

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



May 30, 2018

To, BSE Limited Phiroze Jeejeebhoy Tower Dalal Street, Fort Mumbai - 400 001	To, The National Stock Exchange of India Ltd. Bandra Kurla Complex (East) 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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Sub.: Outcome of the Board Meeting held on May 30, 2018, pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Ref.: Scrip Code: 533540 / Symbol: TREEHOUSE

Dear Sir/Madam,

We would like to inform you that at the meeting of the Board of Directors of the company held on Wednesday, May 30, 2018, the board has considered and approved;

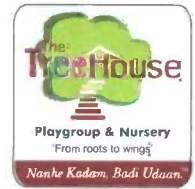
1. Standalone and Consolidated Audited Financial Results for quarter (Q4) and financial year ended March 31, 2018.
2. Standalone and Consolidated Statutory Audit Report of the Statutory Auditors for the financial year ended March 31, 2018.
3. Appointment of Ms. Guddi Bajpai as Company Secretary and Compliance Officer of the Company w.e.f. May 30, 2018.
4. Appointment of M/s Atul Dand & Co. as an Internal Auditor of the Company for the financial year 2018-19.
5. Appointment of M/s Kaushal Doshi & Associates as a Secretarial Auditor of the Company for the financial year ended March 31, 2018.

The meeting of the Board of Directors of the Company commenced at 3 p.m. and concluded at 09:45 p.m.



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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



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Brief profile of Company Secretary

Guddi Bajpai has been appointed as Company Secretary of the Tree House Education and Accessories Limited w. e. f. 30.05.2018.

EDUCATION:-

Professional Qualification:

Company Secretary: Year December 2012
L.L.B: Year 2015

Academic Qualification:

Masters of Commerce: Year 2012

Work Experience:

Worked as Company Secretary for Servotech Industries Limited (formerly known as Servotech Engineering Industries Limited) from 20th February, 2016 till 28th November, 2017.

Work Highlights:

- Forfeiture of shares
- Name Change of Company
- Change in RTA
- Conducting Annual General Meeting
- Filing of Quarterly Compliances with BSE
- Filing of Shareholding pattern, Financial Statement and Corporate Governance Report with BSE in XBRL mode.
- Dealing with Stock Exchange for filing returns and other regular correspondence.
- Preparation and filing of various E-Forms and Returns required to be filed under Companies Act, 2013 and 1956 with ROC.
- Preparing the complete set of Annual Report
- Appointment of Directors and retirement of the Directors filing the required Forms for the same.
- Preparing of Minutes as per Secretarial Standard I and II
- Increase in the authorized share capital of the company

For Tree House Education & Accessories Limited


Rajesh Bhatia
Managing Director
DIN: 00074393



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May 30, 2018

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Sub: Declaration pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements). Regulations. 2015.

We hereby confirm that:

Pursuant to provisions of Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI notification No. SEBI/LAD-NRO/GN/2016-2017/001 dated 25.05.2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27.05.2016, Auditor's Report on Standalone and consolidated Audited Financial Results of the Company for the quarter and Financial year ended 31.03.2018 issued by the Statutory Auditor of Company is with unmodified opinion.

Thanking you,

Yours Faithfully

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 Audited Standalone financials results for the quarter and year ended March 31, 2018

