

Dated: 19th December 2011

EDUCOMP INFRASTRUCTURE & SCHOOL MANAGEMENT LIMITED

Incorporated as a company limited by shares under the Indian Companies Act, 1956

Date of Incorporation: Incorporated on 2nd September 2006, as Private Limited Company

Registered Office: 1211 Padma Tower-1, 5 Rajendra Place, New Delhi-110008
Ph:91-11-25755920, 25762725 Fax:: 91-11-25766775, 25755000

Corporate Office : 514, Udyog Vihar-III, Gurgaon, Haryana
Ph: 91-124-4529000, Fax : 91-124-4529039

Issue of Rated, Listed, Secured, Redeemable Non-Convertible Debentures of a face value of Rs. 10,00,000/- each, aggregating to Rs. 105 crores on a private placement basis (the "Issue")

GENERAL RISKS

Investors are advised to take informed decision before taking an investment decision in this offering. For taking an investment decision the investor must rely on their examination of the offer and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

CREDIT RATING

As at the date of this Information Memorandum, CARE Ratings ("CARE") has assigned a rating :- ' CARE A+ (SO)' [Single A Plus (Structure Obligation)] to the Debentures . This rating is not a recommendation to buy, sell, or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information or unavailability of information or any other circumstances. Please refer to page 46 of this Information Memorandum for the credit rating and further details.

ISSUE SCHEDULE

ISSUE OPENING DATE 20th December 2011

ISSUE CLOSING DATE 20th December 2011

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment (as defined hereinafter) at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription at the commencement of banking hours and close at the close of banking hours. The Issue shall be subject to the terms and conditions of this Information Memorandum filed with the Stock Exchange and other documents in relation to the Issue.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of BSE.

LEAD ARRANGER



Yes Bank
Nehru Center, 9th Floor,
Discovery of India, Dr. A.B. Road,
Worli, Mumbai – 400018

REGISTRAR & TRANSFER AGENT



Link Intime India Private Limited
A-40, 2nd Floor,
Naraina Industrial Area,
Phase-II, New Delhi-110028

DEBENTURE TRUSTEE



Axis Trustee Services Limited
Maker Towers, F Wing, 13th Floor,
Cuffe Parade, Colaba,
Mumbai – 400005.
Tel : +91-22-67072041
Fax : +91-22-22182574

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DEFINITIONS AND ABBREVIATIONS

The Company / Issuer / EISML	Educomp Infrastructure & School Management Limited ,a company having its registered office at 1211 Padma Tower-1, 5 Rajendra Place, New Delhi-110008 (on a standalone basis, unless the context otherwise requires)
Guarantor	Educomp Solutions Limited (“Educomp” or “ESL”)
Application Form	The form used by an Investor to apply for subscription to the Debentures offered through this Issue
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
Account Bank	Yes Bank Ltd. at its Branch in South Extension, Part-II, New Delhi
Board	Board of Directors of the Company or a Committee thereof
Business Days	Business Day shall mean a day (other than a holiday or a Sunday) on which banks are normally open for business in Mumbai
Coupon Payment Date	Date of payment of interest on the Debentures
Credit Rating Agency(ies)	Any credit rating agency, approved by SEBI
Crore	1 crore = 10 million
Date of Allotment	The date on which Allotment for the Issue is made
Debentures	Rated, Listed, Secured, Taxable, Redeemable Non-Convertible Debenture(s) of face value of Rs.10 Lakhs each aggregating to Rs. 105 crores issued by the Issuer pursuant to the terms and conditions set out in this Information Memorandum
Debenture Holder(s)	The Investors who are Allotted the said Debentures
Debenture Trustee	Trustee for the Debenture Holder(s), in this case being Axis Trustee Services Limited (‘ATSL’)
Depository(ies)	National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL)
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
Group Companies	Direct and /or indirect subsidiaries of the Company
I.T. Act	The Income-tax Act, 1961 as amended from time to time
Information Memorandum	This Information Memorandum dated December 19 th , 2011 pursuant to which the Debentures are being offered for private placement
Interest Payment Date	The date, in the first instance, falling three (3) months from the Issue Date; and thereafter, a date falling three (3) months from the previous Interest Payment Date
Investor/ Subscribers	Such person who subscribe to this Issue
ISIN	International Securities Identification Number

Issue	Issue of Rated, Redeemable, Secured, Taxable and Non-Convertible Debentures on a Private Placement basis
Issue Opening Date	20 th December 2011
Issue Closing Date	20 th December 2011
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations
BSE	Bombay Stock Exchange of India Limited
NSE	National Stock Exchange of India
Record Date	<p>Record Date shall be the date, which will be reckoned as per the following for the purpose of entitlement of the debentures holders for payment of the principal amount of Debentures, in whole or in part, payment of interest, exercise of put option or for any other corporate benefits as the case may be:</p> <ul style="list-style-type: none"> ○ In case of redemption of Debentures in whole or in part: 7 days prior from the date of such redemption ○ In case of payment of interest: 7 days prior from the date of such interest payment ○ In case of exercise of put option: 30 days prior from the date of exercise of such put option, as the case may be; and ○ In case of any other corporate benefit: 7 days prior to the date of such corporate benefit.
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited
ROC	The Registrar of Companies
RTGS	Real Time Gross Settlement
RBI	The Reserve Bank of India
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
SEBI Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI
Specifically Mortgaged Premises	Means all immovable properties of the Company, which have been mortgaged to secure the various term loans availed by the Issuer as mentioned in detail in section 10 (a) of this Information Memorandum.
Stock Exchange	The National Stock Exchange Limited/ Bombay Stock Exchange of India Limited
The Act	The Companies Act, 1956 (as amended from time to time)
Third Party Owners	Means various person(s) who are affiliate, group company and / or associates etc of the Issuer, society or trust who have mortgaged as on date their properties or may mortgage in future any new/additional property located at various places in

	India ,as a third party security provider, to secure the various term loans availed by the Issuer as mentioned in detail in section 10 (a) of this Information Memorandum
Third Party Properties	Means the immovable properties owned by the Third Party Owners, which as on date is mortgaged or any other additional immovable property(ies) which may be mortgaged in future to secure the various term loans availed by the Issuer as mentioned in detail in section 10 (a) of this Information Memorandum

DISCLAIMERS

ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus. The Issue of Debentures to be listed on the WDM is being made strictly on a private placement basis. This Information Memorandum is not intended to be circulated to more than 49 (forty-nine) persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general. This Information Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act.

This Information Memorandum has been prepared in conformity with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. This Information Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each Investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances. By subscribing to the Issue, Eligible Investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers or employees shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of this Information Memorandum as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or any information received by the recipient in connection with this Issue.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and issue of the Debentures, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, and are not misleading. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum are adequate and in conformity with the SEBI Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at his own risk.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information

Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer. The recipient agrees to keep confidential all of such information provided (or made available hereafter), including, without limitation, the existence and terms of such transaction, any specific pricing information related to the transaction or the amount or terms of any fees payable to us or other parties in connection with such transaction. This Information Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipient will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies thereof, all in accordance with such confidentiality agreement. If any recipient of this Information Memorandum decides not to participate in the Issue, the recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to Investors in the Issue on the strict understanding that it is confidential.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Information Memorandum has been/shall be filed with the BSE in terms of the SEBI Regulations. It is to be distinctly understood that submission of this information memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

As per the provisions of the SEBI Regulations, a copy of this information memorandum has not been filed with or submitted to the SEBI. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

DISCLAIMER CLAUSE OF THE LEAD ARRANGER

The role of the Lead Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Information Memorandum as prepared by us. The Lead Arranger has neither scrutinized nor vetted nor has it done any due-diligence for verification of the contents of this Information Memorandum. The Lead Arranger shall use this Information Memorandum for the purpose of soliciting subscription(s) from qualified institutional investor(s) in the Debentures to be issued by us on a private placement basis. It is to be distinctly understood that the aforesaid use of this Information Memorandum by the Lead Arranger should not in any way be deemed or construed to mean that the Information Memorandum has been prepared, cleared, approved or vetted by the Lead Arranger; nor should the contents to this Information Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Lead Arranger so as to the correctness or completeness thereof.

The Issuer has authorized Yes Bank to distribute this Information Memorandum in connection with the Issue.

