

**Government of Karnataka**  
Registration & Stamps Department

MPL/A100/06-07 No. 0973196  
Issued by  
**State Bank of Mysore**

Certified that a sum of Rs. 100/- (Rupees One Hundred only) has been paid towards Karnataka Stamp duty by

Sri/Smt. EXCELSOFT TECHNOLOGIES PRIVATE LIMITED

I-B, Hootagalli Industrial Area, Mysore-570 018

s/d/w/o Tel:0821-4282000, Fax:0821-4282208 residing at \_\_\_\_\_

Br. Name:

SHIVARAMPET BRANCH-4324

Date: - 4 JUN 2008 SORE-570001

For STATE BANK OF MYSORE

Authorised Agent to collect stamp duty on  
behalf of Government of Karnataka

MANAGER

Shivarampet Br., MYSORE  
APRANAVA  
S.S.No.3528

### SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** is made on this the 4th day of June, 2008

**BETWEEN:**

**Mr. Manchakondanahalli Dhananjaya**, son of Mr. M. Hirianna, residing at Door No: 3, 3<sup>rd</sup> Block, 7<sup>th</sup> Main, Jayalakshmipuram, Mysore - 12, India one of the promoters of the Company (hereinafter referred to as "**Promoter 1**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, nominees and administrators) of the First Part;

**AND**

**Mr. Dhananjaya Sudhanva**, son of Mr. M.H. Dhananjaya, residing at Door No: 3, 3<sup>rd</sup> Block, 7<sup>th</sup> Main, Jayalakshmipuram, Mysore - 12, India one of the promoters of the Company (hereinafter referred to as "**Sudhanva**" or "**Promoter 2**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, nominees and administrators) of the Second Part;

**AND**

**Mrs. Sukanya Dhananjaya**, wife of Mr. M.H. Dhananjaya, residing at Door No: 3, 3<sup>rd</sup> Block, 7<sup>th</sup> Main, Jayalakshmipuram, Mysore - 12, India one of the promoters of the Company (hereinafter referred to as "**Sukanya**" or "**Promoter 3**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include her heirs, executors, nominees and administrators) of the Third Part;

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*[Handwritten initials]*



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Br. Name :

SHIVARAMPET BRANCH-4324  
MYSORE-570001

Date :

4 JUN 2008

For STATE BANK OF MYSORE  
*[Signature]*  
Authorised Agent to collect stamp duty on  
behalf of Government of Karnataka  
Shivarampet Br., MYSORE  
A. PRANAVA  
S.S.No.3528

AND

Mrs. Lajwanti Sudhanva, wife of Mr. D. Sudhanva, residing at Door No: 3, 3<sup>rd</sup> Block, 7<sup>th</sup> Main, Jayalakshmiapuram, Mysore - 12, India one of the promoters of the Company (hereinafter referred to as "Lajwanti" or "Promoter 4" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include her heirs, executors, nominees and administrators) of the Fourth Part.

(Promoter 1, Promoter 2, Promoter 3 and Promoter 4 shall hereinafter be collectively referred to as the "Promoters".)

AND

Arohi Emerging Asia Master Fund, a company incorporated in the Cayman Islands, with its Registered Office at PO Box 513, Strathvale House, North Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands represented through its Manager Arohi Asset Management Pte Ltd, a company incorporated and existing under the laws of the Republic of Singapore and having its registered office at 4 Battery Road #15-01, Bank of China Building, Singapore (049908) (hereinafter referred to as "Arohi" which expression shall, unless it be repugnant to the subject or context include its successors and permitted assigns) of the Fifth Part;

AND

Excelsoft Technologies Private Limited, a private limited company incorporated under the Companies Act, 1956 and having its registered office at 1-B, Hootagalli Industrial Area, Mysore 571 186, Karnataka, India (hereinafter referred to as the "Company", which

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*[Handwritten initials]*



expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors - and permitted assigns) of the Sixth Part.

