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June 21, 2012

Listing Department **National Stock Exchange of India Limited** **Exchange Plaza, Bandra Kurla Complex,** **Mumbai-51**	**Corporate Services Department** **The Bombay Stock Exchange Ltd** **Rotunda Building, I Floor** **Samachar Marg, Mumbai – 1**

Dear Sir,

Sub: Notice of Extra Ordinary General Meeting

Please be informed that Committee of the Board of Directors of the Company at their meeting held on 19th June, 2012 has decided to call and convene an Extra Ordinary General Meeting of the members of Educomp Solutions Limited on Monday, July 16, 2012 at 11:00 A.M. at Sri Sathya Sai International Center, Pragati Vihar, Lodhi Road, New Delhi- 110003

Please find enclosed here with, notice of an Extra Ordinary General Meeting of the Members of the Company scheduled to be held on Monday, 16th July 2012.

Pursuant to clause 31 of listing agreement, 6 copies of the Extra Ordinary General Meeting have been couriered at your good office today.

Thanking you

For Educomp Solutions Ltd

EDUCOMP SOLUTIONS LIMITED NEW DELHI

Mohit Maheshwari
Company Secretary

Educomp Solutions Limited
Corporate office: 514, Udyog Vihar, Phase III, Gurgaon – 122001, Haryana (INDIA).
Tel.: 91-124-4529000. Fax: 91-124-4529039.
Registered Office: 1211, Padma Tower I, 5, Rajendra Place, New Delhi-110008.
Tel.: 91-11-25755920. Fax: 91-11-25766775.
Web site www.educomp.com
Bangalore, Mumbai, Chennai, Hyderabad.

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EDUCOMP SOLUTIONS LIMITED

Regd. Office: 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008

NOTICE

NOTICE is hereby given that the Extra Ordinary General Meeting of the members of **Educomp Solutions Limited** will be held on **Monday, July 16, 2012 at 11:00 A.M.** at Sri Sathya Sai International Center, Pragati Vihar, Lodhi Road, New Delhi- 110003 to transact the following business(es):-

SPECIAL BUSINESS

1. **To consider and, if thought fit to pass, with or without modification(s) the following Resolution for the preferential allotment of Equity Shares and Warrants as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (SEBI, ICDR Regulations, 2009), as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI) and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the stock exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, including Reserve Bank of India, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 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 powers conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot up to:

(a) 2,47,58,031 (Two Crore Forty Seven Lacs Fifty Eight Thousand and Thirty One) Equity Shares of Rs. 2/- each for cash to persons belonging to the Promoters as well as 'non-Promoter' category and

(b) 1,23,87,736 (One Crore Twenty Three Lacs Eighty Seven Thousand Seven Hundred and Thirty Six) Warrants ("**Warrants**") to be issued and allotted, on a preferential basis, to the Promoter, to be convertible at the option of Warrant holders in one or more tranches, in such manner and on such terms and conditions as set out in these resolutions and as may be determined by the Board (hereinafter referred to as "the Board", which term shall be deemed to include any Committee duly constituted by the Board or any committee which the Board may have constituted or hereafter constitute, to exercise one or more of its power including the powers conferred on the Board by this resolution), in accordance with the SEBI (ICDR) Regulations, 2009 or other provisions of the law as may be prevailing at the time of allotment of Equity Shares/conversion of Warrants.

RESOLVED FURTHER THAT the Board/ Committee of the Board be and is hereby authorized to offer and allot upto 46,45,401 (Forty Six Lacs Forty Five Thousand Four Hundred and One) Equity Shares and 1,23,87,736 (One Crore Twenty Three Lacs Eighty Seven Thousand Seven Hundred and Thirty Six) Warrants, on a preferential basis to the Promoter at an issue price of Rs. 193.74/-per Equity Share/Warrant (including premium), determined in accordance with the SEBI (ICDR) Regulations, 2009.