“Yes Bank” means Yes Bank and any group, subsidiary, associate or affiliate of Yes Bank and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Lead Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Lead Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Lead Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Lead Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

LISTING

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer has applied to BSE for an ‘in principle’ approval to list the Debentures. The Issuer shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis and shall complete all formalities relating to listing of the Debentures.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under clause “Eligible Investors” of this Information Memorandum, who shall be specifically approached by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the non-exclusive jurisdiction of the courts of Mumbai. This offer of Debentures is made in India to persons resident in India. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

DISCLAIMER CLAUSE OF CREDIT RATING AGENCY

CARE has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. CARE has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. CARE does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by CARE should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and CARE shall not be liable for any losses incurred by users from any use of this report or its contents. CARE has the right to change, suspend or withdraw the ratings at any time for any reasons.

CAUTIONARY NOTE

This Information Memorandum is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Information Memorandum should invest in the Debentures proposed to be issued by the Issuer. Each Eligible Investor should make its own independent assessment of the investment merit of the Debentures and the Issuer. Eligible investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstance. This Information Memorandum is made available to Eligible Investors on the strict understanding that it is confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the Debentures.

No person including any employee of the Issuer has been authorized to give any information or to make any representation not contained in this Information Memorandum. Any information or representation not contained herein must not be relied upon as having being authorized by or on behalf of the Issuer. Neither the delivery of this Information Memorandum at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this Information Memorandum. The distribution of this Information Memorandum or the Application Forms and the offer, sale, pledge or disposal of the Debentures may be restricted by law in certain jurisdictions. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Information Memorandum comes are required by the Issuer to inform themselves about and observe any such restrictions. The sale or transfer of these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued only in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Issuer shall take necessary steps to credit the Debentures allotted to the depository account of the investor. The Issuer will make the Allotment to investors on the Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

CONSENTS

Axis Trustee Services Limited has given its written consent for its appointment (annexed hereto as Annexure 3) as Debenture Trustee to the Issue under Regulation 4(4) of the SEBI Regulations and inclusion of its name in the form and context in which it appears in this Information Memorandum.

BRIEF DETAILS ABOUT THE ISSUE

1) Offering Details in Brief

Summary Termsheet for the Issue

Issuer	Educomp Infrastructure and School Management Limited (“EISML” or the “Issuer”)
Guarantor	Educomp Solutions Limited (“ESL” or “Educomp”)
Instrument	Secured Redeemable Non Convertible Debentures (the “Debentures”)
Mode of Placement	Private placement to eligible investors
Purpose	The proceeds of the Issue would be utilized for <ul style="list-style-type: none"> • Repayment of existing debt • Capital expenditure • Any issue related expenses including fee
Indicative Rating	‘CARE A+ (SO)’ [Single A Plus (Structure Obligation)] by CARE Ratings
Face Value	Rs.10,00,000 (Rupees Ten Lakhs only) per Debenture
Principal Amount	Rs. 105 crore
Issue Price	At par
Security	<p>The Debentures are secured by the following:</p> <ol style="list-style-type: none"> a) Second charge over immovable / movable fixed assets of the Company, within 30 days from the Deemed Date of Allotment; b) Second charge over immovable / movable fixed assets of Third Party, within 30 days from the Deemed Date of Allotment; c) Second charge over all current assets (present and future) of the Company, within 30 days from the Deemed Date of Allotment d) Corporate Guarantee by ESL in favor of Debenture Trustee e) Personal Guarantee of Mr. Shantanu Prakash in favour of Debenture Trustee f) Debt Service Reserve Account - Fixed Deposit of amount equivalent to interest for 3 months (to be created within 30 days from Deemed Date of Allotment) and principal of 1 quarter calculated at issue size divided by no. of quarters in tenor (to be created within 90 days from Deemed Date of Allotment) to be maintained with Sole Arranger <p>The security mentioned in clause (a) and (b) shall provide minimum security cover of 1.25 times on book value basis (total assets over all the loans</p>

	<p>outstanding and any other borrowings which may have charge over the assets of the Company). Security is as charged to existing lenders.</p> <p>The Company shall ensure that:</p> <p>(a) the applicable stamp duty on the Debentures are duly paid under the relevant provisions of law. If the Company fails to pay the applicable stamp duty within the applicable period, then the same shall be considered as an event of default.</p>
Tenor	5 Years from the Deemed Date of Allotment
Repayment	<ul style="list-style-type: none"> • 25% maturing at the end of 42th month from date of allotment; • 25% maturing at the end of 48th month from date of allotment; • 25% maturing at the end of 54th month from date of allotment; • 25% maturing at the end of 60th month from date of allotment;
Put Option	Investor Put option at the end of 3 years from the Deemed Date of Allotment
Coupon Payment	Quarterly starting three 3 months from the Deemed Date of Allotment (“First Interest Payment Date”) and every quarter thereafter.
Coupon Rate	13.40% per annum (payable quarterly)
Timing	<p>Issue Opening Date: 20th December 2011</p> <p>Issue Closing Date: 20th December 2011</p> <p>Pay in Date: 20th December 2011</p> <p>Deemed Date of Allotment: 20th December 2011</p> <p>All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Trustees, In-principle listing approval from the Stock Exchange etc., to be completed and made available to the Lead Manager / Arranger one business day prior to Issue Opening Date.</p>
Issue of Debentures	The Issuer will issue the Debentures / Letters of Allotment in dematerialized form within two business days from the Deemed Date of Allotment
Invocation of Guarantee	The Company shall ensure that any payment (principal, interest, and money due under put option) to be made by the Company to the Debenture Holders/Beneficial Owners/Debenture Trustee at the end of relevant quarter (“due Payment”), is credited into the same account to which subscription amount of Debentures is credited (“Account”), on the due date of the due Payment under the relevant quarter. In the event, the due Payment is not credited into the Account, the Debenture Trustee may invoke the Guarantee (provided by the Guarantor in favour of Trustee) asking the Guarantor to pay the due Payment and the Default Interest for the number of days for which the payment has been delayed within 2 days from the due date of the due Payment under the relevant quarter in terms of the provisions of the debenture trust agreement executed

	between the Company and Trustee and/or Deed of Guarantee.
Default Interest Rate	2% p.a. over the Coupon Rate up to the day of actual receipt of unpaid amounts. In addition, the Break Costs will apply.
Day Count Basis	Actual / Actual
Interest on Application Money	To be paid to investors at Coupon Rate from the date of realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest shall be payable within seven business days from the Deemed Date of Allotment.
Depositories	Applications will be made for the Debentures to be deposited with NSDL / CDSL
Listing	At WDM segment of BSE
Covenants	As customary for a facility of this nature
Representation and warranties	As customary for a facility of this nature
Governing Law	The Debentures and documentation will be governed by and construed in accordance with the laws of Indian and the parties submit to the non-exclusive jurisdiction in Mumbai.

2) Issue Schedule

Issue opens on	20 th December 2011
Issue closes on	20 th December 2011
Pay-In date	20 th December 2011
Deemed date of Allotment	20 th December 2011

The Issuer reserves the sole and absolute right to modify (pre-pone/ postpone) the Issue Opening/ Closing Date(s) and also the Deemed Date of Allotment without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

3) Issue Procedure

- a) Please refer to Section “Issue Procedure” on page 28.

