

TREE HOUSE EDUCATION & ACCESSORIES LIMITED

Registered Office: 702-C, Morya House, Off New Link Road, Andheri (West), Mumbai 400 053, Maharashtra.

NOTICE

Dear Shareholders,

Notice is hereby given that an Extraordinary General Meeting of the Members of Tree House Education & Accessories Limited will be held on Friday December 27, 2012 at 10.30 A.M. at Mayer Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri(W), Mumbai – 400 058, Maharashtra, India to transact the following business:

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed for your consideration.

Items of business requiring consent of shareholders:

Item No. 1 – Increase in Authorised Share Capital of the Company:

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 94 and all other applicable provisions if any, of the Companies Act, 1956 the existing authorised share capital of the Company be and is hereby increased from Rs. 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lakhs Only) divided into 3,55,00,000 (Three Crores Fifty Five Lakhs) equity shares of Rs.10/- each to Rs.40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) equity shares of Rs.10/- each.”

“**RESOLVED FURTHER THAT** consequent upon increase in the authorized share capital, Clause V of the memorandum of association of the Company be and is hereby amended by substituting the existing sub-Clause V(a) with the following :

V(a). “The Authorised Share Capital of the Company is Rs.40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) equity shares of Rs.10/- (Rupees Ten only) each with power to increase or reduce the share capital of the Company.”

“**RESOLVED FURTHER THAT** Mr. Rajesh Bhatia, Managing Director of the Company be and is hereby authorised to sign, and submit necessary forms and documents with Registrar of Companies, Mumbai and to undertake all actions, modifications, alterations, variations as may be directed by all regulatory authorities to increase the authorised share capital of the Company.”

Item No. 2 – Preferential allotment of equity shares:

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the “SEBI ICDR Regulations”), the Foreign Exchange Management Act, 2000, the

Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, and the provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the stock exchange where the equity shares of the Company are listed and any other appropriate authorities (hereinafter collectively referred to as the “**Appropriate Authorities**”), enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the equity shares of the Company are listed and subject to the Company obtaining all approvals from the Appropriate Authorities; and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the “**Requisite Approvals**”), which may be agreed to by the board of directors of the Company (hereinafter called the “**Board**” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue, and allot upto an aggregate of 18,50,000 equity shares of Rs. 10 each (collectively referred to as “**Issue Shares**”) at a premium of Rs. 212.60 per equity share aggregating to Rs. 41,18,10,000/- to the investors named below (the “**Investors**”) on preferential allotment basis, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this connection:

Sr No.	Name of Investors	No. of equity shares
1.	ON Mauritius	4,50,000
2	Aditya Birla Trustee Company Private Limited for and on behalf of Aditya Birla Private Equity – Sunrise Fund	14,00,000

“**RESOLVED FURTHER THAT** the Issue Shares shall be issued and allotted by the Company to the above-mentioned Investors, inter alia, subject to the following:

- The Issue Shares shall be allotted within such time period as specified under SEBI ICDR Regulations; and
- The Issue Shares to be issued and allotted in the manner aforesaid shall rank pari passu with the existing equity shares of the Company in all respects”.

“**RESOLVED FURTHER THAT** the price of the Issue Shares has been calculated in accordance with provisions of Chapter VII of the SEBI ICDR Regulations. The “Relevant Date” for the purpose of calculating the price of the Issue Shares is the date 30 days prior to the date on which meeting of shareholders is held to consider the proposed preferential allotment, in this case being November 27, 2012”.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of the Issue Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Issue Shares, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaising with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of Issue Shares, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Issue Shares”.

Item No. 3 – Preferential allotment of warrants:

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the “**SEBI ICDR Regulations**”), the Foreign Exchange Management Act, 2000, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, and the provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the stock exchange where the equity shares of the Company are listed and any other appropriate authorities (hereinafter collectively referred to as the “**Appropriate Authorities**”), enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the equity shares of the Company are listed and subject to the Company obtaining all approvals from the Appropriate Authorities; and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the “**Requisite Approvals**”), which may be agreed to by the board of directors of the Company (hereinafter called the “**Board**” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue, and allot up to an aggregate of up to 18,00,000 warrants to promoters and promoter group of the Company named below (the “**Promoter Group**”) carrying an entitlement to subscribe to one number of equity share of Rs. 10/- each of the Company, in exchange of each such warrant at a future date i.e entitlement to subscribe to a maximum of 18,00,000 equity shares of Rs.10/- each (in aggregate), within a period not exceeding 18 (eighteen) months from the date of allotment of such warrants in such manner and on such price, terms and conditions as may be determined by the Board in accordance with SEBI ICDR Regulations, provided that the minimum price of the warrants so issued shall not be less than the price arrived at in accordance with provisions of Chapter VII of the SEBI ICDR Regulations:

Sr No.	Name of Promoter Group	No. of warrants
1	Mr. Rajesh Bhatia and Mrs. Geeta Bhatia	18,00,000

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of warrants may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to the variation of the price or period of exercise of option by warrant holders.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon exercise of the said warrants or as may be necessary in accordance with the terms of the offer.”

