b>5,01,54,182</b>

### Note 30: Exceptional Items

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rent Deposit Written off	-	53,41,873
Impairment Loss of Financial Assets*	(3,84,50,010)	8,28,10,794
<b>Total</b>	<b>(3,84,50,010)</b>	<b>8,81,52,667</b>

\* written off due to closure of centres

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Commitments</b>		
Bank guarantee given in favour of Joint Commissioner Sales Tax / Charge Central Section, West Bengal	-	16,89,956
<b>Total</b>	<b>-</b>	<b>16,89,956</b>



## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

#### Note 32: Related Party Disclosures

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

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

#### a) List of related party

i .Key management personnel (KMP) :

Jugal Bharat Shah  
Rajesh Bhatia  
Guddi Bajpai  
Navin Kumar  
Suraj Magnani  
Deepak Valecha  
Milan Ramani  
Nidhi Busa  
Babita Bhatia  
Dipen Shah

ii. Relative of key managerial personnel

Mrs. Geeta Bhatia  
Wife of Mr. Rajesh Bhatia

iii. Associates company :

JT Infrastructure Private Limited

iv. Entity over which there is a significant control:

Tree House Foundation

## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

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

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

Particulars	Key management personnel (KMP)	Relatives of KMP	Associates company	Entity over which there is a significant control
<b>Remuneration</b>				
- Jugal Bharat Shah Executive Director*	13,60,000 (10,96,773)	- -	- -	- -
- Mr. Rajesh Bhatia - CEO*	27,70,000 (24,00,000)	- -	- -	- -
- Ms. Guddi Bajpai - CS*	5,13,590 (4,26,483)	-	-	-
- Mr. Navin Kumar - CFO*	31,17,000 (27,00,000)	- -	- -	- -
<b>Loan Repaid</b>	-			
- Rajesh Bhatia *	- (59,637)	- -	- -	- -
<b>Interest on Loan Taken</b>				
- Rajesh Bhatia*	- (2,012)	- -	- -	- -
- Geeta Bhatia*	- -	2,87,810 (4,13,631)	- -	- -
<b>Directors Sitting Fees:</b>				
Suraj Magnani*	2,500 (10,000)	- -	- -	- -
Deepak Valecha*	4,10,000 (4,12,500)	- -	- -	- -
Milin Ramani	90,000 (67,500)	- -	- -	- -
Nidhi Busa	70,000 (37,500)	- -	- -	- -
Babita Bhatia	10,000 (12,500)	- -	- -	- -
Dipen Shah	30,000 -	- -	- -	- -

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



## ANNUAL REPORT 2021-2022

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

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

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Outstandings:</b>		
<b>Trade Payables-Others</b>		
Key management personnel - Lease Rent	-	87,96,283
Relatives of KMP - Lease Rent	-	87,94,248
<b>Investment</b>		
Associate Company	12,73,68,608	12,75,11,306
<b>Unsecured Current Financial Borrowings</b>		
Key management personnel	-	-
Relatives of KMP	-	30,68,693
<b>Other Financial Liabilities</b>		
Key management personnel (Interest)	-	19,01,504
Relatives of KMP (Interest)	-	6,91,181

### Note 33: Employee Stock Option Plans

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





# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

### Note 34: Segment information

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

### Note 35: Earnings Per Share

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit after tax	(27,21,14,727)	(40,30,02,291)
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	(6.43)	(9.52)
Diluted earnings per share	(6.43)	(9.52)

### Note 36: Auditors' Remuneration (Excluding GST)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory audit fees	6,00,000	4,50,000
Tax audit fees	75,000	67,500
Other services/ expenses	-	-
<b>Total</b>	<b>6,75,000</b>	<b>5,17,500</b>

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

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

### Note 38: Revaluation of Assets and Liabilities

The Company has not revalued its immovable properties during the year and has continued with the valuation as on 31.03.2021. Share Investment with JT Infrastructure Pvt Ltd is not changed since Net Asset Value of JT Infrastructure Pvt Ltd is higher than the investment shown in the books. Details of revaluation done during the year is as follows:

Particulars	As at 31.03.2021	Additions/ (Deletions)	Revaluation Amount (Rs.)	As at 31.03.2022
Free Hold Land	8,32,81,873	(67,25,000)	-	7,65,56,873
Building	46,31,81,093	(27,26,59,481)	-	19,05,21,612
	<b>54,64,62,966</b>	<b>(27,93,84,481)</b>	<b>-</b>	<b>26,70,78,485</b>

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

The company has not sold/ disposed off assets during the financial year. However current covid-19 pandemic has forced the non-opening of pre-schools and hence, all such assets held by company at its pre-school centres are reclassified as Assets held for write off/sale.