Sr. No.	Particulars	(Rs. In Lacs)				
		Quarter ended			Year ended	
		Mar 31, 2018 # Audited	Dec 31, 2017 Unaudited	Mar 31, 2017# Audited	Mar 31, 2018 Audited	Mar 31, 2017 Audited
1)	Revenue from Operations	130	46	833	700	5,927
	Other Income	142	155	314	354	372
	Total Income	272	201	1,147	1,054	6,299
2)	Expenses					
	Operating cost	94	16	191	278	3,498
	Employee benefits expense	26	25	123	118	1,305
	Financial Costs	193	30	297	553	1,075
	Depreciation, amortisation and Impairment	1,246	1,886	1,226	5,260	4,992
	Other expenses	195	117	455	2,044	3,160
	Total expenses	1,754	2,074	2,292	8,253	14,030
3)	Profit before exceptional items, and tax (1-2)	(1,482)	(1,873)	(1,145)	(7,199)	(7,731)
4)	Exceptional items	(3,283)	(44)	(2,531)	(3,513)	(8,795)
5)	Profit before tax (3+4)	(4,765)	(1,917)	(3,676)	(10,712)	(16,526)
6)	Tax expenses	(1,009)	-	7	(1,009)	(232)
7)	Profit for the period / year (5-6)	(3,756)	(1,917)	(3,683)	(9,703)	(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)	(3,756)	(1,917)	(3,620)	(9,703)	(16,231)
10)	Paid up equity share capital (face value Rs.10 per share)	4,231	4,231	4,231	4,231	4,231
11)	Reserves excluding revaluation reserves				35,378	45,081
12)	Earnings per share Before Exceptional Items					
	Basic	(3.50)	(4.43)	(2.71)	(17.01)	(18.27)
	Diluted	(3.50)	(4.43)	(2.71)	(17.01)	(18.27)
13)	Earnings per share After Exceptional Items					
	Basic	(8.88)	(4.53)	(8.70)	(22.93)	(38.51)
	Diluted	(8.88)	(4.53)	(8.70)	(22.93)	(38.51)

#

The figures for the three months ended 31st March, 2018 and corresponding three months ended 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial year.

Notes:

1

The audited financial results were reviewed by audit committee and approved at the meeting of Board of Directors of the Company held on 30th May, 2018.

2 Exceptional Items include Furniture & Fixtures and Lease hold improvements amounting to Rs.3376.00 Lakhs written off towards some of the centres closed and Rs.137.00 Lakhs written off towards lease rent deposit for closed centres.

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.

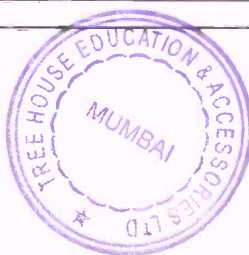
5 Previous period / year figures have been regrouped / rearranged wherever necessary to conform with the current period / year presentation.



Notes (contd):

6 Disclosures of Standalone Assets and Liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the year ended 31st March, 2018.

Particulars	(Rs. in lacs)	
	As at	
	March 31, 2018 (Audited)	March 31, 2017 (Audited)
ASSETS		
Property, plant and equipment	15,178	22,433
Capital work-in-progress	-	-
Investment Properties	9,104	9,175
Goodwill	55	106
Intangible assets	1,665	1,990
Intangible assets under development	-	-
<u>Financial assets:</u>		
- Investments	1,038	1,098
- Loans	27	553
- Other financial assets	16,559	19,042
Other Non Current Assets	-	-
Deferred tax Assets (Net)	1,009	-
Total Non Current Assets	44,635	54,397
Current assets		
Inventories	139	281
<u>Financial assets:</u>		
- Trade receivables	2,716	2,946
- Cash and cash equivalents	8	16
- Bank Balances other than Cash and cash equivalents	56	77
- Loans and Advances	12	156
- Other financial assets	1,178	1,925
Other Current Assets	340	302
Total current assets	4,449	5,703
Total Assets	49,084	60,100
EQUITY AND LIABILITIES		
Equity		
Equity Share capital		
Other equity	4,231	4,231
	34,823	45,081
Total equity	39,054	49,312
Liabilities		
Non-current liabilities		
<u>Financial liabilities:</u>		
- Borrowings	-	-
Provisions	3	17
Deferred tax liabilities (Net)	-	-
Total Non-Current liabilities	3	17
Current liabilities		
<u>Financial liabilities:</u>		
- Borrowings	7,985	7,673
- Trade payables	1,198	2,152
- Other Financial Liabilities	58	107
Provisions	112	177
Other current liabilities	674	662
Total Current liabilities	10,027	10,771
Total Liabilities	10,031	10,788
Total equity and liabilities	49,084	60,100



Notes (contd):