“**RESOLVED FURTHER THAT** the “Relevant Date” for determining the price of the equity shares to be allotted on exchange/ surrender of the said warrant, shall be the date which is 30 days prior to the date on which meeting of shareholders is held to consider the proposed preferential allotment, in this case being November 27, 2012.

“RESOLVED FURTHER THAT in case the equity shares of the Company are either subdivided or consolidated before the exercise of warrants by the holders of the said warrants, then the face value, the number of equity shares to be acquired upon exercise of the said warrants and the price of acquisition of the said Equity Shares by the holders of the warrants, shall automatically stand augmented/reduced in the same proportion, as the present value of the equity shares of Rs.10/- each of the Company bears to the newly sub-divided or consolidated equity shares, without affecting any right or obligation of the said warrant holders.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of the warrants, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the warrants, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaising with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of the warrants, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the warrants”.

By order of the Board of Directors
For **TREE HOUSE EDUCATION & ACCESSORIES LIMITED**
Sd/-
(RAJESH BHATIA)
MANAGING DIRECTOR

Place: Mumbai

Date: December 04, 2012

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 1 – Increase in Authorised Share Capital of the Company:

The existing authorised share capital of the Company is Rs.35,50,00,000/- (Rupees Thirty Five Crores Fifty Lakhs Only) divided into 3,55,00,000 (Three Crores Fifty Five Lakhs) equity shares of Rs.10/- each.

The board of directors in its meeting held on December 04, 2012 decided to increase the existing authorised share capital to Rs.40,00,00,000/- (Forty Crores Only) divided into 4,00,00,000 (Four Crore) equity shares of Rs. 10/- each, subject to necessary approval of the members of the Company. Pursuant to the provisions of Section 94 of the Companies Act, 1956 and the memorandum and articles of association of the Company, the authorised share capital can be increased with approval of the members obtained by passing an ordinary resolution. Consequent upon increase in the authorised share capital, the Clause V of the memorandum of association will have to be amended suitably with the members' consent by way of an ordinary resolution under Section 16 of the Companies Act, 1956.

A copy of the memorandum and articles of association is kept open for inspection by members at the registered office of the Company during 3.00 p.m. and 5.00 p.m. on the working days of the Company till the date of the meeting of the shareholders.

None of the directors is interested or concerned in the proposed resolution.

Item no. 2 – Preferential Allotment for equity shares

The Board of Directors proposes to issue and allot 18,50,000 (Eighteen Lakhs Fifty Thousand only) Issue Share to the Investors on a preferential basis. The proceeds of the issue are proposed to be utilized to finance company's long term working capital requirements and other general corporate purposes. The proposed preferential issue is in accordance with the SEBI ICDR Regulations.

The Company has received inclination from the following Investors to subscribe to these Equity Shares

Sr. No.	Name of proposed allottees	No. of equity shares proposed to be allotted
1	ON Mauritius	4,50,000
2	Aditya Birla Trustee Company Private Limited for and on behalf of Aditya Birla Private Equity – Sunrise Fund	14,00,000

Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under:

a) Objects of the issue:

The funds raised through the proposed issue of Issue Shares shall be used for meeting Company's long term working capital requirements and other general corporate purposes as may be required from time to time.

b) Proposal of Promoters / Directors / Key Management Persons to subscribe to the Offer:

The promoters, promoter group, director and key management persons do not intend to subscribe to the Issue Shares.

c) Undertakings:

The Company hereby undertakes that it shall recompute the price of the specified securities in terms of the provisions of the SEBI ICDR Regulations where it is required to do so. The Company also undertakes that if the amount payable on account of the recomputation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

d) Shareholding pattern before and after the issue:

Name of Shareholders	Pre issue shareholding*		Preferential issue	Post issue shareholding**	
	No of Shares Held	% of shares		No of Issue Shares	No of shares held
(A) Promoter's Shareholding					
Promoter & Promoters group					
(1) Indian					
(a) Individual/HUF	9978733	29.25	1800000	11778733	31.19
Sub Total (A)(1)	9978733	29.25		11778733	31.19
(2) Foreign	0	0		0	0
Sub Total (A)(2)	0	0		0	0
Total shareholding of promoter & Promoter Group (A) = (A)(1)+(A)(2)	9978733	29.25		11778733	31.19
(B) Non Promoter's Shareholding					
(1) Institutions					
(a) Mutual Fund/UTI	2465626	7.23		2465626	6.53
(b) Financial Institutions/ Banks	0	0.00		0	0
(c) Central govt./ State Govt.	0	0.00		0	0
(d) Venture Capital Fund	0	0.00	1400000	1400000	3.71
(e) Insurance Companies	0	0.00		0	0
(f) Foreign Institutional Investors	1663288	4.88		1663288	4.40
(g) Foreign Venture Capital Investors	0	0.00		0	0
(h) Qualified Foreign Invtrs	0	0.00		0	0
(i) Any Other (specify)	0	0.00		0	0
Sub-Total (B)(1)	4128914	12.10		5528914	14.64
(2) Non Institutions					
(a) Bodies Corporates	1535247	4.50		1535247	4.07
(b) Individual holding nominal share capital upto Rs. 1 Lakhs	604047	1.77		604047	1.60
(c) Individual holding nominal share capital in excess of Rs. 1 Lakhs	2551129	7.48		2551129	6.76
(d) Qualified Foreign Investors	0	0.00		0	0
(e) Any Other (specify)					
(i) Clearing Members	30387	0.09		30387	0.08
(ii) Director / Relatives	974073	2.86		974073	2.58
(iii) Foreign Companies/FCVI	12999748	38.11	450000	13449748	35.61
(iv) Non Resident Indians (Repat)	19376	0.06		19376	0.05
(v) Non Resident Indians (Non Repat)	65366	0.19		65366	0.17
(vi) Trust	1228250	3.60		1228250	3.25
Sub-Total (B)(2)	20007623	58.65		20457623	54.17
Total shareholding of Non Promoters (B) = (B)(1)+(B)(2)	24136537	70.75		25986537	68.81
TOTAL (A)+(B)	34115270	100.00		37765270	100.00

* pre issue shareholding pattern is as on September 30, 2012

** assuming full subscription of Issue Shares by the Investors and full conversion of warrants into equity shares by the Promoter Group

e) Proposed time within which allotment shall be completed:

The allotment of Issue Shares is proposed to be completed within a period of 15 days from December 27, 2012 being the date of meeting of the shareholders for the preferential allotment of Issue Shares provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, then the allotment shall be completed by the Company within a period of 15 days from the date on which the Company receives all approvals from the concerned authorities.

f) Identity and details of the proposed allottees with percentage of expanded capital to be held by them and change in control if any:

Sl. No.	Name	Pre-issue holding	% of pre-issue holding	Post issue holding*	% Post issue holding*
1	ON Mauritius	8,90,821	2.61	13,40,821	3.55
2	Aditya Birla Trustee Company Private Limited for and on behalf of Aditya Birla Private Equity – Sunrise Fund	0	0	14,00,000	3.71

* assuming full subscription of Issue Shares by the Investors and full conversion of warrants into equity shares by the Promoter Group

g) Pricing of the Issue:

The issue price of the Issue Shares will be Rs. 222.60 each or any such other price as will be decided by the Board of Directors, which will be more than the minimum price as will be determined in accordance with the regulations for pricing of the preferential issue under Chapter VII of SEBI ICDR Regulations.

h) Change in Control:

The proposed preferential issue of Issue Shares would not result in any change in control of the Company.

i) Auditor's Certificate:

The auditor's certificate required under Clause 73(2) of the SEBI ICDR Regulations certifying that the preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations will be made available for inspection at the registered office of the Company between 3.00 p.m. and 5.00 p.m. on any working day from relevant date (i.e. November 27, 2012) up to the date of the meeting of the shareholders.

j) Lock-in of proposed issue of shares :

The Issue Shares proposed to be issued to above proposed allottees shall be locked-in in terms of Regulation 78 of SEBI ICDR Regulations.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of preferential allotment.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the Stock Exchanges on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI (ICDR) Regulation require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the Issue Shares and warrants on preferential basis.

The Board recommends the resolution for the approval of the members by special resolution.

