

EDUCOMP SOLUTIONS LIMITED

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

Dear Shareholders**Postal Ballot Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001**

Pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, notice is hereby given that the Company is seeking consent of its Members by passing resolution through Postal Ballot in respect of the Special business(es) appended below.

The proposed Special business (es), along with the Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 and a Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. Sanjay Grover, Practicing Company Secretary, as Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of Business hours on Monday, 11th April 2011

Item No. 1. Transfer of “studypplaces.com” to company's wholly owned subsidiary “Educomp Software Limited.”**To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 293(1)(a), and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities and subject to such terms and conditions as may be imposed by them, consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board” which expression shall also include a committee thereof) to transfer, the Company's business comprising of domain name “studypplaces.com” and its business contracts etc. along with all the employees as well as assets, liabilities including all licences, permits, consents and approvals whatsoever, as a “going concern” to **“Educomp Software Limited.”**, Delhi, Wholly Owned Subsidiary of the Company, on “Book Value” as at 31st March 2011, to be suitably adjusted at the date of actual transfer.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalising the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if need to be changed, and finalising and executing necessary documents including schemes, agreements, deeds of assignment / conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including the power to delegate, to give effect to this Resolution.”

Item No. 2. Increase in the limit of Investment U/s 372A of the Companies Act, 1956**To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution**

“RESOLVED THAT in suppression of the resolution passed by members of the company through postal ballot dated 30th April 2009 in this regard and pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval/ consent of such appropriate authorities where necessary, the consent of the Company be and is hereby accorded to increase the limit of investment in **Educomp Infrastructure & School Management Limited**,

subsidiary of the Company, up to Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only) and that the Board of Directors of the Company be and is hereby authorized (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to make investment, in one or more tranches, **in Educomp Infrastructure & School Management Limited**, by subscription, purchase or otherwise, in any securities comprising of equity shares, convertible or non convertible preference shares or debentures or by making loan, or by providing of security or guarantee in connection with a loan made by any other person to or to any other person by Educomp Infrastructure & School Management Limited' up to Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only) notwithstanding that the aggregate of loans, guarantees or securities so far given or to be given to and/or investment so far made or to be made in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalise the terms and conditions of the said investments, loans, guarantees and provision of security on behalf of the Company as it deem fit in the interest of the Company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required to be signed, on behalf of the Company, in connection with such investments, loans, guarantees and provision of security and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

Item No. 3. Issue of Equity Shares on preferential basis as per the SEBI (ICDR) Regulations, 2009:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) to or re-enactment thereof) and enabling 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 securities of the Company are listed and in terms of the provisions of the SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (the "SEBI (ICDR) Regulations") (including any amendment(s) to or re-enactment thereof) and subject to the approvals, consents, permissions and / or sanctions, as may be required from any appropriate authority, institution or body (hereinafter collectively referred to as the "the appropriate authorities") and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions (hereinafter referred to as "the requisite approvals") 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 duly constituted by the Board or any Committee which the Board may have constituted or hereafter constitute, to exercise one or more of its powers including the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of equity shares of the face value of Rs.2/- each, ranking pari-passu with the existing equity shares of the Company, for cash, to shareholders of Gateforum Educational Services Pvt. Ltd.(Gateforum) as per provisions of the share subscription agreement dated 24th February 2011, at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, on preferential allotment basis, so however that the value of the total number of shares so issued, at a price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 (including premium), aggregates to not more than Rs.2,00,00,000/- (Rupees Two Crore Only).

RESOLVED FURTHER THAT the price of the equity shares so issued shall be determined as per the Regulations issued by SEBI in this respect, i.e.

a) The average of the Weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange (National Stock Exchange of India Limited) during the six months preceding the 'relevant date'.

OR

b) The average of the Weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange (National Stock Exchange of India Limited) during the two weeks preceding the 'relevant date', whichever is higher.

FURTHER RESOLVED THAT the relevant date for the purpose of calculating the exercise price under Chapter VII of SEBI (ICDR) Regulations, 2009 is 15th March, 2011.

RESOLVED FURTHER THAT the said shares shall be ranked in all respects, pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 the fresh equity shares to be allotted shall be locked in for a period of one year from the date of allotment and that the equity Shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Mr. Shantanu Prakash, Chairman & Managing Director, Mr. Jagdish Prakash, Whole-Time Director and Mrs. Sangeeta Gualti, CFO & Mr. Mohit Maheshwari, Company Secretary be and are hereby severally authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, at its discretion deem necessary, desirable or expedient to effect the issue or allotment of aforesaid securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of any of the said securities and to do all acts, deeds and things in connection therewith and incidental thereto as they may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Board 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."

