

Tree House Education & Accessories Limited

January 02, 2023

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	102.80	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	102.80 (₹ One Hundred Two Crore and Eighty Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Ltd. had, earlier vide its press release dated October 20, 2020, placed the rating of Tree House Education & Accessories Limited (THEAL) under the 'issuer non-cooperating' category as Tree House Education & Accessories Limited had failed to provide information for monitoring of the rating. THEAL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated September 06, 2022, September 10, 2022 and September 11, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd. opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

At the time of last rating on October 11, 2021, the following were the rating strengths and weaknesses

Key rating weaknesses

Delay in debt-servicing obligations: The ratings of Tree house Education & Accessories Ltd continue to reflect on-going delays in servicing of debt obligations by the company.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the company

Tree House Education & Accessories Ltd incorporated on July 10, 2006 as a private limited company by Mr. Rajesh Bhatia and his wife Ms. Geeta Bhatia, is primarily engaged in pre-school education across various locations in India. As on date there are 524 pre-school centers across the country. THEAL also operates in K12 segment with 24 schools under its management.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	6MFY23(UA)
Total operating income	4.94	6.00	3.44
PBILDT	-2.08	-0.78	NA
PAT	-40.29	-27.20	-40.28
Overall gearing (times)	0.12	0.08	NA
Interest coverage (times)	-0.38	-0.13	NA

A: Audited, UA: Unaudited, NA: Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	12.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	NA	87.80	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Demand loan		-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Date(s) and Rating(s) assigned in 2022-2023	Rating History		
		Type	Amount Outstanding (₹ crore)	Rating		Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	87.80	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Oct-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-19)
2	Fund-based - LT-Bank Overdraft	LT	12.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Oct-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-19)
3	Fund-based - LT-Working Capital Demand loan	LT	3.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Oct-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-19)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Available

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media contact

Name: Mradul Mishra
Phone: +91-22-6754 3596
E-mail: mradul.mishra@careedge.in

Analyst contact

Name: Ruchi Sanghavi
Phone: 9820921375
E-mail: ruchi.shroff@careedge.in

Relationship contact

Name: Saikat Roy
Phone: +91-22-67543404
E-mail: saiikat.roy@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**