None of the Directors of your Company shall be concerned or deemed to be interested in the said resolution

Item No. 3 – Preferential allotment of warrants:

The Company proposes to issue warrants with the right to apply for equal number of equity shares within 18 months from the date of allotment of such warrants as per Chapter VII of SEBI ICDR Regulations, 2009 as prescribed by SEBI. The required information as per the provisions of the SEBI regulations is given below:

Information as required under Regulation 73 of the SEBI ICDR Regulations is as under:

a) Objects of the issue:

The funds raised through the proposed issue of warrants shall be used for meeting Company's long term working capital requirements and other general corporate purposes as may be required from time to time.

b) Proposal of Promoters / Directors / Key Management Persons to subscribe to the offer:

The following entities of the Promoter Group intend to subscribe to 18,00,000 (Eighteen Lakhs only) warrants each carrying a right to be convertible into equal number of equity shares of Rs. 10/- (Rupees Ten) each at a price of Rs. 222.60 (Rupees Two Hundred Twenty Two and Sixty Paise only) per equity share within a period of 18 months from the date of allotment:

Name of Promoter Group	No. of warrants
Mr. Rajesh Bhatia and Mrs. Geeta Bhatia	18,00,000

c) Undertakings:

The Company hereby undertakes that it shall recompute the price of the specified securities in terms of the provisions of the SEBI ICDR Regulations where it is required to do so. The Company also undertakes that if the amount payable on account of the recomputation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

d) Shareholding pattern before and after the issue:

Name of Shareholders	Pre issue shareholding*		Preferential issue	Post issue shareholding**	
	No of Shares Held	% of shares		No of Issue Shares	No of shares held
(A) Promoter's Shareholding					
Promoter & Promoters group					
(3) Indian					
(b) Individual/HUF	9978733	29.25	1800000	11778733	31.19
Sub Total (A)(1)	9978733	29.25		11778733	31.19
(4) Foreign	0	0		0	0
Sub Total (A)(2)	0	0		0	0
Total shareholding of promoter & Promoter Group (A) = (A)(1)+(A)(2)	9978733	29.25		11778733	31.19
(B) Non Promoter's Shareholding					
(2) Institutions					
(j) Mutual Fund/UTI	2465626	7.23		2465626	6.53
(k) Financial Institutions/ Banks	0	0.00		0	0
(l) Central govt./ State Govt.	0	0.00		0	0
(m) Venture Capital Fund	0	0.00	1400000	1400000	3.71
(n) Insurance Companies	0	0.00		0	0
(o) Foreign Institutional Investors	1663288	4.88		1663288	4.40
(p) Foreign Venture Capital Investors	0	0.00		0	0
(q) Qualified Foreign Invtrs	0	0.00		0	0
(r) Any Other (specify)	0	0.00		0	0
Sub-Total (B)(1)	4128914	12.10		5528914	14.64
(2) Non Institutions					
(f) Bodies Corporates	1535247	4.50		1535247	4.07
(g) Individual holding nominal share capital upto Rs. 1 Lakhs	604047	1.77		604047	1.60
(h) Individual holding nominal share capital in excess of Rs. 1 Lakhs	2551129	7.48		2551129	6.76
(i) Qualified Foreign Investors	0	0.00		0	0
(j) Any Other (specify)					
(vii) Clearing Members	30387	0.09		30387	0.08
(viii) Director / Relatives	974073	2.86		974073	2.58
(ix) Foreign Companies/FCVI	12999748	38.11	450000	13449748	35.61
(x) Non Resident Indians (Repat)	19376	0.06		19376	0.05
(xi) Non Resident Indians (Non Repat)	65366	0.19		65366	0.17
(xii) Trust	1228250	3.60		1228250	3.25
Sub-Total (B)(2)	20007623	58.65		20457623	54.17
Total shareholding of Non Promoters (B) = (B)(1)+(B)(2)	24136537	70.75		25986537	68.81
TOTAL (A)+(B)	34115270	100.00		37765270	100.00

* pre issue shareholding pattern is as on September 30, 2012

**assuming full subscription of Issue Shares by the Investors and full conversion of warrants into equity shares by the Promoter Group

e) Proposed time within which allotment shall be completed:

The allotment of warrants is proposed to be completed within a period of 15 days from the date of meeting of the shareholders. The allotment of 18,00,000 equity shares resulting from the exercise of the warrants, will be completed within a period not exceeding 18 months from the date of allotment of the warrants, as may be decided by the board of directors of the Company.

f) Identity of the allottee(s) with percentage of expanded capital to be held by them and change in control if any:

Sl. No.	Proposed allottees	Category	Existing Shareholding		Shareholding post conversion*	
			No. of shares	%	No. of shares	%
1	Mr. Rajesh Bhatia and Mrs. Geeta Bhatia	Promoters	11,20,833	3.32	29,20,833	7.73