### Note 40: Impairment of Fixed Assets

The Company has reversed the impairment of deposits given to K12 Schools to the tune of Rs.3,89,90,810/-, which was impaired during the Financial year 2020-21, as Educational Trust started repaying the deposits during this year. Loan given to Employee Trust is impaired by Rs.5,40,800/- (Previous Year total Impairment done: Rs.8,28,10,794/-).



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 41: Assets Pledged as security

Amount in Rs.

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade Receivable	-	-
<b>Total Current assets Pledged as security</b>	-	-
<b>Non - Current Assets</b>		
First Charge	-	-
Land	7,65,56,873	8,32,81,873
Building	16,70,01,046	32,80,32,340
<b>Total non current assets pledged as security</b>	<b>24,35,57,919</b>	<b>41,13,14,213</b>
<b>Total assets pledged as security</b>	<b>24,35,57,919</b>	<b>41,13,14,213</b>

### Note 42: Fair Value measurement - (Ind AS) 113

#### 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 on which there is no recovery were calculated based on cash flow discounted using a current lending rate. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

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

Tree House Education & Accessories Limited  
Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

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

Amount in Rs.

Financial Assets and Liabilities as at 31st March, 2022	Amount	Routed through Profit and Loss	Routed through OCI	Carried at amortised Cost	Total Carrying Value
			Level 3		
<b>Financial Assets:</b>					
<b>Non Current Investments</b>					
Investments in Equity shares of Joint Venture	12,73,68,608	-	-	12,73,68,608	12,73,68,608
<b>Other Assets:</b>					
<b>Non Current Assets</b>					
Loans to Others	27,04,000	-5,40,800	-	21,63,200	21,63,200
Share application money	16,10,000	-	-	16,10,000	16,10,000
Security Deposits	1,47,58,25,360	3,89,90,810	-	1,51,48,16,170	1,51,48,16,170
<b>Current Assets:</b>					
Trade receivables	25,22,46,187	-14,82,764	-	25,07,63,422	25,07,63,422
Cash and cash equivalents	1,11,244	-	-	1,11,244	1,11,244
Bank Balances other than Cash and cash equivalents	17,010	-	-	17,010	17,010
Loans and Advances	-	-	-	-	-
Other financial assets	2,26,42,888	-	-	2,26,42,888	2,26,42,888
	<b>1,75,51,56,688</b>	<b>3,69,67,246</b>	<b>-</b>	<b>1,79,21,23,934</b>	<b>1,79,21,23,934</b>
<b>Financial Liabilities:</b>					
<b>Non Current Provisions</b>	3,52,380	-	-	3,52,380	3,52,380
<b>Current Liabilities</b>					
Borrowings	19,86,57,002	-	-	19,86,57,002	19,86,57,002
Trade Payables	2,31,64,989	-	-	2,31,64,989	2,31,64,989
Other Liabilities	30,77,844	-	-	30,77,844	30,77,844
	<b>22,52,52,215</b>	<b>-</b>	<b>-</b>	<b>22,52,52,215</b>	<b>22,52,52,215</b>

# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited

### Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

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

Amount in Rs.

Financial Assets and Liabilities as at 31st March, 2021	Amount	Routed through Profit and Loss	Routed through OCI	Carried at amortised Cost	Total Carrying Value
<b>Financial Assets:</b>					
<b>Non Current Investments</b>					
Investments in Equity shares of Joint Venture	12,75,11,306	-	-	12,75,11,306	12,75,11,306
<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	1,58,07,48,009	-8,28,10,794	-	1,49,79,37,215	1,49,79,37,215
<b>Current Assets</b>					
Trade receivables	19,77,14,596	-15,60,699	-	19,61,53,897	19,61,53,897
Cash and cash equivalents	4,66,018	-	-	4,66,018	4,66,018
Bank Balances other than Cash and cash equivalents	17,12,950	-	-	17,12,950	17,12,950
Loans and Advances	-	-	-	-	-
Other financial assets	1,99,44,126	-	-	1,99,44,126	1,99,44,126
	<b>1,80,58,99,699</b>	<b>-8,43,71,493</b>	<b>-</b>	<b>1,72,15,28,206</b>	<b>1,72,15,28,206</b>
<b>Financial Liabilities</b>					
Non Current Provisions	6,67,432	-	-	6,67,432	6,67,432
<b>Current Liabilities</b>					
Borrowings	33,40,04,837	-	-	33,40,04,837	33,40,04,837
Trade Payables	7,56,31,333	-	-	7,56,31,333	7,56,31,333
Other Liabilities	40,70,755	-	-	40,70,755	40,70,755
	<b>41,43,74,357</b>	<b>-</b>	<b>-</b>	<b>41,43,74,357</b>	<b>41,43,74,357</b>

