

# Tree House Education & Accessories Ltd.

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



March 11, 2017

|                                                                                                     |                                                                                                       |                                                                                                                                                 |
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| <b>To,<br/>BSE Limited</b><br>Phiroze Jeejeebhoy<br>Tower<br>Dalal Street, Fort<br>Mumbai - 400 001 | <b>To,<br/>The National Stock<br/>Exchange of India<br/>Ltd.</b><br>Bandra (East)<br>Mumbai - 400 051 | <b>To,<br/>Metropolitan Stock<br/>Exchange of India Ltd.</b><br>Exchange Square, CTS No.<br>25, Suren Road, Andheri<br>(East), Mumbai - 400 093 |
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**Sub: Clarification on FIR registered against Mr. Rajesh Bhatia, Managing Director of the "Tree House Education & Accessories Limited".**

Dear Sir,

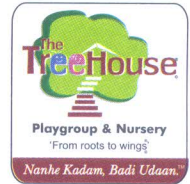
I have received your email dated 13<sup>th</sup> February 2017, enquiring about a newspaper Article appeared in the Times of India dated 11<sup>th</sup> February 2017, titled "FIR registered against MD of Tree House in Rs. 6 crore cheating case". In this connection, I wish to inform you as under:

1. I state that after the failed attempt by Mr. Subhash Chandra Goel ('SCG'), a very influential promoter of the Zee group to take over the management of my company, he has used his front man/ benamidar Mr. Pranay P. Dhelia and under his financial and political influence lodged a complaint with the EOW, Mumbai.
2. I state that the EOW, Mumbai has registered FIR against me on the basis of a false complaint filed by Mr. Pranay P. Dhelia, Director of Vincent Trading Pvt. Ltd. I further state that the said complaint is based on loss of Rs. 5,90,60,545/- allegedly suffered by the Prism Commodore Pvt. Ltd. ("Prism") while buying approximately 11,49,951 shares of Tree House Education Accessories Ltd. ("Tree House") through the Stock Exchange mechanism during the period from December 2015 to December 2016 and the sale of 5,33,526 shares during the said period.
3. I state that the market price of shares in a Stock Exchange is based on number of factors, like; economic condition of the country, political scenario, sectoral profit earning estimate, investors' perception towards a specific industry and demand and supply of the stock. The up and down in the market price of shares is not in the control of the management of the company and the company and its management cannot be held liable and/ or responsible for the market price variation in the scrip of the company over the period of time.
4. I state that during November 2015, I had a meeting with SCG through one Mr. Ganesh of Inga Capital wherein, SCG had discussed the possibility of merger of his company Zee Learn Ltd. with Tree House for the share exchange ratio of 53 shares of Re. 1/- each of Zee Learn Ltd. with 10 shares of Tree House. In furtherance of the said understanding, Zee group's front companies had acquired 40 lakhs shares representing 9%



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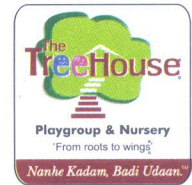
capital of Tree House through the Stock Exchange and Prism was one of the buyers of the shares. It is pertinent to note that all the purchasers of 9% shares of Tree House namely; (i) Prism Commodore Pvt. Ltd., (ii) Arch Finance Ltd., (iii) Nishu Finlease Pvt. Ltd., (iv) Decent Financial Services Pvt. Ltd., (v) Pixel Mercantile Pvt. Ltd. and (vi) Plasma Commercials Pvt. Ltd. are directly and indirectly related with the promoters of Zee group.

