



# ANNUAL REPORT 2022-2023



# ANNUAL REPORT 2022-2023

## INDEX

SR NO	CONTENTS	PAGE NO.
<b>A</b>	<b>CORPORATE OVERVIEW</b>	
	CORPORATE INFORMATION	01
<b>B</b>	<b>STATUTORY REPORTS</b>	
	NOTICE	02
	BOARD'S REPORT	13
	MANAGEMENT DISCUSSION AND ANALYSIS	30
	REPORT ON CORPORATE GOVERNANCE	34
<b>C</b>	<b>FINANCIAL STATEMENTS</b>	
	<b>STANDALONE FINANCIAL STATEMENTS</b>	
	INDEPENDENT AUDITORS REPORT	56
	BALANCE SHEET	66
	STATEMENT OF PROFIT AND LOSS	67
	CASH FLOW STATEMENT	68
	NOTES	70
	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	INDEPENDENT AUDITORS REPORT	99
	BALANCE SHEET	103
	STATEMENT OF PROFIT AND LOSS	104
	CASH FLOW STATEMENT	105
	NOTES	107



## ANNUAL REPORT 2022-2023

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS:

**Mr. Rajesh Bhatia** (apt. 09.02.2023)  
Managing Director (MD) and Chairman

**Ms. Nidhi Busa**  
Non-Executive Independent Woman Director

**Mr. Milin Ramani**  
Non-Executive Independent Director

**Mr. Jugal Shah**  
Executive Director

**Mr. Deepak Valecha** (resign w.e.f. 09.02.2023)  
Non-Executive Independent Director

**Ms. Babita Bhatia** (resign w.e.f. 09.02.2023)  
Non-Executive Non Independent Woman Director

**Mr. Dipen Shah**  
Non-Executive Non Independent Director

**Ms. Divya Padhiyar** (apt. 09.02.2023)  
Non-Executive Independent Woman 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
- Compensation Committee

#### STATUTORY AUDITOR:

**M/S. RAKESH SONI & CO. ,**  
Chartered Accountants Thane

#### INTERNAL AUDITOR:

**M/s. Dharmesh Parekh & Associates**  
Chartered Accountants Mumbai

#### SECRETARIAL AUDITOR:

**M/s. Kaushal Doshi & Associates**  
Practicing Company Secretary, Mumbai

#### BANKERS:

ICICI Bank Ltd.  
HDFC 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 2022-2023

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE 17th ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED (“THE COMPANY”) WILL BE HELD ON SATURDAY, SEPTEMBER 23, 2023 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, 2023, 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, 2023, and the Report of the Auditor’s thereon.
2. To appoint a director in place of Mr. Dipen Shah (DIN: 07600611), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. To approve and ratify the remuneration of the Cost Auditor for the financial year ending March 31, 2024.

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of the Cost Auditor, M/s. Kishore Bhatia & Associates, Practicing Cost Accountants (Firm Registration Number 00294) of ₹.20,000/- (Rupees Twenty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified and approved.

**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.”

4. To approve the appointment of Mr. Sanjay Doshi (DIN: 00004274) as an Independent Director.

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

“**RESOLVED THAT** pursuant to Section 149, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Sanjay Doshi (DIN: 00004274), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 25, 2023 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Sanjay Doshi (DIN: 00004274), as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a period up to August 24, 2028, not liable to retire by rotation.

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

For Tree House Education & Accessories Limited

Date: August 03, 2023  
Place: Mumbai

Rajesh Bhatia  
Managing Director & CEO  
(DIN: 08334114)



## ANNUAL REPORT 2022-2023

### ::NOTES::

1. Ministry of Corporate Affairs ('MCA') vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 10/2022 dated December 28, 2022 ("MCA Circulars") read with SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars") (collectively referred to as the "said Circulars") allowed companies to hold shareholders meeting through video conferencing or other audio visual means ("VC") thereby dispensing the requirement of physical presence of members at common venue, and other related matters with respect to such meetings. Accordingly, the 17th Annual General Meeting ("this the AGM / the meeting") of the members of the Company is held through VC / OAVM in compliance with the provisions of the said Circulars, and consequently no attendance slip is enclosed with this notice.
2. 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 Proxy Form and Attendance Slip are 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.
3. 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.
4. 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.
5. The members of the Company, at Annual General Meeting (AGM) held on September 29, 2022 approved the appointment of M/s. Rakesh Soni & Co., Chartered Accountants (Firm Registration No. 114625W), Thane as the Statutory Auditor of the Company for a term of five years hence, the existing auditor shall be deemed to be appointed for a period of five years.
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 on its behalf and to vote. 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. 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.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be made available electronically for inspection by the members upon request without any fee during this AGM.
9. Relevant details in respect of the Directors seeking re-appointment/appointment at this AGM, in terms of Regulations 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard – 2 on General Meetings are also annexed to this Notice.
10. Pursuant to the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI Listing Regulations, 2015, as amended, electronic copy of the Notice and Annual Report 2022-23 is being sent to the members whose e-mail IDs are registered with the Company/Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form).



## ANNUAL REPORT 2022-2023

11. 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.
12. 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, C101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083, quoting their Folio Number(s).
13. 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.
14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts.
15. 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.
16. 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.
17. Members may also note that the Notice convening Annual General Meeting and Annual Report for the financial year 2022-23 will be available on the Company's website [www.treehouseplaygroup.net](http://www.treehouseplaygroup.net) in "Our Investors" section for being downloaded. The Notice can also be accessed from the websites of the Stock Exchanges i.e. Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.msei.in](http://www.msei.in) respectively 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).
18. 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.
19. 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.
20. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the company as on the cut-off-date i.e. September 18, 2023.
21. Since, this AGM is held through VC, no road map of the location for the venue of Annual General Meeting is attached herewith.
22. IEPF RELATED INFORMATION:

The Company has transferred the unpaid or unclaimed dividends of financial year 2014-15, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, the Company has also transferred the relevant shares in the said account. Details of dividends so far transferred to the IEPF Authority are available on the Company's website.

Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, it is being informed that there are no further funds or shares lying with the Company to be transferred to the said account.

### VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/ HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Secretarial Standard 2, and the said Circulars, the Company is providing facility for e-voting to all members as on the cut-off date as per the applicable regulations and all the businesses contained in this Notice may



## ANNUAL REPORT 2022-2023

be transacted through such voting. The e-voting facility is being provided through e-voting services provided by National Securities Depository Limited (NSDL). 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, 20, 2023 at 09:00 A.M.** and ends on **September, 22, 2023 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 cut-off date i.e. **September 18, 2023**, 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 18, 2023**.

The details of the process and manner for remote E-voting using NSDL e-Voting system are explained herein below:

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

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

#### Step 1: 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 “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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 “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> 
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password 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>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</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 abovementioned 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 022 – 4887 7000 and 022 – 2499 7000
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 toll free no 1800 22 55 33



## ANNUAL REPORT 2022-2023

### 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.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



## ANNUAL REPORT 2022-2023

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 022 - 4886 7000 and 022 - 2499 7000 or send a request to 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.
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.



## ANNUAL REPORT 2022-2023

### 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" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join 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 Saturday, September 16, 2023 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.
23. 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.
24. 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.
25. The Register of Members and Share Transfer Books of the Company will remain closed from, Saturday, September 16, 2023 to Saturday, September 23, 2023 (both days inclusive) for the purpose of Annual General Meeting.
26. 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 18, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on 022 – 4887 7000 and 022 – 2499 7000.
27. 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.
28. 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.
29. 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 2022-2023

<b>Name of the Director</b>	Mr. Dipen Vijaykumar Shah	Mr. Sanjay Doshi
<b>Age</b>	30	55
<b>Director Identification Number (DIN)</b>	07600611	00004274
<b>Date of Appointment on the Board</b>	12/08/2021	25/08/2023
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Accounting &amp; Finance (B.A.F) from Mumbai University.</li> <li>• LL.B from Mumbai University.</li> <li>• An Associate Member of Institute of Company Secretaries of India (ICSI).</li> </ul>	<ul style="list-style-type: none"> <li>• Company Secretary (The Institute of Company Secretaries of India ("ICSI"))</li> <li>• Cost Accountant (The Institute of Cost Accountants of India ("ICMAI"))</li> <li>• Bachelor of Commerce (B.Com)</li> </ul>
<b>Expertise in specific functional area</b>	<ul style="list-style-type: none"> <li>• Secretarial</li> <li>• Legal</li> <li>• Compliance of various other laws</li> </ul>	In the field of due diligence for Mergers & Acquisitions, FDI, IPO, Stock exchange listing procedure, SEBI matters, strategic, tactical and operational issues and corporate governance.
<b>Number of shares held in the Company</b>	NIL	NIL
<b>Terms and Conditions</b>	NA	As per resolution stated in item no.4
<b>Justification for appointment of Independent Director</b>	NA	As per resolution stated in item no.4
<b>List of the directorships held in other listed entities</b>	NIL	NIL
<b>Chairman / Member in the Committees of the Boards of companies in which he is Director</b>	Member of Nomination and Remuneration Committee (NRC) of the Company.	NIL
<b>Relationships between Directors inter-se</b>	NIL	NIL



## ANNUAL REPORT 2022-2023

### OTHER INSTRUCTIONS

30. 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, and submit 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.
31. 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, Bombay Stock Exchange 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**

**Rajesh Bhatia  
Managing Director & CEO  
(DIN: 08334114)**

**Date: August 03 , 2023  
Place: Mumbai**



## ANNUAL REPORT 2022-2023

### 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

The Board of directors of the Company in its meeting held on 03rd August, 2023, 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, 2024.

In accordance with the provisions of Section 148 of the Companies Act, 2013 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 by way of an Ordinary Resolution as set out in Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

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. 3 of the Notice for approval by the members.

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

On recommendation of Nomination and Remuneration Committee, the Board of Directors, appointed Mr. Sanjay Doshi (DIN: 00004274) as an Additional Director of the Company with effect from August 25, 2023, pursuant to Section 161 of the Companies Act, 2013, read with Article 39 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sanjay Doshi (DIN: 00004274) will hold office up to the date of this Annual General Meeting. The Nomination and Remuneration Committee has recommended the Board to regularize the appointment of Mr. Sanjay Doshi for the office of Independent Director, under the provisions of section 149 read with sections 152 and 160 of the Companies Act, 2013.

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

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the resolution seeks the approval of members for the appointment of Mr. Sanjay Doshi as an Independent Director of the Company for a period up to August 24, 2028. He will not be liable to retire by rotation. In the opinion of the Board, Mr. Sanjay Doshi, the Independent Director proposed to be appointed, fulfills the conditions specified under the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Sanjay Doshi as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

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

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

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

**Rajesh Bhatia  
Managing Director & CEO  
(DIN: 08334114)**

**Date:** August 03 , 2023

**Place:** Mumbai



# ANNUAL REPORT 2022-2023

## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the integrated 17th 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, 2023.

### FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies(Accounts) Rules, 2014. The financial statements for the financial year ended 31st March, 2023 as well as comparative figures for the year ended 31st March, 2022 are Ind AS compliant.

The Financial highlights of your Company for the financial year ended March 31, 2023 are as summarized below:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
<b>Total Revenue</b>	1,103	1,838	1,103	1,838
<b>Expenditures excluding depreciation</b>	2,238	3,163	2,238	3,163
<b>Profit before Depreciation and Tax</b>	(1,135)	(1,325)	(1,135)	(1,325)
<b>Depreciation</b>	3,883	1,701	3,883	1,701
<b>Net Profit Before exceptional Items and Tax</b>	(5,018)	(3,026)	(5,018)	(3,026)
<b>Share of net profit/(loss) of associates and joint ventures accounted for using the equity method</b>	Nil	Nil	Nil	(1)
<b>Exceptional Items</b>	(191)	385	(191)	385
<b>Net Profit Before Tax</b>	(5,209)	(2,641)	(5,209)	(2,642)
<b>Provision for Tax</b>	743	(78)	743	(78)
<b>Profit after Tax</b>	(4,466)	(2,719)	(4,466)	(2,721)
<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>	(4,466)	(2,719)	(4,466)	(2,721)
<b>Paid up Share Capital</b>	4231	4231	4231	4231
<b>Reserves &amp; Surplus (excluding revaluation reserve)</b>	17,273	21,739	17,608	22,075

*\*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.1005 Lakhs for the current Financial Year as compared to Rs.600 Lakhs in the Previous Year. The Net Loss for the current Financial Year increased to Rs.4,466 Lakhs as against Rs.2,719 lakhs as reported in the Previous Year.

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, 2023 have been prepared in accordance with applicable Indian Accounting Standards and the relevant provisions of the Act.



## ANNUAL REPORT 2022-2023

### RESERVES AND SURPLUS

The Company has not transferred any amount to the Reserves for the financial year ended March 31, 2023. The closing balance of the retained earnings of the Company for F.Y. 2022-23, after all appropriation and adjustments is Rs. (29,515) lakhs (Previous year Rs. (25,048) 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, 2023 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. During the year under review, your Company has not issued any further shares to the members or general public. Your Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange of India Limited (MCX-SX).

### INTERNAL FINANCIAL CONTROLS

Your Company's Internal Financial Control systems are robust, comprehensive and commensurate with the nature, size, scale and complexity of its business. The system covers all major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Auditors continuously monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's risk management with regard to the internal control framework.

The policies and procedures adopted by the Company ensures orderly and efficient conduct of its business, adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of records and timely preparation of reliable financial information.

The Audit Committee actively reviews adequacy and effectiveness of internal control systems and suggests improvements for strengthening them in accordance with the business dynamics, if necessary. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the Financial Statements, including the financial reporting system and compliance of accounting policies and procedures followed by your Company.

### 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, 2023 and confirm that:



## ANNUAL REPORT 2022-2023

- a) The Financial Statements of the Company for the year ended March 31, 2023, have been prepared on a going concern basis following applicable Indian accounting standards and that no material departure have been made from the same;
- b) In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable Indian accounting standards, have been followed along with proper explanation relating to material departures;
- c) 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, 2023 and of the profits and loss of the company for financial year ended March 31, 2023.
- d) 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.
- e) Requisite internal financial controls have been laid down and that financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws in place and that such systems were adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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, 2023 are as follows:

1. Mr. Rajesh Bhatia (DIN: 00074393), Managing Director (MD) & Chairman.
2. Mr. Jugal Shah (DIN: 08334114), Executive Director.
3. Ms. Nidhi Busa (DIN: 08792362) Non-Executive Independent Woman Director.
4. Mr. Milin Ramani (DIN: 07697636) Non-Executive Independent Director.
5. Mr. Dipen Shah (DIN: 07600611) Non-Executive Non-Independent Director.
6. Ms. Divya Padhiyar (DIN: 08598655) Additional Non-Executive Independent Women Director.
7. Mr. Rajesh Bhatia (PAN: AAHPB9438N), Chief Executive Officer (CEO).
8. Mr. Navin Kumar Mane (PAN: ATBPK9664Q), Chief Financial Officer (CFO).
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. Mr. Deepak Valecha (DIN: 07736480), ceased to be an Independent director of the Company w.e.f. 09.02.2023.
2. Ms. Babita Bhatia (DIN: 08767969) ceased to be Non-Executive Non-Independent Woman Director w.e.f. 09.02.2023.
3. On recommendation of the Nomination and Remuneration Committee, Mr. Rajesh Bhatia (DIN: 00074393) was appointed as Additional Executive Director of the Company w.e.f. 09.02.2023. Post financial year, Mr. Rajesh Bhatia was regularised as an Executive Director of the Company on 15.04.2023 through postal ballot.
4. On recommendation of the Nomination and Remuneration Committee, Mr. Rajesh Bhatia (DIN: 00074393) was appointed as Managing Director of the Company w.e.f. 09.02.2023. Post financial year, Mr. Rajesh Bhatia was regularised as a Managing Director of the Company on 15.04.2023 through postal ballot.
5. On recommendation of the Nomination and Remuneration Committee, Ms. Divya Padhiyar (DIN: 08598655) was appointed as Additional Non-Executive Independent Women Director of the Company w.e.f. 09.02.2023. Post financial year, Ms. Divya Padhiyar was regularised as a Non-Executive Independent Director of the Company on 15.04.2023 through postal ballot.
6. On recommendation of the Nomination and Remuneration Committee, post financial year Mr. Sanjay Doshi (DIN: 00004274) was appointed as Non-Executive Independent Director of the Company w.e.f. 25.08.2023.



## ANNUAL REPORT 2022-2023

Pursuant to provisions of section 152 of the Companies Act, 2013 and subject to Articles of Association, Mr. Dipen Shah (DIN 07600611) Non -Executive Non –Independent 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. A brief resume, nature of experience in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 17 of the Listing Regulations, 2015, is provided in the notes to Notice of the AGM. The Board of Directors of your Company commend the appointment.

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, skills/expertise/competence of each independent director 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.

All those Independent Directors who are required to undertake the online proficiency self-assessment test as contemplated under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, have passed such test.

### 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 Company, the industry in which it operates, business model, etc. through various internal programmes and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time.

## BOARD MEETING AND BOARD COMMITTEES

The details of Board Meetings held during the year, attendance of the directors at the meetings and constitution of various Committees of the Board are included separately in the Corporate Governance Report which forms part of this report. The gap between these meetings was within the period prescribed under the Act and Listing Regulations, 2015.



# ANNUAL REPORT 2022-2023

## CORPORATE GOVERNANCE

Your Company is committed to maintain highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders.

Your Company has taken the requisite steps to comply with the recommendations concerning 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 2022-23.

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

## AUDITORS

### a) Statutory Auditors

The Statutory Auditors M/s. Rakesh Soni & Co., Chartered Accountants having Registration No 114625W, was appointed in 16th Annual General Meeting to hold office from the conclusion of 16th Annual General Meeting for a term of consecutive five years till conclusion of 21st Annual General Meeting.

The Statutory Auditors M/s. Rakesh Soni & Co. have given a confirmation that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

### Auditors' Report

The Independent Auditors' Report of M/s. Rakesh Soni & Co., on the Financial Statements of the Company for the Financial Year 2022-23 is a part of the Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Rakesh Soni & Co. in their Report dated May 18, 2023. 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:

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

- Additional depreciation on "Assets for Sale/Dispose off" - Assets classified as "Assets held for Sale/Dispose off", which are lying in various closed centres, useful life of those assets have been considered as NIL and as per provisions of Ind AS 105 on 'Non Current Assets held for Sale' it have been depreciated upto 98% of the original cost, as in the opinion of the management no further benefits are expected from use and disposal of those assets.
- Impairment of Good will/ Business commercial rights and Deposits:
  - Goodwill of Brain Works and MT Educare having WDV of Rs.21,33,894 :

As there no commercial value for over 5 years, these brands are obsolete and outdated, hence no market value is expected from them.
  - Business Commercial Rights of Educational Trust BVM Samiti amounting to Rs 81,75,693/- The company has sold the School Building leased out to BVM Samiti and operation of trust has reduced to minimum due to non availability of students within the operational vicinity and competition, the management does not expect any income from trust and thus Business Commercial Right of trust is impaired.



## ANNUAL REPORT 2022-2023

- c. Deposit given to Barfiwala Marg warehouse, Mumbai, amounting to Rs. 30,00,000/-.

The lease agreement was expired in the financial year 2015-16 and the company could not recover the amount from the lessor. Hence it is fully impaired.

- d. Deposit given to Holy Trust, Kolkata amounting to Rs. 58,00,000/-

The company has given the amount during financial year 2015-16 and remained outstanding in the books of account till date. Hence it is impaired in the books fully. However company has taken legal action against the Holy Trust for recovery of the same.

### 3. Confirmation letters :

The company has sent the confirmation letters to all the debtors and creditors as confirmed by the auditors and majority of the debtors/creditors have confirmed the same. Further these outstanding amounts are due to normal course of business and payments/recovery have been done during the financial year 2023-24.

### 4. OTS settlement of HDFC Bank with an additional payment of Rs. 5,54,86,635/-.

The bank had filed with NCLT for recovery of loan taken by the Company. As per the bank claim, the total amount payable to the bank was Rs.43.27 crores against which one time settlement of Rs.26 crores was agreed with the bank whereas the amount shown in the company's books was Rs.20.45 crores. Thus the deference between OTS and amount as per company's records of Rs.5.55 crores was shown as additional payment.

5. Loss on sale of the property of Rs. 6,76,48,958/-. The bank had approached NCLT for winding up of the company. The company was under pressure to sell the school building at Vadodhara (the pledged property) to the available buyers and sold the property for Rs.18 crores (as per the government valuation) to settle the dues, which has resulted in a loss of Rs.6.76 crores.

6. Appeal filed by Mr. Rajesh Bhatia & Anr. (Promoters of the Company) before Securities Appellate Tribunal ("SAT"). The matter is awaiting for final hearing.

