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 10, 2017

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.: Submission of financial statements for the quarter ended June 30, 2017.

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 Thursday, August 10, 2017, the board has considered and approved;

1. Un-audited financial statement for the quarter ended June 30, 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 5 p.m. and concluded at 7:30 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
Encl: as above

TREE HOUSE EDUCATION & ACCESSORIES LTD. MUMBAI

AGARWAL & ASSOCIATES
Chartered Accountants
KOLKATA, MUMBAI

75A
Office No. : [redacted], Ground Floor
Citi Mall, New Link Road
Andheri (W), Mumbai-400053
Mobile : 9831579045
E-mail : agarwals.associates@gmail.com

LIMITED REVIEW REPORT

To
The Board of Directors,
TREE HOUSE EDUCATION & ACCESSORIES LIMITED

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 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 Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' 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 provide 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 our previous Audit Report on Audited financials for financial year 2016-17 , the qualifications continues in our limited review report :

I. *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 Rs7260 lacs as on 31st March 2017.*

II. *The company has discontinued most of the centers operated by the company and have converted some of them into franchisee, however the Fixed Assets including Furniture & fixtures, Teaching Equipment's 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 franchisee during the year.*

The management has informed us that the recoverable amount of these assets within the meaning of Indian Accounting Standards (IND AS) -36 is more than the carrying value and as such no amount needs to be recognized in the financial statements for impairment loss. We have not been able to validate this assertion in the absence of internal exercise or external valuation report of an independent agency and the uncertainty of resumption of future operation/ results of future operations thereof. We are unable to comment on the carrying value of these assets.

III. *No revenue is received from school management services rendered to K-12 schools from last 2 quarters of F.Y 2016-17 and for first quarter ended 30th June.2017.*
The invoices raised in the first 2 quarters of F.Y 2016-17 have also not been acknowledged by the other party creating dispute over its realization. In our opinion, since there is no probable certainty of revenue from the cash generating unit, the carrying amount shown under "Business Commercial Rights (BCR) under Intangible assets needs to be impaired and impairment test is required as per Indian Accounting Standard (IND-AS)-36 and impairment loss needs to be recognized.

Management has informed us that the recoverable amount of these Intangible Assets within the meaning of Indian Accounting Standards (IND AS) -36 is more than the carrying value and as such no amount needs to be recognized in the financial statements for impairment loss. We have not been able

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to validate this assertion in the absence of internal exercise or external valuation report of an independent agency and the uncertainty of resumption of future operation/ results of future operations thereof. We are unable to comment on the carrying value of these assets.

IV. *In respect to various deposits given to Educational trust amounting to Rs 18889 lacs, 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.*

Further the management has informed that the carrying amount of these deposits classified as financial assets have not been accounted at fair value as required within the meaning of Indian Accounting Standard (Ind AS)109. In view of the management the carrying amount of these assets is the fair value and no amount needs to be recognized as loss. We have not been able to validate this assertion in the absence of internal exercise or external valuation report of an independent agency. We are neither able to comment on the carrying value of these assets nor we are able to ascertain the impact of not valuing these deposits at fair value in the attached financial results.

V. *In respect to Receivables amounting to Rs. 2877 lacs due as on 31st March 2017, from Educational trust, the deliverables and receipts are outstanding for a long time. Absence of recoveries from these parties since long indicates the existences of material uncertainty that may cast doubt on the recoverability of these receivables. However, in view of management no provision is required as such balances are good and recoverable.*

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

VII. *The Loans & Advances and Receivables which have been classified as Financial Assets in compliance to Ind AS, have been recognized at their carrying amount and not at fair value. In view of the management the carrying amount of these assets is the fair value and no amount needs to be recognized as loss. We have not been able to validate this assertion in the absence of internal exercise or external valuation report of an independent agency. We are unable to comment on the carrying value of these assets as the same is not in conformity to Ind AS.*

VIII. *The policies, procedures and overall internal controls needs to be strengthen in order to provide proper evidences regarding recoverability of receivables, valuations of financial assets including deposits, write off of fixed assets including impairments and accounting for direct & indirect taxes including other statutory compliances and timely and proper recording of capital and revenue transactions. We are unable to ascertain its impact, if any on the statement in respect of the above matters.*

IX. *The company has neither carried out the fair valuations of assets classified as financial assets and financial liabilities including ESOP'S, nor it has carried out the impairment testing for intangible assets (Goodwill & Brands) wherever required and stated above in compliance to Indian Accounting Standards issued under Companies (Indian Accounting standards) Rules 2015. Therefore, the possible impact of the same on the profit & loss and retained earnings, if any, cannot be ascertained.*

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X. *Confirmation letters have been sent by the company to Sundry Creditors and parties to whom Loans and 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 of the parties, the balances under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment, if any.*

XI. *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.*

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 and 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 Agarwal & Associates
Chartered Accountants
(Firm Registration No. 323210E)

Naresh Agarwal

AGARWAL & ASSOCIATES * Mumbai * Chartered Accountants

(Naresh Agarwal)
(Partner)
Membership No. 063049

Place of signature: Mumbai
Date: 10th August 2017

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

Unaudited Financials Results for the quarter ended June 30, 2017

(Rs. In Lacs)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2017 Unaudited	Mar 31, 2017 Audited	June 30, 2016 Unaudited	Mar 31, 2017 Audited
1)	Revenue from Operations	350	833	2,021	5,927
	Other Income	18	314	31	372
	Total Income	**368**	**1,147**	**2,052**	**6,299**
2)	**Expenses**				
	Operating cost	141	191	1,415	3,498
	Employee benefits expense	33	123	548	1,305
	Financial Costs	249	297	285	1,075
	Depreciation, amortisation and Impairment	1,160	1,226	1,439	4,992
	Other expenses	100	455	1,313	3,160
	Total expenses	**1,683**	**2,292**	**5,000**	**14,030**
3)	Profit before exceptional items, and tax (1-2)	(1,315)	(1,145)	(2,949)	(7,731)
4)	Exceptional items	(134)	(2,531)	(1,825)	(8,795)
5)	Profit before tax (3+4)	(1,449)	(3,676)	(4,773)	(16,526)
6)	Tax expenses	-	7	(225)	(232)
7)	**Profit for the period / year (5-6)**	(1,449)	(3,683)	(4,548)	(16,294)
8)	**Other Comprehensive Income**				
	i. Items that will not be reclassified to profit or loss-Actuarial (Loss)/Gain	-	63	-	63
	ii. Income tax relating to items that will not be reclassified to profit or loss	-		-	-
	Other Comprehensive Income	-	63	-	63
9)	**Total Comprehensive income (7+8)**	(1,449)	(3,620)	(4,548)	(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				
12)	**Earnings per share**				
	Basic	(3.42)	(8.70)	(10.75)	(38.51)
	Diluted	(3.42)	(8.70)	(10.75)	(38.51)

Notes:

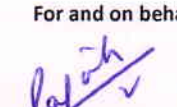
1 The Company opts to publish the quarterly financial results on Standalone basis.

2 The unaudited financial results of the company for the quarter ended 30th June 2017 duly reviewed by the Audit Committee have been approved by the Board of Directors at its meetings held on 10.08.2017.

3 The financial results have been reviewed by the Statutory Auditors as required under regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

4 The Company is facing manpower shortages and is providing school management services to some of K-12 Schools as per contract. Thus no revenue has been booked for the quarter. The management of the Company is in the process of appointing personnel to restore school management services to K12 Schools . The management is hopeful in restoring the services in near future.

For and on behalf of the Board of Directors





Rajesh Bhatia
Managing Director

Place: Mumbai
Date : 10.08.2017