- 7 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30.05.2018




Rajesh Bhatia
Managing Director



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, 📠 : 9322272711

Email : casandeepdedhia@gmail.com

INDEPENDENT AUDITOR'S REPORT

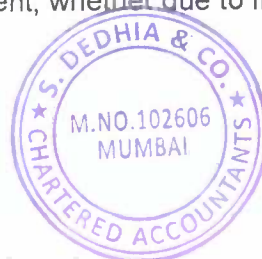
TO ALL THE MEMBERS OF
TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Report on the Standalone Indian AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **TREE HOUSE EDUCATION & ACCESSORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

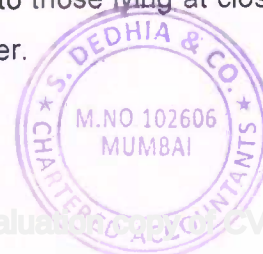
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Basis of Forming an Opinion

1. We draw your attention to the Standalone Ind AS Financial Statements, with regard to Fixed Assets. The Company has discontinued most of the centres operated by the Company during F.Y. 2016-17 and have converted some of them into franchisee during F.Y. 2016-17 & 2017-18. The Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, franchise centres and own centres in a phased manner.



The management has informed us that furniture & fixtures lying at the some of the closed centres were taken over and were stored at various places. The other furniture & fixtures and leasehold improvements at the closed centres that could not be taken over by the Company or not in control of the Company, has been written off. In case of franchise converted centres the Company has entered into a service agreement wherein it has been provided that the franchise centre shall use the furniture & fixtures and leasehold improvement lying at the centres. The management is in the process of verifying the assets lying at the franchise centres.

2. We draw attention to Standalone Ind AS Financial Statements with regards to Intangible Assets in respect of Goodwill and "Business Commercial Rights". Management is of the view that no revenue is generated from Mira KG, Baroda and Utsah Education and therefore Goodwill of Mira KG, Baroda and Utsah Education has been impaired fully within the meaning of Indian Accounting Standards (IND AS)-36. Similarly management is of the view that no revenue is generated from Dixit Education Society and therefore "Business Commercial Rights" in respect of Dixit Education Society has been fully impaired within the meaning of Indian Accounting Standards (IND AS)-36.

3. We draw attention to Standalone Ind AS Financial Statements with regards to Deposits given to Educational Trusts amounting to Rs. 18889 lakhs as on march 31, 2017, the management has carried out an exercise to book the impairment loss of Financial Assets within the meaning of Indian AS-109. Accordingly the management has booked impairment loss of Rs. 2425 lakhs based on DCF method and the balance carrying value of the deposits at Rs. 16533 lakhs is carried in books of accounts at carrying value for the year ended 31st March, 2018.

In respect of deposit given to Janodhar Shikshan 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 Shikshan Prasarak Mandal is neither written off nor impaired in books of accounts.

4. We draw attention to the Standalone Ind AS Financial Statements with regards to loan advanced to Tree House Employees Welfare Trust to enable the Trust to buy ESOP's for its employees. The management has revalued the carrying amount of the said loan at face value and it represents the fair value of the loan receivable from Tree House Employees Welfare Trust as required and stated in compliance to Indian Accounting Standards issued under Companies (Indian Accounting standards) Rules 2015.



5. We draw attention to the Standalone Ind AS Financial Statements with regards to Trade Receivables amounting to Rs. 2540 lakhs due from Educational trust. In view of the management no provision is required as such balances are good and recoverable.

In our opinion the deliverables and receipts are outstanding for a longer period of time.

6. We draw attention to the Standalone Ind AS Financial Statements with regards to the carrying value of Lease Deposits with landlords amounting to Rs 807.98 lakhs related to closed/discontinued centres. The lease deposits with landlords for centres already converted into franchise centres of completely closed centres has either been received back or adjusted against lease rentals payable or outstanding expenses or reimbursement of expenses that were found payable at the time of closure of the centres or conversion of the centres into franchise centres.
7. 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 management has informed us that the Company has received notices from financial institutions under "SARFAESI Act". The amount classified as short term borrowings is at Rs. 7549 lakhs.
8. 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.
9. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of stocks as compared to book records. However during the year under audit the company has bifurcated the inventory into non-moving, obsolete, redundant.
10. Confirmation letters have been sent by the Company to sundry creditors and parties to whom loans & advances, deposits have been granted for confirming the balances lying in their ledger accounts in books of the Company. In view of confirmations having been received from only few of the parties, the balance under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment, if any.