7. Forensic audit conducted by SEBI – The company has received closure letter SEBI/HO/CFID/CFID-SEC2/P/OW/2022/53353/1 dated October 19,2022 from SEBI.

8. Non-Compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company filed appeal with Securities Appellate Tribunal (SAT) against National Stock Exchange of India ("NSE"), whereby the appeal was allowed and Company won the matter against National Stock Exchange of India ("NSE").

9. Arbitration against Janodhar Sikhshan Prasarak Mandal and others: 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.

10. Forensic Audit of the Company by EOW : The company has submitted replies and documents for all the queries EOW. The audit is ongoing.

11. Letter received from Educational Trust Vidya Bharti Samiti on services: The company in accordance with the Service Agreement dated 01.04.2012, has invoked the arbitration clause contained in the agreement vide letter dt. 16th May 2023, to adjudicate upon the disputes and differences which have arisen between the company and the trust.

### 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 (C.P No. 13143) to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2023.

Secretarial Audit Report for the financial year ended 31st March,2023 issued by M/s Kaushal Doshi & Associates Company Secretaries in Form MR-3 forms part to this report - 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, as amended from time to time the Board of Directors of your Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants (Registration No: 00294) as the Cost Auditor for the



## ANNUAL REPORT 2022-2023

financial year 2023-24 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 2023-24 along with certificate confirming their Independence.

Cost Audit Report for the year ended 31st March 2022 was filed with the Registrar of Companies, within the prescribed time limit and for the year ended 31st March 2023 the same shall be filed within Prescribed time after completion of Cost Audit by Cost Auditors.

The Company has made and maintained requisite Cost accounts and records as required to be maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

#### 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 2022-23 and their report is reviewed by the audit committee from time to time.

#### ANNUAL RETURN

Pursuant to provision of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return for F.Y. 2022-23 is available on Company's website of the Company and can be accessed at [https://primeinfobase.in/z\\_TreeHouse/files/Treehouse\\_AnnualReturn\\_31.03.2023.zip](https://primeinfobase.in/z_TreeHouse/files/Treehouse_AnnualReturn_31.03.2023.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. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. During the Financial Year 2022-23, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions section 188 of the Companies Act, 2013, and Rules made thereunder read with Regulation 23 of the SEBI Listing Regulations, 2015. However, during the financial year ended on 31st March, 2023 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. 33 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-files/TREEHOUSE\\_POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTION\\_Policy.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_POLICY_ON_RELATED_PARTY_TRANSACTION_Policy.pdf)

#### MATERIAL SUBSIDIARY

The Board of Directors of the Company had adopted a Policy for determining material subsidiary company in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at [https://primeinfobase.in/z\\_TreeHouse/pdf-files/TREEHOUSE\\_Policy\\_for\\_determining\\_Material\\_Subsiidiary\\_ies\\_.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsiidiary_ies_.pdf) presently there is no material subsidiary company.

#### 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



## ANNUAL REPORT 2022-2023

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

As required under Regulation 17(9) of the Listing Regulations, 2015, your Company has established a well-documented and robust risk management framework. The Board of Directors of your Company have adopted the Risk Management Policy which involves identification and prioritization of risk, categorization of risk into high, medium and low based on the business impact and likelihood of occurrence of risks. (Risk mitigation and control measures).

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an independent internal control system which is commensurate with the size and scale of the Company. 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. It evaluates the adequacy of all internal controls and processes and ensures strict adherence to clearly laid down processes and procedures as well as to prescribe regulatory and legal framework. Conforming to the requirements of regulatory authorities such as the RBI and SEBI and consistent with the requirements of the Listing Regulations of the Stock Exchanges, the Company has institutionalized an elaborate system of control processes designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. The Internal Auditors are mandated to carry out periodical audit and report on areas of non-compliances /weaknesses. Corrective actions in case of reported deficiencies, if any, are taken actively to further strengthen the internal control systems. These reports are reviewed by the Audit Committee of the Board of Directors for follow-up action and instructions are issued for taking necessary measures. 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 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.



## ANNUAL REPORT 2022-2023

### COMPLIANCE OF ACCOUNTING STANDARD:

As per requirements of Listing Regulations, 2015 and applicable Accounting Standards, your Company has made proper disclosures in the Financial Statements. The applicable Accounting Standards have been duly adopted pursuant to the provisions of Sections 129 and 133 of the Act.

### COMPLIANCE OF SECRETARIAL STANDARDS:

Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and forming part of the Act, on meetings of the Board of Directors and General Meetings.

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

In accordance with Section 125 of the Companies Act, 2013, the amounts of dividend that remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. During the period under review, your Company has transferred Rs.16,810/- (Rupees sixteen thousand eight hundred ten only) to IEPF.

Further, in accordance with sub-section 6 of Section 124 of the Companies Act, 2013, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years will be transferred to IEPF. Accordingly, 2201 shares had been transferred during FY 2022-23 by the Company.

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 29, 2022) Details of dividends so far transferred to the IEPF Authority are available on the Company's website.

Further, it is being informed that there are no funds or shares lying with the Company to be transferred to IEPF account.

### EMPLOYEE'S STOCK OPTION SCHEME

There were no stock options given by the Company during the financial year 2022-23. All the available stock option have lapsed on 11th September 2019.

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, 2023 are available on website of the company and can be assessed at link :- [https://primeinfobase.in/z\\_TreeHouse/files/Treehouse\\_ESOP\\_Details\\_as\\_on\\_31.03.2023.zip](https://primeinfobase.in/z_TreeHouse/files/Treehouse_ESOP_Details_as_on_31.03.2023.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.

### 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 closure of investigation letter from Securities Appellate Tribunal ("SAT") dated October 19, 2022 mentioning that investigation and forensic audit stands completed and SEBI will take no action against the Company in this matter.
- There were no material changes or commitments occurred between and at the end of financial year, which may affect the financial position of the company or may require disclosure.
- 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.



## ANNUAL REPORT 2022-2023

- During the year under Report, no funds were raised through employee stock option scheme and employee stock purchase scheme.

### 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**

**Rajesh Bhatia  
Managing Director & CEO  
(DIN: 08334114)**

**Date: 3rd August, 2023**

**Place: Mumbai.**



# ANNUAL REPORT 2022-2023

## 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>March 31, 2023</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>	NA
<b>5. Networth attributable to Shareholding as per latest unaudited Balance Sheet.</b>	27,00,03,574
<b>6. Turnover</b>	0
<b>7. Contribution to Company's Profitability</b>	-324
<b>8. Profit / Loss for the year</b>	-648
<b>9. Considered in Consolidation</b>	-324
<b>10. Not Considered in Consolidation</b>	-324

#### 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 2022-2023

### 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 2022-23 is as follows:**

Name of Director	Total Remuneration (Rs.)	Ratio of remuneration of director to the median remuneration
Mr. Jugal Shah	16,80,000	7 Times
Mr. Deepak Valecha#	NA	NA
Ms. Babita Bhatia#	NA	NA
Ms. Nidhi Busa	NA	NA
Mr. Milin Ramani	NA	NA
Mr. Dipen Shah	NA	NA
Mr. Rajesh Bhatia*	38,36,570	16 Times
Ms. Divya Padhiyar*	NA	NA

**Note:**

# Resigned w.e.f. 09.02.2023

\*Appointment w.e.f. 09.02.2023

**B. Details of percentage increase in the remuneration of each Director and CEO, CFO & Company Secretary in the financial year 2022-23 are as follows:**

Name	Designation	Remuneration (Rs.)		Increase %
		2022-23	2021-22	
Mr. Jugal Shah	Executive Director	16,80,000	13,60,000	17%
Mr. Rajesh Bhatia*	Managing Director/CEO	38,36,570	27,70,000	38%
Mr. Deepak Valecha#	Independent Director	NA	NA	—
Ms. Babita Bhatia#	Non-Executive – Non Independent Women Director	NA	NA	—
Ms. Nidhi Busa	Independent Women Director	NA	NA	—
Mr. Milin Ramani	Independent Director	NA	NA	—
Mr. Dipen Shah	Non-Executive – Non Independent Director	NA	NA	—
Ms. Divya Dilip Padhiyar*	Independent Women Director	NA	NA	—
Mr. Navin Kumar B Mane	CFO	34,73,400	31,17,000	11%
Ms. Guddi Bajpai	CS	5,89,400	5,15,000	14%

**Note:**

# Resigned w.e.f. 09.02.2023

\*Appointment w.e.f. 09.02.2023

**C. Percentage increase in the median remuneration of all employees in the financial year 2022-23:**

Particulars	2022-23 (Rs.)
Median remuneration of all employee per annum.	2,99,600



## ANNUAL REPORT 2022-2023

### D. Number of employees on the rolls of the Company as on March 31, 2023:

Employees	2022-2023	2021-2022
Corporate Office	8	11
Teaching Staff	8	10
<b>TOTAL</b>	<b>16</b>	<b>21</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 2022-23 as compared to the financial year 2021-22 was 23%, whereas the loss for the financial year 2021-22 was Rs.2,719 Lakhs and the loss for the financial year 2022-23 is Rs.4,466 Lakhs.

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

Particulars	2022-2023 (In lakhs)	2021-2022 (In lakhs)	Growth %
Net Revenue from Operations	1005	600	67.5%
Profit Before Tax and Exceptional Items	(5018)	(3026)	(65)%
Profit After Tax	(4466)	(2719)	(64)%

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 remained the same during the FY 2022-23 compared to FY 2021-22, the overall salary cost remains same. However, the salary of managerial staff has increased by 23 % during the FY 2022-23 compared to FY 2021-22.

### G. No one is paid in excess of the Managing 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 2022-2023

## Annexure C FORM MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2023

[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 - 400056, MH, 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, 2023, (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, 2023 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: **Not applicable to the Company during the Audit period;**
- v. The following Regulations and circulars 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;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable during the period under review,** and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable during the period under review;**



## ANNUAL REPORT 2022-2023

- 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 committees of the Board are 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 Committees 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 final 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 and the matter is closed as it pertains to the forensic audit conducted by SEBI for which closure letter SEBI/HO/CFID/CFID-SEC2/P/OW/2022/53353/1 dated October 19,2022 has been received by company from SEBI.
- 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 filed appeal with Securities Appellate Tribunal (SAT) against National Stock Exchange of India (“NSE”),and order dated 07.11.2022 has been received by the Company from SAT intimating that the appeal was allowed and Company has won the matter against National Stock Exchange of India (“NSE”).
- 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



## ANNUAL REPORT 2022-2023

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. Further, it was informed that Securities and Exchange Board of India vide its letter SEBI/HO/CFID/CFID-SEC2/P/OW/2022/53353/1 dated October 19, 2022 mentioned that investigation and forensic audit stands completed and SEBI will take no action against the Company in this matter.

- The company has received a letter dated 20.04.2023 from the Educational Trust Vidya Bharti Samiti, showing the dissatisfaction of service provided to them for which the company in accordance with the Service Agreement dated 01.04.2012, Addendum dated 6.11. 2012, and agreement dated 1.04.2013 with Vidya Bharti Samiti trust, has invoked the arbitration clause contained in the agreement vide letter dt. 16th May 2023, to adjudicate upon the disputes and differences which have arisen between the company and the trust.

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 repaid all its loans and has become debt free as of 31.03.2023.
- HDFC Bank Limited ("The Bank") filed petition bearing CP (IB) No. 224 of 2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and application under other provisions of IBC, 2016 for outstanding loan held with the Bank. The Company has received an order on February 9, 2023 from National Company Law Tribunal (NCLT), Mumbai for disposing off and withdrawal of the said application against the Company as the matter was amicably settled out of the court between the Company and HDFC Bank Limited. As informed to us, the total amount agreed between the parties was Rs.26,00,00,000/- (Rupees Twenty six Crores Only). It was further informed us that, the Company has entered into Agreement of Sell and 'Sale Deed' with Zebar Realty LLP for the sale of Land and Building situated at Survey no. 49, CTC No. 792 (pt) of Village Atladra, Taluka Vadodara, District-Gujarat-390012 for a total consideration of Rs.18,00,00,000/- (Rupees Eighteen Crores Only). The entire amount received from Zebar Realty LLP was utilized for the purpose of settlement of HDFC Bank loan.
- There was an Agreement to Sell between the Company and M/s Shivalaya Associates regarding the selling of fixed assets comprising of Land and Building situated at Survey no.49, CTS No. 792(pt) of Village Atladra, Taluka Vadodara, District-Gujarat-390012, which was completed on 24th June, 2022 and the said Agreement to Sell stands cancelled.
- 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.

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**

**Kaushal Doshi  
(Proprietor)**

**Place: Mumbai  
Date: 18th May, 2023**

**FCS: 10609/COP: 13143  
UDIN:F010609E000328795**

**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 2022-2023

### 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-400056, MH, 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**

**Kaushal Doshi**  
**(Proprietor)**

**FCS: 10609/COP: 13143**  
**UDIN:F010609E000328795**

**Place: Mumbai**  
**Date:18th May, 2023**



# ANNUAL REPORT 2022-2023

## Management discussion and Analysis

### Outlook of the Company:

The Company has started physical classes after a period of 2 years. During the Pandemic period only online classes were conducted. A large number of the franchises have been closed due to Covid-19 pandemic. The Company has modernized the facility in own centres and new staff have been recruited to upscale the business model which has started giving better results. Further the consultancy income from the Educational trusts have also improved after a lull of 2 years.

### Financial Performance with respect to operational performance:

Company's total income from pre-school activity and other related business during the financial year was Rs. 1005 lakhs which consist of the following:

₹ in Lakhs

Particulars	Early Child Education	School Management Services	Rental Income	Sale of Educational Kit	Misc Income	Total
Gross Income	187.75	691.00	30.37	27.32	68.89	<b>1,005.33</b>
Operating Exps (Apportioned)	47.50	174.82	7.68	6.91	17.44	<b>254.35</b>
Operating Profit	140.25	516.18	22.69	20.41	51.45	<b>750.98</b>
Other Exps (Apportioned)	124.86	459.55	20.20	18.17	45.81	<b>668.59</b>
<b>EBIDTA</b>	<b>15.39</b>	<b>56.63</b>	<b>2.49</b>	<b>2.24</b>	<b>5.64</b>	<b>82.39</b>

### Company's Strengths:

Tree House Education & Accessories Limited runs quality preschools and also provides educational services to K-12 schools throughout the country. Tree House has revolutionized the concept of pre-school pedagogy in India through the use of innovative teaching methods and child-focused personal care.

### New Highlights:

After a period of financial crunch and lack of business for over 5 years, company has achieved the following mile-stones during the year:

- Debt free status achieved.
- Revamp of curriculum for educational trusts in line with New Education Policy, 2020 (NEP 2020).
- Planned new business verticals of Skill Development Services to be offered.
- EBDITA positive, Operational turnaround achieved in Q4 of FY 2023.

Even though there was a reduction in franchise centres during the year due to pandemic effect, company has taken steps to increase the franchise base. The number of students at K-12 schools have increased compared to previous years.

However the pandemic has dented the company's business in the following areas, due to which the company is yet to reach its profitability level:-

- Cash flow crunch.
- Closure of own and Franchise pre-school centers.
- Reduction in collection of royalty payments at pre-school centres.
- Decrease in number of students in pre-school 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 2022-2023

## Opportunities & Threats

### Opportunities:

During the year the company has started physical classes in owned centres as well as in franchise run centres. Due to increased demand, company has the opportunity in the following areas:

1. Increase in franchise base though out India.
2. Opportunity to add new activities and teacher training in all pre school centres.
3. Opportunity to start new business verticals in the field of education.
4. Expansion of consultancy services to new K12 schools.

### Threats:

Company has the following threats:

1. Change in Education Policy for Pre-School Education.
2. Notice from the Education Trust for reduction in Consultancy fee.
3. Cash flow crunch has restricted the expansion of business.
4. Discontinuation of Students in between the academic period results in refund of fees.
5. 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 8 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.

### Risks and Concerns

The company's business is subject to risks and uncertainties that could have both short term and long term implications on the company. The company is exposed to different risks arising from economic, regulatory, environmental, competitive scenario and others.

To mitigate these risks and ensure consistent business growth and success, the company continuously scans the external and internal environment, to identify risks, track them and devise effective remedies to mitigate them. The company also continues to take measures, to further strengthen its risk management mechanism and remains stay ahead to mitigate the probable adverse impact.

### Internal Control system and their adequacy:

The company has adequate, proper and well placed Internal Financial Control System, which ensures that all the assets are safeguarded and all the transactions are authorized, recorded and reported correctly in a timely manner.

The Internal Finance Control System comprises due compliances with company's policies and Standard Operating Procedures (SOP's) and audit and compliance by different Internal Auditors independently. Internal Auditors comprising of professional firm of Chartered Accountants have been entrusted to conduct regular internal audits and report to the Management, the lapses, if any. Both Internal Auditors and Statutory Auditors independently evaluate the adequacy of



## ANNUAL REPORT 2022-2023

Internal Control System. Based on the Audit observations and suggestions, follow-up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. Independence of the Audit and Compliances is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. The Audit Committee of Directors in its periodical meetings, review the adequacy of Internal Financial Control System and procedures and suggest areas of improvement.

### Material developments in Human Resources including number of people employed

The company recognizes human capital as its key assets. Developing, retaining and recruiting key talent is key to achieve Company's growth plans and aspirations. Institutionalizing a framework as an ongoing process to identify succession gaps, loss of expertise and retained knowledge of the organization, continuity of critical roles, loss of time and efforts to recruit and train the employees are critical areas. Any gap in these efforts could impact the performance of the Company.

### 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:

### Changes in Key Financial Ratios:

Sr. No.	Particulars	2022-23	2021-22	Change	Measure	Remarks
i)	Trade receivable Turnover ratio	13.20	4.09	3.22	Times	Reduction in debtors.
ii)	Inventory Turnover	-	13.16	-	NA	Old inventory has been cleared due to which the ratio has come down.
iii)	Debt Service Coverage Ratio	(6.86)	(3.84)	(78.69)	Percentage	Due to increased depreciation on re-classified assets, net loss has increased.
iv)	Current Ratio	2.92	1.10	1.66	Times	Increase in Current ratio due to repayment of all borrowings.
v)	Debt Equity Ratio	0.04	0.12	(0.65)	Times	Reduction in ratio due to repayment of liabilities.
vi)	Operating Profit Margin %	76.93	77.68	(0.96)	Percentage	Reduced margin due to reduction in indirect income.
vii)	Net Profit Margin %	(405.08)	(147.94)	(173.82)	Percentage	Due to additional depreciation on reclassified assets, net profit has gone down.
viii)	Return on Equity %	(24.86)	(11.84)	(110.05)	Percentage	Due to additional depreciation on reclassified assets, net profit has gone down.
ix)	Trade payable turnover ratio	2.84	1.87	1.52	Times	Delay in payment due to bank loan settlement.
x)	Net capital turnover ratio	4.82	2.37	2.03	Times	Overall turnover has increased compared to last year.
xi)	Return on capital employed	(20.98)	(9.48)	(121.40)	Percentage	Due to additional depreciation on reclassified assets, net profit has gone down.
xii)	Return on Investment	NA	NA	NA		



## ANNUAL REPORT 2022-2023

**Details of any change in Return on Networth as compared to the immediately previous financial year along with the detailed explanation thereof:**

	₹ in lakhs
Networth as of 31.03.2023	20,874.54
Networth as of 31.03.2022	25,307.07
<b>Change in Networth</b>	<b>(4,432.47)</b>

The Networth of the company has come down by Rs.4432.47 lakhs due to the loss incurred by the company mainly due to the depreciation charged on the fixed assets classified as "Assets held for Sale/Dispose off". The useful life of these assets are considered as NIL.

### **2. Disclosure of Accounting Treatment:**

Managing Director and CFO heading the finance function have certified to the Board that

They 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.

### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that would influence the Company's operations include cost of raw materials, tax laws and economic developments and such other factors within the country and the international economic and financial developments.

**For Tree House Education & Accessories Limited**

**Rajesh Bhatia**  
**Managing Director & CEO**  
**DIN: 00074393**



# ANNUAL REPORT 2022-2023

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2023.

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

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a Company meets its obligations with the objective to optimize stakeholder value and fulfill its responsibilities to the community, customers, employees, government and other societal segments.

At Tree House Education & Accessories Limited ("THEAL"), 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 Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large. This is an ongoing process and we continuously endeavour to improve upon our practices in line with the changing demands of business. THEAL adopts innovative approaches for leveraging all its resources and encourages a spirit of conversion of opportunities into achievements. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

The Company's governance structure and systems are the foundation which provides and nurtures ramping up of healthy and sustainable growth of human resources, through empowerment and motivation. In this, your Company is guided by its Code on Corporate Governance. Keeping in view the Company's size, reach, complexity of business and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors which is made up of appropriate size, bouquet of experience and commitment to discharge their responsibilities;
- Timely and adequate flow of information to the Board and its Committees for meaningful and focussed discussion at the meetings to enable them to discharge their fiduciary duties;
- Independent verification of Company's financial reporting from time to time and on quarterly basis;
- A sound system of internal controls within the risk management framework to mitigate perceived risk factors;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders;
- Compliance with applicable laws, rules, regulations and guidelines; and
- Transparency and defined accountability.