5. I state that a review of MCA records shows that Mr. Pranay Dhelia is a director in 13 companies and 4 LLPs. The review of the Balance Sheets of the said companies further shows that all these companies have a small capital base and are engaged in the business of share trading. The said companies have received loans or other investments worth Rs. 35 crores from Zigtraka Solutions Pvt. Ltd., wherein one Mr. Ravindra Paste is the director. A review of the records of MCA in respect of Kolar and Ramgiri Gold Mines Pvt. Ltd. shows that the said Mr. Ravindra Paste is a director. There is a clear money trail between Zee Group and Dhelia group of companies. I undertake to submit detailed reply with the documents of the said companies for your investigations.
6. I state that after acquisition of the above referred shares, SCG has started putting pressure upon me to agree for exchange ratio of 1:1 for the merger of both the companies knowing well that business module wise Tree House is much better than Zee Learn and that was the only attraction to SCG to somehow acquire the control of my company, Tree House by hook and crook.
7. I state that from the month of February 2016, the officers of Zee Group started coming to my office and used antisocial elements to pressurize me to sign certain documents to achieve their oblique purposes. Infact, the Zee group has forcefully filed Forms with MCA showing the appointment of Mr. Ram Kumar Gupta and Mr. Chanakya Dhanda as the Directors of Tree House. They further forced the Company Secretary of Tree House to sign outcome of Board Meeting dated December 02, 2016. It is pertinent to note that there was no board meeting on 2<sup>nd</sup> December, 2016. In this manner, Zee Group had created control over the management of the company.
8. I state that on one hand, during the period from December 2015 to December 2016, all the above referred front companies and entities of Zee Group have done lot of transactions for sale and purchase of shares of Tree House and on the other hand Zee Group has used their contacts and news channel and the papers to spread rumours about the alleged mismanagement in the operation of Tree House. The only object was to defame the management of Tree House and by using unethical practices taking control over the management of Tree House. These activities of the Zee Group entities has created a bad atmosphere about Tree House and there was a fall in the market price of shares of the company from Rs. 245 (highest during December 2015) to Rs. 37 (highest during December 2016).



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9. I state that in all odd circumstances, I have bravely handled the situation to protect Tree House properties and the management of the company.
10. I state that after the failure of SCG, in taking over control over Tree House, SCG has used his economic and political power and somehow got a FIR registered by the EOW. It is pertinent to note that Prism had bought shares in December 2015, and again on various occasions till December 2016 admitted after reading and understanding the financials of the company and have linked the market price fall in the shares of the company to the present & past financials. It is well settled proposition of law, that a shareholder of a public listed company cannot raise objection of oppression and mismanagement for the period prior to the date of purchase of shares.
11. I state that Mr. Pranay Dhelia is acting as a front man of SCG and he is a director in 13 companies incorporated as private limited or limited companies and partner in 4 LLPs. A review of the Balance Sheets of the said 13 companies clearly demonstrates that he is indulgent into money laundering activities and market price manipulation activities of shares of various listed companies.
12. It is pertinent to note that Mr. Pranay Dhelia is also connected with Zee group as shareholder, lender and borrower. Three of his group companies namely \*Penguin Deal Trade Pvt. Ltd (22,16,298 shares - 0.69%), \*Hopeful Tradelink Pvt. Ltd (12,14,399 -0.38%) and Hopeful Trade Link Pvt Ltd (12,14,399 shares-0.38% )are the shareholders of Zee Learn Ltd as per Annual Report for 2014-15.However , during next financial year two companies Penguin and Hopeful have sold their shares fully and Prism have sold 6,55,259 shares during the year. Another connected entity Hamlet Regency Pvt Ltd has bought 8,00,000 shares during March 2015 . One Mr. Ravindra Paste is the director of Hamlet Regency Pvt. Ltd. and is also associated with Zee group. An analysis of the balance sheets further shows that there are fund transferred amongst them. [\* source annual report of Zee Learn for 2014-15 and 2015-16]
13. In view of the facts narrated hereinabove, it is clear that the FIR registered by EOW, Mumbai is not maintainable and I am taking necessary legal recourse to take out an application for quashing the FIR. I wish to reassure you that the management of Tree House will take all necessary steps to protect the business and assets of the company and all steps will be taken for the benefit of the shareholders of the company.

**For Tree House Education & Accessories Limited**

  
**Rajesh Bhatia**  
Managing Director

