

# Tree House Education & Accessories Ltd.

Corporate Office:  
301, Embassy Chambers, 3rd Road, Khar (W),  
Mumbai - 400052. Tel.: 022-40169587 / 64572725  
CIN : L80101MH2006PLC163028

Registered Office:  
702, Morya House, 'C' Wing, Off Link Road,  
Andheri (W), Mumbai - 400 053.  
Tel.: 022-64512384, Fax 022-26051259



September 29, 2015

To,  
**BSE Ltd.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

To,  
**National Stock Exchange of  
India Ltd.**  
Exchange Plaza, Plot no. C/1, G  
Block, BKC, Bandra (E),  
Mumbai 400 051

To,  
**MCX Stock Exchange Ltd.**  
Suren Road, Andheri (East),  
Mumbai 400 093

**Sub.:** Clarification

**Scrip Code:** 533540 / TREEHOUSE

This is to inform all our Investors, that after a detailed clarification by Tree House Education and Accessories Limited Management to Stakeholders Empowerment Services (SES), SES is of the opinion that the explanation appears to be satisfactory. We enclose a detailed note for your perusal.

**For Tree House Education & Accessories Limited**

*Vishal Shah*

**Vishal Shah**  
Executive Director  
01153074



**Encl:** Detailed report



# Proxy Advisory Report

## Tree House Education & Accessories Ltd (Addendum)

BSE Code: 533540 | NSE Code: TREEHOUSE | ISIN: INE040M01013

Sector: Miscellaneous | Meeting Type: Annual General Meeting

e-Voting Platform: [NSDL](#)

e-Voting Period: From 22<sup>nd</sup> September, 2015 to 24<sup>th</sup> September, 2015

Meeting Date: 25<sup>th</sup> September, 2015 at 10:00 AM

Meeting Venue: Mayor Hall, All India Institute of Local Self Government,  
Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Mumbai-400058

Notice & Annual Report: [FY 2014-15](#)

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

Company Phone: +91 22 6130 6130 | Company Fax: +91 22 6130 6121

Company Registered Office: 702 C Morya House Off New Link Road Andheri (W),  
Mumbai, Maharashtra - 400053

SES, as per its policy had mailed its Proxy Advisory Report for the Annual General Meeting of Tree House Education & Accessories Ltd ('Tree House') to the Company. In the Report, SES had raised concern over the Debtors of the Company under 'Key Issues'.

Thereafter Mr. Rajesh Bhatia, Managing Director and Mr. Sanjay H. Shah, Chief Financial Officer, Chief of Compliance and Head – Investor Relations visited SES office on 28<sup>th</sup> September, 2015 to clarify the issue related to 'Receivables'. After the meeting, Tree House have also sent two emails on 28<sup>th</sup> September, 2015 clarifying the above issue. Copies of the said two communications from Tree House are annexed.

In the communications Tree House has given bifurcation of their debtor's business wise and explained nature of contracts that they have under their K12 school management. SES is of the opinion that Tree House has explained the high debtors and explanation appears to be satisfactory. SES has advised the Company that if shareholders are given enough information there would be no issues. The Company has assured that going forward they will ensure that shareholders have proper information of various revenue streams and other important factors which will enable shareholders to analyse financials of the Company and take informed decision.

In view of the disclosures made by the Company SES is of the opinion that the Company has explained the issue satisfactorily and shareholders may please note the same. SES wishes to clarify that the same is based on written communication from the Company. The Company may get the same certified by their Auditors and make proper disclosure to shareholders through stock exchanges.

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To,

28<sup>th</sup> September 2015

Stakeholder empowerment Services

A-202, Mukangan Complex, Upper Govind Nagar

Malad ( East ), Mumbai 400 097

Dear Mr. J N Gupta and Mr. Devendra Bhandari,

At the outset we are thankful to you for taking out time to meet us at a short notice and courtesy extended during our meeting. As discussed we submit hereby the facts on our Account Receivable, that will facilitate yourselves to issue an addendum to clarify the same.

Tree House Education and Accessories Limited have three types of key Revenue Sources:

## Type I.

**Income from early Childhood Care** : This is from our Pre-School Business and forms majority of our Revenue.

## Type II

**Income from Franchisees**: We get one time License Fees as well Royalty which is recurring in nature.

## Type III

**Income from K -12 School Management Services**: This is from K-12 School Trusts, where we provide School Management Services to School.

As of 31<sup>st</sup>. March 2015 Trade receivables is as follows:

Particulars	As on 31 <sup>st</sup> . March 2015 ( INR in lacs)
Overdue for more than six months:	17,58,50,541
- Considered Good	
Others	25,38,44,750
<b>Total</b>	<b>42,96,95,291</b>



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## Out of total receivables: ↓

i. **Type I** **INR 751,88,824**

The outstanding pertains to the Pre-School student fees, which were realised in April and May 2015. We had total Preschool Revenue of INR 179.38 crs and the above outstanding is only 4.18% of the total.

ii. **Type II** **INR 30,90,750**

The outstanding is receivables from Franchisees directly. We do not deal with the Franchisees students or parents directly. These pertains to Royalty for the Financial year 2014-15 and amounts are subsequently received.

iii. **Type III** **INR 35,14,15,717**

This outstanding is for School Management Services for K-12 Schools and are received from the Trusts directly. Of the above, an Overdue amount is INR 17,58,50,541 which is considered good included. Balance INR 17,55,65,176 is towards the Management Services Billing for the year 2014-15 which is shown under receivables which is received in subsequent year. Further please note that in respect of K12 school income the billing cycle is based on annual value of agreement and the payment is received in arrears. In most cases the payments are received in next year.

We request you to kindly issue an addendum and oblige.

Thanking You,

Yours Faithfully,

For Tree House Education and Accessories Limited

  
Rajesh Bhatia  
Managing Director



**DISCLAIMERS****Sources**

Only publicly available data has been used while making the report. Our data sources include: BSE, NSE, SEBI, Capitaline, Moneycontrol, Businessweek, Reuters, Annual Reports, IPO Documents and Company Website.

**Analyst Certification**

The analysts involved in development of this report certify that no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report.

**CAUTIONARY STATEMENT**

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. Further, SES analysis is recommendatory in nature. SES understands the different investment needs of our clients. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

**Disclaimer**

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All disputes subject to jurisdiction of High Court of Bombay, Mumbai.

**Company Information**

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**Contact Information****Stakeholders Empowerment Services**

A 202, Muktangan,  
Upper Govind Nagar,  
Malad East,  
Mumbai – 400 097  
**Tel +91 22 4022 0322**

[research@sesgovernance.com](mailto:research@sesgovernance.com)

[info@sesgovernance.com](mailto:info@sesgovernance.com)

[www.sesgovernance.com](http://www.sesgovernance.com).