The Board of Directors play an active role in fulfilling its fiduciary obligation to Members by efficiently overseeing management functions to ensure their effectiveness in delivering Member value. The governance framework is made effective through an efficient system of timely disclosures and transparent business practices.

### II. BOARD OF DIRECTORS:

#### 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, 2023, the Board comprised of 6 Directors viz One Managing Director, One Executive Director, Three Non – Executive Independent Directors and one Non-Executive Non – Independent Director. The Chairman of the Company / Board is an Executive Director. The Non-executive Directors are eminent professionals with vast experience of industry, finance and law. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company.

Except the Managing Director, Executive Director and Independent Directors, all Directors are liable to retire by rotation.



## ANNUAL REPORT 2022-2023

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, 2023 are given herein below.

Name of Director	Category	No of shares held	Particulars of Attendance		**No. of Directorships in all other Companies		Number of Committee positions held in other Public Companies (including the Company)		Directorship in other listed entity (Category of Directorship)
			Last AGM	Board Meeting	Chairman	Member	Chairman	Member	
Mr. Jugal Shah	Executive	0	Yes	5	0	0	0	0	Nil
*Mr. Rajesh Bhatia	Executive	5077169	Yes	0	0	0	0	0	Nil
#Mr. Deepak Valecha	Independent	0	Yes	5	0	0	0	0	Nil
# Ms. Babita Bhatia	Non – Executive, Non-Independent Women	0	Yes	5	0	0	0	0	Nil
Ms. Nidhi Busa	Independent Women	0	Yes	5	0	1	3	2	Nil
Mr. Milin Ramani	Independent	9	Yes	5	0	8	1	9	Independent Director in Following Companies: <ul style="list-style-type: none"> <li>• COMFORT COMMOTRADE LIMITED</li> <li>• LUHARUKA MEDIA &amp; INFRA LIMITED</li> <li>• COMFORT FINCAP LIMITED</li> <li>• COMFORT INTECH LIMITED</li> <li>• COMFORT SECURITIES LIMITED</li> <li>• HUBTOWN LIMITED</li> </ul>
Mr. Dipen Shah	Non-Executive, Non-Independent	0	Yes	5	0	0	0	0	Nil
*Ms. Divya Padhiyar	Independent Women	0	NA	0	0	1	2	5	Nil

# Due to personal reasons and commitments, Mr. Deepak Valecha an independent Director and Ms. Babita Bhatia Non – Executive, Non-Independent Women Director have resigned during the Financial Year 2022-23 w.e.f. 09.02.2023. Further, the Board has confirmed that there are no other material reasons other than those provided in the resignation letter.

\*Mr. Rajesh Bhatia and Ms. Divya Padhiyar have been appointed as Managing Director and Independent Non – Executive Director respectively w.e.f. 09.02.2023 during the financial year 2022-23.

\*\* Excludes private, foreign and section 8 companies.



## ANNUAL REPORT 2022-2023

For the purpose of determination of limit of the Board Committees, chairperson ship 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.
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.



## ANNUAL REPORT 2022-2023

Sr. No.	Name of the Director	Area of Skills / Expertise / Competence
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.
7*	Rajesh Bhatia (Managing 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.
8*	Divya Padhiyar (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.

# Mr. Deepak Valecha an independent Director and Ms. Babita Bhatia Non – Executive, Non-Independent Women Director have resigned during the Financial Year 2022-23 w.e.f. 09.02.2023.

\* Mr. Rajesh Bhatia and Ms. Divya Padhiyar have been appointed as Managing Director and Independent Non – Executive Director respectively w.e.f. 09.02.2023 during the financial year 2022-23.

### a. Number of Board Meetings:

The Board meets at least once in every quarter, inter alia, to review the quarterly results and other items on the agenda and minimum 4 (four) pre-scheduled Board meetings are held every year. During the financial year ended March 31, 2023, five (5) meetings of the Board of Directors were held on May 25, 2022, August 12, 2022, August 29, 2022, November 10, 2022 and February 09, 2023. The meetings were held as per the requirements of business and at intervals within the legally permitted limits. The necessary quorum was present in all the Board meetings. Leave of Absence was granted to the concerned Directors who could not attend the respective Board meeting.

### b. 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)

### c. 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 Managing Director is attached as **Annexure – E** and forms part of the Annual Report of the Company.



## ANNUAL REPORT 2022-2023

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)

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

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013 (the Act). Due to promulgation of Section 149 of the Act and Regulation 25 of the Listing Regulations, 2015, Independent Directors can be appointed for 2 fixed terms of maximum five consecutive years each and they shall not be liable to retire by rotation. Therefore, the Company has appointed / re-appointed all the existing Independent Directors for a term of five consecutive years in compliance with the aforesaid provisions.

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. As required under the Act, the Independent Directors held a separate meeting to assess the functioning of the Board and its Committees and to evaluate the performance of the Directors, Chairman and Executive Director. The maximum tenure of the Independent Directors is in compliance with the provisions of the Listing Regulations, 2015 and the Act.

### e. 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, 2023, 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
Milini 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 five times during the financial year ended March 31, 2023 on 25.05.2022, 12.08.2022, 29.08.2022, 10.11.2022 and 09.02.2023. The necessary quorum was present for all the meetings.

a. The composition of the Committee during financial year ended March 31, 2023 and the details of meetings attended by the members are as under:



## ANNUAL REPORT 2022-2023

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	5	5
Mr. jugal shah	Executive	Member	5	5
Ms. Nidhi Busa	Independent, Non-Executive	Member	5	5

Due to resignation of Mr. Deepak Valecha and Mr. jugal shah on 09.02.2023 the Committee was reconstituted as below: .

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Ms. Nidhi Busa	Independent, Non-Executive	Chairman	5	5
Mr. Rajesh Bhatia	Executive	Member	5	NA
Ms. Divya Padhiyar	Independent, Non-Executive	Member	5	NA

### 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.

- The Nomination and Remuneration Committee met four times in the financial year ended March 31, 2023 on 25.05.2022, 12.08.2022, 29.08.2022 and 09.02.2023.
- 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, 2023 are as under:

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Ms. Babita Bhatia	Non -Independent, Non-Executive	Member	4	4
Ms. Nidhi Busa	Independent, Non-Executive	Member	4	4

Due to resignation of Mr. Deepak Valecha and Ms. Babita Bhatia on 09.02.2023 the committee was reconstituted as below:

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Ms. Nidhi Busa	Independent, Non-Executive	Chairman	4	4
Mr. Dipen Shah	Non -Independent, Non-Executive	Member	4	NA
Ms. Divya Padhiyar	Independent, Non-Executive	Member	4	NA



## ANNUAL REPORT 2022-2023

### 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. Independent Directors are evaluated based on parameters such as qualification, experience, knowledge and competency, initiative, commitment, independence, independent views and judgement, attendance and participation in the discussion at the Meetings, adherence to the Code for Independent Directors of the Company, understanding the environment in which the Company operates and contribution to strategic decision and raising valid concerns at the Board, interpersonal relations with other directors and management, objective evaluation of Board's performance, safeguarding of confidential information and maintaining integrity. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Shareholders/Investors Relations and Grievance Committee. The Directors expressed their satisfaction with the evaluation process.

### e. Remuneration Policy

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

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

- The Committee inter alia oversees the redressal of investor complaints / requests for transmission of shares, sub-division and consolidation of share certificates, issue of duplicate share certificates, requests for dematerialization and rematerialization of shares, non-receipt of declared dividend and non-receipt of Annual Report. It also recommends measures for improvement in investor services. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Members of the Company. The Committee meets as often as is necessary for resolution of important matters within its mandate. The Committee met Four times in the financial year ended March 31, 2023 on 25.05.2022, 12.08.2022, 10.11.2022 and 09.02.2023. The necessary quorum was present for all the meetings.
- The composition of the Stakeholders Relationship Committee during financial year ended March 31, 2023 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, 2023	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	4	4
Mr. Jugal Shah	Executive	Member	4	4
Ms. Babita Bhatia	Non -Independent, Non-Executive	Member	4	4
Ms. Nidhi Busa	Independent, Non-Executive	Member	4	4



## ANNUAL REPORT 2022-2023

Due to resignation of Mr. Deepak Valecha, Ms. Babita Bhatia and Jugal Shah on 09.02.2023 the Committee was reconstituted as below:

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Ms. Nidhi Busa	Independent, Non-Executive	Chairman	4	4
Mr. Rajesh Bhatia	Executive	Member	4	NA
Ms. Divya Padhiyar	Independent, Non-Executive	Member	4	NA

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, 2023 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, 2023 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 as the Compliance Officer of the Company.

#### iv. Committee of Board:

The Board of Directors at their meeting held on 09.02.2023 have decided to dissolve the said Committee as it is not operative and not required to be maintained. Thus the Committee stands dissolved w.e.f. 09.02.2023.

#### 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, 2023, the details of meetings held and attended by the members are as under:

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Mr. Deepak Valecha	Independent, Non-Executive	Chairman	-	-
Ms. Babita Bhatia	Non-Independent, Non-Executive	Member	-	-
Ms. Nidhi Busa	Independent, Non-Executive	Member	-	-

Due to resignation of Mr. Deepak Valecha and Ms. Babita Bhatia on 09.02.2023 the Committee was reconstituted as below:

Name	Category	Position	Number of meetings held during the year ended March 31, 2023	
			Held	Attended
Ms. Divya Padhiyar	Independent, Non-Executive	Chairman	-	-
Ms. Nidhi Busa	Independent, Non-Executive	Member	-	-
Mr. Dipen Shah	Non -Independent, Non-Executive	Member	-	-



## ANNUAL REPORT 2022-2023

### 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.

### vi. Risk management committee:

Since the company doesn't fall under the 'Top 1000 listed entities on the basis of market capitalization' and 'high value debt listed entity', The Company has not constituted the Risk Management Committee .

### 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 2022-2023

## Sitting Fees to Independent and Non- Executive Non Independent directors:

Sr. No	Particulars of Remuneration	Name of the Directors					Total	
		Divya Padhiyar	Deepak Valecha (ceased. w.e.f. 09.02.2023)	Babita Bhatia (ceased. w.e.f. 09.02.2023)	Nidhi Kaushik Busa	Milin Jagdish Ramani		Dipen Shah
<b>1.</b>	<b>Independent Directors</b>							
	(a) Fee for attending board committee meetings	NA	410000	NA	70000	90000	NA	570000
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Director Remuneration	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0</b>	<b>410000</b>	<b>0</b>	<b>70000</b>	<b>90000</b>	<b>0</b>	<b>570000</b>
<b>2.</b>	<b>Other Non-Executive Non Independent Directors</b>							
	(a) Fee for attending board committee meetings	NA	NA	10000	NA	NA	60000	70000
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>10000</b>	<b>0</b>	<b>0</b>	<b>60000</b>	<b>70000</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>410000</b>	<b>10000</b>	<b>70000</b>	<b>90000</b>	<b>60000</b>	<b>640000</b>
	<b>Total Managerial Remuneration</b>							

Shareholding of Non-Executive Independent Director and Non-Executive Non-Independent Directors as on March 31, 2023 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
*Divya Padhiyar	Non-Executive Independent Director	NIL
Milin Ramani	Non-Executive Independent Director	9
Dipen Shah	Non-Executive Non -Independent Director	NIL

# Mr. Deepak Valecha and Ms. Babita Bhatia have resigned w.e.f. 09.02.2023.

\*Ms. Divya Padhiyar have been appointed w.e.f. 09.02.2023.

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

Details of Remuneration paid to Executive Directors along with the Shareholding for the financial year 2022-23 are given below:

Name	Category	Remuneration Paid	Number of equity shares held
# Rajesh Bhatia	Managing Director	12,00,000	5077169
Jugal Shah	Executive Director	16,80,000	0

# Mr. Rajesh Bhatia was appointed as Managing Director w.e.f. 09.02.2023.



## ANNUAL REPORT 2022-2023

### V. GENERAL BODY MEETINGS:

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

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

Meeting	Date and Time Venue	Special resolutions passed
16th Annual General Meeting	September 29, 2022 10.30 a.m. Meeting conducted through Video Conferencing	NA
15th Annual General Meeting	September 20, 2021 10.30 a.m. Meeting conducted through Video Conferencing	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

#### ii. Postal Ballot:

During the financial year ended March 31, 2023 the Company has not passed any resolution through postal ballot. However post Financial Year on 15th April 2023, the Company has passed 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.

##### a. 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.

##### b. 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.

##### c. 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 2022-2023

#### iv. Official news releases:

Company has not made any official news releases or media releases during the financial year ended 31st March, 2023.

#### v. Presentations made to institutional investors / analysts.

Company has not made any presentations to institutional investors/ analysts during the financial year ended 31st March, 2023.

## 2) GENERAL INFORMATION TO SHAREHOLDERS

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

Date	23rd September, 2023
Day	Saturday
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 2022-23.

### 4. Date of Book Closure:

Saturday, September 16, 2023 to Saturday, September 23, 2023 (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 2022-23 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

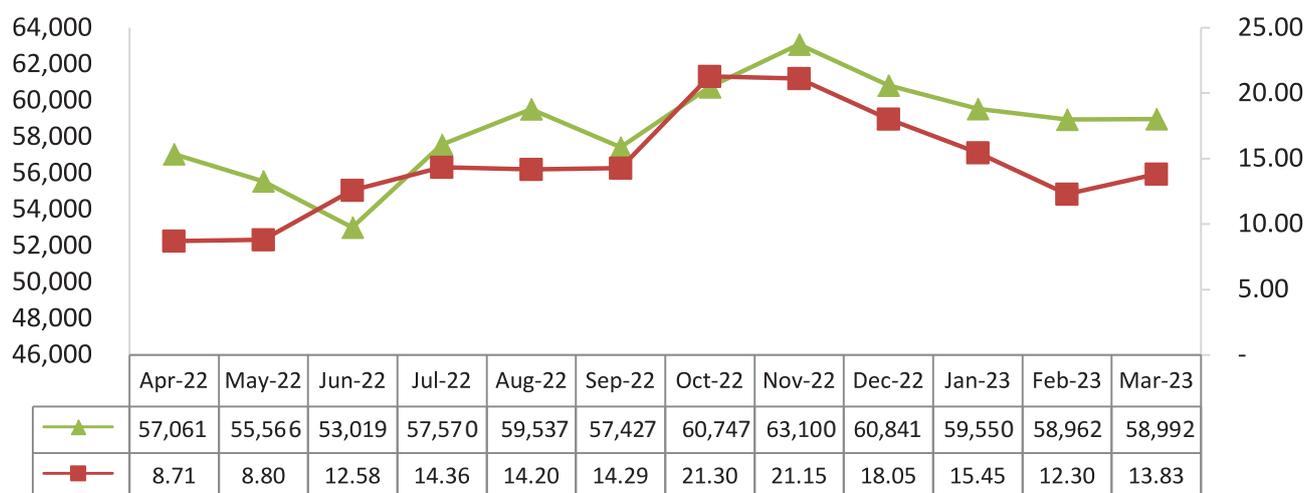
## 7. Market Price Data:

The high / low market price of the shares during the year ended March 31, 2023 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 (000's)	Sensex Close	High	Low	Close	Volume (000's)	NSE Close
Apr-22	10.13	7.97	8.71	103.17	57,061	10.00	7.85	8.55	733.18	17,103
May-22	9.40	7.60	8.80	86.88	55,566	9.70	7.45	8.75	594.99	16,585
Jun-22	20.95	8.25	12.58	3,342.87	53,019	20.60	8.2	12.6	7,420.00	15,780
Jul-22	16.51	11.17	14.36	781.84	57,570	16.20	11.2	14.3	1,790.00	17,158
Aug-22	16.09	13.10	14.20	191.75	59,537	15.85	13.1	14.2	807.22	17,759
Sep-22	15.35	12.41	14.29	248.49	57,427	15.25	12.35	14.2	847.30	17,094
Oct-22	21.30	13.65	21.30	581.18	60,747	21.55	13.7	21.55	2,030.00	18,012
Nov-22	25.70	18.80	21.15	490.83	63,100	26.05	18.1	21	2,190.00	18,758
Dec-22	22.60	16.70	18.05	281.41	60,841	22.60	16.8	17.9	1,080.00	18,105
Jan-23	18.95	15.30	15.45	115.88	59,550	18.75	15.35	15.55	529.81	17,662
Feb-23	16.50	10.35	12.30	235.18	58,962	16.40	10.55	12.2	1,180.00	17,304
Mar-23	16.00	12.25	13.83	150.44	58,992	15.90	11.8	13.8	1,020.00	17,360

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

BSE Index Vs Share Price





## ANNUAL REPORT 2022-2023

### 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 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, 2023.

The break-up of Equity shares held in physical and Demat form as on March 31, 2023 is given below:

Particulars	Shares	% of total shares
Physical Shares (I)	10,004	0.02%
<b>Demat Shares</b>		
NSDL	2,54,47,662	60.15%
CDSL	1,68,53,058	39.83%
<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.



## ANNUAL REPORT 2022-2023

### 15. Distribution of Share Holding as on March 31, 2023

Shareholding of Nominal		Number of Shareholders	Percentage of Total Shareholders	No. of Shares	Percentages of Shareholdings
1	500	13083	80.2244	1628625	3.85
501	1000	1421	8.7135	1180108	2.79
1001	2000	808	4.9546	1264460	2.99
2001	3000	293	1.7967	758513	1.79
3001	4000	143	0.8769	506346	1.20
4001	5000	137	0.8401	648992	1.53
5001	10000	211	1.2938	1634606	3.86
10001	And above	212	1.3000	34689074	81.99
<b>Total</b>		<b>16308</b>	<b>100.0000</b>	<b>42310724</b>	<b>100.00</b>

### 16. Shareholding Pattern as on March 31, 2023:

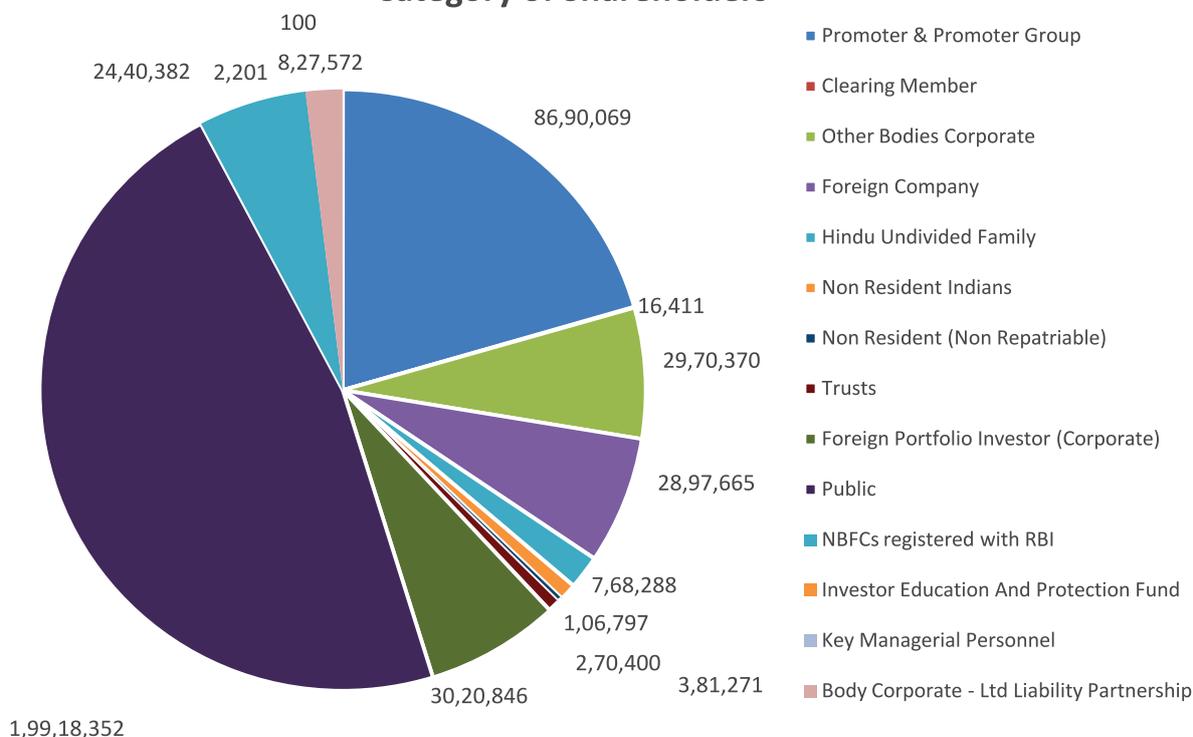
The shareholding of different categories of the shareholders as on March 31, 2023 is given below:-

Sr. No	Category of Shareholders	Total Shareholding	% of Shareholding
1	Promoter & Promoter Group	8,690,069	20.54
2	Clearing Member	16,411	0.04
3	Other Bodies Corporate	2,970,370	7.02
4	Foreign Company	2,897,665	6.85
5	Hindu Undivided Family	768,288	1.82
6	Non Resident Indians	381,271	0.90
7	Non Resident (Non Repatriable)	106,797	0.25
8	Trusts	270,400	0.64
9	Foreign Portfolio Investor (Corporate)	3,020,846	7.14
10	Public	19,918,352	47.08
11	NBFCs registered with RBI	2,440,382	5.77
12	Investor Education And Protection Fund	2,201	0.01
13	Key Managerial Personnel	100	0.00
14	Body Corporate - Ltd Liability Partnership	8,27,572	1.96
	<b>TOTAL</b>	<b>4,23,10,724</b>	<b>100.00</b>



# ANNUAL REPORT 2022-2023

## Category of Shareholders



### 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, 2023.

### 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

### 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



## ANNUAL REPORT 2022-2023

### 21. Plant Locations

The Company does not have any plants.