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

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

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Investments in Equity shares of Joint Venture	12,73,68,608	12,73,68,608	12,75,11,306	12,75,11,306
Security Deposits	1,47,58,25,360	1,51,48,16,170	1,49,79,37,215	1,49,79,37,215
Trade Receivable	25,22,46,187	25,22,46,187	19,77,14,596	19,61,53,897
Non Current Financial Loans	21,63,200	21,63,200	27,04,000	27,04,000
	<b>1,85,76,03,355</b>	<b>1,89,65,94,165</b>	<b>1,82,58,67,117</b>	<b>1,82,43,06,418</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

### Note 43: Financial Risk Management

#### Financial risk management objectives and policies

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

#### Credit Risk:

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

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

#### Movement in provisions of doubtful debts

Amount in Rs.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening provision	5,96,91,590	2,10,05,380
Add: Additional provision made	-	4,39,44,258
Less: Provision write off	12,65,000	5,2,58,048
Less: Provision reversed	-	-
<b>Closing provisions</b>	<b>5,84,26,590</b>	<b>5,96,91,590</b>

### Note 44: Net debt reconciliation

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents	1,11,244	4,66,018
Current Borrowings	(19,86,57,002)	(33,40,04,837)
Interest Payable	-	(25,92,685)
<b>Net Debt</b>	<b>(19,85,45,758)</b>	<b>(33,61,31,504)</b>

Particulars	Cash and cash equivalents	Current Borrowings	Interest Payable	Total
<b>Net Debt as at 1st April 2021</b>	4,66,018	(33,40,04,837)	(25,92,685)	(33,61,31,504)
Cash flows	(3,54,774)	13,53,47,835	-	13,49,93,061
Finance Costs	-	-	-	-
Interest Paid	-	-	25,92,685	25,92,685
<b>Net Debt as at 31st March 2022</b>	<b>1,11,244</b>	<b>(19,86,57,002)</b>	<b>-</b>	<b>(19,85,45,758)</b>



# ANNUAL REPORT 2021-2022

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Amount in Rs.

### Note 45 Details of provision of gratuity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of defined benefit obligation as at year end (A)	7,37,210	7,01,283
Fair value of plan assets as at year end (B)	-	-
Net liability as at year end recognized in Balance Sheet (A)-(B)	7,37,210	7,01,283
<b>Provision for gratuity</b>		
Long term	3,52,380	6,67,432
Short term	3,84,830	33,851
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
<b>Changes in defined benefit obligation:</b>		
Defined benefit obligation as at the beginning of the year	7,01,283	5,78,543
Current service cost	3,89,847	2,66,093
Interest cost	35,751	37,895
Actuarial loss / (gain) on obligations	(2,41,517)	(1,81,248)
Benefit paid	(1,48,154)	-
Present value of defined benefit obligation at the end of the year [A]	7,37,210	7,01,283
<b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b>		
<b>Assumptions</b>		
Discount rate	6.28%	5.70%
Attrition rate (Age)	Up to 35 : 20%	Up to 35 - 20%
	36 to 40 : 10%	36-40 - 10%
	41 and above : 5%	41-58 - 5%
Salary escalation rate	6.00%	6.00%



## ANNUAL REPORT 2021-2022

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

#### Note 46: Approval of financial statements

The financial statements were approved for issue by the board of directors on 25th May, 2022.

As per our report of even date,

**For S. Dedhia & Co.**

*Chartered Accountants*

**Firm Registration No. 117695W**

**CA Sandeep Dedhia**

*Proprietor*

Membership No. 102606

UDIN: 22102606AJPKAF3215

Place: Mumbai

Date: 25th May 2022

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

**Jugal Shah**

*Executive Director*

DIN No: **08334114**

**Deepak Valecha**

*Independent Director*

DIN No: **07736480**

**Rajesh Bhatia**

*Chief Executive Officer*

**Navin Kumar**

*Chief Financial Officer*

**Guddi Bajpai**

*Company Secretary*





## ANNUAL REPORT 2021-2022

### NOTES