*assuming full subscription of Issue Shares by the Investors and full conversion of warrants into equity shares by the Promoter Group

The proposed preferential issue would not result in any change in control of the Company.

g) Consequential Changes in the Voting Rights:

Voting rights will change in tandem with the shareholding pattern however there shall not be any change in the management control of the Company.

h) Pricing of the Issue:

The issue price of the proposed warrants will be Rs. 222.60 each or any such other price as will be decided by the board of directors, which will be more than the minimum price as will be determined in accordance with the Regulations for pricing of the preferential issue under Chapter VII of SEBI ICDR Regulations.

i) Auditor's Certificate:

The auditor's certificate required under Clause 73(2) of the SEBI (ICDR) Regulations, 2009 certifying that the preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations will be made available for inspection at the registered office of the Company between 3.00 p.m. and 5.00 p.m. on any working day from relevant date (i.e. November 27, 2012) up to the date of the meeting of the shareholders.

j) Lock-in of proposed issue of shares:

The Equity Shares proposed to be issued pursuant to the exercise of warrants to above mentioned allottees shall be locked-in in terms of Regulation 78 of SEBI ICDR Regulations.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment.

k) Terms of Issue of Warrants to Promoters Group:

1. The proposed allottees of warrants shall, on the date of allotment, pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI ICDR Regulations, 2009.
2. The holder of each warrant will be entitled to apply for and obtain allotment of one equity share of face value of Rs. 10/- each of the Company against each warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the warrant holder(s) shall pay the balance of the consideration towards the subscription to each equity share. The amount so paid will be adjusted/ set-off against the issue price of the resultant equity shares.

3. If the entitlement against the warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
4. Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating Rs. 10/- towards equity share capital and the balance amount paid against each warrant, towards the securities premium.
5. In the event of the Company making a bonus issue by way of capitalisation of its reserves, prior to allotment of Equity shares resulting from the exercise of the option under the warrants, the number of equity shares to be allotted against such warrants shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tanto.
6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of equity shares resulting from the exercise of the option under the warrants, the entitlement of the equity shares under the warrants shall stand increased in the same proportion in the rights offer and such additional equity shares will be offered to the warrant holder(s) at the same price at which the existing shareholders are offered equity shares.
7. The warrant(s) by itself until converted into equity shares, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.
8. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, subject however to the provisions of the memorandum and articles of association of the Company.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, etc. such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81, unless the shareholders decide otherwise by passing a special resolution.

Hence, your approval is sought in respect of the above mentioned items.

Your directors recommend the resolution for your approval. Mr. Rajesh Bhatia and Mrs. Geeta Bhatia would be deemed to be concerned or interested in passing the aforesaid resolution as Director/shareholder of the Promoter/Promoter Group Companies to whom the aforesaid warrants may be allotted. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

By order of the Board of Directors
For **TREE HOUSE EDUCATION & ACCESSORIES LIMITED**
Sd/-
(RAJESH BHATIA)
MANAGING DIRECTOR

Place: Mumbai

Dated: December 04, 2012

Registered Office:

702-C, Morya House, Off New Link Road,

Andheri (West), Mumbai 400 053, Maharashtra.

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Members are requested to notify immediately any change in their addresses to the Company at the Company's registered office address

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING PLACE

I hereby record my attendance at the EXTRA ORDINARY GENERAL MEETING of TREE HOUSE EDUCATION & ACCESSORIES LIMITED held on Friday, December 27, 2012 at 10.30 a.m. at **Mayor Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Lane, Andheri(W), Mumbai – 400 058, Maharashtra, India**

Signature of the Member /
Signature of the Proxy

Name of the Member

Name of the Proxy

Folio No /DP-ID/CLIENT-ID. : No. of Shares:

PROXY FORM

I/We _____ being a Member(s) of Tree House Education & Accessories Limited, hereby appoint Mr./Mrs. _____ or failing him/her Mr. /Mrs. _____ as my/our Proxy to attend and vote for me/us and on my/our behalf, at Extra Ordinary General Meeting of the Company, to be held on Friday, December 27, 2012 at 10.30 a.m. and at any adjournment(s) thereof.

Signature of Member across the Stamp

Folio No /DP-ID/CLIENT-ID. : _____

Signed by the said proxy

1. _____ 2. _____

Signed this _____ day of _____, 2012

Affix Re.1/
Revenue
stamp

NOTE : *This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.*