### 22. Suspension of trading in securities

There was no suspension of trading in securities of the Company during the year under review.

### 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. 33 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. Disclosure by listed entity and its subsidiaries of 'loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'.

The company has not given any loans/advances to firms/companies in which directors are interested by name and amount.

#### iii. 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.

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

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

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

In 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 web site 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.

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

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



## ANNUAL REPORT 2022-2023

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:

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

### vi. 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\\_Subsubsidiaries\\_.pdf](https://primeinfobase.in/z_TreeHouse/pdf-files/TREEHOUSE_Policy_for_determining_Material_Subsubsidiaries_.pdf)

### vii. Disclosures with respect to demat suspense account/unclaimed suspense account:

Company does not have any shares in demat / unclaimed suspense account.

### viii. 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 2022-23.

##### iii. Reporting of Internal Auditor

The Internal auditor directly reports to the Audit Committee.

### ix. 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	4,50,000
Income Tax Audit	0
Certification Fees	1,50,000
To other entities in the same network	0
<b>Total</b>	<b>6,00,000</b>



## ANNUAL REPORT 2022-2023

- x. 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.
- xi. 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**.
- xii. 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.
- xiii. 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.
- xiv. Disclosure under Regulation 30 of the Listing Regulations, 2015 regarding certain agreements with media companies.**  
Pursuant to requirement of Regulation 30 of the Listing Regulations, 2015, the Company would like to inform that no agreement(s) have been entered into with media companies and / or their associates which has resulted in / will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.  
The Company has not entered into any other back to back treaties / contracts / agreements / MoUs or similar instruments with media companies and / or their associates.
- xv. Transfer of unclaimed dividend to Investor Education and Protection Fund:**  
Under the Act, dividends which remain unclaimed for a period of seven consecutive years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. During the period under review, your Company has transferred Rs. 16,810/- (Rupees sixteen thousand eight hundred ten only) to IEPF.  
Further, in accordance with sub-section 6 of Section 124 of the Companies Act, 2013, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years will be transferred to IEPF. Accordingly, 2201 shares had been transferred during FY 2022-23 by the Company.  
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 29, 2022) Details of dividends so far transferred to the IEPF Authority are available on the Company's website.  
Further, it is being informed that there are no funds or shares lying with the Company to be transferred to IEPF account.
- xvi. Consolidate Multiple Holdings (in respect of physical holdings):**  
Members are requested to consolidate their shareholdings held under multiple folios to eliminate receipt of multiple communications and this would ensure that future correspondence / corporate benefits could be sent to a consolidated folio.
- xvii. Commodity price risk or foreign exchange risk and hedging activities; :**  
Commodity price risks and Commodity hedging activities are not applicable to the Company.
- xviii. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**  
During the year under review no credit rating has been obtained by the Company.



## ANNUAL REPORT 2022-2023

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

To,  
**The Members of 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, 2023 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, 2023, 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 Rakesh Soni & Co,**  
**Chartered Accountants**  
**(Firm Registration No: 114625W)**

**CAR. K. Soni**  
**(Partner)**  
**(Membership No. 047151)**  
**UDIN: 23047151BGYGBN5880**

**Place: Mumbai**  
**Date: May 18, 2023**



## ANNUAL REPORT 2022-2023

### 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 violated 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) that there are no 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,**

**Rajesh Bhatia**  
Chief Executive Officer

**Navin Kumar**  
Chief Financial Officer

**Date:** May 18, 2023

**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, 2023.

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

**Date:** May 18, 2023

**Place:** Mumbai

**Rajesh Bhatia**  
Managing Director & CEO  
(DIN: 00074393)



# ANNUAL REPORT 2022-2023

## 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 - 400056, MH, 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-400056, MH, 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, 2023 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	**Ms. Divya Dilip Padhiyar	08598655	Non-Executive - Independent Director	09/02/2023
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
7	**Mr. Rajesh Doulatram Bhatia	00074393	Managing Director	09/02/2023
8	*Ms. Babita Bhatia	08767969	Non-Executive – Non-Independent Director	23/06/2020

\*Resigned w.e.f. February 9, 2023.

\*\* appointed as Non-Executive - Independent Director and Managing Director respectively w. e. f. February 9, 2023.

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  
Kaushal Doshi  
(Proprietor)**

**Place:** Mumbai

**Date:** 18th May, 2023

**FCS: 10609/ COP: 13143  
UDIN: F010609E000329158**



# ANNUAL REPORT 2022-2023

## 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, 2023**, 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 that Assets classified as "Assets for Sale/Dispose off", which are lying in various closed centres have been depreciated up to 98% of the original cost as management is of the opinion that no further benefits are expected as the useful life of the assets are considered as NIL (Ind AS 16).
2. The Company has Impaired assets worth Rs.1,91,09,587/- consisting of Good will of Brain Works and MT Educare amounting to Rs.21,33,894/- and Business Commercial Rights of BVM Samiti amounting to Rs.81,75,693/-. The Company has also Impaired Deposit given for centre at Barfiwala Marg of Rs.30,00,000/- and Deposit given to Holy Trust of Rs.58,00,000/-.



## ANNUAL REPORT 2022-2023

3. 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.
4. During the year ended 31.03.2023, the company had repaid its bank loan and the interest thereon charged by HDFC bank. The additional amount of Rs.5,54,86,635/- charged by the bank on OTS settlement has been debited to profit and loss account under interest charges during the year ended 31.03.2023.
5. During the year ended 31 March 2023, the company had sold its school property at Vadodara, Gujarat. The loss on sale of the property of Rs.67648958/- is debited to "other expenses" in profit and loss account.
6. 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.
7. 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 and the matter is closed without any adverse remark as it pertains to the forensic audit conducted by SEBI for which closure letter is issued.
8. 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 filed appeal with Securities Appellate Tribunal (SAT) against National Stock Exchange of India ("NSE"), whereby the appeal was allowed and Company won the matter against National Stock Exchange of India ("NSE").
9. 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.
10. 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.
11. 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.
12. The company has received a letter dated 20.04.2023 from the Educational Trust Vidya Bharti Samiti, showing the dissatisfaction of service provided to them for which the company in accordance with the Service Agreement dated 01.04.2012, Addendum dated 6.11. 2012, and agreement dated 1.04.2013 with Vidya Bharti Samiti trust, has invoked the arbitration clause contained in the agreement vide letter dt. 16th May 2023, to adjudicate upon the disputes and differences which have arisen between the company and the trust.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the standalone state of affairs of the Company as at March 31, 2023 and its loss (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.



## ANNUAL REPORT 2022-2023

### 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. 17,009/- lying as unpaid dividend pertaining to the year 2015 to the Investor Education and Protection Fund during the year ended March 31, 2023.

**Rakesh Soni & Company**  
**Chartered Accountants**  
**F.R.N. 114625W**

**CA R. K. Soni**  
**Partner**  
**M. No. 047151**

**UDIN: 23047151BGYGBL8983**

**Date :18/05/2023**  
**Place : Mumbai**



## ANNUAL REPORT 2022-2023

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

Referred to in paragraph 2(e) 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, 2023.

We have audited the internal financial controls over financial reporting of “TREEHOUSE EDUCATION & ACCESSORIES LIMITED” (“the Company”) as of March 31, 2023 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 2022-2023

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.

**Rakesh Soni & Company**  
**Chartered Accountants**  
**F.R.N. 114625W**

**CA R. K. Soni**  
**Partner**  
**M. No. 047151**

**UDIN: 23047151BGYGBL8983**

**Date: 18/05/2023**

**Place: Mumbai**



## ANNUAL REPORT 2022-2023

### 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, 2023.

- i. 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.
- ii. 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.
- iii. The Assets classified as "Assets for Sale/Dispose off", which are lying in various closed centres have been depreciated up to 98% of the original cost as management is of the opinion that no further benefits are expected as the useful life of the assets are considered as NIL (IndAS 16).
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. 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, 2023 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	2,10,95,249/-
2	The Employees’ Provident Funds And Miscellaneous Provisions Act, 1952.	PF	24,58,860/-
3	Profession Tax Act under respective states	Profession Tax	1,85,495/-
	<b>TOTAL</b>		<b>2,37,39,604/-</b>



## ANNUAL REPORT 2022-2023

- i. The details of disputed income tax, sales tax, service tax, goods and service tax, custom duty, excise duty and cess are as under:

Nature of dues	Assessment Year	Amount involved	Forum where dispute is pending
Income Tax	AY 2014-15	7,24,75,490	IT Appeals
Income Tax	AY 2015-16	13,70,01,560	IT Appeals
Income Tax	AY 2016-17	3,29,45,800	IT Appeals
Income Tax	AY 2017-18	9,11,34,060	IT Appeals
<b>Total Rs.</b>		<b>33,35,56,910</b>	

- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has repaid defaulted borrowings 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.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. 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.

**Rakesh Soni & Company**  
Chartered Accountants  
F.R.N. 114625W

**CA R. K. Soni**  
Partner  
M. No. 047151  
UDIN: 23047151BGYGBL8983

**Date: 18/05/2023**  
**Place: Mumbai.**



## ANNUAL REPORT 2022-2023

### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE STANDALONE ANNUAL FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF TREE HOUSE EDUCATION & ACCESSORIES LIMITED

#### Opinion

**We have audited** the accompanying standalone annual financial results of **Tree House Education & Accessories Limited** (hereinafter referred to as the "Company") for the year ended 31st March 2023, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31st March 2023.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

- We draw your attention that Assets classified as "Assets for Sale/Dispose off", which are lying in various closed centres have been depreciated up to 98% of the original cost as management is of the opinion that no further benefits are expected as the useful life of the assets are considered as NIL (IndAS 16).
- The Company has Impaired assets worth Rs.1,91,09,587/- consisting of Good will of Brain Works and MT Educare amounting to Rs.21,33,894/- and Business Commercial Rights of BVM Samiti amounting to Rs.81,75,693/-. The Company has also Impaired Deposit given for centre at Barfiwala Marg of Rs.30,00,000/- and Deposit given to Holy Trust of Rs.58,00,000/-.
- 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.
- During the year ended 31.03.2023, the company had repaid its bank loan and the interest thereon charged by HDFC bank. The additional amount of Rs.5,54,86,635/- charged by the bank on OTS settlement has been debited to profit and loss account under interest charges during the year ended 31.03.2023.
- During the year ended 31 March 2023, the company had sold its school property at Vadodara, Gujarat. The loss on sale of the property of Rs.6,76,48,958/- is debited to "other expenses" in profit and loss account.
- 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 final hearing.
- 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



## ANNUAL REPORT 2022-2023

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 and the matter is closed as it pertains to the forensic audit conducted by SEBI for which closure letter SEBI/HO/CFID/CFID-SEC2/P/OW/2022/53353/1 dated October 19,2022 has been received by company from SEBI.

8. 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 filed appeal with Securities Appellate Tribunal (SAT) against National Stock Exchange of India (“NSE”), whereby the appeal was allowed and Company won the matter against National Stock Exchange of India (“NSE”).
9. 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.
10. 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.
11. 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.
12. The company has received a letter dated 20.04.2023 from the Educational Trust Vidya Bharti Samiti, showing the dissatisfaction of service provided to them for which the company in accordance with the Service Agreement dated 01.04.2012, Addendum dated 6.11. 2012, and agreement dated 1.04.2013 with Vidya Bharti Samiti trust, has invoked the arbitration clause contained in the agreement vide letter dt. 16th May 2023, to adjudicate upon the disputes and differences which have arisen between the company and the trust.

Our opinion is not modified in respect of this matter.

### **Management’s and Board of Directors’ Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the annual financial statements.

The Company’s Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

### **Auditor’s Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.



## ANNUAL REPORT 2022-2023

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matter(s)

The standalone annual financial results include the results for the quarter ended 31st March 2023 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto third quarter of the current financial year which were subject to limited review by us.

**For Rakesh Soni & Co.**  
**Chartered Accountants**  
**(Firm Registration No.114625W)**

**CA. R. K. Soni**  
**Partner**  
**M. No. 047151**  
**UDIN: 23047151BGYGBL8983**

**Date: 18th May, 2023**  
**Place: Mumbai**



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Audited Statement of Standalone Balance Sheet as at 31st March 2023

Amount in ₹

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS:</b>			
<b>A. NON - CURRENT ASSETS :</b>			
<b>i) Property, Plant &amp; Equipment and Intangible assets:</b>			
a. Property, plant and equipment	2	3,69,51,765	41,30,87,563
b. Investment Properties	3	-	24,35,57,919
c. Goodwill	4A	-	26,61,406
d. Intangible assets	4B	11,52,09,015	13,20,06,802
e. Capital Work in Progress		71,25,026	-
<b>ii) Financial assets:</b>			
a. Investments	5	9,38,29,970	9,38,29,970
b. Loans	6	21,63,200	21,63,200
c. Other Non Current Assets	7	1,49,80,41,550	1,51,64,26,170
Deferred tax Assets (Net)	8	17,47,58,054	10,05,07,200
<b>Total Non Current Assets</b>		<b>1,92,80,78,580</b>	<b>2,50,42,40,230</b>
<b>B. CURRENT ASSETS:</b>			
<b>I . Inventories</b>	9	3,696	45,57,590
<b>ii. Financial assets:</b>			
a. Trade receivables	10	18,93,65,356	25,07,63,423
b. Cash and cash equivalents	11	85,18,200	1,11,244
c. Bank Balances other than Cash and cash equivalents	12	-	17,010
d. Other financial assets	13	1,56,15,830	2,26,42,888
<b>iii. Other Current Assets</b>	14	2,89,61,868	4,55,58,964
<b>Total current assets</b>		<b>24,24,64,950</b>	<b>32,36,51,119</b>
<b>TOTAL ASSETS</b>		<b>2,17,05,43,530</b>	<b>2,82,78,91,349</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C. EQUITY:</b>			
<b>i. Equity Share capital</b>	15	42,31,07,240	42,31,07,240
<b>ii. Other equity</b>	16	1,66,32,86,045	2,10,99,08,587
<b>Total equity</b>		<b>2,08,63,93,285</b>	<b>2,53,30,15,827</b>
<b>D. LIABILITIES:</b>			
<b>a. Non-current liabilities</b>			
<b>i. Financial liabilities:</b>			
a. Provisions	17	10,60,216	3,52,380
b. Lease Liabilities		-	-
<b>Total Non-Current liabilities</b>		<b>10,60,216</b>	<b>3,52,380</b>
<b>b. Current liabilities</b>			
<b>i. Financial liabilities:</b>			
a. Borrowings	18	-	19,86,57,002
b. Trade payables- MSME	19	29,00,000	43,14,930
c. Trade payables - other than MSME	19	1,18,86,520	1,88,50,059
d. Other Financial Liabilities	20	14,44,169	30,77,843
e. Lease Liabilities	21	33,48,466	-
<b>ii. Provisions</b>	22	46,01,174	50,02,105
<b>iii. Other current liabilities</b>	23	5,89,09,700	6,46,21,203
<b>Total Current liabilities</b>		<b>8,30,90,029</b>	<b>29,45,23,142</b>
<b>Total Liabilities</b>		<b>8,41,50,245</b>	<b>29,48,75,522</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,17,05,43,530</b>	<b>2,82,78,91,349</b>
<b>Significant Accounting Policies</b>	1		
<b>The Notes are an integral part of these standalone financial statements</b>			

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBL8983

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Navin Kumar  
Chief Financial Officer

Jugal Shah  
Executive Director  
DIN No: 08334114

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

<b>Tree House Education &amp; Accessories Limited</b>			
<b>Audited Statement of Standalone Profit &amp; Loss Account for the year ended 31st March 2023</b>			
Amount in ₹			
Particulars	Note No.	Year ended	
		Audited 31st March 2023	Audited 31st March 2022
<b>I. INCOME:</b>			
a. Revenue from Operations	24	10,05,33,924	5,99,89,714
b. Other Income	25	97,22,669	12,38,53,370
<b>Total Income</b>		<b>11,02,56,593</b>	<b>18,38,43,084</b>
<b>II. EXPENSES:</b>			
a. Operating expenses	26	2,54,34,814	1,33,89,919
b. Employee Benefits Expense	27	1,61,18,966	1,38,15,007
c. Finance Costs	28	6,38,29,525	6,25,20,361
d. Depreciation & Amortisation	29	38,82,47,663	17,01,37,511
e. Other Expenses	30	11,83,89,434	22,65,60,397
<b>Total Expenses</b>		<b>61,20,20,402</b>	<b>48,64,23,195</b>
<b>III. Profit/ (Loss) before exceptional items and tax</b>		<b>(50,17,63,809)</b>	<b>(30,25,80,111)</b>
<b>IV. Exceptional Items</b>	31	<b>(1,91,09,587)</b>	<b>3,84,50,010</b>
<b>V. Profit/(Loss) Before Tax</b>		<b>(52,08,73,396)</b>	<b>(26,41,30,101)</b>
<b>VI. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax (Asset)/Liability		7,42,50,854	(78,41,928)
Short / (Excess) provision of earlier years		-	-
<b>VII. Profit/(Loss) for the Year (A)</b>		<b>(44,66,22,542)</b>	<b>(27,19,72,029)</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>(44,66,22,542)</b>	<b>(27,19,72,029)</b>
<b>X. Earnings per equity share of face value of Rs.10 each</b>			
<b>Basic (in Rs.)</b>		<b>(10.56)</b>	<b>(6.43)</b>
<b>Diluted (in Rs.)</b>		<b>(10.56)</b>	<b>(6.43)</b>
Significant Accounting Policies	1		
The Notes are an integral part of these standalone financial statements			

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBL8983

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Navin Kumar  
Chief Financial Officer

Jugal Shah  
Executive Director  
DIN No: 08334114

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Audited Standalone Cash Flow Statement for the year ended 31st March 2023

Amount in ₹

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>A Cash flows from operating activities</b>		
Net Profit before tax	(42,75,12,955)	(27,19,72,029)
<b>Adjustments for:</b>		
Depreciation / amortisation	38,82,47,663	17,01,37,511
Impairment of Financial Assets	(88,00,000)	-
Loss on Sale of Assets	6,76,48,958	18,60,18,538
Profit on Sale of Assets	(6,166)	
Finance charges	6,38,29,524	6,25,20,361
Provision (benefit) for deferred taxes	(7,42,50,854)	78,41,928
Interest on fixed deposits	-	(28,133)
<b>Operating profit before working capital changes</b>	<b>91,56,170</b>	<b>15,45,18,176</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in inventories	45,53,894	22,51,892
Decrease/(Increase) in Deposits given to K-12 Schools	1,36,24,190	2,18,34,115
Decrease/(Increase) in sundry debtors	6,13,98,066	(5,46,09,525)
(Increase)/Decrease in Financial Loans	-	5,40,800
(Increase)/Decrease in Other Financial Assets	1,17,87,488	(4,04,11,832)
(Increase)/Decrease in Other Current Assets	1,65,97,097	(38,03,483)
Increase /(Decrease) in Non Current Liabilities	7,07,836	(3,15,052)
Increase /(Decrease) in liabilities and provisions	(1,27,76,111)	(4,90,66,228)
<b>Cash generated from operations</b>	<b>10,50,48,630</b>	<b>3,09,38,863</b>
Income tax paid		
<b>Net cash generated from operating activities</b>	<b>10,50,48,630</b>	<b>3,09,38,863</b>
<b>B Cash flow from investing activities:</b>		
Purchase of fixed assets + Capital Work In Progress	(1,41,84,230)	(67,44,415)
Sale of Assets	18,00,12,071	17,15,94,902
Interest received	-	28,133
<b>Net cash used in investing activities</b>	<b>16,58,27,841</b>	<b>16,48,78,620</b>
<b>C Cash flow from financing activities</b>		
Proceeds from working capital loan (net)	(19,86,57,002)	(13,53,47,835)
Interest paid	(6,38,29,524)	(6,25,20,361)
<b>Net cash provided by financing activities</b>	<b>(26,24,86,526)</b>	<b>(19,78,68,196)</b>
Net increase in cash and cash equivalents during the year	83,89,945	(20,50,713)
Cash and cash equivalents as at the beginning of the year	1,28,255	21,78,968
<b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b>	<b>85,18,200</b>	<b>1,28,255</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. Prior year figures have been regrouped/re-adjusted.

