

Tree House Education & Accessories Ltd

October 20, 2020

Ratings

Facilities/Instruments*	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	102.80	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	102.80 (Rupees One hundred and two crores and eighty lakhs only)		

*Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 18, 2019, reaffirmed the rating of Tree house Education & Accessories Ltd under the CARE D 'Issuer not-cooperating' category as Tree house Education & Accessories Ltd had failed to provide information for monitoring of the rating. Tree house Education & Accessories Ltd continues to be non-cooperative despite repeated requests for submission of information through e-mails dated October 08, 2020, October 09, 2020 and October 13, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating Tree house Education & Accessories Ltd will now be denoted as **CARE D; ISSUER NOTCOOPERATING***

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

Detailed description of the key rating drivers

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](#)

[CARE's 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. TEAL also operates in K12 segment with 24 schools under its management.

Brief Financials (Rs. crore)	FY19 (A)	FY20(A)
Total operating income	4.11	9.52
PBILDT	0.42	4.58
PAT	-42.06	-28.14
Overall gearing (times)	0.22	0.09
Interest coverage (times)	-6.27	-5.88

Any other information: Not Applicable.

Rating History for last three years: Please refer Annexure-2

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	87.80	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft	-	-	-	12.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Demand loan	-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	87.80	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-19)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-18)
2.	Fund-based - LT-Bank Overdraft	LT	12.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-19)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-18)
3.	Fund-based - LT-Working Capital Demand loan	LT	3.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Sep-19)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-18)

*Issuer did not cooperate; Based on best available information

Annexure-3: Complexity level of various instruments rated for this Company

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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