

# Handholding the future





"It was really a wonderful experience. Even though my son, 'Atharv' was enrolled few months late than the beginning of the academic year, the teachers made him adjust well with his surroundings. He is so attached with his teacher 'Amita' that even when it is time for him to attend higher school for further education, he still insists for the same teacher. I congratulate the whole team of Tree House Magarpatta centre for their sincere support. Thank you."

*Annu Iyer, Pune*

"The festival of Janmashtmi at the centre was very nice and informative for the kids. We liked it very much and the Tree House staff was very co-operative. I, as a parent am very happy with the centre. We are really very happy and satisfied with the development of our kid."

*Stephen Samuel Philip, Ahmedabad*





"My daughter performed brilliantly at the recently conducted fashion show for the kids in Kolkata. I always thought that my kid was very shy and will never walk on the stage. But, to my utter amazement and astonishment she not only walked confidently but also waved and threw flying kisses at the audience. All credit goes to the patience and hard work of Deblina and all the other teachers. Thanks to them."

*Dalia Datta, Kolkata*

"Tree House is refreshing in its approach to education. We have been very fortunate to find such a great play school with caring teachers. My family has been extremely pleased with the care and education she is receiving. I am very happy with my daughter's progress and I give Tree House a million thanks for this."

*Seema Balan, Vidyavihar, Mumbai*

# Tree House Education & Accessories Limited

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

Phone: 022-64562306 / 64562322

## Notice

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TREE HOUSE EDUCATION & ACCESORIES LIMITED WILL BE HELD ON TUESDAY, AUGUST 07, 2012 AT 10.30 A.M. AT MAYOR HALL, ALL INDIA INSTITUTE OF LOCAL SELF GOVERNMENT, STHANIKRAJ BHAVAN, C.D. BARFIWALA MARG, JUHU LANE, ANDHERI(W), MUMBAI - 400 058, MAHARASHTRA, INDIA, TO TRANSACT THE FOLLOWING BUSINESS:-

### Ordinary Business

#### Item no. 1 - Adoption of accounts

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.

#### Item no. 2 - Declaration of Dividend

To declare a dividend for the financial year ended March 31, 2012

#### Item no. 3 - Re-appointment of Mr. Sanjaya Kulkarni

To appoint a Director in place of Mr. Sanjaya Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.

#### Item no. 4 - Re-appointment of Mr. Parantap Dave

To appoint a Director in place of Mr. Parantap Dave, who retires by rotation and being eligible, offers himself for re-appointment.

#### Item no. 5 - Appointment of Auditors

To Appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution:

"RESOLVED THAT, M/s Jogish Mehta & Co., Chartered Accountants (Firm Registration Number 104326W), and M/s Walker Chandio & Co., Chartered Accountants (Firm Registration Number 001076N), be and are hereby reappointed as Joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Joint Auditors, and the remuneration may be paid on a progressive billing basis to be agreed between the Joint Auditors and the Board of Directors."

#### Item no. 6 - Appointment of Branch Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, the Board be and is hereby authorised to appoint Branch Auditors for any branch office of the Company, whether existing or which may be opened / acquired hereafter, in India or abroad, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 228 of the Act and to fix their remuneration."

### Special Business

#### Item no. 7 - Regularisation of appointment of Additional Director

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

"RESOLVED THAT Mr. Jayant Sinha who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on November 10, 2011 and who ceases to hold office on the date of Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive, Non Independent Director of the Company."

"RESOLVED FURTHER THAT the office of Mr. Jayant Sinha shall be liable to retirement by rotation."

#### Item no. 8 - Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings

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

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded authorising the Board of Directors of the Company(hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/Financial Institutions and other investing agencies to secure Rupee/foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of ₹ 200 Crores."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required in order to give effect to the above resolution"

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

Sd/-  
Deepali Hanchate  
Company Secretary

Place: Mumbai  
Date: May 29, 2012

# Notice

## Explanatory Statement Pursuant to Section 173 (2) of The Companies Act, 1956

### Item No. 7

Mr. Jayant Sinha was opted as an Additional Director of the Company with effect from November 10, 2011, pursuant to Section 260 of the Companies Act, 1956. Mr. Jayant Sinha holds office of Director upto the date of the Annual General Meeting. The Company has received notice in writing from alongwith a deposit of ₹ 500/- proposing candidature of Mr. Jayant Sinha for the office of Director under the provisions of Section 257 of the Companies act, 1956.