RESOLVED FURTHER THAT the Board/Committee of the Board be and is hereby authorized to offer and allot upto 2,01,12,630 (Two Crores One Lacs Twelve Thousand Six Hundred and Thirty) Equity Shares on preferential basis to the Non-Promoter Investors at an issue price of Rs. 149.16/- per share (including premium) determined in accordance with the SEBI (ICDR) Regulations, 2009.

RESOLVED FURTHER THAT the exact number of Equity Shares and/ or the Warrants will be determined upon the actual Rupee Dollar Conversion Rate not exceeding 2,47,58,031 Equity Shares and 1,23,87,736 Warrants in numbers.

RESOLVED FURTHER THAT aforesaid issue of Equity Shares and Warrants, shall be subject to the following terms and conditions:

A. The proposed allottee(s) of Warrants shall, on the date of allotment of warrants, pay an amount equivalent to at least 25% of the price per Warrant fixed in terms of the SEBI (ICDR) Regulations, 2009 ("**Warrant Price**"). The balance 75% of the Warrant Price shall be payable on or before the conversion of said Warrants into Equity Shares, within a maximum permissible period of 18 months from the allotment thereof. The proposed allottees of Equity Shares shall be required to bring in 100% of the consideration on the Equity Shares to be allotted to them, on or before the date of allotment thereof.

B. The proposed allottee(s) of Warrants will be entitled to apply for and obtain allotment of one Equity Share of face value of Rs. 2/- each of the

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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 thereof, in one or more tranches.

C. The Equity Shares and Warrants, being allotted to Promoter(s) shall be locked in for a period of 3 years from the date of allotment of said Equity Shares and Warrants and the Equity Shares allotted pursuant to the conversion of the Warrants will be put under fresh lock in for a period of 3 years respectively from the date of conversion or as may be required under SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 except to the extent and in the manner permitted there under.

D. The Equity Shares allotted to Non-Promoter Investors shall be locked in for a period of 1 year from the date of their allotment.

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI (ICDR) Regulations, 2009, as amended up to date, for the determination of issue price of the Equity Shares and/ or the Warrants is June 15, 2012 i.e. 30 days prior to the date of Extraordinary General Meeting on July 16, 2012.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted shall rank pari passu in all respects including as to dividend, with the existing fully paid up Equity Shares of face of value of Rs. 2/- each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Warrants and listing of the Equity Shares on conversion with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

2. To consider and if thought fit, to pass with or without modification, the following Resolution for raising of funds through issue of capital as a SPECIAL RESOLUTION:

"**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modifications or re-enactments thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Central Government, Reserve Bank of India and / or any other appropriate regulatory authorities, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**Board**", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), the Company be and is hereby authorized to issue, offer and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more domestic or international offering(s) with or without Green Shoe option, to eligible Investors (whether or not such Investors are members of the Company, or whether or not such Investors are Indian or foreign, including, without limitation, financial institutions, commercial banks, mutual funds, foreign institutional Investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital Investors and insurance companies), by way of a private placement and whether by way of circulation of an offering circular or registration statement or prospectus or placement document or otherwise, foreign currency convertible bonds, up to an amount of USD 10 million (United States Dollars Ten Million only) (hereinafter referred to as "**Securities**") to be denominated in Indian rupees or foreign currency, as the case may be, which, at the option of the Company or the holders of the Securities may be surrendered for the purpose of cancellation against receipt of corresponding number of underlying Equity Shares of the Company, as the case may be, and such issue and allotment to be made in one or more tranche or tranches, on such terms and conditions as may be decided and deemed appropriate by the Board (hereinafter referred to as "the Board", which term shall be deemed to include any Committee duly constituted by the Board or any committee which the Board may have constituted or hereafter constitute, to exercise one or more of its power including the powers conferred on the Board by this resolution), at the time of issue or allotment."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid and following resolutions, the Director(s) on the Board be and are hereby authorized, jointly and severally, to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities."

"**RESOLVED** FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally and the Company be and is hereby authorized to enter into and execute all such arrangements / agreements as the case may be with any lead managers, managers,

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underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings or restructuring of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges in India."