(Each of the Persons of the six parts above may hereinafter be referred to as a "Party", and collectively as the "Parties")

**WHEREAS:**

- A. The Company is engaged in this business of, inter alia, providing consulting services in the area of information technology solutions, support and value added business services with a focus on webcentric applications and customised application software development. The Company offers productized solutions including LMS and content creation solutions (through its "Saras" suite) to the companies operating in the e-learning and publishing space and is a one stop shop for an e-learning customer and caters to K-12, HE and corporate segments.
- B. The Purchaser is an equity investor with a focus on investing into business enterprises and has a sound reputation, significant financial resources and a network of relationships. .
- C. The Promoters have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Promoters 1,55,493 equity shares of the Company which are held by the Promoters in two tranches (in the manner more fully described in this Agreement), where:
- a. the Purchaser has agreed to purchase from Promoter 3 and Promoter 4 a total of 1,55,293 equity shares of the Company at an aggregate price of Rs. 374,517,663.17 [*Rupees Thirty-Seven Crores, Forty-Five Lakhs, Seventeen Thousand, Six Hundred and Sixty-Three and Paise Seventeen only*]; and
  - b. the Purchaser has agreed to purchase from Promoter 1 and Promoter 2 a total of 200 equity shares of the Company at an aggregate price of a maximum of Rs. 25,482,336.83 [*Rupees Two Crores, Fifty-Four Lakhs, Eighty-Two Thousand, Three Hundred and Thirty-Six and Paise Eighty-Three only*] and a minimum price of Rs. 482,336.83 [*Rupees Four Lakhs, Eighty-Two Thousand, Three Hundred and Thirty-Six and Paise Eighty-Three only*];

together constituting 10.00% of the paid-up share capital of the Company, as more fully detailed in Annex A2 ("Sale Shares"), subject to the Conditions listed in clause 4 of this Agreement for consideration and on the terms and conditions set forth in this Agreement

- D. The Parties agree that for the purposes of inviting the Purchaser to acquire the Sale Shares, the Company and the Promoters have circulated a business plan to the Purchaser. The revenue and profitability plan (at the Profits After Tax level using accounting principles followed in preceding years and achieved organically) as per this business plan are summarised below:

*[Handwritten signatures]*

*S.R*



12 Month Period Ended →		March 31, 2009	March 31, 2010
Revenue	Rs. Mn	800.00	1,250.00
PAT	Rs. Mn	400.00	616.80

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 The following provisions shall have effect for the interpretation of this Agreement including the Recitals and Schedules.

1.2 The following words and expressions shall, unless the context otherwise requires, have the following meanings:

"Act" shall mean the Companies Act, 1956, as amended or modified from time to time including any re-enactment thereof;

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person, with respect to any natural person shall include their Relatives;

The term "control" shall mean the beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise.

"Agreement" shall mean this Share Purchase Agreement as amended from time to time along with all Schedules hereto;

"Board" means the board of directors of the Company;

"Business Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in Bangalore, India for the transaction of normal banking business;

"Company" means Excelsoft Technologies Private Limited, a private limited company incorporated under the Companies Act, 1956 and having its registered office at 1-B, Hootagalli Industrial Area, Mysore 571 186, Karnataka, India;

"Conditions" means the conditions set out in Clause 4.1 of this Agreement and "Condition" means any one of them;

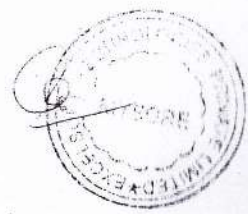
"Completion" means the completion of the sale and purchase of the Sale Shares in accordance with Clause 5;

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**"Completion Consideration"** shall mean the sum of Rs. 374,517,663.17 [*Rupees Thirty-Seven Crores, Forty-Five Lakhs, Seventeen Thousand, Six Hundred and Sixty-Three and Paise Seventeen only*].

**"Completion Date"** shall mean the date on which all the actions required for Completion are completed;

**"Damages"** shall mean:

- (i) any and all monetary (or where the context so requires, monetary equivalent of) actual damages (of any nature as may be imposed), fines, fees, penalties as applicable under applicable Law, and actual out-of-pocket expenses as evidenced by a receipt (including without limitation any liability imposed under any award, writ, order, judgment, decree or direction passed or made by any Person), and
- (ii) amounts paid in settlement, interest, court costs, costs of investigation, reasonable fees and expenses of attorneys, accountants, actuaries and other experts and other actual expenses of litigation or of any claim, default, or assessment as evidenced by a receipt.