11. Some landlords and creditors have initiated legal proceedings against the Company, which may result in compensation, interest and other penalties.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the standalone state of affairs of the Company as at March 31, 2018 and its loss (including other comprehensive income), its cash flows and the changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

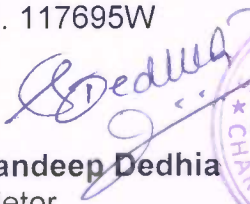
1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of section 143(11) of the Act ("The Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors of the Company as on March 31, 2018, and taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on 31st



March, 2018 from being appointed as a director in terms of section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has numerous pending litigations and suits filed against the company and its directors which may impact its financial position. The Company has not disclosed the impact of such pending litigations.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For S. Dedhia & Co,
Chartered Accountants
F.R.N. 117695W


CA Sandeep Dedhia
Proprietor
M. No. 102606



Date : 30/05/2018

Place : Mumbai



**Annexure "A" to Independent Auditors' Report on the Standalone Financial Statements of
"TREE HOUSE EDUCATION & ACCESSORIES LIMITED"**

Referred to in paragraph 11(f) of the Independent Auditors Report of even date to the members of Tree House Education & Accessories Limited on the standalone Ind AS financial statement for the year ended March 31, 2018.

We have audited the internal financial controls over financial reporting of "TREE HOUSE EDUCATION & ACCESSORIES LIMITED" ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Notes") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies



Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit and evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Because of the matter described in Disclaimer of opinion paragraph below, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

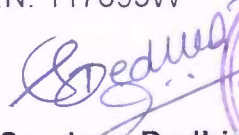
Disclaimer of Opinion

According to information and explanation given to us, and based on our audit the Company's internal financial control over financial reporting in the current financial year to cover the essential components of Internal controls stated in Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by ICAI are not commensurate to the size of the Company.

The Internal Audit carried out by an independent firm on areas required to be covered as per the Guidance Note on Audit of Internal Financial Controls over Financial Reporting reports that the internal controls operating in the company are not commensurate to the size of the Company.

We have considered the disclaimer report above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the company, and the disclaimer does not affect our opinion on the standalone financial statements of the company.

For S. Dedhia & Co,
Chartered Accountants
F.R.N. 117695W


CA Sandeep Dedhia
Proprietor
M. No. 102606



Date : 30/05/2018

Place : Mumbai

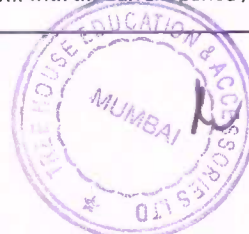
Tree House Education & Accessories Limited
Regd. Office: 702, C Wing Morya House, Off New Link Road,
Near Infinity Mall, Andheri (W), Mumbai - 400 053
CIN No. L80101MH2006PLC163028

Statement of Audited Consolidated financials results for the year ended March 31, 2018

Sr. No.	Particulars	(Rs. In Lacs)	
		Year ended	
		Mar 31, 2018 Audited	Mar 31, 2017 Audited
1)	Revenue from Operations	700	5,927
	Other Income	354	372
	Total Income	1,054	6,299
2)	Expenses		
	Operating cost	278	3,498
	Employee benefits expense	118	1,305
	Financial Costs	553	1,075
	Depreciation, amortisation and Impairment	5,260	4,992
	Other expenses	2,044	3,160
	Total expenses	8,253	14,030
3)	Profit before exceptional items, and tax (1-2)	(7,199)	(7,731)
4)	share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(22)	(19)
5)	Exceptional items	(3,513)	(8,795)
6)	Profit before tax (3+4)	(10,734)	(16,545)
7)	Tax expenses	(1,009)	(232)
8)	Profit for the period / year (5-6)	(9,725)	(16,313)
9)	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
10)	Total Comprehensive income (7+8)	(9,725)	(16,250)
11)	Paid up equity share capital (face value Rs.10 per share)	4,231	4,231
12)	Reserves excluding revaluation reserves	35,317	45,042
13)	Earnings per share Before Exceptional Items		
	Basic	(17.01)	(18.27)
	Diluted	(17.01)	(18.27)
14)	Earnings per share After Exceptional Items		
	Basic	(22.99)	(38.56)
	Diluted	(22.99)	(38.56)