"RESOLVED FURTHER THAT the relevant date on the basis of which price of the Securities or the resultant shares shall be the date of the meeting in which the Board or Committee decides to open the proposed issue of foreign currency convertible bonds, or in accordance with applicable law as amended from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise and approve the offering circular or registration statement or prospectus or placement document or term sheets or agreements or deeds or otherwise in respect of the proposed issue and / or restructuring of the Securities and to authorise any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorised person, be required from time to time, and to arrange for the submission of the offering circular or registration statement or placement document or term sheets or agreements or deeds or otherwise, and any amendments and supplements thereto, with any applicable stock exchanges, government and regulatory authorities, institutions or bodies, as may be required."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted for the issue of the Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares being *pari passu* with the then existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds and things the Board, in its absolute discretion deems necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

(i) sign, execute and issue all documents necessary in connection with the issue of the Securities, including listing applications to stock exchanges, in India and overseas, and various agreements, undertakings, deeds, declarations;

(ii) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and

(iii) settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment and / or restructuring of Securities as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to delegate all the above powers and authorities to any person or persons or committee of the Board, as it in its absolute discretion deems fit, in connection with the issue of Securities and to give effect to the above resolutions."

3. **To consider and if thought fit, to pass with or without modifications, the following resolution for approval of Educomp Employee Stock Option Scheme 2012 as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to provisions of the Section 81(1A) and other applicable provisions of the Companies Act, 1956 Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the Reserve Bank of India or any relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed by them while granting such permissions, consents, authority, if any, approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which terms shall be deemed to include any committee including Remuneration committee of the Board) to frame the proposed ESOP Scheme 2012 and to create, issue, offer and allot in one or more tranches under the said proposed ESOP Scheme 2012 at any time to or for the benefit of employees and directors (except Promoter directors and their relatives) of the Company such number of Equity Shares and/or equity linked instruments or Securities which could give rise to the issue of Equity Shares (hereinafter collectively referred to as "Securities") of the Company initially not exceeding 35,00,000 (Thirty Five Lacs only) options at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other applicable provisions of any law as may be prevailing at the relevant date.

RESOLVED FURTHER THAT the limits for the maximum number of stock options that can be granted to non-executive directors, including independent directors, in any financial year shall be 5,00,000 (Five Lakh) stock options per Director.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect any scheme(hereinafter referred to as "the ESOP Scheme-2012") on such terms and conditions as contained in the relevant Explanatory Statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the ESOP Scheme-2012

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RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted as stated aforesaid shall rank pari- passu with all the then existing equity shareholders of the Company for all purposes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESOP Scheme-2012 in the Stock Exchanges where the securities of the Company are listed as per provisions of the Listing Agreement with the Concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revise the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matter and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members.

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution for approval of Educomp Employee Stock Option Scheme 2012 for directors /employees of Subsidiaries as a SPECIAL RESOLUTION:**

"**RESOLVED THAT** the benefits of the Employee Stock Option Scheme proposed under Resolution No. 3 of this Notice and as approved by the Members, be extended to such present and future permanent employees including Managing Director/Whole-Time Directors of such subsidiary Companies of the Company, as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee including Remuneration committee of the Board".

Date: June 19, 2012
Place: New Delhi

By Order of the Board
For Educomp Solutions Limited

Sd/-
Mohit Maheshwari
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF, PROXY NEED NOT BE A MEMBER.**
2. Proxies in order to be effective should be lodged with the Company at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of aforementioned businesses is attached

All documents referred to in the notice or in the accompanying explanatory statement are open for inspection by the members on all working days except Saturdays and *public holidays* between 11.00 a.m. to 1.00 p.m. prior to the date of Extraordinary General Meeting and will also be available for inspection at the Meeting.