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBL8983

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Navin Kumar  
Chief Financial Officer

Jugal Shah  
Executive Director  
DIN No: 08334114

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Statement of Change in Equity Notes on Standalone Financial Statements for the year Ended 31st March 2023

### A. Equity Share Capital

Amount in ₹

Particulars	Amount
<b>Balance as at 31st March 2021</b>	<b>42,31,07,240</b>
Changes in equity share capital during the year	-
<b>Balance as at 31st March 2022</b>	<b>42,31,07,240</b>
Changes in equity share capital during the year	-
<b>Balance as at 31st March 2023</b>	<b>42,31,07,240</b>

### B. Other Equity

Amount in ₹

Particulars	Reserve and Surplus				
	Securities Premium Account	General reserve	Revaluation Reserve	Retained Earnings	Total
<b>Balance as at 31st March, 2021</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(2,52,59,439)</b>	<b>(2,24,55,41,735)</b>	<b>2,40,79,61,913</b>
Profit/(Loss) for the year					(27,19,72,029)
Other Comprehensive Income for the year			(3,87,61,241)	1,26,79,944	(2,60,81,297)
Total comprehensive income for the previous year	-	-	(3,87,61,241)	1,26,79,944	(29,80,53,326)
<b>Balance as at 31st March 2022</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(6,40,20,680)</b>	<b>(2,50,48,33,820)</b>	<b>2,10,99,08,587</b>
Profit/(Loss) for the year				(44,66,22,542)	(44,66,22,542)
Other Comprehensive Income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,66,22,542)</b>	<b>(44,66,22,542)</b>
<b>Balance as at 31st March 2023</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(6,40,20,680)</b>	<b>(2,95,14,56,362)</b>	<b>1,66,32,86,045</b>

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBL8983

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Navin Kumar  
Chief Financial Officer

Jugal Shah  
Executive Director  
DIN No: 08334114

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

## Notes to the Standalone Financial Statements, for the year ended March 31, 2023.

### 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 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.



## ANNUAL REPORT 2022-2023

### 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



## ANNUAL REPORT 2022-2023

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 2022-2023

### **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 collect ability.

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 2022-2023

### 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.



## ANNUAL REPORT 2022-2023

### 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.



## ANNUAL REPORT 2022-2023

### Trade Receivables

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

### Cash and Cash Equivalents

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

### Recent accounting pronouncements

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

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

### Ind AS 115

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

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard 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.

### Additional Regulatory and other Information

- a) The company is not holding any immovable property at the end of the financial year.
- b) The company has not re-valued any of its Property, Plant & Equipment.
- c) The Capital Work-in-Progress shown at the end of the year is incurred for establishing a new pre-school centre.
- d) The Company does not have any Intangible assets under development.
- e) There is no benami property held by the company.
- f) The Company has not borrowed fund from bank or financial institution on the basis of security on current assets.



## ANNUAL REPORT 2022-2023

- g) The Company has not been declared as a willful defaulter.
- h) Company has not entered into the transaction with the company whose name has been struck off from under Section 248 of the Companies Act 2013 or Section 560 of the companies Act 1956.
- i) Since the Company has no borrowings from banks or financial institution, there is no registration of charges or satisfaction of charges filed with the Registrar of Companies.
- j) The clause regarding compliance with number of layers prescribed under section 2(87) of the Act, read with companies (restrictions on number of Layers) Rules 2017, is not applicable to the Company.
- k) The Company has not advanced or loaned or invested fund (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entities including foreign entities with understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company or provide guarantee, security or the like to or on behalf of ultimate beneficiaries.
- l) The company has no transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessment under the Income Tax Act 1961.
- m) Company has not traded or invested in crypto currency or virtual currency during the financial year.
- n) **Financial Ratios:**

Sl. No.	Particulars	31st March 2023	31st March 2022
i)	Trade receivable Turnover ratio	13.20	4.09
ii)	Inventory Turnover	-	13.16
iii)	Debt Service Coverage Ratio	(6.86)	(3.84)
iv)	Current Ratio	2.92	1.10
v)	Debt Equity Ratio	0.04	0.12
vi)	Operating Profit Margin %	76.93	77.68
vii)	Net Profit Margin %	(405.08)	(147.94)
viii)	Return on Equity %	(24.86)	(11.84)
ix)	Trade payable turnover ratio	2.84	1.87
x)	Net capital turnover ratio	4.82	2.37
xi)	Return on capital employed	(20.98)	(9.48)
xii)	Return on Investment	NA	NA



## ANNUAL REPORT 2022-2023

o) To the Extent Company has received intimation from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, the Details are provided herein under:

Sl. No.	Particulars	31st March 2023	31st March 2022
1	Principal amount remaining unpaid as on 31st March.	29,00,000	43,14,930
2	Interest Due thereon remaining unpaid as on 31st March.	14,44,169	30,60,834
3	Interest paid in terms of Section 16 of MSME along with the amount of payment made to the supplier beyond the appointed day during the year.	Nil	Nil
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified in MSME Act 2006.	Nil	Nil
5	Interest accrued and remaining unpaid as on 31st March.	14,44,169	30,60,834
6	Interest due and remaining payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil
7	No charges or satisfaction of charges is outstanding for the current Financial Year 31st March 2023.	1	2

The additional Information pursuant to provisions of Companies Act, 2013 are either Nil or Not Applicable.

**As per our attached report of even date.**

**For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W**

**CAR.K Soni  
Partner**

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

**Rajesh Bhatia  
Managing Director**

**Jugal Shah  
Executive Director**

**Tree House Education & Accessories Limited**  
**Notes on Standalone Financial Statements for the year ended 31st March 2023**  
**Note 2: Property, Plant and Equipment**



# ANNUAL REPORT 2022-2023

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 of Reclassified Assets for Sale as at 31st March 2021	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
Balance of Other Assets as at 31st March 2021	34,94,147	-	6,29,316	12,38,307	1,53,01,196	25,23,596	2,31,86,562
Additions		1,07,29,369	22,72,402		45,000	87,400	1,32,400
Disposals of Reclassified assets held for Sale	47,25,38,953	26,29,698			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 held for Sale		4,75,64,960					26,29,698
Balance of Reclassified Assets held for Sale as at 31st March 2022	(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
Balance as at 31st March 2022	34,94,147	-	6,29,316	12,38,307	1,34,36,853	26,10,996	2,14,09,619
Additions				95,085	21,508	57,112	1,73,705
Disposals of Reclassified assets held for Sale					36,66,870		36,66,870
Disposals - Other Assets				1,04,000			1,04,000
Balance of Reclassified Assets for Sale as at 31st March 2023	(0)	4,75,64,960	2,18,18,910	2,45,19,390	1,66,00,09,224	57,57,304	1,75,96,69,788
Balance of Other Assets as at 31st March 2023	34,94,147	-	6,29,316	12,29,392	1,34,58,361	26,68,108	2,14,79,324
<b>B. Accumulated Depreciation:</b>							
Balance of Reclassified Assets held for Sale as at 31st March 2021	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
Balance of Other Assets as at 31st March 2021	34,94,147	-	5,50,166	8,69,030	1,05,92,349	17,57,373	1,72,63,064
Dep on Reclassified assets held for Sale	21,33,610	-	-	4,11,327	4,99,82,142	5,905	5,25,32,984
Dep on 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	1,79,524	52,65,826	78,70,47,926
Disposals of Other Assets					1,79,524		1,79,524
Balance of Reclassified Assets held for Sale as at 31st March 2022	-	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
Balance as at 31st March 2022	34,94,147	-	5,81,074	9,61,482	1,16,76,463	19,70,208	1,86,83,373
Dep on Reclassified assets held for Sale *		2,60,585	4,17,727	42,63,229	36,99,82,208	1,70,832	37,50,94,581
Dep on Other Assets		-	30,908	1,02,429	7,28,569	2,73,772	11,35,677
Disposals of Reclassified Assets held for Sale					35,93,533		35,93,533
Disposals of Other Assets				98,096			98,096
Balance of Reclassified Assets held for Sale as at 31st March 2023	10,18,98,593	4,66,13,661	2,13,82,532	2,40,29,003	1,62,68,09,038	56,42,158	1,72,44,76,391
Balance of Other Assets as at 31st March 2023	34,94,147	-	6,11,982	9,65,815	1,24,05,031	22,43,980	1,97,20,955
<b>C. Net Carrying amount</b>							
Balance of Reclassified Assets held for Sale as at 31st March 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 March 2021	-	-	79,150	3,69,276	47,08,847	7,66,223	59,23,497
Balance of Reclassified Assets held for Sale as at 31st March 2022	-	12,11,885	8,54,105	47,53,618	40,32,55,731	2,85,979	41,03,61,317
Balance of Other Assets as at 31st March 2022	-	-	48,243	2,76,825	17,60,391	6,40,788	27,26,247
Balance of Reclassified Assets held for Sale as at 31st March 2023	-	9,51,299	4,36,378	4,90,388	3,32,00,186	1,15,146	3,51,93,398
Balance of Other Assets as at 31st March 2023	-	-	17,334	2,63,577	10,53,330	4,24,128	17,58,369

Note: Refer to note No.40 for disposal/write off of Fixed Assets.

\*The useful life of the assets classified as "Assets held for Sale/Dispose off" are considered as NIL and accordingly they have been depreciated upto 98% of the original cost, as in the opinion of the management no further benefits are expected from the use or disposal of those assets.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

Amount in ₹

### Note 3 : Investment Properties

Particulars	Land - Free Hold	Building	Total
<b>A. Gross Carrying amount</b>			
<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
<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>
Additions	-	68,85,499	68,85,499
Revaluation	-	-	-
Disposals	7,65,56,873	19,74,07,111	27,39,63,984
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Accumulated Depreciation</b>			
<b>Balance as at 31st March 2021</b>	<b>-</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
<b>Balance as at 31st March 2022</b>	<b>-</b>	<b>2,35,20,565</b>	<b>2,35,20,565</b>
Additions	-	27,94,462	27,94,462
Revaluation	-	-	-
Disposals	-	2,63,15,027	2,63,15,027
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Net Carrying amount</b>			
Balance as at 31st March 2021	8,32,81,873	41,15,04,625	49,47,86,498
Balance as at 31 March 2022	7,65,56,873	16,70,01,046	24,35,57,919
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Rental income derived from investment properties:	30,37,260	36,44,712
<b>Income arising from investment properties before depreciation</b>	<b>30,37,260</b>	<b>36,44,712</b>
Depreciation	27,94,462	68,69,812
<b>Income from investment properties (Net)</b>	<b>2,42,798</b>	<b>(32,25,100)</b>

Note: Refer to Note No.39 for revaluation of Land & Building.



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

#### Note 4A: Goodwill\*

Amount in ₹

Particulars	Goodwill*	Total
<b>A. Gross Carrying amount</b>		
<b>Balance as at 31st March 2021</b>	<b>76,05,893</b>	<b>76,05,893</b>
Additions	-	-
Disposals	-	-
Impairment	-	-
<b>Balance as at 31 March 2022</b>	<b>76,05,893</b>	<b>76,05,893</b>
Additions	-	-
Disposals	-	-
Impairment	76,05,893	76,05,893
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>-</b>
<b>B. Accumulated Depreciation</b>		
<b>Balance as at 31st March 2021</b>	<b>44,16,973</b>	<b>44,16,973</b>
Additions	5,27,514	5,27,514
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>49,44,487</b>	<b>49,44,487</b>
Additions	5,27,514	5,27,514
Disposals / Impairment	54,72,001	54,72,001
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>-</b>
<b>C. Net Carrying amount</b>		
Balance as at 31st March 2021	31,88,920	31,88,920
Balance as at 31 March 2022	26,61,406	26,61,406
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>-</b>

\*Other than internally generated

Note:

Refer Note No.41 for impairment of Goodwill.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

Amount in ₹

### Note 4B : Intangible Assets\*

Particulars	Business Commercial rights	Brands	Total
<b>A. Gross Carrying amount</b>			
Balance as at 31st March 2021	19,42,74,767	7,77,74,015	27,20,48,782
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Balance as at 31 March 2022	19,42,74,767	7,77,74,015	27,20,48,782
Additions	-	-	-
Disposals	-	-	-
Impairment	1,40,00,000	-	1,40,00,000
Gross block as at 31st March 2023	18,02,74,767	7,77,74,015	25,80,48,782
<b>B. Accumulated Depreciation</b>			
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	-	-	-
Balance as at 31 March 2022	6,48,80,872	7,51,61,108	14,00,41,980
Additions	64,69,350	21,52,743	86,22,093
Disposals	-	-	-
Impairment	58,24,307	-	58,24,307
Acc. Dep on as at 31st March 2023	6,55,25,915	7,73,13,851	14,28,39,766
<b>C. Net Carrying amount</b>			
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
Balance as at 31st March 2023	11,47,48,852	4,60,164	11,52,09,016

\*Other than internally generated

**Note:** Represents Fair value of Business Commercial Rights purchased.

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



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

### Note 5 : Investments

Amount in ₹

Particulars	As at 31st March 2023		As at 31st March, 2022	
	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.39 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:

The Company has 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, 2023 is as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assets	27,29,08,728	27,29,09,053
Liabilities	29,04,830	29,04,830
Income	-	-
Expenditure	649	2,85,396

### Note 6: Non Current Financial Loans

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured considered good:</b>		
Loans and Advances - Secured considered good	-	-
Loans Others (Employee Welfare Trust) - Unsecured considered good	21,63,200	21,63,200
Loans and Advances - considered doubtful	-	-
<b>Total</b>	<b>21,63,200</b>	<b>21,63,200</b>

#### Note:

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 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

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

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Share Application money	16,10,000	16,10,000
Security Deposits*	1,45,62,74,100	1,51,48,16,170
Statutory Dues Receivable**	4,01,57,449	-
<b>Total</b>	<b>1,49,80,41,550</b>	<b>1,51,64,26,170</b>

#### Note:

- Share Application money of Rs.16,10,000/- given to Mehta Tree House & Infrastructure Private Limited towards purchase of shares.
- 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.
- Security deposits includes deposit given to Educational Trust amounting to Rs.14,538/- Lakhs (Previous Year Rs.15,064/-Lakhs).
- Refer Note No.43.2 for Fair Valuation of Security Deposits.

### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2023

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, 2021	As at 31st March, 2022		As at 31st March, 2023	
	Deferred Tax Asset/ (Liabilities)	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	1,17,23,809	(78,60,610)	38,63,199	5,64,43,831	6,03,07,029
Impairment of assets	(5,34,04,497)		(5,34,04,497)		(5,34,04,497)
Loss/(profit) on Sale of Fixed Assets	(4,54,06,544)		(4,54,06,544)	1,75,87,126	(2,78,19,418)
Expense disallowed due to not paid during the year	(58,10,809)		(58,10,809)		(58,10,809)
Provision for Gratuity	6,67,586	18,682	6,86,268	2,19,898	9,06,166
Provision for doubtful trade receivables	(1,66,169)		(1,66,169)		(1,66,169)
Tax Loss Carried Forward	18,00,21,855		18,00,21,855		18,00,21,855
Others	2,07,23,897		2,07,23,897		2,07,23,897
<b>Total</b>	<b>10,83,49,128</b>	<b>(78,41,928)</b>	<b>10,05,07,200</b>	<b>7,42,50,854</b>	<b>17,47,58,054</b>

### Note 9 : Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stock-in-Trade*	3,696	45,57,590
<b>Total</b>	<b>3,696</b>	<b>45,57,590</b>

#### Note:

\* As certified by management .



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

### Note 10: Trade Receivables

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	5,01,26,982	11,77,16,275
Add: allowance for doubtful trade receivables	13,92,38,374	13,30,47,147
<b>Total Receivables*</b>	<b>18,93,65,356</b>	<b>25,07,63,422</b>
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	5,01,26,982	11,77,16,275
Doubtful	13,92,38,374	13,30,47,147
<b>Total Trade Receivables</b>	<b>18,93,65,356</b>	<b>25,07,63,422</b>
Less: Provision for doubtful trade receivables	13,92,38,374	13,30,47,147
<b>Net Trade Receivables</b>	<b>5,01,26,982</b>	<b>11,77,16,275</b>

\* Trade Receivables includes receivable amounting to Rs.54.81 Lakhs (Previous Year Rs. 699.00 lakhs) due from educational trust.(Including provisions)

### Note 11: Cash and Bank Balances

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash on Hand	23,831	1,10,245
Balances with banks - In Current Accounts	84,94,369	999
<b>Total</b>	<b>85,18,200</b>	<b>1,11,244</b>

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid dividend account *	-	17,010
<b>Total</b>	<b>-</b>	<b>17,010</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, 2023	As at 31st March, 2022
Lease Deposits	1,56,15,830	-
Other Deposits*	-	2,26,42,888
<b>Total</b>	<b>1,56,15,830</b>	<b>2,26,42,888</b>

\* The carrying value of lease deposits with landlords amounting to Rs.156 Lakhs (Previous Year Rs.156 Lakhs) is related to administrative office and pre-school centres.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

### Note 14: Other Current assets

Amount in ₹

Particulars	As at	
	31st March, 2023	31st March, 2022
Balances with government Authorities	1,56,35,974	4,52,15,481
Advance for Expenses	1,33,25,894	3,19,148
Prepaid Expenses	-	24,335
<b>Total</b>	<b>2,89,61,868</b>	<b>4,55,58,964</b>

### Note 15: Share Capital

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	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		As at	
	31st March, 2023		31st March, 2022	
	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 Shares held by promoters at the end of the year

Sl. No	Promoters name	No. of Shares**	% of total shares**	% Change during the year***
1	Rajesh Bhatia	50,77,169	12.00	Nil
2	Geeta Bhatia	35,65,000	8.43	Nil
3	Girdharilal Bhatia & Kavita Bhatia	47,900	0.11	Nil
<b>Total</b>		<b>86,90,069</b>	<b>20.54</b>	



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

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

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
	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 2021</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(2,24,55,41,735)</b>	<b>(2,52,59,439)</b>	<b>2,40,79,61,913</b>
Profit (loss) for the Period	-	-	(27,19,72,029)	(3,87,61,241)	(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>-</b>	<b>-</b>	<b>(25,92,92,085)</b>	<b>(3,87,61,241)</b>	<b>(29,80,53,326)</b>
<b>Balance as at 31st March 2022</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(2,50,48,33,820)</b>	<b>(6,40,20,680)</b>	<b>2,10,99,08,587</b>
Profit (loss) for the Period	-	-	(44,66,22,542)	-	(44,66,22,542)
Other Comprehensive Income for the Period	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>(44,66,22,542)</b>	<b>-</b>	<b>(44,66,22,542)</b>
<b>Balance as at 31st March 2023</b>	<b>4,60,28,15,570</b>	<b>7,59,47,517</b>	<b>(2,95,14,56,362)</b>	<b>(6,40,20,680)</b>	<b>1,66,32,86,045</b>

#### Note:

- (i) The Company has not revalued its immovable properties during the year, However it was revalued during the financial year 2020-21
- (ii) Refer to Note No.42 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, 2023	As at 31st March, 2022
<b>Cost for the year:</b>		
Service cost	3,18,671	3,89,847
Interest cost	46,297	35,751
Actuarial loss / (Gain)	4,80,793	(2,41,517)
<b>Total net cost recognized as employee remuneration</b>	<b>8,45,761</b>	<b>1,84,081</b>

### Note 17: Non-Current Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provisions for Employee Benefits: Gratuity (Refer note 46)	10,60,216	3,52,380
<b>Total</b>	<b>10,60,216</b>	<b>3,52,380</b>



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

#### Note 18: Current Financial Borrowings

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Secured</b>		
Term loans from bank	-	-
Bank Over Draft/ Cash Credit Facility with Bank	-	19,86,57,002
<b>Total</b>	<b>-</b>	<b>19,86,57,002</b>

**Notes:** The amount payable to financial institutions is NIL. (Previous year Rs.1,986/- Lakhs).

#### Note 19: Trade Payables:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro, Small and Medium Enterprises*	29,00,000	43,14,930
Others	1,18,86,520	1,88,50,059
<b>Total</b>	<b>1,47,86,520</b>	<b>2,31,64,989</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, 2023	As at 31st March, 2022
Interest accrued and due	14,44,169	30,60,834
Unclaimed Dividend	-	17,010
<b>Total</b>	<b>14,44,169</b>	<b>30,77,844</b>