**"Encumbrance"** means any charge (whether fixed or floating), pledge, lien, security interest or other third party right or interest (legal or equitable) over or in respect of the Sale Shares, but shall not include the restrictions set forth in the provisions of (i) the Shareholders Agreement dated the 8th day of January, 2001 executed by and between Unit Trust of India - India Technology Venture Unit Scheme, the Promoters and the Company, as amended by the Deed of Adherence and Amendment dated 31 March, 2008 entered into between D. E. Shaw Composite Investments Excelsoft (Mauritius) Limited PCC, the Promoters and the Company (ii) the Articles of Association of the Company;

**"First Tranche Shares"** shall mean 155,293 Shares representing 9.99% of the paid up share capital of the Company.

**"Governmental Authority"** means any domestic or foreign nation, government, state or other political subdivision thereof, any entity legally exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government, including any self-regulatory authority (such as a stock or option exchange or securities self-regulatory organization), governmental authority, agency, commission, department, board, or instrumentality, and any court or administrative tribunal of competent jurisdiction;

**"Indian GAAP"** shall mean generally accepted accounting principles more specifically laid out as Indian Accounting Standards by the Institute of Chartered Accountants of India.



**"Person"** means any individual, company, corporation, partnership, association, limited liability company, joint venture, trust, unincorporated organization, organization similar to the foregoing, or Governmental Authority;

**"Profits After Tax"** shall mean the income of the Company after all applicable taxes, as determined in the financial statements prepared in accordance with Indian GAAP with the Indian Rupee as the reporting currency.

**"Purchaser Covered Persons"** means any former, current, or future director, officer, employee, agent, general or limited partner, manager, member, shareholder, stockholder, owner, Affiliate, or assignee of any Purchaser-Related Party, and any former, current, or future director, officer, employee, agent, general or limited partner, manager, member, shareholder, stockholder, owner, Affiliate, or assignee of any of the foregoing;

**"Purchaser-Related Parties"** means (1) the Purchaser and any Affiliate of any of the foregoing; and (2) any investment fund or any Affiliate of any investment fund, in each case, that is managed by, or to which investment management services are provided by, any of the foregoing;

**"Relative"** shall have the meaning accorded to the term in Section 6 of the Companies Act, 1956.

**"Promoter Covered Persons"** means the Promoters, any Relatives of any Promoter(s), any Affiliates of any of the foregoing, and any former, current, or future director, officer, employee, agent, general or limited partner, manager, member, shareholder, stockholder, owner, Affiliate, or assignee of any of the foregoing (as applicable);

**"Promoters' Related Parties"** shall mean the Promoters, their respective Relatives and their respective affiliates and any investment fund or any Affiliate of any investment fund, in each case, that is managed by, or to which investment management services are provided by, Promoter or its Affiliates.

**"Rupees"** or **"Rs."** means the lawful currency of India;

**"Sale Shares"** shall have the meaning set out in recital D;

**"Second Closing Consideration"** shall mean the variable consideration calculated based on the Profits After Tax and shall be equal to the Profits After Tax less Rs. 374,517,663.17 [Rupees Thirty-Seven Crores, Forty-Five Lakhs, Seventeen Thousand, Six Hundred and Sixty-Three only], provided that the Second Closing Consideration shall in no circumstances exceed Rs. 25,482,336.83 [Rupees Two Crores, Fifty-Four Lakhs, Eighty-Two Thousand, Three Hundred and Thirty-Six and Paise Eighty-Three only] and shall in no circumstances be below Rs. 482,336.83

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*S.D*



[Rupees Four Lakhs, Eighty-Two Thousand, Three Hundred and Thirty-Six and Paise Eighty-Three only].

“Second Closing Consideration Payment Date” shall mean July 15, 2009.

“Second Closing Consideration Determination Period” shall mean the period from April 1, 2008 to March 31, 2009.

“Second Tranche Shares” shall mean 200 Shares representing 0.01% of the paid up share capital of the Company.