1. Summary Information on the Issuer

Name: Educomp Infrastructure & School Management Limited
Registered Office: 1211 Padma Tower-1, 5 Rajendra Place, New Delhi-110008

Phone No.: 91-11-25755920, 25762725, 0124- 4529000

Fax No.: 91-11-25766775, 25755000

Contact Person: Yogesh Saluja; Company Secretary
Email: yogesh.saluja@educomp.com
Website: Not Applicable
Auditors: HARIBHAKTI & CO.
Chartered Accountants
3rd Floor, 52-B, Okhla Industrial Area
Phase-III, New Delhi-110020

Compliance Officer Yogesh Saluja
Phone No.: 0124- 4529000 (ext -305)

2.Names and addresses of the directors of the Issuer

The following table sets forth details regarding the Company's Board of Directors as on the date of this Information Memorandum:

S. No.	Name and Designation of Directors	Addresses
1.	Shantanu Prakash, Director	C-11/1, DLF City Phase-I, Gurgaon-122002, Haryana
2.	Gopal Jain, Director	Flat No-1, 1 st Floor, Ramalayam, 46 Peddar Road, Mumbai-400026
3.	Jagdish Prakash, Director	C-11/1, DLF City Phase-I, Gurgaon-122002, Haryana
4.	Sharad Agarwal, Managing Director	79, Anupam Apartments, M.B.Road, New Delhi-110068
5.	Ravinder Nath Kapur, Whole Time Director	491, Sector 22, Gurgaon-122001, Haryana

3. Brief summary of the business / activities of the Issuer and its line of business.

Educomp Infrastructure & School Management Limited (EISML) provides infrastructure services, on long term lease basis, and management solutions to various K-12 (Kindergarten – 12th Grade) schools run by the various independent trusts and/or societies and derives its revenues mainly from two services:

- Infrastructure Services
- Management and Content Services

EISML develops and owns the school infrastructure and then leases this out to educational trusts. Under Infrastructure Services, EISML earns pre-determined yield rentals for school assets delivered to the independent Trusts and/societies, operating the schools. Additionally, EISML also earns a fixed percentage share in the annual fee revenue earned by the trust using such assets.

Under Management Services, monthly management fee per student is charged for providing content, Intellectual Property (IP) and Management & Maintenance services to the independent Trust and societies operating the school. EISML licenses the educational content from Educomp thus leveraging on the vast content library of Educomp.

EISML has also tied up with other leading and reputed brands for co-branded schools. It charges a royalty/branding fee as a percentage of annual fee revenue to students in such schools.

EISML has also entered into joint venture for setting schools under our own brands.

A. OVERVIEW OF THE COMPANY

1. Summary of the Business of the Issuer Company

Educomp Infrastructure & School Management Limited (EISML) provides infrastructure services, on long term lease basis, and management solutions to various K-12 (Kindergarten – 12th Grade) schools run by the various independent trusts and/or societies and derives its revenues mainly from two services namely

- Infrastructure Services
- Management and content Services

EISML develops and owns the school infrastructure and then leases this out to educational trusts. Under Infrastructure Services, EISML earns pre-determined yield rentals for school assets delivered to the independent Trusts and/societies, operating the schools. Additionally, EISML also earns a fixed percentage share in the annual fee revenue earned by the trust using such assets.

Under Management Services, monthly management fee per student is charged for providing content, Intellectual Property (IP) and Management & Maintenance services to the independent Trust and societies operating the school. EISML licenses educational content and management services from Educomp thus leveraging on the vast content library of Educomp

EISML has also tied up with other leading and reputed brands for co-branded schools. It charges a royalty/branding fee as a percentage of annual fee revenue to students in such schools.

The schools being operated by EISML are branded as follows:

Own Brands	
The Millennium Schools	K 12 schools in Tier I & Tier II cities
Takshilla Schools	K 12 schools in Tier III & Tier IV cities
Universal Academy schools	Previously Known as Vidya Prabhat schools targeted for semi urban cities.
High Schools	
Co branded with reputed schools	Don Bosco, Shriram Millenium, PSBB, DPS etc.

2. Financial Highlights of the Issuer

In Rs. million	As at 31 st Mar 2011	As at 31 st Mar 2010	As at 31st Mar 2009
Sources of funds			
Shareholders' funds			
Share capital	280	247	11
Share Application Money	250	-	750
Reserves and surplus	7,763	5,402	581
Loan Funds			
Secured Loans	6,616	3,602	2,501
Deferred tax Liability (Net)	142	100	44
Application of funds			
Fixed Assets			
Gross Block	4,490	2,648	745
Less: Accumulated Depreciation	131	42	12
Net Block	4,359	2,607	732
Capital work In progress	2,900	1,803	1,487
Capital advances	2,357	746	273
Total	9,616	5,156	2,492
Investments	3,249	2,936	926
Current assets, loans and advances			
Inventories	18	7	2
Sundry debtors	800	367	90
Cash and bank balances	270	363	158
Loans and advances	1,346	825	562
Total	2,434	1,561	811
Less : Current liabilities and provisions			

Liabilities	243	214	342
Provisions	4	89	2
Total	247	303	344
Net current assets	2,187	1,258	468

Particulars (in Rs. Million)	2010-11	2009-10	2008-09
Income	929	617	348
Profit Before Dep. & Tax	316	297	165
Less: Depreciation	89	30	12
Profit before tax	227	268	153
Profit after tax	162	175	109

B. Overview of the Guarantor :Educomp Solutions Limited

Educomp Solutions Limited, founded in 1994 is a globally diversified education solutions provider and the one of the major education companies in India. Educomp Group reaches out to over 26,500 schools and 17.1 million learners and educators across the world. Educomp has 26 offices worldwide including offices in Canada, India, Singapore, and United States. In addition, the Company operates through its various subsidiaries including Vidyamandir Classes Ltd, Gateforum, authorGEN, Educomp Learning Hour, Learning.com, USA, AsknLearn Private Ltd, Singapore and Savvica in Canada.

Educomp has led many initiatives in the education field. A few notable examples are:

- Introduced **Smart class™**, a ‘teacher-led’ content delivery system to increase learning effectiveness in class.
- Developed 3-D K-12 content library with over 16,000 modules aligned to Indian and international learning standards.
- Developed **Roots to Wings™**, India’s first structured Pre-School learning system.
- Developed **Mathguru.com** an online learning initiative.
- Pioneered Education Process Outsourcing in India through the **Learning Hour** platform, a benchmark for other similar initiatives.
- Conducted **Professional Development** workshops, training more than a million teachers in technology integration, pedagogy, and best practices in teaching.

Educomp has a dedicated **Research Team**, which, constantly evolves more effective methods to reach out to learners and educators thus delivering effective solutions across varied fields as highlighted above.

Educomp has been a partner to various Government agencies in implementation of large scale **Public-Private-Partnership** projects. Educomp works in close association with various State and Central Government agencies, Ministries of IT and HRD, and Governments of other countries to implement such projects. The varied programs involve across-the-board education infrastructure implementation, teacher training and content development projects. The current client base of Public-Private-Partnership projects is close to 10,937 schools including large projects of the Governments of Assam, Karnataka, Orissa, Tripura, Gujarat, Uttar Pradesh, West Bengal, Tamil Nadu, Haryana, Jharkhand, Rajasthan, Punjab, Chhattisgarh and Andhra Pradesh in India.

Segments of Operation

- **School Learning Solutions**

Educomp has two brands under this segment namely Smart Class and EduReach(Formerly ICT) which mainly caters to private and government schools.

SmartClass is a comprehensive technology solution designed to assist teachers to enhance classroom experience. It comprises of a digital content library of over 16,000 modules of curriculum-mapped, multimedia and 3D content and covers all subjects across kindergarten to grade XII.

Edureach provide turnkey solutions for computer aided learning in government schools in several regional languages across the country.

- **Higher Learning Solutions**

In this segment, company caters to vocational training, higher education and professional development.

- **Vocational Training:** Educomp provides vocational training programs in English Language as well as a wide range of vocations. Educomp has joint ventured with Pearson offering programs like Educomp Tele Education Network (ETEN), Language edge and other programmes.

- **Higher Education:** Educomp has entered into joint venture with Raffles Education Corp. and has set up Raffles Millenium International Centers to provide higher education and courses similar to that of Raffles in India. It offers professional development programs in Fashion Design, Hospitality, Management, Commerce etc.

- **Professional Development** includes training for teachers to integrate technology into the school curriculum in both Government run and Private sector run organizations.

- **K-12 Schools**

Educomp offers educational programmes through a chain of high schools and pre-schools. EISML

operates in this space.

- **Online, Supplementary & Global**

Educomp engages in distribution and integration of web education solutions (offline and online initiatives).

Offline Initiative includes tutoring services given to students from grades 8 to 12 through its subsidiary company Educomp Learning Hour Private Limited using developed content, multimedia content, technological aids and proven testing and assessment programs

Online Initiatives includes online tutoring and interactions with users. This gives the users access to 3D multimedia content through web enabled services like mathguru.com, wiziq.com, authorstream.com, learnhub.com, learning.com, smartclassonline.com.