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

Item No. 1

In terms of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to the Item No. 1 of the accompanying Notice dated June 19, 2012.

i. The Equity Shares and Warrants (referred to in item 1 above) together with the Securities (referred to in item 2 above) are being issued by the Company with a view to augment funds to first repay the existing liability of approx. USD 111million owed by the Company to the existing holders of outstanding foreign currency convertible bonds issued by the Company and the remaining amounts thereafter shall be used to fund the Company's growth capital requirements, to meet Company's capital expenditure, enhance its long term resources and thereby strengthening the financial structure of the Company

ii. The Board of Directors of the Company, at its meeting held on May 30, 2012 considered future growth plans of the Company and the need for further fund infusion into the Company and the prospects of further allotment and authorized the Committee of Directors to take the requisite decisions in this regard. The Committee of Directors, at their meeting held on June 19, 2012 subject to necessary approval(s), has approved the proposal for raising funds to the tune of USD 185 Million, by way of Equity, Warrants and/ or borrowings from persons belonging to the

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'Promoters' as well as 'Non Promoter' category, including FIIs and/ or QIBs and in lieu thereof to issue Equity Shares/ Warrants/ any other convertible securities on preferential basis.

iii. Pursuant to provisions of Section 81 (1A) of Companies Act, 1956, any preferential allotment of securities, is needed to be approved by the shareholders by way of Special Resolution. Further, in terms of Reg. 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

i. The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used first for repayment of the existing liability of approx USD 111 million owed by the Company to the existing holders of outstanding foreign currency convertible bonds and the remaining amounts thereafter shall be used to fund the Company's growth capital requirements, capital expenditure for Company's businesses, financial support to Subsidiaries/Joint Ventures/ Associates by way of loans/investments, general corporate purposes, strategic acquisitions, maintenance of adequate liquidity for the future requirements in line with the growth strategy of the Company.

ii. The intention of the Promoters/directors/key management persons to subscribe to the offer:

To meet the objects of the issue, the Promoter, Mr. Shantanu Prakash has intended to subscribe to the Equity Shares and Warrants, to the extent of USD 55 million.

iii. The Company hereby undertakes that:

a) It would re-compute the price of the Securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009 if it is required to do so.

b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

iv. Relevant Date:

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 is June 15, 2012 (i.e. 30 days prior to the date of Extraordinary General meeting).

v. Pricing of Preferential Issue:

The Equity Shares and Warrants will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations, 2009.

Since the Company is listed on both Bombay Stock Exchange and National Stock Exchange, the trading volume of securities of the Company on both the Stock Exchanges is considered to determine the highest trading volume for computation of issue price. Accordingly, the issue price of Rs. 193.74/- per share for the proposed allotment to the Promoters is computed by taking into consideration the prices quoted on National Stock Exchange during the period of last 6 months and two weeks preceding the relevant date.

Further, for the proposed allotment of Equity Shares to be made to the Non- Promoter Investors (who are qualified institutional buyers), the proposed issue price is required to be made at a price determined in accordance with Regulation 76(4) of the SEBI (ICDR) Regulations, 2009 i.e. at a price which is not less than the average of the weekly high and low of the closing prices of the related Equity Shares during the two weeks preceding the relevant date. Accordingly, for the proposed allotment(s) to be made to the Non- Promoter Investors (who are qualified institutional buyers), the issue price shall be Rs. 149.16/- per share, as computed by taking into consideration the prices quoted on National Stock Exchange during the two weeks preceding the relevant date.

vi. Terms of Issue of Warrants to the Promoter

1. The proposed allottees of Warrants shall, on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the issue price determined per Warrant, determined 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. 2/- 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 75% 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 the upfront 25% 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

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Rs. 2/- 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 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.

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, do 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.

vii. Identity of the proposed allottees:

Identity of Proposed Allottes	Category	No. of Equity Shares to be issued and allotted#	No. of Warrants to be allotted#	Issue Price
International Finance Corporation	QIB (Non Promoter)	60,33,789	-	149.16
SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ÉCONOMIQUE	QIB (Non Promoter)	20,11,263	-	149.16
MKCP Institutional Investor (Mauritius) II Ltd.,	QIB (Non Promoter)	1,06,81,886	-	149.16
Lantau Institutional Investor (Mauritius) Ltd.	QIB (Non Promoter)	10,73,682		149.16
Vista Institutional Investor (Mauritius) Ltd.,	QIB (Non Promoter)	3,12,010		149.16
Mr. Shantanu Prakash	Promoter	46,45,401	1,23,87,736	193.74
TOTAL		**2,47,58,031**	**1,23,87,736**	