“Transfer Documents” means all such other documents as may be reasonably required by the Promoters’ authorized representative to effect the transfer of:

- (i) the First Tranche Shares to Purchaser as contemplated by this Agreement, in the context of Completion;
- (ii) the Second Tranche Shares to Purchaser as contemplated by this Agreement, in the context of Second Completion.

1.3 References to any statute or statutory provision or order or regulation made there under shall include that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date hereof.

1.4 References to persons shall include bodies corporate and unincorporated associations, partnerships and individuals.

1.5 Headings to clauses are for information only and shall not form part of the operative provisions of this Agreement or the Schedules and shall be ignored in construing the same. Singular shall include plural and vice versa wherever the context so admits or requires.

1.6 References to Recitals, Clauses or Schedules are, unless the context otherwise requires, recitals to, clauses of or schedules or annexures to this Agreement. The Recitals and Schedules form part of the operative provisions of this Agreement and references to this Agreement shall, unless the context otherwise requires, include references to the Recitals and the Schedules.

## 2 SALE AND PURCHASE

2.1 Upon the terms and subject to the conditions of this Agreement, the Promoters shall sell and the Purchaser shall purchase the Sale Shares from the Promoters together with all accrued benefits and rights attaching thereto in respect of the Sale Shares, save and except any dividends payable in respect of the Sale Shares up to the relevant date of sale (meaning the Completion Date in respect of the First Tranche Shares, and meaning the Second Closing Consideration Payment Date in respect of the Second Tranche Shares).


S. D.



2.2A Subject to the disclosures contained in Annex C more particularly the approval from Pearson and the confirmation by DE Shaw of the terms of Sale of the Sale Shares to the Purchaser, the Promoters hereby jointly represent and warrant, with the Purchaser (so as to bind them, their successors in interest and permitted assigns) ("**Promoter's Representations and Warranties**") as follows, as of the date hereof and as of Completion:

- a) All of the Sale Shares are fully-paid and have been validly issued to the Promoters. The share certificates representing the Sale Shares have been validly issued and are duly stamped.
- b) The Promoters have full legal right, power and authority to enter into, execute and deliver this Agreement and to perform their obligations, undertakings and transactions set forth herein, and this Agreement has been duly and validly executed and delivered by the Promoters and constitutes a legal, valid and binding obligation, enforceable against them in accordance with their terms;
- c) The Promoters are the recorded beneficial owners and holders of, with good, valid, and marketable title to the Sale Shares held by them. The Sale Shares are owned by the Promoters free and clear of all pledges, security interests, options, equities, liens, charges, encumbrances, claims or other third party rights (including rights of pre-emption) and the Promoters have all requisite power and authority to own and dispose of the Sale Shares held by them;
- d) No consent, approval, or authorization of, or designation, declaration or filing with, any governmental authority, or any other third party, on the part of such Promoters is required in connection with the valid execution, delivery and performance of this Agreement by such Promoters, or the sale of the Sale Shares by such Promoters to Purchaser under this Agreement ;
- e) Neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in any violation of the terms of, or contravene or conflict with, any agreement, contract, note, bond, debenture, indenture, mortgage, deed of trust, lease, license, judgment, decree or order law, rule or regulation or other restriction applicable to the Promoters;
- f) Except for the transaction contemplated by this Agreement there is no subscription, option, warrant, call-right, agreement or commitment outstanding in relation to the Sale Shares or sale or transfer of the Sale Shares;
- g) The transfer of the Sale Shares to the Purchaser hereunder will convey to the Purchaser good and marketable title to the Sale Shares, free and clear of all pledges, security interests, options, equities, liens, charges, encumbrances, claims or other third party rights (including rights of pre-emption) whatsoever;