Educomp's share of revenues from various segments is as below (on a consolidated basis)

Segment	Q2FY12	FY11
School Learning Solutions	68.38%	74.73%
Higher Learning Solutions	2.78%	4.84%
K-12 Schools	13.83%	10.05%
Online, Supplementary & Global	15.01%	10.38%

Educomp Affiliates

Educomp group works with over 26,500 schools across India, US and Singapore. Educomp's presence in the US is via its fully owned subsidiary Edumatics Corporation based in Ventura, California, while in the APAC region, Educomp operates via Educomp Asia Pacific Private Limited. Strategic acquisitions and joint ventures are further enhancing Educomp's footprint across the world. These are

- **ASKnLearn:** ASKnLearn is a premier Pan-Asian provider of education solutions and services that caters to more than 152 educational institutions in Singapore, China, Thailand, Japan, and Brunei.
- **Educomp Learning Hour Private Ltd.:** Educomp Learning Hour, promoter of online tutoring website 'The Learning Hour' and 'Threebrix.com' to strengthen Educomp's online tutoring platform.
- **AuthorGen Technologies:** Educomp's strategic stake in AuthorGen Technologies Pvt Ltd. has helped consolidate its position on online tutoring through access to key technology competence, student teacher marketplace models, and web 2.0 platforms for online learning. Their leading portal wiziq.com connects students and teachers from around the world with capabilities to run on any web browser and any operating system.

- **Savvica:** The acquisition of 70% of Canadian online solutions company Savvica has augmented online community building capabilities to Educomp's content offerings.
- **Learning.com:** In May 2008, Educomp acquired a majority stake of the US based Learning.com. Learning.com serves around two million students with products licensed to over 7500 schools in 800 districts across the United States. The products are: **Aha!Math**, a K-5 (Kindergarten- 5th Grade) supplemental math curriculum; **EasyTech**, a K-8 (Kindergarten- 8th Grade) technology literacy curriculum that helps students develop and apply their technology skills to math, science, language arts and social studies curriculum; and **TechLiteracy Assessment**, an authentic technology proficiency assessment that provides educators with the data to understand how well students grasp technology skills.
- **Raffles Education Group:** Educomp has forged a joint venture with the Singapore based Raffles Education Group, Asia Pacific's leading Private education group for Professional Education in India. This JV opens up growth opportunities in Post K-12 to bring the entire suite of the Group's Professional development programs and courses to India. The premium design institute **Raffles Millennium International** (RMI), launched in Delhi and Bangalore will provide quality education through Raffles network of institutions in the Asia Pacific region for industry-relevant qualifications.

Recognition and Awards to Educomp Solutions Limited

Over the years, Educomp and its affiliates have won recognition from many institutions. Educomp ranks Number 1 in Education & Training in the study: **India's Best Companies to Work For 2009**. This study was conducted by The Economic Times in collaboration with the Great Place to Work® Institute, a US-based institute that ranks Best Workplaces globally. Educomp was named in the **200 Best Under a Billion** for the Asia-Pacific region by Forbes magazine Sept 29, 2008 issue. This annual list picks the best from 24,155 listed firms in the Asia-Pacific region. Similarly BT 500, 2009 featured Educomp in its list of most valuable private companies in India in its November 2009 issue.

The Company also has the honor of being the first company in India to have been rated SME1 by CRISIL, in recognition for its outstanding creditworthiness. In addition, the Company also received an ISO 9001:2000 certification in application of ICT (Information & Communication Technology) related to computer aided learning, training and computer literacy projects in Schools.

In December 2007, BT 500 ranked Educomp as the 7th biggest in percentage gain in market cap (H1, 2007 over H1, 2006) and 140 in the list of the most valuable private sector companies in India (up from rank 346 in BT 500 list of November 2006). The Company has been ranked 319 by ET 500 March 2007 issue. Educomp was chosen as the "FUTURE TITAN", one of the 10 hottest companies in India by Outlook Business Magazine in

November 2006. It was also rated the best performing IPO of the year 2006 across all sectors in India. In recognition of its innovations and product offerings, Educomp was conferred the "CNBC-ICICI Bank Emerging India Award" as the 'Company of the year 2005' in the ICE and ITeS category.

Brief Financials: Educomp Solutions Limited (Consolidated)

Balance Sheet as at			(Rupees in million)
	As at	As at	As at
	30th September 2011	31st March, 2011	31st March, 2010
	Unaudited	Audited	Audited
Sources of funds			
Shareholders' funds	22,742	21,785	16,475
Minority Interest	2,467	2,365	1,915
Loan funds	19,089	14,373	10,478
Deferred tax liability (Net)	29	144	112
Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	-	-	3
Application of funds	44,327	38,667	28,983
Goodwill	9,101	8,518	6,031
Fixed assets	20,686	17,786	10,655
Deferred tax liability (Net)	-	64	89
Investments	995	1,235	354
Current assets, loans and advances			
Inventories	822	472	368
Sundry debtors	9,576	6,254	5,530
Cash and bank balances	2,337	4,489	7,887
Loans and advances	4,211	3,714	1,811
Other current assets	169	49	221
Current liabilities and provisions			
Liabilities	2,972	3,532	2,290
Provisions	597	382	1,673

Profit and Loss Account for the Period ended			(Rupees in million)
	6 months ending 30th September 2011	31st March, 2011	31st March 2010
	Unaudited	Audited	Audited
Total Income	6,266	13,970	11,650

Expenditure	4,387	8,069	5,548
EBITDA	1,879	5,901	6,102
Depreciation/amortisation	511	841	1,142
Finance charges	636	962	539
Profit before tax	732	4,098	4,421
Profit after tax (post Minority Interest)	494	3,367	2,759

OFFERING INFORMATION- REGULATORY DISCLOSURES

The following documents have been submitted to the BSE:

- Memorandum and articles of association of the Issuer
- A copy of the latest audited balance sheet and annual report of the Issuer
- Undertaking by the Company Secretary in relation to Debenture Trust Agreement

4. A brief history of the Issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.

Educomp Infrastructure & School Management Limited was incorporated on 2nd September, 2006 as “Educomp Infrastructure Private Limited” under the Companies Act, 1956. On 12th September 2008, the Company’s name was changed to Educomp Infrastructure & School Management Private Limited and was converted into “Educomp Infrastructure & School Management Limited”, a Public Limited Company, on 27th September 2008. It is a subsidiary of Educomp Solutions Limited, which is a globally diversified education solutions providers and the largest education company in India.

Share Capital as of 30th November 2011

In Rs

		Aggregate Nominal Value
(A) Authorized Share Capital		
1.1.1	3,50,00,000 Equity shares of Rs. 10/- each	35,00,00,000
1.1.2	(B) Issued, Subscribed and Paid up Equity Capital	
1.1.3	2,80,05,575 Equity shares of Rs. 10/- each fully paid up	28,00,55,750

Details of Increased in Authorized Capital

Date	Authorized Capital (Rs.)	Face Value (Rs.)	No. of Shares	Particulars
02.09.2006	5,00,00,000	10	50,00,000	Incorporation
10.11.2009	35,00,00,000	10	3,50,00,000	Increase

Details of increase in Issued, Subscribed and Paid Up capital of the company

Date of Allotment	No. of Shares	Cumulative Total Shares	Face Value (Rs)	Paid Up Capital	Issue Price (Rs)	Consideration
14.09.2006	10,000	10,000	10.00	100000	10	Cash
10.03.2007	22,658	32,658	10.00	326580	22,067	Cash
15.09.2008	3,26,580	359,238	10.00	3592380	0	Non-Cash
23.03.2009	7,18,476	1,077,714	10.00	10777140	0	Non-Cash
10.11.2009	1,61,65,710	17,243,424	10.00	172434240	0	Non-Cash
16.12.2009	40,84,235	21,327,659	10.00	213276590	647	Cash
18.03.2010	16,83,673	23,011,332	10.00	230113320	686	Cash
31.03.2010	16,03,499	24,614,831	10.00	246148310	686	Cash
31.03.2010	1,05,759	24,720,590	10.00	247205900	686	Cash
23.11.2010	28,57,142	27,577,732	10.00	275777320	686	Cash
22.02.2011	4,27,843	28,005,575	10.00	280055750	686	Cash

5. Details of debt securities issued and sought to be listed

The company proposes to mobilize through Private Placement of 1050 Secured Redeemable Listed Rated Non Convertible Debentures (NCDs) of the Face Value of INR 10,00,000/- each at par aggregating to INR 105crores.

