

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 Saturday, July 23, 2011

Item No. 1. Raising of funds through issue of Capital & Res-tracturing of the outstanding USD 78.50 million Foreign Currency Convertible Bonds.

To consider, and if thought fit, to pass with or without modification, the following resolutions as a special resolution:

- (a). **“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), whether by way of a public offering or 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, securities including equity shares and / or instruments or securities convertible into equity shares of the Company such as foreign currency convertible bonds, global depository receipts and / or American depository receipts and / or convertible preference shares and / or convertible debentures or bonds (compulsorily and / or optionally, fully and / or partly), and / or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant holder to subscribe for equity shares, or by any one or more or a combination of the above model/methods or otherwise, up to an amount of USD 250 million (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/Committee of Directors at the time of issue or allotment.”

- (b). **“RESOLVED FURTHER** that, in accordance with 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, the Company be and is hereby authorized to restructure the USD 78.50 million outstanding foreign currency convertible bonds of the Company (**“Outstanding FCCBs”**) either by amending the terms and conditions thereof, or issue new foreign currency convertible bonds to replace the Outstanding FCCBs which shall be in addition to the Securities proposed to be issued pursuant to the resolution set out in (a) above, up to an amount of USD 250 million, in accordance with a mechanism deemed appropriate by the Board, considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with lead managers and / or other advisors, on such terms and conditions as may be decided and deemed appropriate by the Board.”
- (c). **“RESOLVED FURTHER** that for the purpose of giving effect to the aforesaid and following resolutions, the director 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.”
- (d). **“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, 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.”
- (e). **“RESOLVED FURTHER** that the relevant date on the basis of which price of the Securities or the resultant shares shall be determined as specified under applicable law, and in case of issuance of foreign currency convertible bonds and/ American depository receipts / global depository receipts, it shall be the date of the meeting in which the Board or Committee decides to open the proposed issue of Securities or foreign currency convertible bonds pursuant to restructuring of the Outstanding FCCBs, or in accordance with applicable law as amended from time to time.”
- (f). **“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.”
- (g). **“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 referred to in paragraph (a) above 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.”
- (h). **“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 and / or restructuring of the Outstanding FCCBs, 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.”

(i). **“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 / or restructuring of the Outstanding FCCBs, and to give effect to the above resolutions.”

Item No. 2 Increase in Authorised Share Capital of the Company

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 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 and the Article 4 of the Article of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crore) divided into 12,50,00,000 (Twelve Crore Fifty Lakh) equity shares of Rs. 2/- (Rupees Two) each to Rs. 30,00,00,000/- (Rupees Thirty Crore) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs.2/-(Rupees Two) each by creation of additional 2,50,00,000 (Two Crore Fifty Lakh) equity shares of Rs. 2/-(Rupees Two) each ranking pari passu in all respect with the existing equity shares.”

RESOLVED FURTHER THAT Clause V (Capital Clause) in the Memorandum of Association of the Company be and is hereby altered by substituting the same with the following:

V. The Authorised Share capital of the company is Rs. 30,00,00,000 (Rupees Thirty Crore) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs.2/- (Rupees Two) each”

RESOLVED FURTHER that the Board of Directors (including any Committee of the Board constituted or hereinafter constituted) be and are hereby severally authorized to do all such acts and things and execute and deliver such deeds, forms, documents, writings or papers as may be necessary, including for the listing of the equity shares so issued, to the Securities and Exchange Board of India, Registrar of Companies, Reserve Bank of India, Bombay Stock Exchange Limited, The National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services Limited, authorised dealers or any other governmental or regulatory authority and to do all other acts, deeds, things as may be required to give effect to the above resolution”

Item No. 3 Educomp Employee Stock Option Scheme 2011

To consider and if thought fit, to pass with or without modifications, the following resolution 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 and 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 2011 and to create, issue, offer and allot in one or more tranches under the said proposed ESOP Scheme 2011 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 10,00,000 (Ten 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 Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect any scheme(hereinafter referred to as “the ESOP Scheme-2011”) 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-2011

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-2011 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.

Item No 4. Educomp Employee Stock Option Scheme 2011 for Subsidiaries

To consider and if thought fit, to pass with or without modification(s), the following resolution 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: 13.06.2011
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 to all the Members of the company, whose names would appear in the Register of Members as on Friday, 17th June, 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 Saturday, 23rd July, 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 Tuesday, 26th July 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.
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

Given the Company's future growth plans the Board considers it necessary to augment the long term resources of the Company by way of (i) issuing further capital to eligible investors, up to an amount of USD 250 million; and (ii) restructuring the USD 78.5 million outstanding foreign currency convertible bonds of the Company (“**Outstanding FCCBs**”) either by amending the terms and conditions thereof, or issue new foreign currency convertible bonds to replace the Outstanding FCCBs (which will be in addition to proposed issue of securities up to USD 250 million), considering the prevailing market conditions and other relevant factors.

The Directors intend to deploy the net proceeds from the issue of further capital for funding any one or more of, (i) capital expenditure, (ii) general corporate purpose, (iii) strategic acquisitions, (iv) reduction of debt, or (v) consolidation of the ownership of our subsidiaries.

The present resolutions will authorize the Board to offer / issue / allot Securities (including equity shares) and / restructure Outstanding FCCBs and / or instruments or securities convertible into equity shares of the Company such as foreign currency convertible bonds, global depository receipts and / or American depository receipts and / or convertible preference shares and / or convertible debentures or bonds (compulsorily and / or optionally, fully and / or partly), and / or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant holder to subscribe for equity shares, or by any one or more or a combination of the above model/methods or otherwise.

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 recommends the resolution for approval of the Members of the Company.

None of the Directors of the Company is concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

Item no 2

Increase in Authorized Share Capital is in view of above referred item no. 1 of the Notice. Alterations proposed in the Memorandum of Association of the Company are only consequential to reflect the proposed increase in the Authorized Share Capital of the Company.

The shareholders are, therefore, requested to approve the proposed resolution through postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

The Board Recommends the Special Resolution for members' approval through postal ballot.

None of the Directors of the Company is concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

Item no 3 & 4

Stock Options 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 four Stock Options Scheme namely ESOP Scheme 2006/2007/2008/2010. Since Stock options under the current schemes have almost exhausted, Board of Directors of your Company at its meeting held on 30th May 2011, recommended for the approval of the Members the formulation of a new Employee Stock Option Scheme under the nomenclature, '**Educomp Employee Stock Option Scheme 2011**' (hereinafter referred to as "the ESOP Scheme-2011"), 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 2011

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 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;
- ✓ 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-2011 shall be 10,00,000 (Ten 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 against the options vested in him.

(vii) Appraisal Process for Determining the Eligibility of Employees

The appraisal process for determining the Employees to whom the option shall be granted, shall be based upon the performance of the Employees as indicated by the annual performance appraisal, minimum period of service, the status of the Employees in the Company and the present and potential contribution of the Employee to the success of the Company, and other factors deemed relevant by the Remuneration Committee.

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.

(viii) Maximum Number of Options to be Issued Per Employee

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

(ix) 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.

(x) 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-2011, 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 during 11:00 A.M. and 1:00 P.M. on any working day except Saturday and public holidays up to the date of the declaration of the Postal Ballot Result.

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.

Further Section 192A(4) of the Act provides that if a resolution is assented to by a requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

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 10,00,000 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: 13.06.2011

Place: New Delhi

By Order of the Board

For Educomp Solutions Limited

Sd/-

**Mohit Maheshwari
Company Secretary**