Notes:

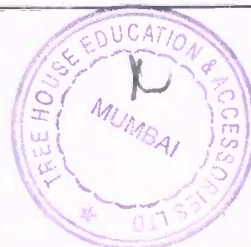
- The audited financial results were reviewed by audit committee and approved at the meeting of Board of Directors of the Company held on 30th May, 2018.
- Exceptional Items include Furniture & Fixtures and Lease hold improvements amounting to Rs.3376.00 Lakhs written off towards some of the centres closed and Rs.137.00 Lakhs written off towards lease rent deposit for closed centres.
- 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 presentation.



Notes (contd):

- 6 Disclosures of Standalone Assets and Liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the year ended 31st March, 2018.

Particulars	(Rs. in lacs)	
	As at	
	March 31, 2018 (Audited)	March 31, 2017 (Audited)
ASSETS		
Property, plant and equipment	15,178	22,433
Capital work-in-progress	-	-
Investment Properties	9,104	9,175
Goodwill	55	106
Intangible assets	1,665	1,990
Intangible assets under development	-	-
<u>Financial assets:</u>	-	-
- Investments	977	1,060
- Loans	27	553
- Other financial assets	16,559	19,042
Other Non Current Assets	-	-
Deferred tax Assets (Net)	1,009	-
Total Non Current Assets	44,574	54,359
Current assets		
Inventories	139	281
<u>Financial assets:</u>		
- Trade receivables	2,716	2,946
- Cash and cash equivalents	8	16
- Bank Balances other than Cash and cash equivalents	56	77
- Loans and Advances	12	156
- Other financial assets	1,178	1,925
Other Current Assets	340	302
Total current assets	4,449	5,703
Total Assets	49,023	60,062
EQUITY AND LIABILITIES		
Equity		
Equity Share capital		
Other equity	4,231	4,231
	34,762	45,042
Total equity	38,993	49,273
Liabilities		
Non-current liabilities		
<u>Financial liabilities:</u>		
- Borrowings	-	-
Provisions	3	17
Deferred tax liabilities (Net)	-	-
Total Non-Current liabilities	3	17
Current liabilities		
<u>Financial liabilities:</u>		
- Borrowings	7,985	7,673
- Trade payables	1,198	2,153
- Other Financial Liabilities	58	107
Provisions	112	177
Other current liabilities	674	662
Total Current liabilities	10,027	10,772
Total Liabilities	10,030	10,789
Total equity and liabilities	49,023	60,062



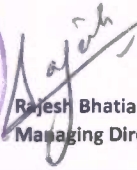
Notes (contd):

- 7 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.

Place: Mumbai
Date: 30.05.2018



For and on behalf of the Board of Directors


Rajesh Bhatia
Managing Director



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.

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Email : casandeepdedhia@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO ALL THE MEMBERS OF
TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Report on the Consolidated Indian AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of TREE HOUSE EDUCATION & ACCESSORIES LIMITED (hereinafter referred to as "the Venturer Company") and its jointly controlled entities which are companies incorporated in India; comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated AS Financial Statements

The Venturer Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance consolidated cash flows and changes in equity of the Venturer Company and its jointly controlled entities which are companies incorporated in India in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Venturer Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the jointly controlled entities which are companies incorporated in India are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Venturer Company and its jointly controlled entities which are companies incorporated



in India and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Venturer Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Venturer Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate circumstances. An audit also includes evaluating the appropriateness of the accounting policies used of the accounting estimates made by the Venturer Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us referred to in paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.