The numbers mentioned above have been computed on the presumption of Dollar Exchange rate to be Rs 60/-. The actual nos. may vary depending upon the actual conversion rate.

viii. Shareholding Pattern pre and post preferential offer:

The Shareholding pattern giving the present position as also considering allotment of Equity Shares to Promoters and Non- Promoters Investors Group and full allotment of Warrants to Promoters and/or Promoter Group and Equity Shares arising out of the conversion thereof, as per Resolution 1 of the Notice are given below:

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Name of shareholders	Pre issue shareholding		Preferential issue		Post Issue Shareholding (After allotment of equity shares)		Post issue Shareholding (After conversion of warrants)	
	No of Shares held	% of shares	No of Equity Shares	No. of Warrants	No of Shares Held	% of shares	No of Shares Held	% of shares
	A) Promoters' Shareholding							
Promoter & Promoter Group								
(1) Indian	-	-	-		-	-	-	-
(a) Individuals /HUF	47553645	49.25	4645401	12387736	52199046	43.03	64586782	48.31
(b) Central Govt. /State Govt.	-	-	-	-	-	-	-	-
(c)Bodies Corporate	-	-	-	-	-	-	-	-
(d) Financial Institutions /Banks	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**47553645**	**49.25**	**4645401**	**12387736**	**52199046**	**43.03**	**64586782**	**48.31**
(2) Foreign								
(a) Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-
Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	**47553645**	**49.25**	**4645401**	**12387736**	**52199046**	**43.03**	**64586782**	**48.31**
	(B) Non Promoters' Shareholding							
Institutional Investors	26631962	27.58	20112630	-	46744592	38.53	46744592	34.96
Non-Institutions:								
(a) Bodies Corporate	6288182	6.51	-	-	6288182	5.18	6288182	4.70
(b) (i) Individual holding nominal share capital up to Rs. 1Lacs	13683198	14.17	-	-	13683198	11.28	13683198	10.23
(ii) Individual holding nominal share capital in excess of Rs 1Lacs	740645	0.77	-	-	740645	0.61	740645	0.55
(c) Any Other			-	-				
(i)Non Resident Indians	581230	0.60	-	-	581230	0.48	581230	0.43
(ii) HUF	359912	0.37	-	-	359912	0.30	359912	0.27
(iii) Trusts	995	0.00	-	-	995	0.00	995	0.00
(iv) Clearing Member	718630	0.74	-	-	718630	0.59	718630	0.54
Total Public Shareholding (B)	**49004754**	**50.75**	**20112630**	-	**69117384**	**56.97**	**69117384**	**51.69**
TOTAL (A+B)	**96558399**	**100**	**24758031**	**12387736**	**121316430**	**100**	**133704166**	**100**

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The post shareholding structure is on the presumption of conversion of all the Warrants into equivalent number of Equity Shares & a hypothetical Dollar Exchange rate of Rs 60. The actual figures may increase or decrease depending upon the actual number of Equity Shares to be allotted and/ or the Warrants to be converted and the actual rate of conversion.

ix. Proposed time within which the allotment shall be completed:-

As required under the SEBI (ICDR) Regulations, 2009, the Company shall complete the allotment of Equity Shares and Warrants as aforesaid on or before the expiry of 15 days from the date of passing of this resolution by the shareholders granting consent for preferential issue or in the event allotment of Warrants would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

x. Change in control:

There is no change in management of the Company pursuant to the issue of Equity Shares and convertible Warrants.

xi. Others:

The certificate of the Statutory Auditors to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations, 2009 shall be placed before the shareholders at the meeting and will be open for inspection at the Registered office of the Company on all working days except Saturdays *and public holidays* between 11.00 a.m. to 1.00 p.m. prior to the date of Extraordinary General Meeting and will also be available for inspection at the Meeting.