#### Note 21: Lease Liabilities:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Rent Payable	33,48,466	
<b>Total</b>	<b>33,48,466</b>	<b>-</b>

#### Note 22: Current Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provisions for Employee Benefits: Gratuity (Refer note 46)	5,22,755	3,84,830
Provisions for Employee Benefits : Others	40,78,419	46,17,275
<b>Total</b>	<b>46,01,174</b>	<b>50,02,105</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

### Note 23: Other Current liabilities

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance tuition fees received	11,69,000	72,08,200
Advance from Debtors	2,14,62,062	2,84,256
Withholding & other tax payables	3,59,84,039	3,05,71,627
Advance against sale of Property (Vadodara)	-	2,60,00,000
Other Current Liabilities	2,94,600	5,57,120
<b>Total</b>	<b>5,89,09,700</b>	<b>6,46,21,203</b>

### Note 24: Revenue from operations

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Revenue from</b>		
- Sale of education kits	27,31,906	50,55,561
- <b>Sale of services</b>	-	-
Consultancy income	6,91,00,000	2,75,00,000
Income from early childhood education	64,54,167	1,71,53,416
Royalty income	1,23,21,999	63,16,401
- <b>Other Operating Revenue</b>	-	-
Other operating income	68,88,592	3,19,624
Rent income from education infrastructure	30,37,260	36,44,712
<b>Total</b>	<b>10,05,33,924</b>	<b>5,99,89,714</b>

### Note 25: Other Income

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other non-operating income	97,22,669	12,38,25,237
Interest Income	-	28,133
<b>Total</b>	<b>97,22,669</b>	<b>12,38,53,370</b>

### Note 26: Operating Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rent (includes conducting charges and society maintenance)	1,47,08,604	51,08,604
Security charges	7,44,149	
Training material and equipment consumed	74,62,790	59,94,026
Online Class Expenses	5,37,962	12,60,080
Water, electricity and cleaning charges	4,13,884	10,27,209
Centre expenses	65,881	-
Repairs & Maintenance - Center	15,01,544	-
<b>Total</b>	<b>2,54,34,814</b>	<b>1,33,89,919</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

### Note 27: Employee Benefits Expenses

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Salaries and wages	1,59,09,755	1,35,67,832
Contribution to provident and other funds	6,000	8,446
Staff welfare expenses	2,03,211	2,38,729
<b>Total</b>	<b>1,61,18,966</b>	<b>1,38,15,007</b>

**Note:** 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 28: Finance cost

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest expenses	6,35,62,235	6,25,20,361
Finance charges	2,67,290	-
<b>Total</b>	<b>6,38,29,525</b>	<b>6,25,20,361</b>

### Note 29: Depreciation and Amortisation Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation & Amortisation Expenses	38,82,47,663	17,01,37,511
<b>Total</b>	<b>38,82,47,663</b>	<b>17,01,37,511</b>

### Note 30: Other expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
TDS & Int on TDS Payment (prior Years)	-	-
Advertisement and publicity expenses	1,47,38,732	1,41,29,357
Legal and professional fees	72,21,064	89,70,380
Office expenses	9,79,048	7,16,645
Rent, Rates and taxes	49,17,040	49,01,455
Website Maintenance	6,22,264	15,56,628
Loss on Sale of Fixed Assets	6,76,48,958	18,58,98,538
Telephone and communication expenses	91,772	1,65,639
Auditors' remuneration (Refer note 37)	6,75,000	6,75,000
Printing and stationery	3,48,736	10,46,308
Repairs and maintenance	31,86,940	3,49,804
Travelling and conveyance	17,41,557	5,16,729
Expected Credit Loss	-	14,82,764
Director Sitting Fees	6,40,000	6,12,500
Prior Period Expenses	12,90,000	35,894
VAT and GST expenses	-	29,75,063
Other Miscellaneous expenses	1,42,88,323	25,27,692
<b>Total</b>	<b>11,83,89,434</b>	<b>22,65,60,397</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the Year ended 31st March 2023

Amount in ₹

### Note 31: Exceptional Items

Particulars	As at 31st March, 2023	As at 31st March, 2022
Impairment Gain (Loss) of Financial Assets	1,91,09,587	(3,84,50,010)
<b>Total</b>	<b>1,91,09,587</b>	<b>(3,84,50,010)*</b>

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Commitments:</b>		
Income Tax Demand for AY 2014-15, 2015-16, 2016-17 and 2017-18, which is appealed by the company.	33,35,56,910	-
<b>Total</b>	<b>33,35,56,910</b>	<b>-</b>

### Note 33: Related Party Disclosures

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):

Name	Designation
Mr. Rajesh Bhatia	Managing Director and CEO
Mr. Jugal Bharat Shah	Executive Director
Mr. Deepak Valecha	Non Exec. Independent Director
Mr. Milin Ramani	Non Exec. Independent Director
Mrs. Nidhi Busa	Non Exec. Independent Woman Director
Ms. Babita Bhatia	Non Exec. Non Independent Woman Director
Mr. Dipen Shah	Non Exec. Non Independent Director
Ms. Divya Padiyar	Non Exec. Independent Woman Director
Ms. Guddi Bajpai	Company Secretary
Mr. Navin Kumar	Chief Financial Officer

- |   |   |
|---|---|
| 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 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

### Note 33: Related Party Disclosures (Contd...)

Amount in ₹

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

Particulars	Directors and Key management personnel (KMP)	
	As at 31st March 2023	As at 31st March 2022
<b>I. Remuneration:</b>		
- Mr. Rajesh Bhatia - CEO *	38,36,570	27,70,000
- Jugal Bharat Shah - Executive Director *	16,80,000	13,60,000
- Ms. Guddi Bajpai - C S *	5,82,900	5,13,590
- Mr. Navin Kumar - CFO *	34,73,400	31,17,000
<b>ii. Loan Taken</b>		
- Rajesh Bhatia *	1,65,00,000	-
<b>iii. Loan Repaid</b>		
- Rajesh Bhatia *	1,65,00,000	-
<b>iv. Interest on Loan Taken</b>		
- Rajesh Bhatia *	5,00,388	-
<b>v. Directors Sitting Fees:</b>		
- Suraj Magnani *	-	2,500
- Deepak Valecha *	4,10,000	4,10,000
- Milin Ramani	90,000	90,000
- Nidhi Busa	70,000	70,000
- Babita Bhatia	10,000	10,000
- Dipen Shah	60,000	30,000

Amount in ₹

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

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Outstandings:</b>		
Investment in Associate Company	9,38,29,970	9,38,29,970
<b>Other Financial Liabilities:</b>		
Key management personnel (Interest)	34,754	-

### Note 34: Employee Stock Option Plans

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

### Note 35: Segment information

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



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

Amount in ₹

### Note 36: Earnings Per Share

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit after tax	(44,66,22,542)	(27,19,72,029)
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	(10.56)	(6.43)
Diluted earnings per share	(10.56)	(6.43)

### Note 37: Auditors' Remuneration (Excluding GST)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory audit fees	4,50,000	6,00,000
Tax audit fees	75,000	75,000
Other services/ expenses / Certifications fees	1,50,000	-
<b>Total</b>	<b>6,75,000</b>	<b>6,75,000</b>

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

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

### Note 39: 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 Additions / Deletion of Land & Building done during the year is as follows:

Particulars	As at 31.03.2022	Additions	Deletions	Revaluation Amount (Rs)	As at 31.03.2023
Free Hold Land	7,65,56,873	-	7,65,56,873	-	-
Building	19,05,21,612	68,85,499	19,74,07,111	-	-
	<b>26,70,78,485</b>	<b>68,85,499</b>	<b>27,39,63,984</b>	-	-

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

The company has sold its Land and Building situated at Vadodara, Gujarat during the financial year.

### Note 41 - Impairment of Fixed Assets:

The Company has fully impaired the goodwill of Brain work and MT Educare Brands, since these brands were not used for many years. Business commercial rights of Bhartiya Vidya Mandir Samiti is also impaired since there are no schools running in this educational Trust. Further company has also impaired the lease deposit of Rs.30 lakhs, which was not recovered for over 5 years and Rs.58 lakhs of deposit given to Holy Trust, Kolkata which is also not recovered for over 5 years.



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

Amount in ₹

#### Note 42: Assets Pledged as security

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Current Assets</b>	<b>Nil</b>	<b>Nil</b>
<b>Non - Current Assets</b>		
<b>First Charge :</b>		
Land	-	7,65,56,873
Building	-	16,70,01,046
<b>Total non current assets pledged as security</b>	<b>-</b>	<b>24,35,57,919</b>
<b>Total assets pledged as security</b>	<b>-</b>	<b>24,35,57,919</b>

#### Note 43: 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.



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

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

#### Financial Assets and Liabilities as at 31st March, 2023

Amount in ₹

Particulars	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	9,38,29,970	-	-	9,38,29,970	9,38,29,970
<b>Other Assets:</b>					
<b>Non Current Assets</b>					
Loans to Others	21,63,200	-	-	21,63,200	21,63,200
Share application money	16,10,000	-	-	16,10,000	16,10,000
Security Deposits	1,50,22,31,550	-58,00,000	-	1,49,64,31,550	1,49,64,31,550
<b>Current Assets:</b>					
Trade receivables	18,93,65,356	-	-	18,93,65,356	18,93,65,356
Cash and cash equivalents	23,831	-	-	23,831	23,831
Bank Balances other than Cash and cash equivalents	84,94,369	-	-	84,94,369	84,94,369
Other financial assets	1,86,15,830	-30,00,000	-	1,56,15,830	1,56,15,830
	<b>1,72,25,04,136</b>	<b>-88,00,000</b>	<b>-</b>	<b>1,71,37,04,136</b>	<b>1,71,37,04,136</b>
<b>Financial Liabilities:</b>					
Non Current Provisions	10,60,216	-	-	10,60,216	10,60,216
<b>Current Liabilities</b>					
Trade Payables	1,47,86,520	-	-	1,47,86,520	1,47,86,520
Other Liabilities	14,44,169	-	-	14,44,169	14,44,169
	<b>1,72,90,905</b>	<b>-</b>	<b>-</b>	<b>1,72,90,905</b>	<b>1,72,90,905</b>



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

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

#### Financial Assets and Liabilities as at 31st March, 2022

Amount in ₹

Particulars	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	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>					
Non Current Provisions	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>

#### Note 43 (2): Fair value of financial assets and liabilities measured at amortised cost-

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
	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	1,49,64,31,550	1,49,64,31,550	1,51,48,16,170	1,51,48,16,170
Trade Receivable*	18,93,65,356	5,01,26,982	25,07,63,422	11,77,16,275
Non Current Financial Loans	21,63,200	21,63,200	21,63,200	21,63,200
	<b>1,78,17,90,076</b>	<b>1,64,25,51,702</b>	<b>1,86,15,72,762</b>	<b>1,72,85,25,615</b>

\* Fair Value of trade receivable is taken net of provision for bad debts.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

### Note 44: Financial Risk Management

#### Financial risk management objectives and policies

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

#### Credit Risk:

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

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

#### Movement in provisions of doubtful debts

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening provision	13,30,47,147	13,43,12,147
Add: Additional provision made	61,91,227	-
Less: Provision write off	-	12,65,000
<b>Closing provisions</b>	<b>13,92,38,374</b>	<b>13,30,47,147</b>

### Note 45: Net debt reconciliation

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents	85,18,200	1,11,244
Current Borrowings	-	(19,86,57,002)
Interest Payable	(34,754)	-
<b>Net Cash (Debt)</b>	<b>84,83,446</b>	<b>(19,85,45,758)</b>

Particulars	Cash and cash equivalents	Current Borrowings	Interest Payable	Total
<b>Net Cash (Debt) as at 1st April 2022</b>	<b>1,11,244</b>	<b>(19,86,57,002)</b>		<b>(19,85,45,758)</b>
Cash flows	84,06,956	19,86,57,002	(34,754)	20,70,29,204
Finance Costs	-	-	-	-
Interest Paid	-	-	-	-
<b>Net Cash (Debt) as at 31st March 2023</b>	<b>85,18,200</b>	<b>-</b>	<b>(34,754)</b>	<b>84,83,446</b>

### Note 46: Details of provision of gratuity

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of defined benefit obligation as at year end (A)	15,82,971	7,37,210
Fair value of plan assets as at year end (B)	-	-
Net liability as at year end recognized in Balance Sheet (A)-(B)	15,82,971	7,37,210
<b>Provision for gratuity</b>		
Long term	10,60,216	3,52,380
Short term	5,22,755	3,84,830



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Standalone Financial Statements for the year ended 31st March 2023

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

Amount in ₹

Changes in defined benefit obligation:	As at 31st March, 2023	As at 31st March, 2022
Defined benefit obligation as at the beginning of the year	7,37,210	7,01,283
Current service cost	3,18,671	3,89,847
Interest cost	46,297	35,751
Actuarial loss / (gain) on obligations	4,80,793	(2,41,517)
Benefit paid	-	(1,48,154)
Present value of defined benefit obligation at the end of the year [A]	15,82,971	7,37,210

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

Assumptions	As at 31st March, 2023	As at 31st March, 2022
Discount rate	7.18%	6.28%
Attrition rate	Up to Age 35 : 20% Age 36 to 40 : 10% 41 and above : 5%	Upto age 35 - 20% 36-40 - 10% 41-58 - 5%
Salary escalation rate	6.00%	6.00%

### Note 47: Approval of financial statements

The financial statements were approved for issue by the board of directors on 18th May, 2023.

As per our report of even date,

**For M/s. Rakesh Soni & Co**

Chartered Accountants

**Firm Registration No. 114625W**

**CA R. K. Soni**

Partner

**Membership No. 047151**

**UDIN: 23047151BGYGBL8983**

Place: Mumbai

Date: 18th May 2023

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

**Rajesh Bhatia**

Managing Director

**DIN No: 00074393**

**Jugal Shah**

Executive Director

**DIN No: 08334114**

**Navin Kumar**

Chief Financial Officer

**Guddi Bajpai**

Company Secretary



## ANNUAL REPORT 2022-2023

### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED ANNUAL FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF TREE HOUSE EDUCATION AND ACCESSORIES LIMITED

#### Opinion

We have audited the accompanying consolidated annual financial results of **Tree House Education & Accessories Limited** (hereinafter referred to as the 'Holding Company') and its associate (Holding Company and its Associate together referred to as "the Group") for the year ended 31st March 2023, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- include the annual financial results of the following associate: M/s JT Infra Private Limited
- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable India Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31st March 2023.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

- We draw your attention that Assets classified as "Assets for Sale/Dispose off", which are lying in various closed centres have been depreciated up to 98% of the original cost as management is of the opinion that no further benefits are expected as the useful life of the assets are considered as NIL (Ind AS 16).
- The Company has Impaired assets worth Rs.1,91,09,587/- consisting of Good will of Brain Works and MT Educare amounting to Rs.21,33,894/- and Business Commercial Rights of BVM Samiti amounting to Rs.81,75,693/-. The Company has also Impaired Deposit given for centre at Barfiwala Marg of Rs.30,00,000/- and Deposit given to Holy Trust of Rs.58,00,000/-.
- 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.
- During the year ended 31.03.2023, the company had repaid its bank loan and the interest thereon charged by HDFC bank. The additional amount of Rs.5,54,86,635/- charged by the bank on OTS settlement has been debited to profit and loss account under interest charges during the year ended 31.03.2023.
- During the year ended 31 March 2023, the company had sold its school property at Vadodara, Gujarat. The loss on sale of the property of Rs. 6,76,48,958/- is debited to "other expenses" in profit and loss account.
- 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 final hearing.



## ANNUAL REPORT 2022-2023

7. 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 and the matter is closed as it pertains to the forensic audit conducted by SEBI for which closure letter SEBI/HO/CFID/CFID-SEC2/P/OW/2022/53353/1 dated October 19, 2022 has been received by company from SEBI.
8. 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 filed appeal with Securities Appellate Tribunal (SAT) against National Stock Exchange of India ("NSE"), whereby the appeal was allowed and Company won the matter against National Stock Exchange of India ("NSE").
9. 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.
10. 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.
11. 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.
12. The company has received a letter dated 20.04.2023 from the Educational Trust Vidya Bharti Samiti, showing the dissatisfaction of service provided to them for which the company in accordance with the Service Agreement dated 01.04.2012, Addendum dated 6.11. 2012, and agreement dated 1.04.2013 with Vidya Bharti Samiti trust, has invoked the arbitration clause contained in the agreement vide letter dt. 16th May 2023, to adjudicate upon the disputes and differences which have arisen between the company and the trust.

Our opinion is not modified in respect of this matter.

### **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.



## ANNUAL REPORT 2022-2023

In preparing the consolidated annual financial results, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other companies included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



## ANNUAL REPORT 2022-2023

### Other Matter(s)

1. We did not audit the financial statements of M/S JT Infra Pvt Ltd, an associate included in the consolidated financial statements, whose financial statements reflects group's share in net profit and total comprehensive income of Rs. Nil and Rs.(325) for the quarter and year ended March 31, 2023, respectively, as considered in the consolidated financial statements. The financial statements of the associate have not been audited and the draft financials has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said associate, is based solely on the draft financials received from the management of JT Infra Pvt Ltd.
2. The consolidated annual financial results include the results for the quarter ended 31st March 2023 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto third quarter of the current financial year which were subject to limited review by us.

**For Rakesh Soni & Co.  
Chartered Accountants  
(Firm Registration No.114625W)**

**CA. R. K. Soni  
Partner  
M. No. 047151  
UDIN: 23047151BGYGBM2153**

**Place: Mumbai,  
Date: 18th May 2023**



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Audited Consolidated Statement of Balance Sheet as at 31<sup>st</sup> March 2023

Amount in ₹

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>NON - CURRENT ASSETS :</b>			
<b>i) Property, Plant &amp; Equipment and Intangible assets:</b>			
a. Property, plant and equipment	2	3,69,51,765	41,30,87,564
b. Investment Properties	3	-	24,35,57,919
c. Goodwill	4A	-	26,61,406
d. Intangible assets	4B	11,52,09,015	13,20,06,801
e. Capital Work in Progress		71,25,026	-
<b>ii) Financial assets:</b>			
a. Investments	5	12,73,68,283	12,73,68,608
b. Loans	6	21,63,200	21,63,200
c. Other Non Current Assets	7	1,49,80,41,550	1,51,64,26,170
Deferred tax Assets (Net)	8	17,47,58,054	10,05,07,200
<b>Total Non Current Assets</b>		<b>1,96,16,16,893</b>	<b>2,53,77,78,868</b>
<b>Current assets</b>			
Inventories	9	3,696	45,57,590
<b>Financial assets:</b>			
a. Trade receivables	10	18,93,65,356	25,07,63,423
b. Cash and cash equivalents	11	85,18,200	1,11,244
c. Bank Balances other than Cash and cash equivalents	12	-	17,010
d. Other financial assets	13	1,56,15,830	2,26,42,888
Other Current Assets	14	2,89,61,868	4,55,58,964
<b>Total current assets</b>		<b>24,24,64,950</b>	<b>32,36,51,119</b>
<b>Total Assets</b>		<b>2,20,40,81,843</b>	<b>2,86,14,29,987</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Equity Share capital	15	42,31,07,240	42,31,07,240
Other equity	16	1,69,68,24,358	2,14,34,47,224
<b>Total equity</b>		<b>2,11,99,31,598</b>	<b>2,56,65,54,464</b>
<b>LIABILITIES:</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities:</b>			
Provisions	17	10,60,216	3,52,380
Lease Liabilities			
<b>Total Non-Current liabilities</b>		<b>10,60,216</b>	<b>3,52,380</b>
<b>Current liabilities</b>			
<b>i. Financial liabilities:</b>			
a. Borrowings	18	-	19,86,57,002
b. Trade payables - MSME	19	29,00,000	43,14,930
c. Trade payables - Other than MSME	19	1,18,86,520	1,88,50,059
d. Other Financial Liabilities	20	14,44,169	30,77,844
e. Lease Liabilities	21	33,48,466	-
<b>ii. Provisions</b>			
	22	46,01,174	50,02,105
<b>iii. Other current liabilities</b>			
	23	5,89,09,700	6,46,21,203
<b>Total Current liabilities</b>		<b>8,30,90,029</b>	<b>29,45,23,143</b>
<b>Total Liabilities</b>		<b>8,41,50,245</b>	<b>29,48,75,523</b>
<b>Total Equity and Liabilities</b>		<b>2,20,40,81,843</b>	<b>2,86,14,29,987</b>
Significant Accounting Policies	1		
The notes are integral part of these Standalone Statements			

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBM2153

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Jugal Shah  
Executive Director  
DIN No: 08334114