*[Handwritten signatures]*

S.T





- h) Neither the execution and delivery of this Agreement by the Promoters nor the consummation by the Promoters of the transactions contemplated hereby will violate, conflict with or result in the breach of any of the terms, conditions or provisions of the Memorandum and Articles of Association of the Company or the Promoters or any agreement to which the Promoters are a party, or to the best of its knowledge, the Company is a party or any law, regulation order, ruling, decree, judgment, arbitration award or stipulation to which the Promoters are subject, or constitute a default thereunder which would result in the creation or imposition of any lien, charge, encumbrance or other third party interest thereunder upon the Sale Shares, Promoters or to the best of their knowledge, the Company;
- i) The Promoters are not party to or otherwise bound by any agreement which would in any way affect performance of their obligations under this Agreement and there are no existing actions or proceedings or to the best of the knowledge of the Promoters, threatened actions or proceedings against the Promoters which, if decided against the Promoters, would have a material adverse effect on the Company or its businesses, properties and assets or on the ability of the Company to register the transfer of the Sale Shares hereunder;
- j) The Promoters have not entered into any contracts, arrangements or engagements with any third party(ies) or done any acts which may at a later stage lead to any material liabilities for the Company other than the acts done by it in the usual and ordinary course of business.

2.2B The Purchaser hereby represents and warrants with the Promoters (so as to bind it, its successors, and assigns), as of the date hereof, in each case, other than as would not be reasonably expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement ("**Purchaser's Representations and Warranties**") as follows:

- (a) The Purchaser has full legal right, power and authority to enter into, execute and deliver this Agreement and to perform the obligations, undertakings and transactions set forth herein, and this Agreement has been duly and validly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (b) Neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in any violation of the terms of, or contravene or conflict with, any agreement, contract, note, bond, debenture, indenture, mortgage, deed of trust, lease, license, judgment, decree, order, law, rule or regulation or other restriction applicable to the Purchaser;
- (c) To the best of the knowledge of the Purchaser, there are no existing or threatened actions or proceedings against the Purchaser which, if decided

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*[Handwritten initials]*



against the Purchaser, would materially impair Purchaser's ability to perform its obligations under this Agreement.

- 2.3 The Promoters agree to indemnify the Purchaser, each Purchaser-Related Party, and each Purchaser Covered Person against all Damages directly or indirectly arising out of, relating to, or in connection with, (a) any breach by the Promoters of any Promoters' Representation and Warranty and (b) any breach by the Promoters of any covenant of the Promoters set forth herein. Notwithstanding anything to the contrary in this Agreement, this Section 2.3 shall survive any termination of this Agreement and shall also survive Completion.
- 2.4 The Purchaser agrees to indemnify the Promoters, each Promoters-Related Party, and each Promoters-Covered Person against all Damages directly or indirectly arising out of, relating to, or in connection with any breach by the Purchaser of any Purchaser's Representation and Warranty. Notwithstanding anything to the contrary in this Agreement, this Section 2.4 shall survive any termination of this Agreement and shall also survive Completion.
- 2.5 To induce the Purchaser to purchase the Sale Shares from the Promoters, the Company hereby represents and warrants to the Purchaser in terms set out in Annex A1 of this Agreement ("**Company Representations and Warranties**"), and acknowledges that the Purchaser has agreed to purchase the Sale Shares relying upon these Company Representations and Warranties.
- 2.6 Each Company Representation and Warranty is to be construed independently of the others and is not limited by reference to any other Company Representation and Warranty.
- 2.7 The Company expressly agrees that the Company Representations and Warranties shall be repeated at Completion and shall survive the Completion Date.
- 2.8 Where any Company Representation and Warranty is expressly qualified by reference to knowledge, information and belief of the Company, the Company independently confirms to the Purchaser that they have made such due and diligent inquiry as to the matters that are the subject of such Company Representations and Warranties that are reasonable under the circumstances.
- 2.9 The Promoters hereby jointly and severally represent and warrant to the Purchaser that:
- (i) they have the power and authority to execute and deliver this Agreement and are not prohibited from entering into this Agreement;
  - (ii) this Agreement has been duly authorized, executed and delivered by Promoters and upon execution and delivery by the Promoters will be a legal, valid and binding obligation of the Promoters enforceable in accordance with

*[Handwritten signature]*

*S.A*



its terms; and

- (iii) the execution and delivery of this Agreement by the Promoters and the promises, agreements or undertakings of the Promoters under this Agreement do not violate any law, rule, regulation or order applicable to it or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which it is a party or which are applicable to it other than the right of first refusal granted to Pearson Inc and Pearson Overseas Holdings Limited.