The Board accordingly recommends the resolution as set out in Item No. 7 of the Notice for approval of the members.

None of Directors of the Company other than Mr. Jayant Sinha is interested or concerned in the said resolution.

### Item No. 8

Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of Directors of public limited company shall not, without the consent of members of such public limited company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

As the assistances from the institutions / banks provided / agreed to be provided to the Company have to be secured by the mortgage and charge created on the assets of the Company, both present and future and the whole of the undertaking of the Company and the aforesaid institutions would like to retain a power to take over the management of the business and concern of the Company in certain events, it is necessary for the members to pass a resolution under Section 293 (1) (a) of the Companies Act, 1956.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

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

Sd/-  
Deepali Hanchate  
Company Secretary

Place: Mumbai

Date: May 29, 2012

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members are requested to notify immediately any change in their addresses to the Company at the Company's registered office address.

## INFORMATION OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT PURSUANT TO CLAUSE 49 (IV) (G) (i) OF THE LISTING AGREEMENT

### 1. Mr. Sanjaya Kulkarni

Mr. Sanjaya Kulkarni holds a Bachelor of Technology degree from Indian Institute of Technology, Mumbai and Masters of Business Administration from Indian Institute of Management, Ahmadabad. Mr. Kulkarni has approximately thirty years of experience in the financial services and consumer durables industry. He has worked for Citibank, India from 1973-1980 and was involved in investment banking and managing corporate relationships and then promoted 20th Century Finance Corporation Ltd (TCFC) . TCFC subsequently promoted Centurion Bank Ltd. He was also the Chairman of the Equipment Leasing Association from 1993-1995. Mr. Kulkarni previously managed Century Direct Fund, one of the earliest private equity funds for investment in growth companies in India.

Other Directorship of Mr. Sanjaya Kulkarni is as follows:

Sr. No.	Name of the Firm / Company	Nature of Interest
1.	TPL Plastech Ltd.	Chairman
2.	Agro Tech Food Ltd.	Director
3.	Time Technoplast Ltd.	Director
4.	S.L. Poultry (P) Ltd.	Director
5.	Indian Direct Equity Advisors Pvt. Ltd.	Director
6.	Pro Capital Advisors Pvt. Ltd.	Director
7.	NED Energy Ltd.	Director
8.	YPA (Thailand) Ltd.	Director
9.	Iprof Learning Solutions India Pvt. Ltd.	Director

**2. Mr. Parantap Dave**

Mr. Parantap Dave holds a Bachelor of Commerce degree and is a Chartered Accountant. Mr. Dave has twenty five years of experience in the field of finance, banking, accounts, audit, taxation, legal, project and general management and commercial matters. Mr. Dave started his career on guiding individuals and corporates on managing their investible surplus on the capital market. This endeavor was further extended to include transacting for placement of commercial paper, advising clients on the initial public offering process, and wealth management. The resultant exposure to various business segments metamorphosed into a bouquet consulting firm, Argent Advisors, which provides corporate advisory to small and medium enterprises on strategy from incubation to initial public offering, from concept to capital, from vision to valuation. Mr. Dave enables business entities in securing funds, both in form of venture capital/ private equity and public equity.

Other Directorship of Mr. Parantap Dave is as follows:

Sr. No.	Name of the Firm / Company	Nature of Interest
1.	Mas Service Ltd.	Director
2.	Spectrum International Pvt. Ltd.	Director
3.	Dhanipa Management Services Pvt. Ltd	Director
4.	Sajeev Agri Private Limited	Director
5.	Capvital Advisors Private Limited	Director
6.	Sankalp Siddhi Corporate Advisory Private Limited	Director

**3. Mr. Jayant Sinha**

Mr. Jayant Sinha is Managing Director of Omidyar Network India Advisors, where he leads overall investment strategy and operations in India. In his role, Mr. Sinha helps Omidyar Network manage and develop the India based portfolio across our Access to Capital and Media, Markets & Transparency initiatives. Mr. Sinha brings more than twenty years of experience in investing and strategy consulting to his role as managing director, as well as a deep understanding of managing investments and advising businesses in India.