6. Credit Rating

‘A+ (SO)’ [Single A Plus (Structure Obligation)] by CARE Ratings

7. Issue Size

EISML proposes to raise Rs.105 crores through the issue of Secured, Redeemable, Non-convertible Debentures of the face value of Rs.10 Lakhs each by way of private placement (the ‘Issue’).

8. Utilization of the Issue Proceeds

The issue proceeds raised through the issue of Secured, Redeemable, Non-convertible Debentures are being issued for the purpose of:

- Repayment of existing debt
- Capital expenditure
- Payment of any issue related expenses including fees

9. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the Issuer

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

These material contracts and material documents referred to hereunder, may be inspected at the Registered Office of our Company between 10.00 am to 4.00 pm on working days.

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer
2.	Certified true copy of the resolution passed by the board of directors dated 19 th December 2011 approving the issue of Debentures
3.	Copies of Annual Reports of our Company for the last three financial years
4.	Credit rating letter from CARE Ratings
5.	Letter from Axis Trustee Services Limited giving its consent to act as Debenture Trustee
6.	Certified true copy of the certificate of incorporation of the Company
7.	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the National Securities Depository Limited
8.	Loan Agreement Dated 25 th May 2009 and Amended agreement dated 12 th August 2009 and Amended Agreement 21 st November 2009 for Rs 625 crores signed by lenders as given in item number 10.
9.	Debenture Trustee Agreement dated 21 st December 2010 for Rs 100 Crores 11% NCD
10.	Loan Agreement dated 14 th June 2011 for Rs200 crores signed by State Bank of Patiala

10. Details of other borrowings including any other issue of debt securities in past:

- a. The Company has obtained a financial assistance of an aggregate amount of Rs. 625 crores from the various banks under the consortium finance arrangements, Rs100 crores 11% NCD and Corporate loan of Rs. 200 crores from State Bank of Patiala. Details of the lenders are as follows:

Amount in Crores

Name of the Lender	Loans sanctioned	Outstanding Loans
Axis Bank Limited	250	231.25
Andhra Bank	75	69.375
Bank of India	100	92.50
Corporation Bank	50	46.25
Punjab National Bank	100	92.50
Karnataka Bank	50	46.25
Total	625	578.125
11% NCD	100	100
State Bank of Patiala	200	200
Grand Total (in Rs Crore)	925	878.125

The Company had raised Rs 100 Crores on 03rd May 2008 by the issue of Secured, Redeemable, Non-convertible Debentures to Axis Bank Ltd and same was pre-paid on 31st July 2009.

11. Any material event/development or change at the time of issue or subsequent to issue which may affect the issue of the Investor's decision to invest/continue to invest in the debt securities.

There are no material events/developments or change at the time of issue which may affect the issue or the investor's decision since the company has met all its obligations in time towards payment of interest / repayment of principal amount.

12. Particulars of the Debt Securities issued

- For consideration other than cash, whether in whole or in part;
- At a premium or discount or;
- In pursuance of an option

The company till date has not issued any debt security for (a) consideration other than cash; (b) at premium or at discount; or (c) pursuant to an option.

13. Details of Top 10 Holders of Equity and Debt Securities

Equity Shareholding Pattern (as on 30th November 2011)

Name of the Shareholder	No. of Shares held	% to total equity	Category
A. Promoter and Promoter Group			
1. Mr. Shantanu Prakash	37,54,080	13.40	Promoter and Promoter Group
2. Educomp Solutions Limited	2,26,19,816	80.77	Promoter and Promoter Group
3. Others	4,50,543	1.61	Promoter and Promoter Group
B. Bodies Corporates'	6,89,568	2.46	Body Corporates'
C. Other individuals	4,91,568	1.76	Other Individuals
Total	2,80,05,575	100%	

Name of the Shareholder	No. of Shares held	% to total preference	Category
Mr. Shantanu Prakash	37,54,080	13.40	Promoter and Promoter Group
Mrs. Anjlee Prakash	3,44,784	1.23	Promoter and Promoter Group
Mr. Saurabh Sood	3,45,312	1.23	Other Individuals
Mrs. Sangeeta Gulati	60,192	0.22	Other Individuals
Mr. Abhinav Dhar	86,064	0.31	Other Individuals
Educomp Solutions Ltd	2,26,19,816	80.77	Promoter and Promoter Group
Gaja Advisors Pvt. Ltd	6,89,568	2.46	Body Corporate
Educomp School Management Limited	1,05,759	0.38	Promoter and Promoter Group
Total	2,80,05,575	100.00	

Top 10 Debenture holders as on 14th December 2011

Name of the Debenture Holders	No. of Debentures held	% to total preference	Category
VIREET INVESTMENTS PRIVATE LIMITED	150	15.00	Body Corporate
GCIL FINANCE LIMITED	125	12.50	Body Corporate
ACG ASSOCIATED CAPSULES PVT LTD	100	10.00	Body Corporate
PAHARPUR COOLING TOWERS LTD	50	5.00	Body Corporate
AMRISH KUMAR	50	5.00	Individual
HOLTEC CONSULTING PVT LTD	50	5.00	Body Corporate
THIAGARAJAN KANNAN	30	3.00	Individual
H AND H REAL ESTATE PRIVATE LIMITED	30	3.00	Body Corporate
HINDUSTAN COMPOSITES LIMITED	30	3.00	Body Corporate
DILIP ANAND SWADI	25	2.50	Individual
DILIP ANAND SWADI	25	2.50	Individual

14. Undertaking to use a Common Form of Transfer

The Company will issue debenture in Demat form only and there will not be any Debentures in physical form. However, the Company would use a common transfer form for physical holdings, if at a later stage there is any holding in physical form due to the depository giving the rematerialisation option to any investor.

15. Maturity and Yield on redemption

Debentures	Terms
Redemption Amount	At Par
Period of Maturity	5 years from Deemed date of Allotment with Put option at the end of 3 years from the Deemed Date of Allotment
Coupon	13.40 % p.a. payable quarterly
Nature of Instrument	Rated, Listed, Secured, Redeemable Non-Convertible Debentures

16. Information relating to the terms of offer or purchase.

For information relating to the terms of offer or purchase, please refer to the terms and conditions of the Debentures set out in Annexure 1.

OTHER INFORMATION AND ISSUE PROCEDURE

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Company, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Debenture Trust Agreement.

Market Lot

The market lot will be One Debenture (“Market Lot”). Since the Debentures are being issued only in a dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

Letter(s) of Allotment/ Debenture Certificate(s)/ Refund Order(s) Issue of Letter(s) of Allotment

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

Issue of Debenture Certificate(s)

Subject to the completion of all legal formalities within 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the Appropriate Authorities, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Debentures allotted.

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL from time to time and other applicable laws and rules notified in respect thereof.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate / document must be lodged by the Instrument Holders at the registered office of the Company at least 30 days before the interest payment becoming due and if required, be submitted a fresh annually and/or as and when called upon for the same by the Company. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the application form.

Failure to comply with the above shall entitle the Company to deduct tax at source as may be advised to it.

Tax Benefits

Under the existing provisions of the Income Tax Act, 1961 for the time being in force, the following tax benefits and deductions will be available to the Debenture holder(s) of the Company subject to the fulfillment of the requirements of the relevant provisions. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with the amendments or enactment thereto. As alternate views are also possible, the Debenture holder(s) are advised to consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Debentures, and income arising thereon

Listing

The Debentures of the Company would be listed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange. The Company shall comply with the requirement of the listing agreement to the extent applicable to it on a continuous basis.

Debenture Redemption Reserve (DRR)

As per extant circular no. 6/3/2001-CL.V dated 18.04.2002 issued by the Government of India with respect to creation of Debenture Redemption Reserve, for manufacturing and infrastructure companies, the adequacy of DRR is defined at 25% of the value of debentures issued through private placement route. In terms of extant provisions of Companies Act, 1956, the Company is required to create Debenture Redemption Reserve out of profits, if any, earned by the Company.

