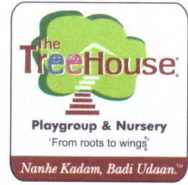


Tree House Education & Accessories Ltd.

Registered Office: 702, Morya House, 'C' Wing, Off. Link Road, Andheri (W), Mumbai - 400 053.
Tel.: 022 - 40492222 Fax : 022 - 40492207
CIN : L80101MH2006PLC163028



November 14, 2017

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
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Dear Sirs,

Sub.: Outcome of the Board Meeting of the Company held on November 14, 2017.

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 Tuesday, November 14, 2017, the board has considered and approved;

1. Un-audited Financial Results of the Company for the quarter ending September 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 6 p.m. and concluded at 11.10 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

Statement of Profit & Loss for the quarter ended 30th Sep, 2017

Particulars	Quarterly			Half Yearly		Rupees in Lakhs
	Unaudited			Unaudited		Year ended
	As at	As at	As at 30th Sept,	As at	As at	Audited
	30th Sept, 2017	30th June, 2017	2016	30th Sept, 2017	30th Sept, 2016	As at 31st March, 2017
I. INCOME						
Revenue from Operations	173	350	1,799	523	3,820	5,927
Other Income	39	18	18	56	49	372
Total Income	212	368	1,817	579	3,869	6,299
II. EXPENSES						
Operating expenses	27	141	1,062	170	2,477	3,498
Employee Benefits Expense	33	33	480	66	1,028	1,305
Finance Costs	81	249	268	329	553	1,075
Depreciation and Amortisation Expense	968	1,160	1,189	2,128	2,628	4,992
Other Expenses	1,633	100	1,362	1,730	2,675	3,160
Total Expenses	2,742	1,683	4,361	4,423	9,361	14,030
III. Profit/ (Loss) before exceptional items and tax	(2,530)	(1,315)	(2,544)	(3,844)	(5,492)	(7,731)
IV. Less: Exceptional Items	(53)	(134)	(2,220)	(186)	(4,045)	(8,795)
V. Profit/(Loss) Before Tax	(2,583)	(1,449)	(4,764)	(4,030)	(9,537)	(16,526)
VI. Tax Expenses						
Current Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	(225)	(232)
Short / (Excess) provision of earlier years	-	-	-	-	-	-
VII. Profit/(Loss) for the Quarter/ Year (A)	(2,583)	(1,449)	(4,764)	(4,030)	(9,312)	(16,294)
VIII. Other comprehensive income:						
(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
Remeasurement of net defined benefit plans	-	-	-	-	-	63
Income tax relating to above items	-	-	-	-	-	-
Other Comprehensive Income for the Quarter/ Year (B)	-	-	-	-	-	63
IX. Total comprehensive income for the Quarter/ Year (A+B)	(2,583)	(1,449)	(4,764)	(4,030)	(9,312)	(16,231)
X. Paid up Equity share Capital (face value Rs. 10 per share)	4,231	4,231	4,231	4,231	4,231	4,231
XI. Reserve excluding revaluation reserve						
XII(a). Earnings per equity share of face value of Rs. 10 each						
Basic (in Rs.)	(6.10)	(3.42)	(6.01)	(9.52)	(22.01)	(38.51)
Diluted (in Rs.)	(6.10)	(3.42)	(6.01)	(9.52)	(22.01)	(38.51)
XII(b). Earnings per equity share after exception items						
Basic (in Rs.)	(5.97)	(3.10)	(11.26)	(9.08)	(12.98)	(18.27)
Diluted (in Rs.)	(5.97)	(3.10)	(11.26)	(9.08)	(12.98)	(18.27)

Notes:

- 1) The Unaudited financials results of the Company for the quarter / half year ended 30th September, 2017 duly reviewed by the Audit Committee have been approved by the Board of Directors at its meeting held on 14.11.2017.
- 2) 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.
- 3) 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.

Place: Mumbai
Date : 14-11-2017

For and on behalf of the Board of Directors

Rajesh Bhatia
Managing Director



Tree House Education & Accessories Limited
Balance Sheet as at 30th Sept , 2017

Amount in Rs.