Prior to joining Omidyar Network, Mr. Sinha was Managing Director of Courage Capital Management, where he led technology and India-related investing for a global special situations hedge fund. Prior to joining Courage Capital in 2006, Mr. Sinha spent twelve years with McKinsey & Company as a partner in the Boston and Delhi offices.

Mr. Sinha has completed Masters of Business Administration with distinction from the Harvard Business School, an MS in energy management and policy from the University of Pennsylvania, and a Bachelor of Technology with distinction from the Indian Institute of Technology, Delhi.

Other Directorship of Mr. Jayant Sinha is as follows:

Sr. No.	Name of the Firm / Company	Nature of Interest
1.	Omidyar Network India Advisors Private Limited	Director
2.	Ver se Innovation Private Limited	Director
3.	Aspiring Minds Assessment Private Limited	Director
4.	D. Light Design Inc.	Director
5.	Puja Holdings LLC	Director

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## Forward Looking Statements

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In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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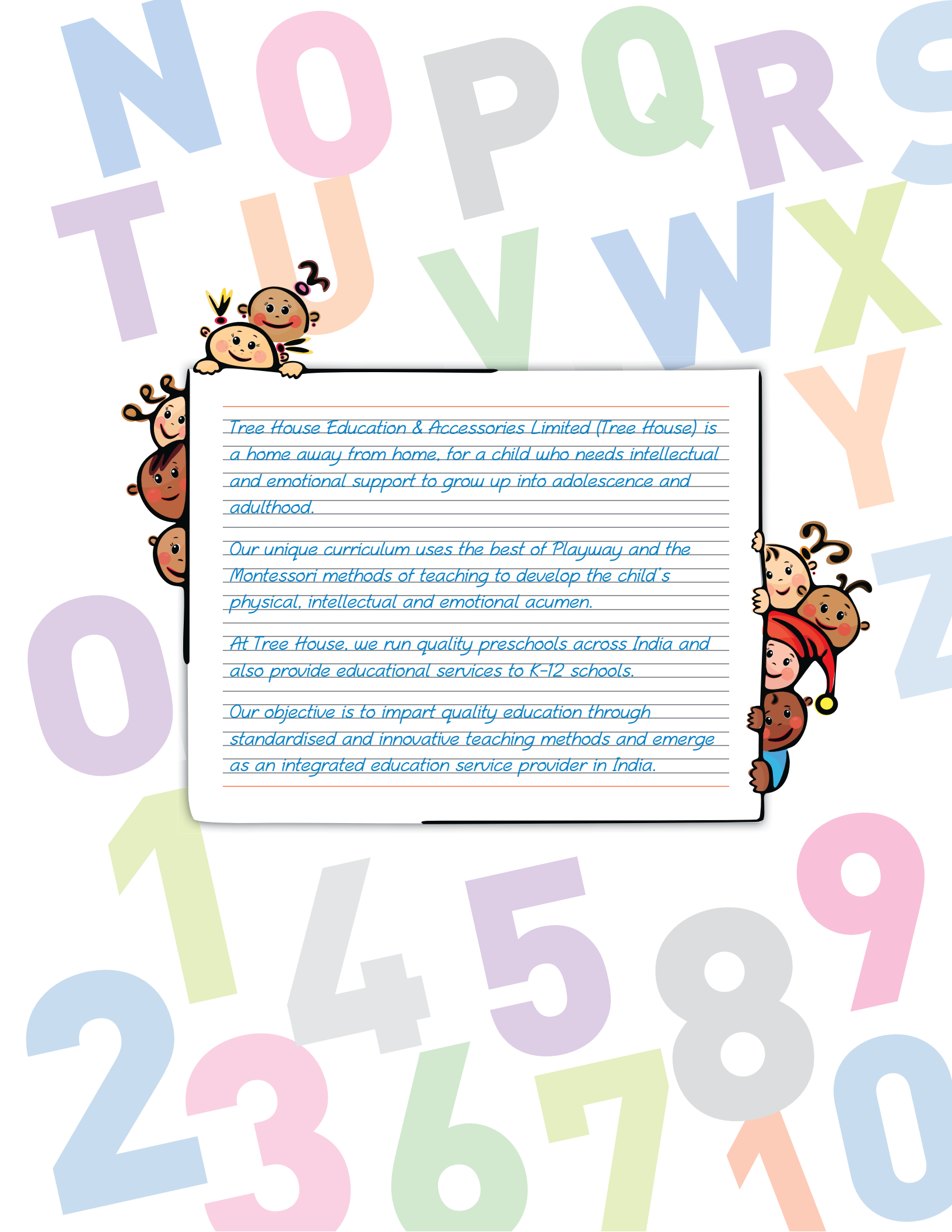
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*Tree House Education & Accessories Limited (Tree House) is a home away from home, for a child who needs intellectual and emotional support to grow up into adolescence and adulthood.*