Date: 01.03.2011
Place: New Delhi

By Order of the Board
For Educomp Solutions Limited

Sd/-
Mohit Maheshwari
Company Secretary

Notes:

1. An Explanatory Statement pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956 in respect of the abovementioned business(es) is annexed hereto.
2. The Notice is being sent under certificate of posting to all the Members, whose names would appear in the Register of Members as on Friday, 4th March, 2011.
3. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Members will also be accepted. The envelope containing the Postal Ballot should reach the Scrutinizer not later than the close of Business hours on Monday, 11th April 2011
4. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot shall be announced by the Chairman, or in his absence by any other person authorised by the Chairman, on Thursday, 14th April 2011 at 04.00 P.M at the Registered Office of the Company at 1211, Padma Tower 1, 5, Rajendra Place, New Delhi-110008 and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman or such other authorised person in his behalf, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the resolution. Members who wish to be present at the time of declaration of the result may be present at the venue.
5. The date of declaration of result shall be deemed to be the date of passing of the said Resolution.

6. Subsequently the Result of the Postal Ballot will be published in at least one English and one vernacular language newspaper circulating in Delhi. The result of the postal ballot will also be displayed at website of the Company (www.educomp.com).
7. Members are requested to carefully read the instructions printed on the back of the Postal Ballot Form before exercising their vote.
8. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the company between 11:00 A.M. and 1:00 P.M. on any working day except Saturday and public holidays from the Relevant Date (i.e. 15th March 2011) upto the last date for voting under postal ballot (i.e. 11th April 2011) and shall also be available at the date of declaration of result of the postal ballot.
9. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.

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

Item No. 1

The Company had acquired “studyplaces.com” from Zaptive Internet Services Private Limited along with its all business contracts employees, assets, liabilities etc.

Considering future growth possibilities, Board of Director of your Company is of the view that to bring more focus, value creation and to consolidate its online educational services business, in one unit, it would be in the greater interest of the company to transfer the business of “studyplaces.com” to **Educomp Software Limited** (Wholly Owned subsidiary of the company).

The Company is proposing to transfer the businesses as a Going concern comprising of all assets and liabilities including the trademarks to abovementioned wholly owned subsidiary through any mode of transfer including but not limited to business transfer agreements and by executing incidental documents such as memorandum, deed of adherence/ assignment/ conveyance or through such other documents as may be determined by the Board of Directors. The Board of Directors in its meeting held on 11th February 2011 approved the sale and transfer of the said business.

Transfer of Business under “studyplaces.com” to **Educomp Software Limited**. will be done at the Book value to be determined as at 31st March 2011 and will be suitably adjusted at the actual date of transfer.

The above proposals are subject to the approval of members and other concerned authority (ies).

The proposed transfer of business into separate wholly owned subsidiary as a going concern basis needs the approval of Shareholders through postal ballot pursuant to Section 293(1)(a) of the Companies Act, 1956 read with Section 192A of the Companies Act, 1956 and rules made there under. Accordingly, the approval of members is being sought through Postal Ballot by passing the Ordinary Resolutions as set out in Item No. 1 in the Notice.

The Directors are of the opinion that the aforesaid resolution is in the best interest of the Company and hence recommend the resolutions No 1 for your approval by way of Ordinary Resolution through postal ballot.

None of the directors in any way concerned or interested in the resolution.

Item No. 2

Your Company is leader in most of the areas that it operates in and with a view to tap the emerging opportunities in Education Business in India, Educomp Infrastructure & School Management Limited, subsidiary of the company has business objects of providing mainly IP/content related services as well as educational infrastructure. To meet the business needs of the said subsidiary, Company proposes to provide assistance in the form of direct loans, extension of guarantees or provision of securities for loans from other parties or investment into the securities of the said subsidiary company as and when required.

As per provisions of Section 372A of the Companies Act, 1956, the proposed investment requires the approval of shareholders by way of Special Resolution.

