

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



August 11, 2018

| | | |
|--|---|---|
| To, BSE Limited Phiroze Jeejeebhoy Tower Dalal Street, Fort Mumbai - 400 001 | To, The National Stock Exchange of India Ltd. Bandra (East) Mumbai - 400 051 | To, Metropolitan Stock Exchange of India Ltd. Exchange Square, CTS No. 25, Suren Road, Andheri (East), Mumbai - 400 093 |
|--|---|---|

Sub.: Outcome of the Board Meeting of the Company held on August 11, 2018.

Ref.: Scrip Code: 533540 / Symbol: TREEHOUSE

Dear Sirs,

We would like to inform you that at the meeting of the Board of Directors of the company held on Saturday, August 11, 2018, the board has considered and approved;

1. Un-audited Financial Results of the Company for the quarter ending June 30, 2018 along with Limited Review Report of the Statutory Auditors of the Company.

Any other business with the permission of Chair.

Authorisation given to Mr. Rajesh Bhatia (MD); Mrs. Geeta Bhatia, (Director); and Mr. Navin Kumar B. Mane, CFO of the company, to sign on behalf of company, jointly and/or severally, to Sell (to an extent not exceeding 20% of the net worth of the company) / Lease / Rent / Leave and License Agreements, with any trusts / society / partnership firm / company / LLP / individual, to terminate any lease deed with any trusts / society / partnership firm / company / LLP / individual and to perform all such acts, writings and deeds as may be required under the Indian laws to help in the closure of secured loans taken by the Company from HDFC Bank Ltd., Kotak Mahindra Bank Ltd., and ICICI Bank Ltd.

The meeting of the Board of Directors of the Company commenced at 09:30 a.m. and concluded at 11:00 a.m.



We request you to kindly take the above information on record.

Thanking you.

Yours truly,

For **Tree House Education & Accessories Limited**


Rajesh Bhatia
Managing Director
DIN: 00074393



Tree House Education & Accessories Limited
Regd. Office: 702, C Wing Morya House, Off New Link Road,
Near Infinity Mall, Andheri (W), Mumbai - 400 053
CIN No. L80101MH2006PLC163028

Statement of Unaudited Standalone financials results for the quarter ended June 30, 2018

| Sr. No. | Particulars | Quarter ended | | | (Rs. In Lacs) |
|---------|---|---------------------------|-------------------------|---------------------------|---------------------------------------|
| | | Jun 30, 2018 Unaudited | Mar 31, 2018 Audited | Jun 30, 2017 Unaudited | Year ended Mar 31, 2018 Audited |
| 1) | Revenue from Operations | 125 | 130 | 350 | 700 |
| | Other Income | 32 | 142 | 18 | 354 |
| | Total Income | 157 | 272 | 368 | 1,054 |
| 2) | Expenses | | | | |
| | Operating cost | 9 | 94 | 141 | 278 |
| | Employee benefits expense | 24 | 26 | 33 | 118 |
| | Financial Costs | 121 | 193 | 249 | 553 |
| | Depreciation, amortisation and Impairment | 857 | 1246 | 1,160 | 5,260 |
| | Other expenses | 67 | 195 | 100 | 2,044 |
| | Total expenses | 1,078 | 1,754 | 1,683 | 8,253 |
| 3) | Profit before exceptional items, and tax (1-2) | (921) | (1,482) | (1,315) | (7,199) |
| | accounted for using the equity method | - | - | - | - |
| 4) | Exceptional items | (373) | (3,283) | (134) | (3,513) |
| 5) | Profit before tax (3+4) | (1,294) | (4,765) | (1,449) | (10,712) |
| 6) | Tax expenses | - | (1,009) | - | (1,009) |
| 7) | Profit for the period / year (5-6) | (1,294) | (3,756) | (1,449) | (9,703) |
| 8) | Other Comprehensive Income | | | | |
| | i. Items that will not be reclassified to profit or loss-Actuarial (Loss)/Gain | - | - | - | - |
| | ii. Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - |
| | Other Comprehensive Income | - | - | - | - |
| 9) | Total Comprehensive income (7+8) | (1,294) | (3,756) | (1,449) | (9,703) |
| 10) | Paid up equity share capital (face value Rs.10 per share) | 4,231 | 4,231 | 4,231 | 4,231 |
| 11) | Reserves excluding revaluation reserves | | | | 35,378 |
| 12) | Earnings per share Before Exceptional Items | | | | |
| | Basic | (2.18) | (3.50) | (3.11) | (17.01) |
| | Diluted | (2.18) | (3.50) | (3.11) | (17.01) |
| 13) | Earnings per share After Exceptional Items | | | | |
| | Basic | (3.06) | (8.88) | (3.42) | (22.93) |
| | Diluted | (3.06) | (8.88) | (3.42) | (22.93) |

Notes:

- The unaudited financial results were reviewed by audit committee and approved at the meeting of Board of Directors of the Company held on 11th Aug, 2018.
- The financial results have been reviewed by the Statutory Auditors as required under regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company falls within a single primary business segment viz. "Educational Services", the disclosure requirements of Indian Accounting Standard (Ind AS-108) "Segment Reporting" is not applicable.
- Previous period / year figures have been regrouped / rearranged wherever necessary to conform with the current period / year

Place: Mumbai
Date: 11.08.2018

For and on behalf of the Board of Directors


Rajesh Bhatia
Managing Director





LIMITED REVIEW REPORT

To
The Board of Directors
Tree House Education & Accessories Ltd

- 1) We have reviewed the accompanying statement of Unaudited Financial Results (the "statement") of **Tree House Education & Accessories Ltd** (the "Company") for the quarter ended 30th June, 2018. The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the "Listing Regulations, 2015). The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a Report on the Statement based on our review.
- 2) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3) Attention is invited to the following observations as given in the previous Audit Report on Audited Financials for financial year 2017-18, and notes thereon.
 - 3.1 The Company has defaulted in repayment of loans availed from financial institutions due to which these borrowings have been classified as short term borrowings. The amount payable to financial institutions is Rs. 7564.48 lakhs as on 30th June, 2018.

