Tree House Education & Accessories Ltd.

Corporate Office:
301, Embassy Chambers, 3rd Road, Khar (W),
Mumbai - 400052. Tel.: 022-40169587 / 64572725
CIN : L80101MH2006PLC163028

Registered Office:
702, Morya House, 'C' Wing, Off Link Road,
Andheri (W), Mumbai - 400 053.
Tel.: 022-64512384, Fax 022-26051259

March 11, 2015

To
The Manager (Listing Department)
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051

The Deputy Manager
(Listing – CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

MCX Stock Exchange Limited
Suren Road,
Andheri (East)
Mumbai 400 093

Dear Sirs,

Sub: Untrue statement by Kotak Securities Limited in its research report dated February 26, 2015 on pledge holding analysis

We are writing to clarify the position in relation to an untrue statement made in the research report on Promoters' Pledged Holdings dated February 26, 2015 ("**Research Report**") released by Kotak Securities Limited ("**Kotak**"). This untrue statement by Kotak was further iterated in a news report titled "*Promoters continue to pledge shares in Dec qtr*", appearing in Business Standard on March 10, 2015 ("**News Report**").

We bring to your kind attention that the Company recently concluded a Qualified Institutions Placement ("**QIP**"), with the allotment of equity shares to the successful bidders having taken place on December 23, 2014.

In relation to the QIP, as is customary in such transactions, members of the promoter and promoter group of the Company (collectively, "**Promoters**") agreed to not sell or dispose of 8,839,613 equity shares of the Company held by them (amounting to 20.89% of equity share capital of the Company and 72.18% of the equity shares in the Company held by Promoters), for a period of 90 days from December 23, 2014 ("**Lock-up Arrangement**"). The Lock-up Arrangement neither creates a pledge, nor has it been entered into in pursuance of a loan facility. Consequently, this does not create an interest in favour of any party.

However, the Promoters have currently pledged 3,407,000 equity shares of the Company held by them (amounting to 8.05% of equity share capital of the Company and 27.82% of the equity shares in the Company held by Promoters). These pledge arrangements have been disclosed in accordance with the applicable law.

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The Company has set out the correct position in relation to the status of equity shares held by the Promoters, in its filing with the stock exchanges under Clause 35 of the listing agreement for the quarter ended December 31, 2014, dated January 14, 2015 (on pages 3 of the shareholding pattern).

In the Research Report, Kotak has incorrectly stated that equity shares of the Promoters forming subject of the Lock-Up Agreement have also been pledged, thereby erroneously concluding that 100% of the equity shares held by the Promoters in the Company have been pledged. This untrue assertion has also been substantively carried in the News Report.

The Company clarified to Kotak in relation to the erroneous statement in the Research Report on the quantum of pledge of Promoters shareholding of the Company. Kotak has regretted the mistake and in a consequent research report dated March 4, 2015, clarified that the pledged shareholding of the Promoters of the Company "*is 27.8% (and not 100% stated earlier)*".

This is for your information and records.

Yours faithfully,

Vishal Shah
Director
Tree House Education & Accessories Limited