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

February 12, 2018

To, **BSE Limited** Phiroze Jeejeebhoy Tower Dalal Street, Fort Mumbai - 400 001	To, **The National Stock Exchange of India Ltd.** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	To, **Metropolitan Stock Exchange of India Ltd.** Exchange Square, CTS No. 25, Suren Road, Andheri (East), Mumbai – 400 093

Dear Sirs,

Sub.: **Outcome of the Board Meeting of the Company held on February 12, 2018.**

Ref.: Scrip Code: 533540 / Symbol: TREEHOUSE

We would like to inform you that at the meeting of the Board of Directors of the company held on Monday, February 12, 2018, the board has considered and approved;

1. Un-audited Financial Results of the Company for the quarter ended December 31, 2017 along with Limited Review Report of the Statutory Auditors of the Company.

The meeting of the Board of Directors of the Company commenced at 6 p.m. and concluded at 7:40 p.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

Encl: as stated

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 financials results for the quarter ended December 31, 2017

(Rs. In Lacs)

Sr. No.	Particulars	Quarter ended			Year ended
		Dec 31, 2017 Unaudited	Sep 30, 2017 Unaudited	Dec 31, 2016 Unaudited	Mar 31, 2017 Audited
1)	Revenue from Operations	46	173	1,274	5,927
	Other Income	155	39	9	372
	Total Income	**201**	**212**	**1,283**	**6,299**
2)	**Expenses**				
	Operating cost	16	27	830	3,498
	Employee benefits expense	25	33	154	1,305
	Financial Costs	30	81	225	1,075
	Depreciation, amortisation and Impairment	1,886	968	1,138	4,992
	Other expenses	117	1,633	30	3,160
	Total expenses	**2,074**	**2,742**	**2,376**	**14,030**
3)	Profit before exceptional items, and tax (1-2)	(1,873)	(2,530)	(1,094)	(7,731)
4)	Exceptional items	(44)	(53)	(2,219)	(8,795)
5)	Profit before tax (3+4)	(1,917)	(2,583)	(3,313)	(16,526)
6)	Tax expenses	-	-	-	(232)
7)	**Profit for the period / year (5-6)**	(1,917)	(2,583)	(3,313)	(16,294)
8)	**Other Comprehensive Income**				
	i. Items that will not be reclassified to profit or loss-Actuarial (Loss)/Gain	-		-	63
	ii. Income tax relating to items that will not be reclassified to profit or loss	-		-	-
	Other Comprehensive Income	-	-	-	63
9)	**Total Comprehensive income (7+8)**	(1,917)	(2,583)	(3,313)	(16,231)
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				45,081
12)	**Earnings per share Before Exceptional Items**				
	Basic	(4.43)	(5.97)	(2.59)	(18.27)
	Diluted	(4.43)	(5.97)	(2.59)	(18.27)
13)	**Earnings per share After Exceptional Items**				
	Basic	(4.53)	(6.10)	(7.83)	(38.51)
	Diluted	(4.53)	(6.10)	(7.83)	(38.51)

Notes:

1 The Company opts to publish the quarterly financial results on Standalone basis.

2 The unaudited financial results of the company for the quarter ended 3st December 2017 duly reviewed by the Audit Committee have been approved by the Board of Directors at its meetings held on 12.02.2018.

3 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.

4 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.

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

Rajesh Bhatia
Managing Director

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

Place: Mumbai
Date : 12.02.2018

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

S. Dedhia & Co.
Chartered Accountants

Office No. 304, Sai Arcade, Above Union Bank of India, N.S. Road, Mulund (West), Mumbai - 400 080.
☎ 2591 7192 Email : sdedhia23@rediffmail.com

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 31st December, 2017. 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. A 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 Qualifications as given in the previous Audit Report on Audited Financials for financial year 2016-17, the Qualifications continued in Limited Review Report for the quarter ended 30th September, 2017 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. 7260 lakhs as on 31st March, 2017.

The term loan from ICICI bank payable at Rs. 1621.82 lakhs and interest thereon at Rs. 183.74 lakhs as on 18th September, 2017 has been classified as NPA by the Bank and therefore no interest has been charged by the Bank for the period from 18/09/2017 to 31/12/2017. The Company has received demand letter for Rs. 1805.55 lakhs in total from the bank under SARFAESI Act on 18th September, 2017 and therefore the said loan is treated as short term borrowing.