Basis of Forming an Opinion

1. We draw your attention to the Consolidated Ind AS Financial Statements with regard to Fixed Assets. The Venturer Company has discontinued most of the centres operated by the Venturer Company during F.Y. 2016-17 and have converted some of them into franchisee during F.Y. 2016-17 & 2017-18. The Venturer Company has informed us that it has identified Furniture & Fixtures and Leasehold Improvements into those lying at closed centres, franchise centres and own centres.

The management has informed us that furniture & fixtures lying at some of the closed centres were taken over and stored at various places. The other furniture & fixtures and leasehold improvements at the closed centres that could not be taken over by the Venturer Company or not in control of the Venturer Company, has been written off. In case of franchise converted centres the Venturer Company has entered into a service agreement wherein it has been provided that the franchise centre shall use the furniture & fixtures and leasehold improvement lying at the centres. The management is in the process of verifying the assets lying at such centres in a phased manner.

2. We draw attention to the Consolidated Ind AS Financial Statements with regards to Intangible Assets in respect of Goodwill and "Business Commercial Rights". Management is of the view that no revenue is generated from Mira KG, Baroda and Utsah Education and therefore Goodwill of Mira KG, Baroda and Utsah Education has been impaired fully within the meaning of Indian Accounting Standards (IND AS)-36. Similarly management is of the view that no revenue is generated from Dixit Education Society and therefore "Business Commercial Rights" in respect of Dixit Education Society has been fully impaired within the meaning of Indian Accounting Standards (IND AS)-36.
3. We draw attention to the Consolidated Ind AS Financial Statements with regards to Deposits given to Educational Trusts amounting to Rs. 18889 lakhs as on march 31, 2017, the management has carried out an exercise to book the impairment loss of Financial Assets within the meaning of Indian AS-109. Accordingly the management has booked impairment loss of Rs. 2425 lakhs based on DCF method and the balance carrying value of the deposits at Rs. 16533 lakhs is carried in books of accounts at carrying value for the year ended 31st March, 2018.



In respect of deposit given to Janodhar Shikshan Prasarak Mandal, the management has informed us that the Venturer 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 Shikshan Prasarak Mandal is neither written off nor impaired in books of accounts.

4. We draw attention to the Consolidated Ind AS Financial Statements with regards to loan advanced to Tree House Employees Welfare Trust to enable the Trust to buy ESOP's for its employees. The management has revalued the carrying amount of the said loan at face value and it represents the fair value of the loan receivable from Tree House Employees Welfare Trust as required and stated in compliance to Indian Accounting Standards issued under Companies (Indian Accounting standards) Rules 2015.
5. We draw attention to the Consolidated Ind AS Financial Statements with regards to Trade Receivables amounting to Rs. 2540 lakhs due from Educational trust. In view of the management no provision is required as such balances are good and recoverable.

In our opinion the deliverables and receipts are outstanding for a longer period of time.

6. We draw attention to the Consolidated Ind AS Financial Statements with regards to the carrying value of Lease Deposits with landlords amounting to Rs 807.98 lakhs related to closed/discontinued centres. The lease deposits with landlords for centres already converted into franchise centres of completely closed centres has either been received back or adjusted against lease rentals payable or outstanding expenses or reimbursement of expenses that were found payable at the time of closure of the centres or conversion of the centres into franchise centres.
7. We did not audit the financial statements of two Joint Ventures included in the consolidated financial results, whose financial statements reflect total assets of Rs. 2178 lakhs as at March 31, 2018, total revenues of Rs. 5.00 lakhs, total net loss after tax of Rs. 44 lakhs and total comprehensive income of Rs 1059 lakhs for the year ended on that date as considered in the consolidated financial results. These unaudited financial statements have been furnished to us by the management and our opinion of the consolidated financial results in so far as it relates to the amounts & disclosures included in respect of these Joint Ventures is solely based on these unaudited financial statements.