The Company shall create a Debenture Redemption Reserve ('DRR') and credit to the DRR such amounts as applicable under provisions of Section 117C of the Companies Act 1956 (as amended from time to time) or any other relevant statute(s), as applicable.

Security

The Debentures would be secured by the following:

- a) Second charge over immovable / movable fixed assets of the Company, within 30 days from the Deemed Date of Allotment;
- b) Second charge over immovable / movable fixed assets of Third Party, within 30 days from the Deemed Date of Allotment;
- c) Second charge over all current assets (present and future) of the Company, within 30 days from the Deemed Date of Allotment
- d) Corporate Guarantee by ESL in favor of Debenture Trustee
- e) Personal Guarantee of Mr. Shantanu Prakash in favour of Debenture Trustee
- f) Debt Service Reserve Account - Fixed Deposit of amount equivalent to interest for 3 months (to be created within 30 days from Deemed Date of Allotment) and principal of 1 quarter calculated at issue size divided by no. of quarters in tenor (to be created within 90 days from Deemed Date of Allotment) to be maintained with Sole Arranger

The security mentioned in clause (a) and (b) shall provide minimum security cover of 1.25 times on book value basis (total assets over all the loans outstanding and any other borrowings which may have charge over the assets of the Company). Security is as charged to existing lenders.

The Company shall ensure that:

(a) the applicable stamp duty on the Debentures are duly paid under the relevant provisions of law. If the Company fails to pay the applicable stamp duty within the applicable period, then the same shall be considered as an event of default.

Mode of Transfer/ Transmission of Debentures

The Debentures shall be transferable freely to all classes of eligible Investors. The Debenture(s) shall be transferred and/ or transmitted in accordance with the applicable provisions of the Companies Act and other applicable laws. The provisions relating to transfer, transmission and other related matters in respect of shares of the Issuer contained in the Articles of Association and the Companies Act shall apply, *mutatis mutandis* (to the extent applicable to debentures), to the Debentures as well. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/ CDSL and the relevant DP's of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

Investors may note that subject to applicable law, the Debentures of the Issuer would be issued and traded in dematerialised form only.

Debentures held in Dematerialised form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of Beneficiaries provided by the Depositories to the Issuer. The names would be as per the Depositories' records on the relevant record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of Beneficiaries as of the relevant record date setting out the relevant Beneficiaries' name and account number, address, bank details and DP's identification number will be given by the Depositories to the Issuer and the Registrar. Based on the information provided above, the Issuer/Registrar will dispatch the cheque for interest / coupon payments to the Beneficiaries. If permitted, the Issuer may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Debenture Holder for redemption and interest/ coupon payments.

Trustee for the Debenture Holder(s)

The Issuer has appointed Axis Trustee Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trust Agreement *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to timely payment of interest and repayment of principal and they will take necessary action, subject to and in accordance with the Debenture Trust Agreement, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trust Agreement shall more specifically set out rights and remedies of the Debenture Holders and the manner of enforcement thereof.

Future Borrowings

The Company shall be entitled from time to time to make further issue of debentures to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets (including the assets securing the issuance of the said Debentures).

Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies,

statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Debenture Holder not a Shareholder

The Debenture Holder(s) will not be entitled to any of the rights and privileges available to the shareholders of the Issuer.

Modification of Debentures/Information Memorandum

The Registrar and the Issuer may agree, without the consent of the Debenture Holder(s) to:

1. any modification to the Debentures, which is not prejudicial to the interest of the Debenture Holder(s); and
2. any modification of this Information Memorandum which is a manifest or proven error or is in violation of any provision of law.

Rights of Debenture holders

The Debentures shall not, except as provided in the Companies Act, 1956 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.

The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.

The registered Debenture holder shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, its voting rights shall be in proportion to the outstanding nominal value of Debentures held by it on every resolution placed before such meeting of the Debenture holders.

The Debentures are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles, the terms of this prospectus and Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.

Save as otherwise provided in this Information Memorandum, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.

A register of Debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being.

The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

Right to Accept or Reject Applications

The Board of Directors/ Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

Notices

All notices to the Debenture Holder(s) required to be given by the Issuer or the Debenture Trustee shall have been given if sent either by registered post, by facsimile or by email to the original/ first allottees of the Debenture(s), or as may be prescribed by applicable law.

All notice(s) to be given by the Debenture Holder(s) shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time through suitable communication.

Notice(s) shall be deemed to be effective (in the case of registered post) seven business days after posting, (in the case of facsimile/email) twenty four hours after dispatch or (in the case of personal delivery) at the time of delivery.

Issue Procedure

Only eligible Investors as given hereunder may apply for the Debentures by completing the application form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the relevant application form. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

An application form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of the Issuer or otherwise as may be set out in the application form and crossed "Account Payee Only". Cheque(s) or demand draft(s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the bankers clearing house located at Mumbai. If permitted, the applicant may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Issuer as per details mentioned in the application form.

Application Procedure

Potential Investors will be invited to subscribe by way of Application format prescribed in the Information Memorandum during the period between the issue opening date and the issue closing date (both dates inclusive). The Company reserves the right to close the issue at the earlier date on the issue being fully subscribed.

Fictitious Application: As a matter of abundant caution and although not applicable in the case of debentures, attention of applicants is specially drawn to the provisions of subsection (1) of Section 68A of the Companies Act, 1956: “Any person who: (a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or (b) otherwise induces a company to allot, or register any transfer of, shares therein, to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”.

Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first cum first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed date of allotment.

Deemed date of allotment for the issue is 20th December 2011 by which date Investors would be intimated of allotment.

Payment Instructions

Upon receipt of intimation of allotment, application form along with cheque(s)/drafts favouring “**Educomp Infrastructure and School Management Limited**”, crossed Account Payee only should be tendered through the Lead Arranger. The entire amount of Rs.1,000,000/- (Rs. Ten Lakhs only) per debenture is payable on the application. Applicants can alternatively, remit the application amount through RTGS on the Issue Date. The RTGS details of Issuer are as under:

Beneficiary Name	:	Educomp Infrastructure & School Management Limited
IFSC Code	:	YESB0000016
Bank Account #	:	001681300000741
Bank	:	Yes Bank Ltd.
Branch	:	South Extension, Part-II, New Delhi-110049

Eligible Investors

The following categories of Investors, when specifically approached, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/ rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form:

Banks & Financial Institutions
Mutual Funds

Insurance Companies
Mutual Funds
Provident and Pension and Gratuity Funds
Companies and Bodies Corporate including Public Sector Undertakings
Individuals and HUFs
Partnership Firms

All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Applications not to be made by person(s) or entity(es) resident outside India (including Foreign Institutional Investors, NRIs, Overseas Corporate bodies, etc.)

Depository Arrangements

The Issuer shall make necessary depository arrangements with CDSL and NSDL for issue and holding of Debentures in dematerialised form.

List of Beneficiaries

The Issuer shall request the Depositories to provide a list of Beneficiaries as at the end of the relevant record date. This shall be the list, which will be used for payments of interest or repayment of redemption monies, as the case may be.

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed application form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/ or bye-laws along with other constitution documents must be attached to the application form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed application.

Procedure for applications by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/ venture capital fund registered with the SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustee/ custodian clearly indicates their intention as to the scheme for which the application has been made.

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen Signature of authorized signatories

Documents to be provided by Investors

Investors need to submit the following documentation, as applicable

- Memorandum and Articles of Association / Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Specimen signatures of the authorised signatories duly certified by an appropriate authority
- SEBI Registration Certificate (for Mutual Funds)
- Copy of PAN Card to be submitted
- Application form (including RTGS details)

Applications to be accompanied with bank account details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of interest and all other amounts payable to the Debenture Holder(s) through electronic transfer of funds or RTGS.

Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof or indemnity.

Mode of Payment

All payments must be made through cheque(s)/draft(s)/transfers/RTGS as set out in the application form.

Unless otherwise specified, whenever any payment to be made or action to be taken under this Information Memorandum, is required to be made or taken on a day other than a Business Day, such payment shall be made or action be taken on the immediately following Business Day.

Effect of Holidays

Should any of the dates defined above or elsewhere in this Information Memorandum other than the Deemed Date of Allotment, fall on a Saturday, Sunday or a public holiday or is not a Business Day, the next day (working day/Business Day) shall be considered as the effective date(s). In case record date / book closure date falls on Sunday / Holiday, the day prior to the said Sunday / Holiday shall be the record date / book closure date.