The Overdraft from Hdfc Bank at Rs. 4500.00 lakhs and interest thereon at Rs. 521.87 lakhs as on 30/11/2017 has been classified as NPA by the

S. DEDHIA & CO. M. No. 102606 CHARTERED ACCOUNTANTS

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

S. Dedhia & Co.
Chartered Accountants

Office No. 304, Sai Arcade, Above Union Bank of India, N.S. Road, Mulund (West), Mumbai - 400 080.
☎ 2591 7192 Email : sdedhia23@rediffmail.com

Bank and therefore no interest has been charged by the Bank for the period from 01/12/2017 to 31/12/2017. The Company has received demand letter for Rs. 5021.87 lakhs in total from the bank under SARFAESI Act on 11th December, 2017 and therefore the said loan is treated as short term borrowing.

In view of the management the carrying amount of secured and 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. However the fixed assets including furniture & fixtures, teaching equipments and leasehold improvements located at these centers have not been physically verified. The Company has not passed any adjustment entries/impairment loss for most of the centers discontinued /closed/converted into franchise during the period.*

The fixed assets in respect of franchise converted centers though physically verified, do not reconcile with the Fixed Assets Register. In the absence of actual reconciliation adjustment entries needs to be passed in respect of assets lying at franchise centers.
Also the fixed assets in respect of closed centers could not be verified physically, as the Company does not have possession and access to those centers. In the absence of physical verification of fixed assets in respect of closed centers, no adjustment entries are accounted for.
Fixed assets lying at own centers /HO/Schools are not physically verified. 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 amounts needs to be written off.

3.3 *In respect to various deposits given to Educational Trusts amounting to Rs 300 lakhs, as on 31st March, 2017 the balance lying in the Company's books could not be verified in absence of confirmations received from the trust.*

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.

3.4 *The carrying value of lease deposits with landlords amounting to Rs 1473 lakhs as on 31st March, 2017 is related to closed/discontinued*

S. DEDHIA & CO. M. No. 102606 CHARTERED ACCOUNTANTS

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

S. Dedhia & Co.
Chartered Accountants

Office No. 304, Sai Arcade, Above Union Bank of India, N.S. Road, Mulund (West), Mumbai - 400 080.
☎ 2591 7192 Email : sdedhia23@rediffmail.com

centers and administrative office. We are of the opinion that the recoverable amount is much lower than the carrying value of these lease deposits and impairment test needs to be carried out.

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 company has already converted 140 centers into franchise centers during F.Y. 2016-17. During quarter ended 30th June, 2017, the Company has converted 2 more centers into franchise centers and has allotted 4 new franchise centers during the quarter ended 30th September, 2017. It has also closed 57 centers completely during the quarter ended 31st December, 2017. During quarter ended 31st December, 2017, the Company has converted 1 more center into franchise center and has allotted 2 new franchise centers. 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.

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 the quarter ended 31st December, 2017 the management has written off lease rent deposits pertaining to 41 closed centers and other 16 centers either on account of no futher response to public notice or legal notice sent by the owner & then settled mutually or deposits settled on the basis of cancellation deed signed with the parties.

3.5 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. In view of confirmations have been received from only few parties, the balances under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment, if any.

3.6 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.

S. DEDHIA & CO. M. No. 102606 CHARTERED ACCOUNTANTS

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

S. Dedhia & Co.
Chartered Accountants

Office No. 304, Sai Arcade, Above Union Bank of India, N.S. Road, Mulund (West), Mumbai - 400 080.
☎ 2591 7192 Email : sdedhia23@rediffmail.com

3.7 The management has informed us that the Company is in the process of physically verifying the stock-in-trade. In the absence of physical verification closing stock is valued at cost.

3.8 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 3rd quarter for the areas of Lease Rent Deposits and Creditors and that we have relied upon the same.

3.9 The management is of the view that no revenue is generated from Dixit Education Society and therefore it has to be fully written off by recognizing loss on impairment at Rs. 300.30 lakhs from "Business Commercial Rights (BCR)" of Dixit Education Society to be equally apportioned in second, third & fourth quarter of the F.Y. 2017-18. Accordingly the management has booked impairment loss of Rs. 1,00,10,000/- for the quarter ended 31st December, 2017.

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

S. DEDHIA & CO. ★ M. No. 102606 ★ CHARTERED ACCOUNTANTS

CA Sandeep Dedhia
Proprietor
M. No. 102606

Date : 12th February, 2018
Place : Mumbai