Particulars	As at 30th Sept 2017	As at 31st March, 2017
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,96,82,58,208	2,24,33,30,931
Capital work-in-progress	-	-
Investment Properties	91,54,31,252	91,75,03,169
Goodwill	89,04,837	1,06,22,313
Intangible assets	18,37,03,402	19,89,72,818
Intangible assets under development	-	-
<u>Financial assets:</u>		
- Investments	10,77,93,553	10,98,00,000
- Loans	38,26,160	5,52,76,125
- Other financial assets	1,81,95,55,097	1,90,42,35,200
Other Non Current Assets	-	-
Total Non Current Assets	5,00,74,72,509	5,43,97,40,556
Current assets		
Inventories	1,55,79,481	2,81,19,528
<u>Financial assets:</u>		
- Trade receivables	29,76,20,165	29,45,48,361
- Cash and cash equivalents	17,38,846	16,22,584
- Bank Balances other than Cash and cash equivalents	76,97,528	76,97,528
- Loans and Advances	19,09,094	1,56,02,487
- Other financial assets	15,74,07,743	19,25,14,159
Other Current Assets	38,95,22,808	3,01,83,530
Total current assets	87,14,75,665	57,02,88,177
Total Assets	5,87,89,48,173	6,01,00,28,733
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	42,31,07,240	42,31,07,240
Other equity	4,05,47,02,027	4,50,80,52,552
Total equity	4,47,78,09,267	4,93,11,59,792
Liabilities		
Non-current liabilities		
<u>Financial liabilities:</u>		
- Borrowings	3,55,55,556	-
Provisions	35,77,86,848	17,16,133
Deferred tax liabilities (Net)	-	-
Total Non-Current liabilities	39,33,42,404	17,16,133
Current liabilities		
<u>Financial liabilities:</u>		
- Borrowings	72,83,93,208	76,72,80,785
- Trade payables	17,03,73,215	21,52,64,382
- Other Financial Liabilities	2,20,90,398	1,07,17,852
Provisions	1,72,85,711	1,77,18,947
Other current liabilities	6,96,53,970	6,61,70,843
Total Current liabilities	1,00,77,96,503	1,07,71,52,809
Total Liabilities	1,40,11,38,906	1,07,88,68,942
Total equity and liabilities	5,87,89,48,173	6,01,00,28,733

CIN No. L80101MH2006PLC163028

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

Rajesh Bhatia
Rajesh Bhatia
Managing Director
DIN No: 00074393



Place: Mumbai
Date : 14-11-2017



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 September, 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 the previous Audit Report on Audited Financials for financial year 2016-17, the Qualifications continued in Limited Review Report for the quarter ended 30th June, 2017.

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 30/09/2017. 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 Hdfc Bank has not debited interest on OD facility granted to the Company for the quarter ended 30th September, 2017. However the Company is indebted to the Bank for Rs. 4730.20 lakhs as on 30th September, 2017.

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 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/write off. 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.

- 3.3 *No revenue is received from school management services rendered to K-12 schools from last 2 quarters of F.Y. 2016-17 and for the first quarter ended 30th June 2017.*

The Company has started providing school management services to K-12 schools and has raised invoice for Rs. 4.00 lakhs and Rs. 1.00 lakh to Mira Education Trust and Vidya Bharti Samiti respectively during the quarter ended 30-09-2017. In view of the management, the Company has started generating revenue during the quarter ended 30th September 2017, the carrying amount shown under "Business Commercial Rights (BCR)" is not impaired within the meaning of Indian Accounting Standards (IND AS)-36.

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 30 the September, 2017.

Except above the management is of the view that the carrying amount of these intangible assets (BCR) 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 as impairment loss in the financial statements.

As regards the acknowledgement by other party of old invoices raised for first 2 quarters of F.Y. 2015-16, the management is in negotiation with other party in getting those invoices recognized.

- 3.4 *In respect to various deposits given to Educational Trusts amounting to Rs 18889 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 view of the above qualification the management has carried out an exercise to book the impairment loss on Financial Assets within the meaning of Indian Accounting Standards (IND AS)-36.

Sr No	Particulars	Carrying Value as on 01/04/2017	Impairment Loss to be written off during F.Y. 2017-18	Fair value
1)	Deposit given to High School Jhununu	24,546,000	7,241,070	173,04,930
2)	Deposit given to Tree House High School Jhununu	37,510,000	11,094,952	26,415,048
3)	Deposit given to Dixit Education Society	136,421,000	136,421,000	-----
4)	Mira Education Trust	1362,897,000	-----	1362,897,000



5)	Vidya Bharti Samiti	297,577,475	87,785,355	209,792,120
6)	Janodhar Shikshan Prasarak Mandal	30,000,000	-----	30,000,000
	TOTAL	1888,951,475	242,542,377	1646,409,098

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. It has therefore written off / booked impairment loss of deposits of Rs. 24,25,42,377/- based on DCF method to be equally apportioned in second, third & fourth quarter of the F.Y. 2017-18. Accordingly the management has booked impairment loss of Rs. 8,08,47,459/- for the quarter ended 30 the September, 2017.