Payment of Interest

Interest for each of the interest periods shall be computed on an actual/365 days a year basis on the principal outstanding on the Debentures at the Coupon rate. If the interest period from start date to end date includes February 29, then interest shall be paid on the basis of (End Date-Start Date)/366.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate / document must be lodged by the Instrument Holders at Registrar's office and the registered office of the Company at least 30 days before the interest payment becoming due and if required, be submitted afresh annually and/or as and when called upon for the same by the Company. Failure to comply with the above shall entitle the Company to deduct tax at source as may be advised to it.

Letters of Allotment

The Debentures will be credited in dematerialised form within 7 (seven) days from the Deemed Date of Allotment.

Deemed Date of Allotment

All the benefits under the Debentures, including but not limited to the payment of interest, will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is 20th December 2011.

Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within seven days from the deemed date of allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

PAN Number

Every applicant should mention its Permanent Account Number (PAN) allotted under Income Tax Act, 1961, on the Application Form and attach a self attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

Payment on Redemption

Payment on redemption will be made by way of cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system/ funds transfer in the name of Debenture Holder(s) whose names appear on the List of Beneficial Owners given by the Depository to the Company as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the record date. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holder(s). On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL /CDSL will be adjusted.

The Company's liability to the Debenture Holder(s) towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events.

Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

Purchase and Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at the price available in the debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

Future Borrowings

The Company shall be entitled from time to time to make further issue of debentures to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets. As long as no Event of Default has occurred and the security margin of 1.25 times of the outstanding under the Secured Obligations is maintained over the Security the Company and or other third parties, including the Third Party Owners, as the case may be, shall be free to create any further first / second mortgage or charge or Encumbrance on any of the Secured Property (except any charge which is pari passu to the mortgage/ charge created in favour Trustee for the benefit of Beneficial Owners) , without the prior written approval from the Trustee/Beneficial Owner(s).

Governing Law

The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the jurisdiction at the city of Mumbai.

Tax Benefits

A Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

Put Mechanism

The Investors shall have a put option, as mentioned below, to redeem the Debentures at the end of 3 years from the Deemed Date of Allotment ("Option Date").

To exercise the Put Option:

- (i) Investors shall send a written irrevocable notice to the Trustee, with a copy to the Company, 30 days prior to the Option Date informing the parties of their decision of exercising the put option which notice apart from other required details shall also include the put option amount.
- (ii) If no such notice is sent by the Beneficial Owners to either the Trustee or the Company then such put option would be deemed to be foregone.
- (iii) Beneficial Owners having exercised the put option, the Company must do the following:
 - (a) mandatorily confirm, not later than 3 days prior to Option Date, to the Trustee that they would fulfill their obligation under put option;
 - (b) fund the Account, on or before the Option Date, with the adequate amounts towards the exercise of put option and inform the Trustee accordingly (along with the proof of funding); and
 - (c) If the above clauses iii(a) and iii(b) under To exercise the Put Option are not complied with then the Trustee shall invoke the corporate Guarantee provided by the Guarantor, asking the Guarantor to pay the adequate amount towards the exercise of put option including Default Interest for the number of days for which the payment has been delayed within 2 days from the Option Date.

It is hereby clarified that once the put option has been exercised, the Debenture Holders/ Beneficial Owners have an obligation to not sell the Debentures to any third party till the Option Date or the date of due Payment under call/put option, whichever is later.

17. The discount at which such offer is made and the effective price for the Investor as a result of such discount.

The Debentures are being issued at par.

18. The debt equity ratio prior to and after issue of the debt security.

The debt equity ratio prior to and after issue of the debt security as on 31st March 2011

	Prior to Issue*	After the Issue
Debt Equity Ratio	0.82	1.17(considering Rs. 105 Cr issue)

*Based on the 31st March 2011 financials

19. Servicing Behaviour on Existing Debts

The Company has serviced all payments on existing debt in a timely manner.

20. Permission and Consent from the Creditors

The Issuer does not require consent from its creditors for the issuance of Debentures under this Information Memorandum including with respect to the security which is proposed to be created in relation to these Debentures.

21. Names of the Debentures Trustees and Consents thereof

The debenture trustee of the proposed debenture is Axis Trustee Services Limited ("ATSL"). ATSL has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum. The consent letter from Debenture Trustee is attached as Annexure 3.

22. Rating and Rating Rationale

23. CARE Ratings has assigned ratings of "CARE A+ (SO)" [Single A Plus (Structure Obligation)] rating to these Debentures. This rating denotes strong credit risk.

24. Listing

The Debentures are proposed to be listed on the WDM segment of the BSE, the details of which are provided below:

The Bombay Stock Exchange of India Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Phone : 91-22-22721233/4
Fax: 91-22-22721919

The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis including obtaining of in-principal approval of the BSE.

25. A summary term sheet with brief prescribed information pertaining to the Non-Convertible debt securities (or a series thereof) (where relevant):

Attached as Annexure 1 to this Information Memorandum Dated [9th December 2011]

For Educomp Infrastructure and School Management Limited



Name: Jagdish Prakash

Designation: Director

Place: New Delhi

Date: 19/12/2011

DECLARATION

It is hereby declared that this Information Memorandum contains full disclosure in accordance with Securities Regulations, issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time. The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Information Memorandum also does not contain any false or misleading statement. The Company accepts no responsibility for the statements made otherwise than in this Information Memorandum or in any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed for and on behalf of Educomp Infrastructure & School Management Limited



Authorized Signatory

Date: 19/12/2011

Place: New Delhi

ANNEXURE 1: TERMSHEET

Issuer	Educomp Infrastructure & School Management Limited (EISML) ("the Issuer" / "Company")
Sole Arranger	Yes Bank Ltd. ("YBL")
Instrument/ Facility	Secured Listed Redeemable Non Convertible Debentures backed by an unconditional and irrevocable corporate guarantee of Educomp Solutions Limited ("Debenture")
Guarantor	Educomp Solutions Ltd.(ESL)
Issue Size	INR 105 crores
Mode of Placement	On private placement basis to all eligible investors
Face Value	Rs.10,00,000 (Rupees Ten Lakhs)
Issue Price	At par
Security	<p>The Debentures would be secured by the following:</p> <ol style="list-style-type: none"> a) Second charge over immovable / movable fixed assets of the Company, within 30 days from the Deemed Date of Allotment; b) Second charge over immovable / movable fixed assets of Third Party, within 30 days from the Deemed Date of Allotment; c) Second charge over all current assets (present and future) of the Company, within 30 days from the Deemed Date of Allotment d) Corporate Guarantee by ESL in favor of Debenture Trustee e) Personal Guarantee of Mr. Shantanu Prakash in favour of Debenture Trustee f) Debt Service Reserve Account - Fixed Deposit of amount equivalent to interest for 3 months (to be created within 30 days from Deemed Date of Allotment) and principal of 1 quarter calculated at issue size divided by no. of quarters in tenor (to be created within 90 days from Deemed Date of Allotment) to be maintained with Sole Arranger <p>The security mentioned in clause (a) and (b) shall provide minimum security cover of 1.25 times on book value basis (total assets over all the loans outstanding and any other borrowings which may have charge over the assets of the Company). Security is as charged to existing lenders.</p> <p>The Company shall ensure that: (a) the applicable stamp duty on the Debentures are duly paid under the relevant provisions of law. If the Company fails to pay the applicable stamp duty within the applicable period, then the same shall be considered as an event of default.</p>
Rating	<p>'A+ (SO)' [Single A Plus (Structure Obligation)] by CARE Ratings</p> <p>Second rating to be obtained within a period of 30 days of the Deemed date of allotment</p>
Tenor	60 months from Deemed Date of Allotment
Maturity	<ul style="list-style-type: none"> • 25% maturing at the end of 42th month from date of allotment; • 25% maturing at the end of 48th month from date of allotment;

