

Tree House Education and Accessories Ltd

September 18, 2019

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities (Fund Based- OD)	12.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Long Term Bank Facilities (Term Loan)	87.80	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Long Term Bank Facilities (Fund Based- WCDL)	3.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	102.80 (Rs. One hundred and Two crore and Eighty Lacs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 21, 2018, placed the rating of Tree House Education & Accessories Ltd (TEAL) under the 'issuer non-cooperating' category as TEAL had failed to provide information for monitoring as agreed in its Rating Agreement. TEAL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated June 06, 2019, June 25, 2019 and September 03, 2019 and numerous phone calls. 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.

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

The ratings take into account the ongoing delays in debt serving of the company due to weakening of liquidity profile of the company.

Detailed description of the key rating drivers

Analytical approach: Standalone

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

About the Company

²Complete 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

TEAL 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 March 31, 2019 there were 133 pre-school centers.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	8.84	4.11
PBILDT	0.98	0.42
PAT	-97.02	-42.06
Overall gearing (times)	0.21	0.22
Interest coverage (times)	-6.12	-6.27

Status of non-cooperation with previous CRA: NA

Any other information: NA

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

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* Issuer not cooperating; Based on best available information
Fund-based - LT-Bank Overdraft	-	-	-	12.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Working Capital Demand loan	-	-	-	3.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	87.80	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-18)	1)CARE D (28-Dec-16) 2)CARE BB (Under Credit Watch) (11-Aug-16) 3)CARE BBB (Under Credit Watch)

								(10-Jun-16)
2.	Fund-based - LT-Bank Overdraft	LT	12.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-18)	1)CARE D (28-Dec-16) 2)CARE BB (Under Credit Watch) (11-Aug-16) 3)CARE BBB (Under Credit Watch) (10-Jun-16)
3.	Fund-based - LT-Working Capital Demand loan	LT	3.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-18)	1)CARE D (28-Dec-16) 2)CARE BB (Under Credit Watch) (11-Aug-16) 3)CARE BBB (Under Credit Watch) (10-Jun-16)

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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About CARE Ratings:

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

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