Members of the company through postal ballot dated 30th April 2009 by passing special resolution had authorized the Board under Section 372A of the Companies Act, 1956 to make loans, extension of guarantees or provision of securities for loans from other parties or investment into the securities of the said subsidiary up to Rs.1500 Cr. (Rupees One Thousand and Five Hundred Crores only). However considering the current circumstances the company proposes to increase the limit under Section 372A of the Companies Act 1956 up to Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only)

None of Directors except Mr. Shantanu Prakash, Mr. Gopal Jain and Mr. Jagdish Prakash, is in any way concerned or interested in the resolution. Mr. Gopal Jain and Mr. Jagdish Prakash are the common Directors and Mr Shantanu Prakash is Common Director as well as shareholder in Educomp Infrastructure & School Management Limited.

Item No. 3

Issue of Equity Shares on Preferential basis as per the SEBI (ICDR) Regulations:

As members are aware, Company has acquired majority stake in Gateforum Educational Services Pvt. Ltd, (Gateforum) from its shareholders. In terms of the provisions of share subscription agreement, executed between the company and shareholders of “Gateforum” on 24th February 2011, Company needs to issue and allot its Equity Shares to the shareholders of “Gateforum” for a value up to Rs.2,00,00,000 (Rupees Two Crore Only).

Since the proposal involves issue and allotment of Equity Shares on preferential basis, thereby increasing the paid up share capital of the company, the approval of members under section 81(1A) of the Companies Act is required by means of special resolution. The Disclosures, as mandated under Regulation 73 of ICDR Regulations are as under

Company will issue and allot its equity shares, for cash, to shareholders of “Gateforum” at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, on preferential allotment basis, so that the value of the total number of shares so issued at a price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 aggregates to not more than Rs.2,00,00,000/- (Rupees Two Crore Only)

a) The Object(s) of the issue through preferential offer:

The Company has been examining various growth opportunities from time to time in line with its objective of becoming a leader in every sphere of education domain. As a part of supplemental business growth strategy, the Company has acquired a majority stake in “Gateforum”

“Gateforum” is an established player in preparation for GATE with centers in over 40 cities. With a technical team comprising of post graduates from leading institutes such as IITs and the IISc, “Gateforum” Classroom Coaching, Correspondence Courses, TarGATE (Online and Offline) and eTutor are considered one of the best in the industry in terms of content quality and delivery.

In terms of the provisions of share subscription agreement, executed on 24th February 2011, Company will issue Equity Shares, in cash, on preferential allotment basis so that the value of the total number of shares so issued at a price (including premium) determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 aggregates to not more than Rs.2,00,00,000/- (Rupees Two Crore Only)

However preferential allotment to the promoters of “Gateforum” is subject to shareholders approval.

The due diligence and valuation of Gateforum has been done by Grant Thornton.

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

None of the Directors / Promoters / Key Management Persons has any intention to subscribe to the offer.

c) Shareholding Pattern before and after the Issue:

The shareholding pattern before and after the offer would be as under:

S.N	Category	Before Issue (As on 25 th February 2011)		Post Issue*	
		No. of shares	% of share holding	No. of shares	% of share holding
A	Promoters' holding :				
1	Indian :				
	Individual	47553645	49.77	47553645	49.75
	Bodies Corporate	0	0	0	0
	Sub Total	47553645	49.77	47553645	49.75
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	47553645	49.77	47553645	49.75
B	Non-Promoters' holding:				
1	Institutional Investors	37823913	39.59	37823913	39.57
2	Non-Institution:				
	Private Corporate Bodies	2754964	2.88	2754964	2.88
	Indian Public	6663072	6.97	6698850	7.01
	Trust	684	0.00	684	0.00
	Clearing Members	341226	0.36	341226	0.36
	NRI	255779	0.27	255779	0.27
	Foreign Natioanl	0	0	0	0.00
	HUF	151113	0.16	151113	0.16
	Sub Total(B)	47990751	50.23	48026529	50.25
	GRAND TOTAL	95544396	100.00	95580174	100.00

*The number of shares to be allotted is calculated on the basis of issue price determined as on 25-02-2011 in term of pricing formula of Chapter VII of SEBI (ICDR) Regulations, 2009 and the same was considered only for the purpose of disclosing the pre & post issue shareholding pattern. Total no of shares, the shareholding pattern and the issue price, on the basis of actual relevant date i.e. 15th March 2011, may accordingly increase or decrease. However value of the total number of shares so issued (including premium) at a price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 aggregates to not more than Rs.2,00,00,000/- (Rupees Two Crore Only)

Notes:

1. The above shareholding pattern has been prepared on the basis of the shareholding of the Company as on February 25, 2011.
2. The post issue shareholding pattern in the above table has been prepared on the assumption that the proposed allottee would have subscribed to and been allotted the shares of the Company. In the event for any reason, if the proposed allottee does not or is unable to subscribe to and/or is not allotted the shares or is allotted lesser number of shares, the post shareholding pattern in the above table would undergo corresponding changes.

d) Proposed time within which the allotment shall be completed:

The equity shares shall be allotted within a period of 15 days from the later of

(a) The date of passing of the resolution i.e. declaration of result by the Chairman or

(b) Receipt of approvals of the National Stock Exchange and /or Bombay Stock Exchange or any Statutory / Regulatory / any other authorities for such allotment.

e) Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

Identity of the proposed allottees	Category	Pre-Issue Shareholding		Allotment	Post Issue (after allotment of Equity Shares)	
		No. of shares	%		No. of shares	%
Abhijit Chaudhari	Non-Promoter	0.00	0.00	6071	6071	0.006
Aditya Aram Reddy	Non-Promoter	0.00	0.00	7843	7843	0.008
Chandan Kumar Jha	Non-Promoter	0.00	0.00	7843	7843	0.008
Jitendra Kumar Sinha	Non-Promoter	0.00	0.00	2830	2830	0.003
G Santosh Kumar	Non-Promoter	0.00	0.00	2125	2125	0.002
Bulchandani Mahesh Jethanand	Non-Promoter	0.00	0.00	3878	3878	0.004
Shikha Mahesh Bulchandani	Non-Promoter	0.00	0.00	3220	3220	0.003
Rajeev Leekha	Non-Promoter	0.00	0.00	984	984	0.001
Shagun Leekha	Non-Promoter	0.00	0.00	984	984	0.001

*The number of shares to be allotted is calculated on the basis of issue price determined as on 25-02-2011 in term of pricing formula of Chapter VII of SEBI (ICDR) Regulations, 2009 and the same was considered only for the purpose of disclosing the pre & post issue shareholding pattern. Total no of shares, the shareholding pattern and the issue price, on the basis of actual relevant date i.e. 15th March 2011, may accordingly increase or decrease. However value of the total number of shares so issued at a price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 aggregates to not more than Rs.2,00,00,000/- (Rupees Two Crore Only)

f) Pricing of the issue:

The pricing of the Equity Shares to be allotted to promoters/shareholders of Gateforum on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulations, 2009.

SEBI (ICDR) Regulations, 2009 provides that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

a) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the relevant date; or

b) The average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the relevant date.

The Relevant Date for the purpose of pricing of the Equity Shares shall be 15th March 2011 being the date which is 30 days prior to the date of the declaration of the result of the postal ballot i.e 14th April 2011.

The price shall be determined on the basis of the quotes available on National Stock Exchange Ltd. website being the Stock Exchange having highest trading volume during the preceding six months prior to the relevant date.

g) Auditors' Certificate:

Since the price at which the Equity Shares would be issued to Promoters/shareholders can not be exactly determined before issue of this notice to the shareholders since it depends on the average of the market prices prevailing in the preceding 2 weeks or 6 months of the relevant date as per the SEBI formula, the Auditors' certificate as required under Regulation 73(2) SEBI(ICDR) Regulation will be available for inspection at the Registered office of the Company between 11:00 A.M. and 1:00 P.M. on any working day except Saturday and public holidays from the Relevant Date (i.e. 15th March 2011) upto the last date for voting under postal ballot (i.e. 11th April 2011) and shall also be available at the date of declaration of result of the postal ballot.

h) Lock in Period:

The proposed allotment shall be subject to lock in for a period of one year from the date of allotment. The promoter further undertakes that the entire pre-preferential share holding, if any, shall be locked in from the relevant date upto a period of 6 months from the date of preferential allotment

i) Undertakings

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that :

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

j) Relevant Date

Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, 2009 as amended up to date, for the determination of applicable price for issue of equity shares is 15th March, 2011.

None of the Directors of the Company is in any way concerned or interested in the said resolution. The Board of Directors commends the resolution set out in Item No. 3 for approval of the shareholders as a Special Resolution.

Date: 01.03.2011
Place: New Delhi

By Order of the Board
For Educomp Solutions Limited

Sd/-
Mohit Maheshwari
Company Secretary