Navin Kumar  
Chief Financial Officer

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited

### Audited Consolidated Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March 2023

Amount in ₹

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>I INCOME:</b>			
Revenue from Operations	24	10,05,33,924	5,99,89,714
Other Income	25	97,22,669	12,38,53,370
<b>Total Income</b>		<b>11,02,56,593</b>	<b>18,38,43,084</b>
<b>II EXPENSES:</b>			
Operating expenses	26	2,54,34,814	1,33,89,919
Employee Benefits Expense	27	1,61,18,966	1,38,15,007
Finance Costs	28	6,38,29,525	6,25,20,361
Depreciation & Amortisation	29	38,82,47,663	17,01,37,511
Other Expenses	30	11,83,89,434	22,65,60,397
<b>Total Expenses</b>		<b>61,20,20,402</b>	<b>48,64,23,195</b>
<b>III Profit/ (Loss) before exceptional items and tax</b>		<b>(50,17,63,809)</b>	<b>(30,25,80,111)</b>
<b>IV Share of net profit/(loss) of associates and joint ventures accounted for using the equity method</b>		<b>(324)</b>	<b>(1,42,698)</b>
<b>V Exceptional Items</b>	31	<b>(1,91,09,587)</b>	<b>3,84,50,010</b>
<b>VI Profit/(Loss) Before Tax</b>		<b>(52,08,73,720)</b>	<b>(26,42,72,799)</b>
<b>VII Tax Expenses</b>			
Current Tax		-	-
Deferred Tax (Asset) / Liability		7,42,50,854	(78,41,928)
Short / (Excess) provision of earlier years		-	-
<b>VIII Profit/(Loss) for the Year (A)</b>		<b>(44,66,22,866)</b>	<b>(27,21,14,727)</b>
<b>IX 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>X Total comprehensive income for the Year (A+B)</b>		<b>(44,66,22,866)</b>	<b>(27,21,14,727)</b>
<b>XI Earnings per equity share of face value of Rs. 10 each</b>			
Basic (in Rs.)		(10.56)	(6.43)
Diluted (in Rs.)		(10.56)	(6.43)
<b>Significant Accounting Policies :</b>			
The Notes are an integral part of these standalone financial statements	1		

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBM2153

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Jugal Shah  
Executive Director  
DIN No: 08334114

Navin Kumar  
Chief Financial Officer

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Audited Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2023

Amount in ₹

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>A Cash flows from operating activities</b>		
Profit before tax	(42,75,13,279)	(27,21,14,727)
<b>Adjustments for:</b>		
Depreciation / amortisation	38,82,47,663	17,01,37,511
Impairment of Financial Assets	(88,00,000)	-
Loss on Sale of Assets	6,76,48,958	18,60,18,538
Profit on Sale of Assets	(6,166)	
Finance charges	6,38,29,524	6,25,20,361
Provision (benefit) for deferred taxes	(7,42,50,854)	78,41,928
Interest on fixed deposits	-	(28,133)
<b>Operating profit before working capital changes</b>	<b>91,55,846</b>	<b>15,43,75,478</b>
<b>Adjustments for:</b>		
(Increase) / Decrease in inventories	45,53,894	22,51,892
Decrease/(Increase) in Deposits given to K-12 Schools	1,36,24,190	2,18,34,115
Decrease/(Increase) in sundry debtors	6,13,98,066	(5,46,09,525)
(Increase)/Decrease in Financial Loans	-	5,40,800
(Increase)/Decrease in Other Financial Assets	1,17,87,812	(4,02,69,134)
(Increase)/Decrease in Other Current Assets	1,65,97,097	(38,03,483)
Increase /(Decrease) in Non Current Liabilities	7,07,836	(3,15,052)
Increase /(Decrease) in liabilities and provisions	(1,27,76,111)	(4,90,66,228)
<b>Cash generated from operations</b>	<b>10,50,48,630</b>	<b>3,09,38,862</b>
Income tax paid		
<b>Net cash generated from operating activities</b>	<b>10,50,48,630</b>	<b>3,09,38,862</b>
<b>B Cash flow from investing activities:</b>		
Purchase of fixed assets	(1,41,84,230)	(67,44,415)
Sale of Assets	18,00,12,071	17,15,94,902
Interest received	-	28,133
<b>Net cash used in investing activities</b>	<b>16,58,27,841</b>	<b>16,48,78,620</b>
<b>C Cash flow from financing activities</b>		
Proceeds from working capital loan (net)	(19,86,57,002)	(13,53,47,835)
Interest paid	(6,38,29,524)	(6,25,20,361)
<b>Net cash provided by financing activities</b>	<b>(26,24,86,526)</b>	<b>(19,78,68,196)</b>
Net increase in cash and cash equivalents during the year	83,89,945	(20,50,713)
Cash and cash equivalents as at the beginning of the year	1,28,255	21,78,968
<b>Cash and cash equivalents as at the end of the year (Refer Note 11 &amp; 12)</b>	<b>85,18,200</b>	<b>1,28,255</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. Prior year figures have been regrouped/re-adjusted.

As per our report of even date,

For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W

CA R. K. Soni  
Partner  
Membership No. 047151  
UDIN: 23047151BGYGBM2153

Place: Mumbai  
Date: 18th May 2023

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

Rajesh Bhatia  
Managing Director  
DIN No: 00074393

Jugal Shah  
Executive Director  
DIN No: 08334114

Navin Kumar  
Chief Financial Officer

Guddi Bajpai  
Company Secretary



# ANNUAL REPORT 2022-2023

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 2023

## A. Equity Share Capital

Amount in ₹

Particulars	Amount
Balance as at 31 <sup>st</sup> March 2021	42,31,07,240
Changes in equity share capital during the period	-
Balance as at 31 <sup>st</sup> March 2022	42,31,07,240
Changes in equity share capital during the period	-
Balance as at 31 <sup>st</sup> March 2023	42,31,07,240

## B. Other Equity

Amount in ₹

Particulars	Reserve and Surplus				
	Securities Premium Account	General reserve	Revaluation Reserve	Retained Earnings	Total
Balance as at 31 <sup>st</sup> March, 2021	4,60,28,15,570	7,59,47,517	(2,52,59,439)	(2,21,18,60,400)	2,44,16,43,248
Profit/(Loss) for the year	-	-	-	(27,21,14,727)	(27,21,14,727)
Other Comprehensive Income for the year	-	-	(3,87,61,241)	1,26,79,944	(2,60,81,297)
Total Comprehensive Income for the year	-	-	(3,87,61,241)	(25,94,34,783)	(29,81,96,024)
Balance as at 31 <sup>st</sup> March 2022	4,60,28,15,570	7,59,47,517	(6,40,20,680)	(2,47,12,95,183)	2,14,34,47,224
Profit/(Loss) for the year	-	-	-	(44,66,22,866)	(44,66,22,866)
Other Comprehensive Income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(44,66,22,866)	(44,66,22,866)
Balance as at 31 <sup>st</sup> March 2023	4,60,28,15,570	7,59,47,517	(6,40,20,680)	(2,91,79,18,049)	1,69,68,24,358

As per our report of even date,

For M/s. Rakesh Soni & Co

Chartered Accountants

Firm Registration No. 114625W

CA R. K. Soni

Partner

Membership No. 047151

UDIN: 23047151BGYGBM2153

Place: Mumbai

Date: 18th May 2023

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

Rajesh Bhatia

Managing Director

DIN No: 00074393

Jugal Shah

Executive Director

DIN No: 08334114

Navin Kumar

Chief Financial Officer

Guddi Bajpai

Company Secretary



# ANNUAL REPORT 2022-2023

## Notes to the Consolidated Financial Statements, for the year ended March 31, 2023.

### 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 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.



# ANNUAL REPORT 2022-2023

## 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

Trademark 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



## ANNUAL REPORT 2022-2023

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

#### (l) 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 2022-2023

### **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 collect ability.

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 2022-2023

### 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.



## ANNUAL REPORT 2022-2023

### 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 2022-2023

### Trade Receivables

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

### Cash and Cash Equivalents

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

### Recent accounting pronouncements

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

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

### Ind AS 115

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

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

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

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

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

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

### Critical estimates and judgments

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

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

### Additional Regulatory and other Information

- a) The company is not holding any immovable property at the end of the financial year.
- b) The company has not re-valued any of its Property, Plant & Equipment.
- c) The Capital Work-in-Progress shown at the end of the year is incurred for establishing a new pre-school centre.
- d) The Company does not have any Intangible assets under development.
- e) There is no benami property held by the company.
- f) The Company has not borrowed fund from bank or financial institution on the basis of security on current assets.



## ANNUAL REPORT 2022-2023

- g) The Company has not been declared as a willful defaulter.
- h) Company has not entered into the transaction with the company whose name has been struck off from under Section 248 of the Companies Act 2013 or Section 560 of the companies Act 1956.
- i) Since the Company has no borrowings from banks or financial institution, there is no registration of charges or satisfaction of charges filed with the Registrar of Companies.
- j) The clause regarding compliance with number of layers prescribed under section 2(87) of the Act, read with companies (restrictions on number of Layers) Rules 2017, is not applicable to the Company.
- k) The Company has not advanced or loaned or invested fund (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entities including foreign entities with understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company or provide guarantee, security or the like to or on behalf of ultimate beneficiaries.
- l) The company has no transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessment under the Income Tax Act 1961.
- m) Company has not traded or invested in crypto currency or virtual currency during the financial year.

**n) Financial Ratios:**

Sl. No.	Particulars	31st March 2023	31st March 2022
i)	Trade receivable Turnover ratio	13.20	4.09
ii)	Inventory Turnover	-	13.16
iii)	Debt Service Coverage Ratio	(6.86)	(3.84)
iv)	Current Ratio	2.92	1.10
v)	Debt Equity Ratio	0.04	0.12
vi)	Operating Profit Margin %	76.93	77.68
vii)	Net Profit Margin %	(405.08)	(147.94)
viii)	Return on Equity %	(24.86)	(11.84)
ix)	Trade payable turnover ratio	2.84	1.87
x)	Net capital turnover ratio	4.82	2.37
xi)	Return on capital employed	(20.98)	(9.48)
xii)	Return on Investment	NA	NA



## ANNUAL REPORT 2022-2023

- o) To the Extent Company has received intimation from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, the Details are provided herein under:

Sl. No.	Particulars	31st March 2023	31st March 2022
1	Principal amount remaining unpaid as on 31st March.	29,00,000	43,14,930
2	Interest Due thereon remaining unpaid as on 31st March.	14,44,169	30,60,834
3	Interest paid in terms of Section 16 of MSME along with the amount of payment made to the supplier beyond the appointed day during the year.	Nil	Nil
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified in MSME Act 2006.	Nil	Nil
5	Interest accrued and remaining unpaid as on 31st March.	14,44,169	30,60,834
6	Interest due and remaining payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil
7	No charges or satisfaction of charges is outstanding for the current Financial Year 31st March 2023.	1	2

The additional Information pursuant to provisions of Companies Act, 2013 are either Nil or Not Applicable.

**As per our attached report of even date.**

**For M/s. Rakesh Soni & Co  
Chartered Accountants  
Firm Registration No. 114625W**

**CAR.K Soni  
Partner**

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

**Rajesh Bhatia  
Managing Director**

**Jugal Shah  
Executive Director**

**Tree House Education & Accessories Limited**  
**Notes on Consolidated Financial Statements for the year ended 31st March 2023**  
**Note 2: Property, Plant and Equipment**

Particulars	Lease Hold Improvements	Teaching aid and Equipments (Plant & Machinery)	Office Equipment	Electrical Equipment	Furniture & Fixture	Computers & Website	Total	Amount in ₹
<b>A. Gross Carrying amount :</b>								
Balance of Reclassified Assets for Sale as at 31st March 2021	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	
Balance of Other Assets as at 31st March 2021	34,94,147	-	6,29,316	12,38,307	1,53,01,196	25,23,596	2,31,86,562	
Additions					45,000	87,400	1,32,400	
Disposals of Reclassified assets held for Sale	47,25,38,953	1,07,29,369	22,72,402	52,95,80,977	52,95,80,977	55,35,336	1,02,06,57,037	
Disposals - Other Assets		26,29,698		19,09,343			19,09,343	
Transfer from Stock to Assets held for Sale							26,29,698	
Balance of Reclassified Assets held for Sale as at 31st March 2022	(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	
Balance as at 31st March 2022	34,94,147	-	6,29,316	12,38,307	1,34,36,853	26,10,996	2,14,09,619	
Additions				95,085	21,508	57,112	1,73,705	
Disposals of Reclassified assets held for Sale					36,66,870		36,66,870	
Disposals - Other Assets				1,04,000			1,04,000	
Balance of Reclassified Assets held for Sale as at 31st March 2023	(0)	4,75,64,960	2,18,18,910	2,45,19,390	1,66,00,09,224	57,57,304	1,75,96,69,788	
Balance of Other Assets as at 31st March 2023	34,94,147	-	6,29,316	12,29,392	1,34,58,361	26,68,108	2,14,79,324	
<b>B. Accumulated Depreciation:</b>								
Balance of Reclassified Assets held for Sale as at 31st March 2021	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	
Balance of Other Assets as at 31st March 2021	34,94,147	-	5,50,166	8,69,030	1,05,92,349	17,57,373	1,72,63,064	
Dep on Reclassified assets held for Sale	21,33,610	-	-	4,11,327	4,99,82,142	5,905	5,25,32,984	
Dep on 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	39,91,74,709	52,65,826	78,70,47,926	
Disposals of Other Assets					1,79,524		1,79,524	
Balance of Reclassified Assets held for Sale as at 31st March 2022	-	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	
Balance as at 31st March 2022	34,94,147	-	5,81,074	9,61,482	1,16,76,463	19,70,208	1,86,83,373	
Dep on Reclassified assets held for Sale *		2,60,585	4,17,727	42,63,229	36,99,82,208	1,70,832	37,50,94,581	
Dep on Other Assets			30,908	1,02,429	7,28,569	2,73,772	11,35,677	
Disposals of Reclassified Assets held for Sale					35,93,533		35,93,533	
Disposals of Other Assets				98,096			98,096	
Balance of Reclassified Assets held for Sale as at 31st March 2023	-	4,66,13,661	2,13,82,532	2,40,29,003	1,62,68,09,038	56,42,158	1,72,44,76,391	
Balance of Other Assets as at 31st March 2023	34,94,147	-	6,11,982	9,65,815	1,24,05,031	22,43,980	1,97,20,955	
<b>C. Net Carrying amount</b>								
Balance of Reclassified Assets held for Sale as at 31st March 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 March 2021	-	-	79,150	3,69,276	47,08,847	7,66,223	59,23,497	
Balance of Reclassified Assets held for Sale as at 31st March 2022	-	12,11,885	8,54,105	47,53,618	40,32,55,731	2,85,979	41,03,61,317	
Balance of Other Assets as at 31st March 2022	-	-	48,243	2,76,825	17,60,391	6,40,788	27,26,247	
Balance of Reclassified Assets held for Sale as at 31st March 2023	-	9,51,299	4,36,378	4,90,388	3,32,00,186	1,15,146	3,51,93,398	
Balance of Other Assets as at 31st March 2023	-	-	17,334	2,63,577	10,53,330	4,24,128	17,58,369	

Note: Refer to note No.40 for disposal/write off of Fixed Assets.

\*The useful life of the assets classified as "Assets held for Sale/Dispose off" are considered as NIL and accordingly they have been depreciated upto 98% of the original cost, as in the opinion of the management no further benefits are expected from the use or disposal of those assets.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 3 : Investment Properties

Particulars	Land - Free Hold	Building	Total
<b>A. Gross Carrying amount</b>			
<b>Balance as at 31<sup>st</sup> 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
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>7,65,56,873</b>	<b>19,05,21,611</b>	<b>26,70,78,484</b>
Additions	-	68,85,499	68,85,499
Revaluation	-	-	-
Disposals	<b>7,65,56,873</b>	<b>19,74,07,111</b>	<b>27,39,63,984</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Accumulated Depreciation</b>			
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>-</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
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>2,35,20,565</b>	<b>2,35,20,565</b>
Additions	-	27,94,462	27,94,462
Revaluation	-	-	-
Disposals	-	2,63,15,027	2,63,15,027
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Net Carrying amount</b>			
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>8,32,81,873</b>	<b>41,15,04,625</b>	<b>49,47,86,498</b>
Balance as at 31 <sup>st</sup> March 2022	7,65,56,873	16,70,01,046	24,35,57,919
Balance as at 31 <sup>st</sup> March 2023	-	-	-

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Rental income derived from investment properties	30,37,260	36,44,712
<b>Income arising from investment properties before depreciation</b>	<b>30,37,260</b>	<b>36,44,712</b>
Depreciation	27,94,462	68,69,812
<b>Income from investment properties (Net)</b>	<b>2,42,798</b>	<b>(32,25,100)</b>

Note: Refer to Note No.39 for revaluation of Land & Building.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### Note 4A: Goodwill\*

Amount in ₹

Particulars	Goodwill	Total
<b>A. Gross Carrying amount</b>		
Balance as at 31 <sup>st</sup> March 2021	76,05,893	76,05,893
Additions	-	-
Disposals	-	-
Impairment	-	-
Balance as at 31 <sup>st</sup> March 2022	76,05,893	76,05,893
Additions	-	-
Disposals	-	-
Impairment	76,05,893	76,05,893
Balance as at 31 <sup>st</sup> March 2023	-	-
<b>B. Accumulated Depreciation</b>		
Balance as at 31 <sup>st</sup> March 2021	44,16,973	44,16,973
Additions	5,27,514	5,27,514
Disposals	-	-
Balance as at 31 <sup>st</sup> March 2022	49,44,487	49,44,487
Additions	5,27,514	5,27,514
Disposals	54,72,001	54,72,001
Balance as at 31 <sup>st</sup> March 2023	-	-
<b>C. Net Carrying amount</b>		
Balance as at 31 <sup>st</sup> March 2021	31,88,920	31,88,920
Balance as at 31 <sup>st</sup> March 2022	26,61,406	26,61,406
Balance as at 31 <sup>st</sup> March 2023	-	-

\*Other than internally generated

**Note:**

Refer Note No.41 for impairment of Goodwill.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### Note 4B: Intangible Assets\*

Amount in ₹

Particulars	Business Commercial rights	Brands	Total
<b>A. Gross Carrying amount</b>			
Balance as at 31 <sup>st</sup> March 2021	19,42,74,767	7,77,74,015	27,20,48,782
Additions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Balance as at 31 <sup>st</sup> March 2022	19,42,74,767	7,77,74,015	27,20,48,782
Impairment	1,40,00,000	-	1,40,00,000
Gross block as at 31 <sup>st</sup> March 2023	18,02,74,767	7,77,74,015	25,80,48,782
<b>B. Accumulated Depreciation:</b>			
Balance as at 31 <sup>st</sup> 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	-	-	-
Balance as at 31 <sup>st</sup> March 2022	6,48,80,872	7,51,61,108	14,00,41,980
Additions	64,69,350	21,52,743	86,22,093
Disposals	-	-	-
Impairment	58,24,307	-	58,24,307
Acc. Dep on as at 31 <sup>st</sup> March 2023	6,55,25,915	7,73,13,851	14,28,39,766
<b>C. Net Carrying amount</b>			
Balance as at 31 <sup>st</sup> March 2021	13,58,63,244	47,65,650	14,06,28,894
Balance as at 31 <sup>st</sup> March 2022	12,93,93,895	26,12,907	13,20,06,802
Balance as at 31 <sup>st</sup> March 2023	11,47,48,852	4,60,164	11,52,09,016

\* Other than internally generated

Note:

Represents Fair value of Business Commercial Rights purchased.

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



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 5 : Investments

Particulars	As at 31st March 2023		As at 31st March, 2022	
	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	12,73,68,283	99,80,000	12,73,68,608
<b>Total</b>		<b>12,73,68,283</b>		<b>12,73,68,608</b>
Aggregate amount of unquoted investments		12,73,68,283		12,73,68,608
<b>Note 5.1</b>		<b>Amount</b>		<b>Amount</b>
<b>Category-wise Non current</b>				
Financial assets carried at amortised cost		12,73,68,283		12,73,68,608
<b>Total</b>		<b>12,73,68,283</b>		<b>12,73,68,608</b>

#### Note:

Refer Note No.39 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:

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, 2023 is as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assets	27,29,08,728	27,29,09,053
Liabilities	29,04,830	29,04,830
Income	-	-
Expenditure	(649)	2,85,396

Amount in ₹

### Note 6: Non Current Financial Loans

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured considered good:</b>		
Loans and Advances - Secured considered good	-	-
Loans Others (Employee Welfare Trust) - Unsecured considered good	21,63,200	21,63,200
Loans and Advances - considered doubtful	-	-
<b>Total</b>	<b>21,63,200</b>	<b>21,63,200</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 2022-2023

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Share Application money	16,10,000	16,10,000
Security Deposits*	1,45,62,74,100	1,51,48,16,170
Statutory Dues Receivable	4,01,57,449	-
<b>Total</b>	<b>1,49,80,41,550</b>	<b>1,51,64,26,170</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.14,538/- Lakhs (Previous Year Rs.15,064/- Lakhs).
- 7.4 Refer Note No.43.2 for Fair Valuation of Security Deposits.