*Our unique curriculum uses the best of Playway and the Montessori methods of teaching to develop the child's physical, intellectual and emotional acumen.*

*At Tree House, we run quality preschools across India and also provide educational services to K-12 schools.*

*Our objective is to impart quality education through standardised and innovative teaching methods and emerge as an integrated education service provider in India.*



## Chairman's communiqué



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*The government allows 100% FDI in the education sector. The education sector received a hike of about 18 % in the budgetary allocation for 2012-13 with a plan outlay of ₹ 61,427 crore (US\$ 10.92 billion) in which 22 % increase has been announced for the Sarva Siksha Abhiyan.*

### Dear Friends,

The Indian education system, one of the largest in the world, is divided into two major segments - core and non-core businesses. While, the core group has schools and higher education, the non-core business consists of preschools, vocational training and coaching classes. The concept of preschool is gaining immense popularity due to increasing awareness about the fact that about 40% of a person's ability to learn is shaped during the first four years of the child's life. We, at Tree House understand this, hence we handhold them for their future during their formative years.

The government allows 100% FDI in the education sector. The education sector received a hike of about 18% in the budgetary allocation for 2012-13 with a plan outlay of ₹ 61,427 crore (US\$ 10.92 billion) in which 22% increase has been announced for the Sarva Siksha Abhiyan. ₹ 15,458 crore (US\$ 2.74 billion) has been earmarked for higher education while school education has received ₹ 45,969 crore (US\$ 8.17 billion). The education spend in India is at US\$ 600 billion and the private education segment alone is expected to cross US\$45 billion mark by 2015 from the present \$35 billion, according to a research report prepared by Investor Relation Society, affiliated to US based Global Investor Relations Network.

According to CRISIL the preschool business is expected to reach ₹ 133 billion by 2015 from ₹ 43 billion in 2010. Several factors have contributed to it such as expanding urbanisation; rising disposable income and increasing awareness about the role of education in a competitive market are the driving force behind India's transforming education sector.

Let me also take this opportunity to thank all our stakeholders for their support and belief in us.

Regards,

**Sanjaya Kulkarni**

Chairman and Independent Director

## From the MD's desk



**“** Our incessant focus is to provide a conducive learning environment for children. We are consistently striving to offer quality education and emerge as an integrated education service provider in India. Tree House is carving a niche by handholding the children for their future during their formative years.

### Dear Friends,

India's education sector is growing significantly. Tree House started in 2003 offering a combination of Montessori and 'play work' to children one and a half to six years of age.

With more than 300 preschools, Tree House runs the largest network of self-operated preschools in the country. We offer preschool services through 302 centers spread across India. Of these, 240 centers are operated by the Company, while the remaining ones are run on a franchise basis. The greater number of self-run schools compared to some of its peers increases the profitability of its overall business due to better control on costs and total retention of profits.

We successfully mopped up over ₹ 1,121 million through an initial public offer in August 2011, which will be used for expanding our presence in the country. On the back of our sound strategies and planned objectives, we aim to open more centres, acquire office space and construct educational complexes in Rajasthan and Gujarat.

The past six months have successfully enhanced student intake capacity across the country. We are witnessing significant traction for admission for the next academic year which will lead to margin expansion both on the PAT and EBITDA front. We ended the fiscal with ₹ 81.1 crore in sales and ₹ 21.7 crore in net profit. Both sales and profit more than doubled compared to a year ago. Our operating margin also improved significantly to 56.6% from 45.7%. The Company has added over 75 centres since its listing in August 2011.

Our incessant focus is to provide a conducive learning environment for children. We are consistently striving to offer quality education and emerge as an integrated education service provider in India. Tree House is carving a niche by handholding the children for their future during their formative years.

I take this opportunity to thank the entire management, teachers, staff, parents, franchise-owners and our stakeholders, who have believed in us and made our journey rewarding and fruitful.

Regards,

Rajesh Bhatia  
Managing Director