As it is proposed to issue and allot the aforesaid securities on preferential basis, special resolution is required to be approved by members pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and Chapter VII of the SEBI (ICDR) Regulations, 2009. Your Directors, therefore, recommend the resolution for your approval.

None of the Directors of the Company except Mr. Shantanu Prakash, being the allottee himself & Mr. Jagdish Prakash father of Mr. Shantanu Prakash is in any way concerned or interested in the above referred resolution.

Item No. 2:

As explained in Item No 1, Company intend to deploy the net proceeds from the FCCB issue for repayment of the existing liability of approx USD 111million owed by the Company to the existing holders of outstanding foreign currency convertible bonds.

Under the provisions of Section 81(1A) of the Companies Act 1956, whenever at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its formation, whichever is earlier, if it is proposed to increase the subscribed capital of the Company by allotment of further shares, such further shares may be offered to any persons, whether or not those persons are at the date of the offer holders of the Equity Shares of the Company, if a special resolution to that effect is passed by the Company in its general meeting. Besides, the Company is required to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board of Directors believes that the proposed offer will be in the best interest of the Company and recommends the resolution for the consideration and approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Item No. 3 & 4:

Employee Stock Options plans serve to align the interests of the employees with those of the shareholders by creating a common sense of purpose towards enhancing the shareholder value and also serve to attract and retain talent that is absolutely essential for the survival and growth of the Company in today's global competitive environment. Further, your Company's subsidiaries are of strategic importance in its growth plans. Stock options will support the objective of creating value for your Company in such subsidiaries.

Currently, the Company has five Stock Options Scheme namely ESOP Scheme 2006/2007/2008/2010/2011. Since Stock options under the current schemes have almost exhausted, Board of Directors of your Company on 30th May 2012, recommended for the approval of the Members the formulation of a new Employee Stock Option Scheme under the nomenclature, **'Educomp Employee Stock Option Scheme 2012'** (hereinafter referred to as "the ESOP Scheme-2012"), in accordance with the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines,1999 (hereinafter referred to as "Guidelines"), for the employees of the Company and its Directors, and also for the employees including Managing Director/ Whole-Time Director of subsidiary companies of the Company as may be determined by the Board of Directors (hereinafter referred to as" the Board" which terms shall be deemed to include any committee including Remuneration Committee of the Board).The salient features of Scheme are as follows:

Employee Stock Option Scheme 2012

The details of the Scheme are as follows:

(a) Under the Scheme the employees will be given an option to acquire a certain number of shares of the face value of Rs.2/-each.

(b) The Remuneration committee shall formulate detailed terms and conditions of the Scheme, administer, and supervise the same. Subject to the

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provisions of the Scheme, and subject to the approval of relevant authorities, the Remuneration committee shall:

- ✓ Determine the quantum of option to be granted under the Scheme per employee and in aggregate;
- ✓ To select the class of Employees to whom Options from time to time be granted hereunder;
- ✓ Determine the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- ✓ Determine the exercise period under which the employees should exercise the option;
- ✓ Provide the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- ✓ Determine the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;
- ✓ Determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions;
- ✓ Grant, vest and exercise of option in case of employees who are on long leave;
- ✓ Determine the procedure for cashless exercise of options.

(c) The Salient Features of the Scheme are as follows:

(i) Total number of Options to be granted

The maximum number of shares which shall be subject to options under the ESOP Scheme-2012 shall be 35,00,000 (Thirty Five Lacs only) Equity Shares of face value of Rs.2/- each.

(ii) Identification of the Class of Employees Entitled to the Scheme

Employees entitled to participate in the ESOP are "Employees" including Directors (whether full time or not) as defined in the ESOP Guidelines (including any statutory modifications or re-enactment of the Act or the Guidelines, for the time being in force), of the Company and its subsidiaries, as may be decided by the ESOP Remuneration Committee from time to time. Under the prevailing regulations, an Employee who is a Promoter or belongs to the Promoter group will not be eligible to participate in the ESOP. Identification of Employees eligible to participate in the ESOP and grant of options to identified employees will be based on such parameters as may be decided by the ESOP Remuneration Committee in its discretion from time to time. The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in manner.