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.

The Company has started providing school management services to K-12 schools and has raised invoice for Rs. 4.00 lakhs to Mira Education Trust during the quarter ended 30th September, 2017, the carrying value is the fair value and no amount needs to be recognized as loss within the meaning of Indian Accounting Standards (IND AS)-36.

3.5 *In respect to Receivables amounting to Rs 2877 lakhs, 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.*

In view of the above qualification the management has quantified the receivables from Educational Trust, the deliverables and receipts as under:



School Debtors	Opening Balance as on 01/04/2017	Deliverables	Receipts	Closing Balance as on 30/09/2017
Bhartiya Vidya Mandir	8,290,625	-----	-----	8,290,625
Mira School	231,532,520	9,985,000	30,100,000	211,417,520
Rent from jhunjunu	20,406,740	6,581,700	-----	26,988,440
Arya Cambridge International School, Thane	17,333,125	-----	-----	17,333,125
Vidya Bharti Samiti	10,119,679	100,000	400,000	9,819,679
TOTAL	287,682,689	16,666,700	30,500,000	273,849,389

In consideration of recoveries of Rs. 305.00 lakhs from Educational Trust during the half year ended 30th September, 2017 the management is of the opinion that the balances are good and recoverable and no provision is made for doubtful debts.

- 3.6 *The carrying value of lease deposits with landlords amounting to Rs 1473 lakhs 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.*

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 7 centers completely during the quarter ended 30th September, 2017. 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 for settlement of their dues. In view of the same the management is of the opinion that no adjustment is required to be made of the carrying value of these deposits of Rs. 1212 lakhs for the quarter ending 30th September, 2017, within the meaning of Indian Accounting Standards (IND AS)-36.

- 3.7 *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.*

The management has informed us that the Company had advanced loan of Rs. 553.00 lakhs to Treehouse Employees Welfare Trust to enable the Trust to buy ESOP's for its employees. In the light of above qualification, the management has revalued the carrying amount of loan advanced to Treehouse Employees Welfare Trust at Rs. 38.26 lakhs based on market price of the share of the Company as on 30th September, 2017 for 270400 no of shares held and it represents the fair value of the loan advanced to Treehouse Employees Welfare Trust.

- 3.8 *The policies, procedures and overall internal controls needs to be strengthened 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 & 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.*

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 2nd quarter for the areas of Income Recognition and that we have relied upon the same.

- 3.9 *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 (Indian Accounting Standards) Rules 2015. Therefore the possible impact of the same on the profit & loss account and retained earnings, if any, cannot be ascertained.*

In the light of above qualification the management has informed that the carrying amount of above goodwill classified as intangible assets have not been accounted at fair value as required within the meaning of Indian Accounting Standards (IND AS) and has hence carried out impairment test for intangible assets (goodwill). It has therefore written off / booked impairment loss of goodwill of Rs. 51,52,426/- to be equally apportioned in second, third & fourth quarter of the F.Y. 2017-18. Accordingly the management has booked impairment loss of Rs. 17,17,475/- for the quarter ended 30 the September, 2017.

The management is further of the opinion that carrying value of other goodwills is the fair value within the meaning of Indian Accounting Standards (IND AS) and as such no adjustment/impairment is required to be made of the carrying value of those other goodwills within the meaning of Indian Accounting Standards (IND AS).

As regards ESOP's please refer to point 3.9 above.

- 3.10 *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.*
- 3.11 The management has informed us that the Company has revalued its immoveable properties as on 30th September, 2017 at its true & fair value and accordingly adjustment entries in respect of revaluation has been accounted for in the books of accounts by creating Revaluation Reserve.





- 3.12 The management has informed us that the Company has revalued its share investments in JT Infrastructure Pvt Ltd and MT Infrastructure Pvt Ltd based on NAV of the company of which the shares are held which represent the true & fair value of the investments held by the company. The revaluation of share investments has been booked proportionately for the quarter ended 30th September, 2017.
- 3.13 *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 ur 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 : 14th November, 2017
Place : Mumbai