#### Note 8: The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2023

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 2021	As at 31st March 2022		As at 31st March 2023	
	Deferred Tax Asset/ (Liabilities)	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	1,17,23,809	(78,60,610)	38,63,199	5,64,43,831	6,03,07,029
Impairment of assets	(5,34,04,497)		(5,34,04,497)		(5,34,04,497)
Loss on Sale of Fixed Assets	(4,54,06,544)		(4,54,06,544)	1,75,87,126	(2,78,19,418)
Expense disallowed due to not paid during the year	(58,10,809)		(58,10,809)		(58,10,809)
Provision for Gratuity	6,67,586	18,682	6,86,268	2,19,898	9,06,166
Provision for doubtful trade receivables	(1,66,169)		(1,66,169)		(1,66,169)
Tax Loss Carried Forward	18,00,21,855		18,00,21,855		18,00,21,855
Others	2,07,23,897		2,07,23,897		2,07,23,897
<b>Total</b>	<b>10,83,49,128</b>	<b>(78,41,928)</b>	<b>10,05,07,200</b>	<b>7,42,50,854</b>	<b>17,47,58,054</b>



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

#### Note 9 : Inventories:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stock-in-Trade*	3,696	45,57,590
<b>Total</b>	<b>3,696</b>	<b>45,57,590</b>

#### Note:

\*As certified by management.

#### Note 10: Trade Receivables:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	5,01,26,982	11,77,16,275
Add: allowance for doubtful trade receivables	13,92,38,374	13,30,47,147
<b>Total Receivables*</b>	<b>18,93,65,356</b>	<b>25,07,63,422</b>
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	5,01,26,982	11,77,16,275
Doubtful	13,92,38,374	13,30,47,147
<b>Total Trade receivables</b>	<b>18,93,65,356</b>	<b>25,07,63,422</b>
Less: Provision for doubtful trade receivables	13,92,38,374	13,30,47,147
<b>Net Trade receivables</b>	<b>5,01,26,982</b>	<b>11,77,16,275</b>

\*Trade Receivables includes receivable amounting to Rs.54.81 Lakhs (Previous Year Rs. 699.00 lakhs) due from educational trust.(Including provisions)

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

Particulars	As at 31st March 2023	As at 31st March, 2022
Cash on Hand	23,831	1,10,245
Balances with banks - In Current Accounts	84,94,369	999
<b>Total</b>	<b>85,18,200</b>	<b>1,11,244</b>

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

Particulars	As at 31st March 2023	As at 31st March, 2022
Unpaid dividend account *	-	17,010
<b>Total</b>	<b>-</b>	<b>17,010</b>

#### Notes:

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



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 13: Other Current Financial assets

Particulars	As at 31st March 2023	As at 31st March, 2022
Security Deposits	1,56,15,830	
Deposits*	-	2,26,42,888
<b>Total</b>	<b>1,56,15,830</b>	<b>2,26,42,888</b>

\* The carrying value of lease deposits with landlords amounting to Rs.156 Lakhs (Previous Year Rs.156 Lakhs) is related to administrative office and pre-school centres.

### Note 14: Other Current assets

Particulars	As at 31st March 2023	As at 31st March, 2022
Balances with government Authorities	1,56,35,974	4,52,15,481
Advance for Expenses	1,33,25,894	3,19,148
Prepaid Expenses	-	24,335
Advance Tax Paid	-	-
<b>Total</b>	<b>2,89,61,868</b>	<b>4,55,58,964</b>

### Note 15: Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share capital				
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, 2023		As at 31st March, 2022	
	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 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### 15.3 Shares held by promoters at the end of the year

Amount in ₹

Sr. Promoters name	No. of Shares**	% of total shares**	% Change during the year***
1 Rajesh Bhatia	50,77,169	11.9997	Nil
2 Geeta Bhatia	35,65,000	8.4258	Nil
3 Girdharilal Bhatia & Kavita Bhatia	47,900	0.1132	Nil
<b>Total</b>	<b>86,90,069</b>	<b>20.5400</b>	

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	4,23,10,724	4,23,10,724
Add: Shares issued on exercise of employee stock options	-	-
<b>Equity Shares at the end of the year</b>	<b>4,23,10,724</b>	<b>4,23,10,724</b>

### Note 16: Other Equity

Particulars	Reserve and Surplus				Total
	Securities Premium Account	General reserve	Retained Earnings	Revaluation Reserve	
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 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>(25,94,34,783)</b>	<b>(3,87,61,241)</b>	<b>(29,81,96,024)</b>
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
Profit (loss) for the Period	-	-	(44,66,22,866)	-	(44,66,22,866)
Other Comprehensive Income for the Period	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	-	-	<b>(44,66,22,866)</b>	-	<b>(44,66,22,866)</b>
Balance as at 31st March 2023	4,60,28,15,570	7,59,47,517	(2,91,79,18,049)	(6,40,20,680)	1,69,68,24,358

**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.42 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, 2023	As at 31st March, 2022
<b>Cost for the year:</b>		
Service cost	3,18,671	3,89,847
Interest cost	46,297	35,751
Actuarial loss / (Gain)	4,80,793	(2,41,517)
<b>Total net cost recognized as employee remuneration</b>	<b>8,45,761</b>	<b>1,84,081</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 17: Non-Current Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provisions for Employee Benefits: Gratuity (Refer note 46)	10,60,216	3,52,380
<b>Total</b>	<b>10,60,216</b>	<b>3,52,380</b>

### Note 18: Current Financial Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term loans from bank	-	-
Bank Over Draft/ Cash Credit Facility with Bank	-	19,86,57,002
<b>Total</b>	<b>-</b>	<b>19,86,57,002</b>

#### Notes:

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

### Note 19: Trade Payables:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro, Small and Medium Enterprises*	29,00,000	43,14,930
Others	1,18,86,520	1,88,50,059
<b>Total</b>	<b>1,47,86,520</b>	<b>2,31,64,989</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, 2023	As at 31st March, 2022
Interest accrued and due	14,44,169	30,60,834
Unclaimed Dividend	-	17,010
<b>Total</b>	<b>14,44,169</b>	<b>30,77,844</b>

Amount in ₹

### Note 21: Lease Liabilities:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Rent Payable	33,48,466	-
<b>Total</b>	<b>33,48,466</b>	<b>-</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 22: Current Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provisions for Employee Benefits: Gratuity (Refer note 46)	5,22,755	3,84,830
Provisions for Employee Benefits : Others	40,78,419	46,17,275
<b>Total</b>	<b>46,01,174</b>	<b>50,02,105</b>

### Note 23: Other Current liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance tuition fees received	11,69,000	72,08,200
Advance from Debtors	2,14,62,062	2,84,256
Withholding & other tax payables	3,59,84,039	3,05,71,627
Advance against sale of Property	-	2,60,00,000
Other Current Liabilities	2,94,600	5,57,120
<b>Total</b>	<b>5,89,09,700</b>	<b>6,46,21,203</b>

### Note 24: Revenue from operations

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Revenue from</b>		
- Sale of education kits	27,31,906	50,55,561
- <b>Sale of services</b>		
Consultancy income	3,90,00,000	2,75,00,000
Income from early childhood education	64,54,167	1,71,53,416
Royalty income	1,23,21,999	63,16,401
- <b>Other Operating Revenue</b>	-	-
Other operating income	3,69,88,592	3,19,624
Rent income from education infrastructure	30,37,260	36,44,712
<b>Total</b>	<b>10,05,33,924</b>	<b>5,99,89,714</b>

### Note 25: Other Income

Particulars	As at 31st March 2023	As at 31st March, 2022
Other non-operating income	97,22,669	12,38,25,237
Interest Income	-	28,133
<b>Total</b>	<b>97,22,669</b>	<b>12,38,53,370</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 26: Operating Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rent (includes conducting charges and society maintenance)	1,47,08,604	51,08,604
Security charges	7,44,149	-
Training material and equipment consumed	74,62,790	59,94,026
Online Class Expenses	5,37,962	12,60,080
Water, electricity and cleaning charges	4,13,884	10,27,209
Centre expenses	65,881	-
Repairs & Maintenance - Center	15,01,544	0
<b>Total</b>	<b>2,54,34,814</b>	<b>1,33,89,919</b>

### Note 27: Employee Benefits Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
Salaries and wages	1,59,09,755	1,35,67,832
Contribution to provident and other funds	6,000	8,446
Staff welfare expenses	2,03,211	2,38,729
<b>Total</b>	<b>1,61,18,966</b>	<b>1,38,15,007</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 28: Finance cost

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest expenses	6,35,62,235	6,25,20,361
Finance charges	2,67,290	-
<b>Total</b>	<b>6,38,29,525</b>	<b>6,25,20,361</b>

### Note 29: Depreciation and Amortisation Expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation & Amortisation Expenses	38,82,47,663	17,01,37,511
<b>Total</b>	<b>38,82,47,663</b>	<b>17,01,37,511</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 30: Other expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
TDS & Interest on TDS	-	-
Advertisement and publicity expenses	1,47,38,732	1,41,29,357
Legal and professional fees	72,21,064	89,70,380
Office expenses	9,79,048	7,16,645
Rent, Rates and taxes	49,17,040	49,01,455
Website Maintenance	6,22,264	15,56,628
Loss on Sale of Fixed Assets	6,76,48,958	18,58,98,538
Telephone and communication expenses	91,772	1,65,639
Auditors' remuneration (Refer note 37)	6,75,000	6,75,000
Printing and stationery	3,48,736	10,46,308.25
Repairs and maintenance	31,86,940	3,49,804
Travelling and conveyance	17,41,557	5,16,729
Expected Credit Loss	-	14,82,764
Director Sitting Fees	6,40,000	6,12,500
Prior Period Expenses	12,90,000	35,894
VAT and GST expenses	-	29,75,063
Other Miscellaneous expenses	1,42,88,323	25,27,692
<b>Total</b>	<b>11,83,89,434</b>	<b>22,65,60,397</b>

### Note 31: Exceptional Items

Particulars	As at 31st March, 2023	As at 31st March, 2022
Impairment Gain (Loss) of Financial Assets	1,91,09,587	(3,84,50,010)
<b>Total</b>	<b>1,91,09,587</b>	<b>(3,84,50,010)</b>

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Commitments:</b>		
Income Tax Demand for AY 2014-15, 2015-16, 2016-17 and 2017-18, which is appealed by the company.	33,35,56,910	-
<b>Total</b>	<b>33,35,56,910</b>	<b>-</b>



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

#### Note 33: Related Party Disclosures

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) :

Name	Designation
Mr. Rajesh Bhatia	Managing Director and CEO
Mr. Jugal Bharat Shah	Executive Director
Mr. Deepak Valecha	Non Exec. Independent Director
Mr. Milin Ramani	Non Exec. Independent Director
Mrs. Nidhi Busa	Non Exec. Independent Woman Director
Ms. Babita Bhatia	Non Exec. Non Independent Woman Director
Mr. Dipen Shah	Non Exec. Non Independent Director
Ms. Divya Padiyar	Non Exec. Independent Woman Director
Ms. Guddi Bajpai	Company Secretary
Mr. Navin Kumar	Chief Financial Officer

##### 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 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### Note 33: Related Party Disclosures (Contd...)

Amount in ₹

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

Particulars	Directors and Key management personnel (KMP)	
	As at 31st March, 2023	As at 31st March, 2022
<b>I. Remuneration:</b>		
- Mr. Rajesh Bhatia - CEO *	38,36,570	27,70,000
- Jugal Bharat Shah - Executive Director *	16,80,000	13,60,000
- Ms. Guddi Bajpai - CS *	5,82,900	5,13,590
- Mr. Navin Kumar - CFO *	34,73,400	31,17,000
<b>ii. Loan Taken</b>		
- Rajesh Bhatia *	1,65,00,000	-
<b>iii. Loan Repaid</b>		
- Rajesh Bhatia *	1,65,00,000	-
<b>iv. Interest on Loan Taken</b>		
- Rajesh Bhatia *	5,00,388	-
<b>v. Directors Sitting Fees:</b>		
- Suraj Magnani *	-	2,500
- Deepak Valecha *	4,10,000	4,10,000
- Milin Ramani	90,000	90,000
- Nidhi Busa	70,000	70,000
- Babita Bhatia	10,000	10,000
- Dipen Shah	60,000	30,000

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

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Outstandings:</b>		
Investment in Associate Company	12,73,68,283	12,73,68,608
<b>Other Financial Liabilities:</b>		
Key management personnel (Interest)	34,754	-

### Note 34: Employee Stock Option Plans

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



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

Amount in ₹

### Note 35: Segment information

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

### Note 36: Earnings Per Share

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit after tax	(44,66,22,866)	(27,21,14,727)
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	(10.56)	(6.43)
Diluted earnings per share	(10.56)	(6.43)

### Note 37: Auditors' Remuneration (Excluding GST)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory audit fees	4,50,000	6,00,000
Tax audit fees	75,000	75,000
Other services/ expenses / certification fees	1,50,000	-
<b>Total</b>	<b>6,75,000</b>	<b>6,75,000</b>

### Note 38: 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 39: Revaluation of Assets and Liabilities

The Company has not revalued its immovable properties during the year. However it was revalued during the Financial Year 2020-21. 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 addition / deletion of land & building done during the year is as follows:

Particulars	As at 31.03.2022	Additions	Deletions	Revaluation	As at 31.03.2023
Free Hold Land	7,65,56,873	-	7,65,56,873	-	-
Building	19,05,21,612	68,85,499	19,74,07,111	-	-
	<b>26,70,78,485</b>	<b>68,85,499</b>	<b>27,39,63,984</b>	-	-

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

The company has sold its Land and Building situated at Vadodara, Gujarat during the financial year. Further, the useful life of the assets classified as "Assets held for Sale/Dispose off" are considered as NIL and accordingly they have been depreciated upto 98% of the original cost, as in the opinion of the management no further benefits are expected from the use and disposal of those assets.

### Note 41: Impairment of Fixed Assets

The Company has fully impaired the goodwill of Brain work and MT Educare Brands, since these brands were not used for many years. Business commercial rights of Bhartiya Vidya Mandir Samiti is also impaired since there are no schools running in this educational Trust. Further company has also impaired the lease deposit of Rs.30/- lakhs, which was not recovered for over 5 years and Rs.58/- lakhs deposit given to Holy Trust, which is also not recovered for over 5 years.



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

#### Note 42: Assets Pledged as security

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Current Assets</b>	<b>Nil</b>	<b>Nil</b>
<b>Non - Current Assets</b>		
First Charge :		
Land	-	7,65,56,873
Building	-	16,70,01,046
<b>Total non current assets pledged as security</b>	<b>-</b>	<b>24,35,57,919</b>
<b>Total assets pledged as security</b>	<b>-</b>	<b>24,35,57,919</b>

#### Note 43: 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.



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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

#### Financial Assets and Liabilities as at 31st March, 2023

Amount in ₹

Particulars	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	12,73,68,283	-	-	12,73,68,283	12,73,68,283
<b>Other Assets:</b>					
<b>Non Current Assets</b>					
Loans to Others	21,63,200	-	-	21,63,200	21,63,200
Share application money	16,10,000	-	-	16,10,000	16,10,000
Security Deposits	1,50,22,31,550	-58,00,000	-	1,49,64,31,550	1,49,64,31,550
<b>Current Assets:</b>	-				
Trade receivables	18,93,65,356	-	-	18,93,65,356	18,93,65,356
Cash and cash equivalents	23,831	-	-	23,831	23,831
Bank Balances other than Cash and cash equivalents	84,94,369	-	-	84,94,369	84,94,369
Other financial assets	1,86,15,830	-30,00,000	-	1,56,15,830	1,56,15,830
	<b>1,72,25,04,136</b>	<b>-88,00,000</b>	-	<b>1,71,37,04,136</b>	<b>1,71,37,04,136</b>
<b>Financial Liabilities:</b>					
Non Current Provisions	10,60,216	-	-	10,60,216	10,60,216
<b>Current Liabilities</b>					
Trade Payables	1,47,86,520	-	-	1,47,86,520	1,47,86,520
Other Liabilities	14,44,169	-	-	14,44,169	14,44,169
	<b>1,72,90,905</b>	-	-	<b>1,72,90,905</b>	<b>1,72,90,905</b>



## ANNUAL REPORT 2022-2023

### Tree House Education & Accessories Limited

#### Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

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

##### Financial Assets and Liabilities as at 31st March, 2022

Amount in ₹

Particulars	Amount	Routed through Profit and Loss	Routed through OCI	Carried at amortised Cost	Total Carrying Value
<b>Financial Assets:</b>					
Non Current Investments					
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	25,22,46,186	-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
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>					
Non Current Provisions	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>

##### Note 43 (2): Fair value of financial assets and liabilities measured at amortised cost-

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets:</b>				
Investments in Equity shares of Joint Venture	12,73,68,283	12,73,68,283	12,73,68,608	12,73,68,608
Security Deposits	1,49,64,31,550	1,49,64,31,550	1,51,48,16,170	1,51,48,16,170
Trade Receivable*	18,93,65,356	5,01,26,982	25,07,63,422	11,77,16,275
Non Current Financial Loans	21,63,200	21,63,200	21,63,200	21,63,200
<b>Total</b>	<b>1,81,53,28,389</b>	<b>1,67,60,90,015</b>	<b>1,89,51,11,400</b>	<b>1,76,20,64,253</b>

\* Fair Value of trade receivable is taken net of provision for bad debts.



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### Note 44: Financial Risk Management

#### Financial risk management objectives and policies

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

#### Credit Risk:

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

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

#### Movement in provisions of doubtful debts

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening provision	13,30,47,147	13,43,12,147
Add: Additional provision made	61,91,227	-
Less: Provision write off	-	12,65,000
<b>Closing provisions</b>	<b>13,92,38,374</b>	<b>13,30,47,147</b>

### Note 45: Net debt reconciliation

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents	85,18,200	1,11,244
Current Borrowings	-	(19,86,57,002)
Interest Payable	(34,754)	-
<b>Net Cash (Debt)</b>	<b>84,83,446</b>	<b>(19,85,45,758)</b>

Particulars	Cash and cash equivalents	Current Borrowings	Interest Payable	Total
<b>Net Cash (Debt) as at 1st April 2022</b>	<b>1,11,244</b>	<b>(19,86,57,002)</b>	<b>-</b>	<b>(19,85,45,758)</b>
Cash flows	84,06,956	19,86,57,002	(34,754)	20,70,29,204
Finance Costs	-	-	-	-
Interest Paid	-	-	-	-
<b>Net Cash (Debt) as at 31st March 2023</b>	<b>85,18,200</b>	<b>-</b>	<b>(34,754)</b>	<b>84,83,446</b>



# ANNUAL REPORT 2022-2023

## Tree House Education & Accessories Limited Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

### Note 46: Details of provision of gratuity

Amount in ₹

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of defined benefit obligation as at year end (A)	15,82,971	7,37,210
Fair value of plan assets as at year end (B)	-	-
Net liability as at year end recognized in Balance Sheet (A)-(B)	15,82,971	7,37,210
<b>Provision for gratuity</b>		
Long term	10,60,216	4,87,291
Short term	5,22,755	91,252
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
Changes in defined benefit obligation:		
Defined benefit obligation as at the beginning of the year	7,37,210	7,01,283
Current service cost	3,18,671	3,89,847
Interest cost	46,297	35,751
Actuarial loss / (gain) on obligations	4,80,793	(2,41,517)
Benefit paid	-	(1,48,154)
Present value of defined benefit obligation at the end of the year [A]	15,82,971	7,37,210
<b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b>		
<b>Assumptions</b>		
Discount rate	7.18%	6.28%
Attrition rate	Up to Age 35 : 20%	Upto age 35 - 20%
	Age 36 to 40 : 10%	36-40 - 10%
	41 and above : 5%	41-58 - 5%
Salary escalation rate	6.00%	6.00%

### Note 47: Approval of financial statements

The financial statements were approved for issue by the board of directors on 25th May, 2023.

As per our report of even date,

**For M/s. Rakesh Soni & Co**

Chartered Accountants

Firm Registration No. 114625W

**CA R. K. Soni**

Partner

Membership No. 047151

UDIN: 23047151BGYGBM2153

Place: Mumbai

Date: 18th May 2023

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

**Rajesh Bhatia**

Managing Director

DIN No: 00074393

**Jugal Shah**

Executive Director

DIN No: 08334114

**Navin Kumar**

Chief Financial Officer

**Guddi Bajpai**

Company Secretary