The term loan from ICICI bank payable at Rs. 1938.23 lakhs along with interest thereon 30th June 2018 has been classified as NPA by the Bank. The Company has already received notices under "SARFAESI" Act and therefore the said loan is treated as short term borrowing. During the quarter ending 30th June, 2018 the company has repaid Rs. 95.00 lakhs towards the said loan.





The Overdraft from Hdfc Bank at Rs. 4737.24 lakhs along with interest thereon as on 30th June, 2018 has been classified as NPA by the Bank. The Company has already received notices under "SARFAESI" Act and therefore the said loan is treated as short term borrowing.

The Term Loan and Overdraft facility from Kotak Mahindra Bank at Rs. 889.00 lakhs along with interest thereon as on 30th June, 2018 has been classified as NPA by the Bank. The Company has already received notices under "SARFAESI" Act and therefore the said loan is treated as short term borrowing.

In respect of unsecured loans, management is of the view that the carrying amount of unsecured loans represents the true and fair view of the indebtedness of the Company.

- 3.2 The Company has discontinued most of the centers operated by the Company and have converted some of them into franchise. The fixed assets including furniture & fixtures, teaching equipments and leasehold improvements located at these centers are identified into those lying at closed centers, franchise centers and own centers in a phased manner. The management is in the process of verifying the assets lying at franchise centers. The management is of the view that the carrying amount of the fixed assets lying at own centers /HO/Schools is the fair value and therefore no amount needs to be written off.
- 3.3 The management has already impaired financial assets according to IND AS during 2017-18 in relation to Goodwill & Business Commercial Rights (BCR) during 2017-18 and therefore no further impairment is needed. The management is therefore of the view that the balance lying in the company's books and the carrying amount thereof represents true and fair view and therefore no amount needs to be written off.
- 3.4 In respect to various deposits given to Educational Trusts amounting to Rs 16442 lakhs, as on 30th June, 2018 the management is of the view that the balance lying in the Company's books and the carrying amount thereof represents true and fair view and therefore no amount needs to be written off. The management has already impaired financial assets according to IND AS during 2017-18 and no further impairment is needed.





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In respect of deposit given to Janodhar Shikshak Prasarak Mandal, the Company has filed complaint before Economic Offence Wing-I, Navi Mumbai for recovery of the said deposit. In view of pending proceedings

the deposit recoverable from Janodhar Shikshak Prasarak Mandal is neither written off nor impaired in books of accounts.

- 3.5 The carrying value of lease deposits with landlords amounting to Rs 348 lakhs as on 30th June, 2018 is related to closed/discontinued centers and administrative office.

The management has informed that it has changed the business strategies for better control and therefore Company has converted its play school & nursery centers which were owned by the Company by way of lease to Franchise model. The lease deposits with landlords for centers already converted into franchise centers or completely closed centers has either been received back in some cases or adjusted against lease rent payable or outstanding expenses or reimbursement of expenses that were found payable at the time of conversion of centers into franchise centers during 2017-18.

The management has further informed us that the Company has already sent intimations/notices to all landlords whose centers are already closed and has further published public notice in newspapers for settlement of their dues during 2017-18.

- 3.6 Confirmation letters have been sent by the company to sundry creditors and parties to whom loans & advances 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 reconciliation and adjustment, if any.
- 3.7 Some landlords, creditors as well as statutory authorities have initiated legal proceedings against the Company, which may result in compensation, interest and penalties. The possible impact of the same on financial results cannot be ascertained, pending such outcome.
- 3.8 The management has informed us that the closing stock is valued at cost. The company has bifurcated the inventory into non-moving and obsolete.





Sandeep Dedhia
B. Com. F.C.A.

S. Dedhia & Co.
Chartered Accountants

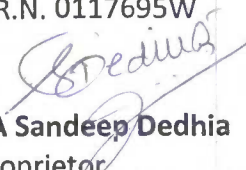
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- 3.9 The management has informed us that the Company has appointed an Internal Auditor to serve as an aid to the management in identifying the areas of concern and improvement as well as to provide assurance regarding the systems, controls and process within the organization. Accordingly internal audit was carried out for the quarter ended 30th June, 2018, and that we have relied upon the same.
- 4 Based on our review conducted as explained in paragraph 1 and 2 and our observations in paragraph 3 above, which highlighted material uncertainties, the impact of which is currently not ascertainable, nothing has come to our attention that causes us to believe that the accompanying Statements has not been prepared in all material respects in accordance with the IND AS and other recognized accounting practices & policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. Dedhia & Co.
Chartered Accountants
F.R.N. 0117695W


CA Sandeep Dedhia
Proprietor
M. No. 102606



Date : 11th August, 2018
Place : Mumbai