	<ul style="list-style-type: none"> • 25% maturing at the end of 54th month from date of allotment; • 25% maturing at the end of 60th month from date of allotment;
Prepayment	Not Allowed
Put Option	Investor Put option at the end of 36 th Month from the Deemed Date of allotment
Put Option Record Date	At least 30 Days from the put option date
Listing	On the WDM segment of BSE
Settlement	RTGS/ Cheque
Depository	NSDL
Coupon cost	13.40% per annum (payable quarterly)
Special terms & conditions	<ol style="list-style-type: none"> 1. All securities to be created in favor of Trustee 2. In case security is not created within the stipulated time frame stipulated coupon will increase by additional 2.00% p.a. payable quarterly till the time of creation of security
Interest on Application Money	Interest on application money will be paid to investors at Coupon Rate for applications received, within seven (7) working days from the Deemed Date of Allotment.
Day Count Basis	Actual/Actual
Transfer	Under the current regulations, no stamp duty is payable on transfer of Debentures in dematerialized form.
Issue of Debenture	Electronic credit for Debentures shall be made within two days from the Deemed Date of Allotment of Debentures
Issue Schedule:	Issue Opens on 20 th December 2011
	Issue Closes on 20 th December 2011
Pay-in date	20 th December 2011
Invocation of Guarantee	The Company shall ensure that any payment (principal, interest, and money due under put option) to be made by the Company to the Debenture Holders/Beneficial Owners/Debenture Trustee at the end of relevant quarter (“due Payment”), is credited into the same account to which subscription amount of Debentures is credited (“Account”), on the due date of the due Payment under the relevant quarter. In the event, the due Payment is not credited into the Account, the Debenture Trustee may invoke the Guarantee (provided by the Guarantor in favour of Trustee) asking the Guarantor to pay the due Payment and the Default Interest for the number of days for which the payment has been delayed within 2 days from the due date of the due Payment under the relevant quarter in terms of the provisions of the debenture trust agreement executed between the Company and Trustee and/or Deed of Guarantee.
Default Interest Rate	2% p.a. over the Coupon Rate up to the day of actual receipt of unpaid amounts. In addition, the Break Costs will apply.
Deemed date of allotment	20 th December 2011
Governing Law and Jurisdiction	The laws of India and the jurisdiction in the event of any suit that will govern the mandate or legal action shall lie with the High Court of Mumbai

ANNEXURE 2: CREDIT RATING LETTER FROM CARE RATINGS

Mr. Jagdish Prakash
Director
Educomp Infrastructure & School Management Limited
Educomp Towers
514, Udyog Vihar, Phase III,
Gurgaon- 122001

Dec 19, 2011

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture (NCD) issue

Please refer to our in-principle rating letter dated Dec 15, 2011 on the above mentioned NCD aggregating Rs. 105 cr and your further communication dated Dec 19, 2011.

2. CARE hereby confirms '**CARE A+ (SO)**' [**Single A Plus (Structured Obligation)**] rating to the aforesaid NCD issue. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Our rating symbols for various medium and long term instruments (including NCDs) are annexed. The rationale for the rating will be communicated to you separately.
3. *The rating for the above instrument is primarily based on the credit enhancement in the form of unconditional and irrevocable Corporate Guarantee of Educomp Solutions Ltd (ESL).*
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is Dec 15, 2011).
5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.

J.P.


N. K.


7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


[Jyotsna Gadgil]
Joint General Manager


[Neeru Khanna]
Manager

Encl : As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments –

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

ANNEXURE 3: CONSENT LETTER FROM DEBENTURE TRUSTEE



ATSL/CO/11-12/ 13 8 24
December 15, 2011

The Company Secretary
Educomp Infrastructure and School Management Limited
Educomp Towers,
514, Udyog Vihar Phase III
Gurgaon- 122001, Haryana.

Kind Attn: Mr. Yogesh Saluja

Dear Sir,

**Re: Appointment as Debenture Trustee to Privately Placed Secured Non Convertible
Debentures aggregating upto Rs.105 crores to be issued by Educomp Infrastructure and
School Management Limited**

We Axis Trustee Services Limited hereby give our consent to act as Debenture Trustee to your above-mentioned issue of Debentures for tenure of more than one year and are agreeable to the inclusion of our name as Debenture Trustee in the Information Memorandum and/or application to be made to the Stock Exchange for the listing of Debentures.

Thanking you.

Yours truly,
For Axis Trustee Services Limited

Sachin More
Senior Manager

ANNEXURE 4: APPLICATION FORM

Application No: ____

Date: _____

Educomp Infrastructure and School Management Limited
 Corporate Office: 514, Udyog Vihar-III,
 Gurgaon, Haryana
 Ph: 91-124-4529000, Fax : 91-124-4529039

Dear Sirs,

Having read and understood the contents of the Information Memorandum dated 19th December 2011, we apply for allotment of Non-Convertible Debentures (“NCDs”) to us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name(s) on the Register of Debenture holder(s). We bind ourselves to the terms and conditions as contained in the Information Memorandum.

(Please read carefully the instructions on the next page before filling this form)

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Applicant’s Name & Address in full (please use capital letters)

		Pin Code:
Telephone:	Fax:	Email:

Status: Banking Company Insurance Company Others specify

Name of Authorized Signatory	Designation	Signatures

Details of Bank Account

Bank Name & Branch	
Nature of Account	
Account No.:	
IFSC/NEFT Code	

Depository Details

DP Name			
DP ID		Client ID	

(*) We understand that in case of allotment of debentures to us/our Beneficiary Account as mentioned above would be credited to the extent of debentures allotted.

Taxpayers PAN / GIR No.	IT Circle/Ward/District		<input type="checkbox"/> Not Allotted	
Tax Deduction Status	<input type="checkbox"/> Fully Exempt	<input type="checkbox"/> Tax to be deducted at Source	<input type="checkbox"/> Yes	<input type="checkbox"/> No

We hereby agree that we (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debentures; (ii) understand that the Company and the Lead Arrangers have not provided, and will not provide, any material or other information regarding the Debentures, except as included in the Information Memorandum, (iii) have not requested the Lead Arrangers or the Company to provide it with any such material or other information, (iv) have not relied on any investigation that the Lead Arrangers or any person acting on their behalf may have conducted with respect to the Debentures, (v) have made our own investment decision regarding the Debentures based on our own knowledge (and information we have or which is publicly available) with respect to the Debentures or the Company (vi) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debentures, (vii) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, including, without limitation, the Lead Arrangers or the Company, and (viii) understand that, by purchase or holding of the Debentures, we are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that we may lose all or a substantial portion of our investment in the Debentures, and we will not look to the Lead Arrangers for all or part of any such loss or losses that we may suffer.

(Tear here)

ACKNOWLEDGEMENT SLIP

Application No: _____ Date: _____

Received From _____

Rs. _____/- By Cheque/ Demand Draft/ RTGS No _____

drawn on _____ towards application for _____ Debentures. (Cheques/ Demand Drafts are subject to realisation.)

For all further correspondence please contact: Mr. Yogesh Saluja, Company Secretary,
Tel: 91-11-25755920, 25762725

INSTRUCTIONS

1. You must complete application in full in BLOCK LETTERS IN ENGLISH.
2. Your Signatures should be made in English or in any of the Indian languages

3. Application forms duly completed in all respects, together with high value Cheques/ Pay Order/ Demand Drafts must be lodged at the corporate office.

4. Payments through RTGS shall be made as follows:

Beneficiary Name	:	Educomp Infrastructure & School Management Limited
IFSC Code	:	YESB0000016
Bank Account #	:	001681300000741
Bank	:	Yes Bank Ltd.
Branch	:	South Extension, Part-II, New Delhi-110049

5. The Cheque(s)/Demand Draft(s) of high value clearing zone should be drawn in favour of " ***Educomp Infrastructure & School Management Limited*** " and crossed "A/c payee" only. Cheque(s)/Demand draft(s) may be drawn on any scheduled bank and payable at New Delhi.

6. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.

7. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, you are requested to mention the full particulars of the bank account, as specified in the application form.

8. Interest warrants will then be made out in favour of the bank for credit to your account. In case the full particulars are not given, cheques will be issued in the name of the applicant at their own risk.

9. in the "Acknowledgement Slip" appearing below the Application Form will acknowledge receipt of applications. No separate receipt will be issued.

10. You should mention your Permanent Account Number or the GIR number allotted under Income- Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.

11. The application would be accepted as per the terms of the issue outlined in the Information Memorandum.