8. The Venturer Company has defaulted in repayment of loans availed from financial institutions due to which these borrowings have been classified as short term borrowings. The management has informed us that the Venturer Company has received notices from financial institutions under "SARFAESI Act". The amount classified as short term borrowings is at Rs. 7549 lakhs.
9. 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.
10. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification of stocks as compared to book records. However during the year under audit the company has bifurcated the inventory into non-moving, obsolete, redundant.
11. Confirmation letters have been sent by the Venturer Company to sundry creditors and parties to whom loans & advances, deposits have been granted for confirming the balances lying in their ledger accounts in books of the Company. In view of confirmations having been received from only few of the parties, the balance under these heads have been shown as per books of accounts and are subject to reconciliation and adjustment, if any.
12. Some landlords and creditors have initiated legal proceedings against the Venturer Company and its directors, which may result in compensation, interest and other penalties.

Opinion

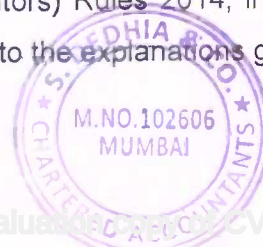
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Venturer Company and its jointly controlled entities which are companies incorporated in India as at March 31, 2018 and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements



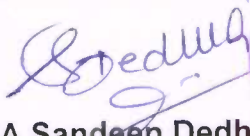
1. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements..
- b) In our opinion, proper books of account as required by law maintained by the Venturer Company and its jointly controlled entities which are companies incorporated in India including relevant records relating to the preparation of aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Venturer Company and the reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained by the Venturer Company and its jointly controlled entities which are companies incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors of the Venturer Company as on March 31, 2018, and taken on record by the Board of Directors of the Venturer Company and the unaudited accounts of its jointly controlled entities which are companies incorporated in India, none of the directors of the Venturer Company and its jointly controlled entities which are incorporated in India are disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Venturer Company and its jointly controlled entities which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The consolidated Ind AS financial statements disclose the impact if any of pending litigations as at March 31, 2018 on the consolidated financial position of the Venturer Company and its jointly controlled entities which are incorporated in India. However Venturer Company has numerous pending litigations and suits filed against the company and its directors which may impact its financial position. The Venturer Company has not disclosed the impact of such pending litigations.
- ii. The Venturer Company and its jointly controlled entities which are incorporated in India did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Venturer Company and its jointly controlled entities which are incorporated in India during the year ended March 31, 2018.

For S. Dedhia & Co,
Chartered Accountants
F.R.N. 117695W


CA Sandeep Dedhia
Proprietor
M. No. 102606



Date : 30/05/2018

Place : Mumbai



Annexure "A" to Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

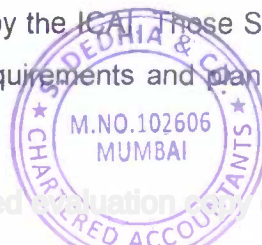
In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018 we have audited internal financial controls over financial reporting of Tree House Education & Accessories Limited (hereinafter referred to as "the Venturer Company") and its jointly controlled entities which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Venturer Company its jointly controlled entities all incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Notes") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the



audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit and evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material



misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to information and explanation given to us by the Venturer Company and its jointly controlled entities which are companies incorporated in India and based on the unaudited accounts of such companies, as referred to in the Other Matters paragraph, the company's internal financial control over financial reporting in the current financial year to cover the essential components of Internal controls stated in Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by ICAI are not commensurate to the size of the Company.

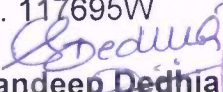
The Internal Audit carried out by an independent firm on areas required to be covered as per the Guidance Note on Audit of Internal Financial Controls over Financial Reporting reports that the internal controls operating in the company are not commensurate to the size of the Company.

We have considered the disclaimer report above in determining the nature, timing and extent of audit tests applied in our audit of standalone financial statements of the company, and the disclaimer does not affect our opinion on the consolidated financial statements of the company.

OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as relates to financial statements of two jointly controlled entities which are incorporated in India is based on the unaudited accounts of such companies incorporated in India. Our opinion is not qualified in respect to this matter.

For S. Dedhia & Co,
Chartered Accountants
F.R.N. 117695W


CA Sandeep Dedhia
Proprietor
M. No. 102606



Date : 30/05/2018
Place : Mumbai