(iii) Grant of Options

The Remuneration Committee may, on such dates as it shall determine, grant to such eligible Employees/Directors (other than Promoter directors) as it may in its absolute discretion, options of the Company on the terms and conditions and the consideration as it may decide.

(iv) Requirements and Period of Vesting

Except in case of demise or permanent incapacity, continuation of the Employee in the service of the Company or its subsidiaries, as the case may be, shall be a primary requirement of the vesting. The Remuneration Committee shall formulate the other requirements of vesting, which may, inter alia, include efficiency or productivity criteria. The vesting period may vary from allottee to allottee based on various attending circumstances, and shall be at the exclusive discretion of the Remuneration Committee, but shall never be less than the minimum vesting period stipulated, if any, under provisions of any attending statutory enactments.

The maximum vesting period of options shall be not more than ten years from the date of grant of options.

In the event of the death of an employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee, and in the event of permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation shall vest in him on that date.

(v) Exercise Price

The Options would be granted at the market price on the date of grant or such price as the Board of Directors/Remuneration Committee may determine in accordance with the Regulations and guidelines prescribed by SEBI or other relevant authority from time to time.

(vi) Exercise Period and the Process of Exercise

The exercise period will commence from the date of vesting and will be valid for a maximum period of twelve months after the vesting period. The options shall be deemed to have been exercised when an Employee makes an application in writing to the Company for the issuance of Equity Shares again of the Employee to the success of the Company, and other factors deemed relevant by the Remuneration Committee.

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In case of Directors, the eligibility would depend on the period for which the office of Director is held by him and such other factors as the Remuneration Committee may think appropriate. The Remuneration Committee at its discretion may extend the benefits of the Scheme to a new entrant also.

(vii) **Maximum Number of Options to be issued Per Employee/Directors**

The Maximum number of stock options that can be granted to non-executive directors, including independent directors, in any financial year shall be 5,00,000 (Five Lakh) stock options per Director.

The maximum number of options granted to an employee/director shall not equal or exceed 1% of the issued capital of the Company at the time of grant of Option. However in case the number of options granted to any employee/ director exceeds 1% of the issued capital of the Company, then approval of shareholders by way of separate resolution in the general meeting shall be obtained by the Company.

(viii) **Accounting Policies and Disclosures**

The Company will confirm the disclosures and the accounting policies prescribed by SEBI under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other regulatory authorities from time to time.

(ix) **Method to be used to determine the Value of the Options**

The Company shall use the intrinsic value method to value its options. The difference between the employee compensation cost computed under intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The documents containing the salient features of ESOP Scheme-2012, the duties and responsibilities of the option holders as also the benefits and the procedures to be followed after taking into consideration the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is available for inspection at the registered office of the Company on all working days except Saturdays and *public holidays* between 11.00 a.m. to 1.00 p.m. prior to the date of Extraordinary General Meeting and will also be available for inspection at the Meeting.

The Company will confirm to the applicable accounting policies prescribed under the guidelines.

Clause 6 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 requires that any ESOP scheme offering stock options to the employees must be approved by the shareholders by way of special resolution. Furthermore, as the scheme will entail further shares to be offered to the person other than existing shareholders of the Company, consent of the shareholders is required by the way of a special resolution pursuant to the provisions of the Section 81(1A) of the Companies Act, 1956.

In terms of the guidelines, a separate resolution is required to be passed if the benefits under the scheme are also to be extended to the employees of subsidiary companies. A resolution is proposed accordingly under item no. 4, to cover the employees including Managing Director/ Whole-Time Director of subsidiary companies of the Company. The aggregate number of options to be offered to the employees of the subsidiaries under resolution no 4 will also be within the overall limit of 35,00,000 as stated above

Board of Directors recommends both the special resolutions for your approval.

None of the Directors of the Company is any way concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the Scheme.

Date: June 19, 2012
Place: New Delhi

By Order of the Board
For Educomp Solutions Limited

Sd/-
Mohit Maheshwari
Company Secretary

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