### 3. CONSIDERATION

- 3.1 The consideration payable by the Purchaser for the sale and transfer of the Sale Shares by the Promoters shall be the aggregate amount of the Completion Consideration and the Second Closing Consideration, to be paid in the manner more fully set out in Annex A2.
- 3.2 The consideration for the sale and transfer of the First Tranche Shares by the Promoters shall be the Completion Consideration, to be paid by the Purchaser in the manner more fully set out in Annex A2.
- 3.3 The consideration for the sale and transfer of the Second Tranche Shares by the Promoters shall be the Second Closing Consideration, to be paid by the Purchaser in the manner more fully set out in Annex A2.

### 4. CONDITIONS

- 4.1 Completion of the purchase of the First Tranche Shares is conditional upon the fulfilment (or waiver by the Purchaser) of each of the Conditions as follows:
  - (a) the Promoters shall execute duly stamped share transfer forms, and deliver the same to the Purchaser's counsel and provide for inspection the originals of the share certificates representing the First Tranche Shares to the Purchaser's counsel;
  - (b) the Promoters and the Company shall execute a certificate stating that each of Representations and Warranties must have been accurate in all respects as of the date of this Agreement, and must be accurate in all respects as of the Completion as if made on Completion (and will be deemed to be made again as of Completion) and submission of the disclosure schedule as referred to in Annex A1;
  - (c) The Company and the Promoters shall deliver to the Purchaser intimations from Pearsons, Inc. and/or on behalf of Pearsons Overseas Holdings Limited rejecting the exercise of their rights of first refusal as set out in the Subscription Agreement dated 20 March, 2006 ("Subscription Agreement")

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entered into between the Company, Pearson Overseas Holdings Limited, the Company and the Founders (as defined in the Subscription Agreement), the Articles of Association of the Company, and the Development and License Agreement dated 17 March, 2006;

- (d) The Company and the Promoters shall deliver to the Purchaser a certified copy of the notice calling an extra ordinary general meeting to amend the Articles of Association of the Company in the form agreed to by the Purchaser.
- (e) The Purchaser, D. E. Shaw Composite Investments Excelsoft (Mauritius) Limited PCC, the Promoters and the Company shall have agreed upon the amendments to be made to:
  - 1. the Shareholders Agreement dated the 8th day of January, 2001 executed by and between Unit Trust of India - India Technology Venture Unit Scheme, the Promoters and the Company, as amended by the Deed of Adherence and Amendment dated 31 March, 2008 entered into between D. E. Shaw Composite Investments Excelsoft (Mauritius) Limited PCC, the Promoters and the Company; and
  - 2. the Articles of Association of the Company.

- 4.2 If all of the Conditions have not been fulfilled within 60 days of the date of this Agreement, the respective obligations of the Parties hereunder shall cease and except in relation to any breach of any provision of this Agreement prior thereto no party shall have any claim against any other party, save and except that:
- (a) the Promoters shall refund the Completion Consideration by payment of the same to the Purchaser's bank account within fifteen Business Days from the expiry of this 60 day period, subject to the receipt of regulatory approvals, if any; and
  - (b) the Purchaser shall return all Transfer Documents and share transfer forms to the Promoters (and destroy all copies thereof) within three Business Days from the expiry of this 60 day period.

## 5. COMPLETION

- 5.1 Immediately upon the execution of this Agreement, the Purchaser shall provide instructions for transfer of the Completion Consideration into the Promoters' respective bank accounts (as more fully detailed in Annex A2) and provide details of confirmation of such fund transfers to the Promoters;
- 5.2 Upon due execution of the Transfer Documents and the receipt of the Completion Consideration by the Promoters, and upon fulfilment of all the Conditions, Completion shall occur and the actions set out in clause 5.3 shall take place simultaneously at Completion.

*[Handwritten signatures]*

*S. S.*



5.3 The Promoters shall deliver to the Purchaser, within seven Business Days of their receipt of the Form FC-TRS duly endorsed by an Authorised Dealer:

- a) a certified copy of the resolution of the Board approving the sale and purchase of the First Tranche Shares to the Purchaser under this Agreement and the transfer of the First Tranche Shares in favour of the Purchaser and authorizing the entry of the Purchaser as the registered holder of the First Tranche Shares in the register of members of the Company;
- b) duly endorsed share certificates in respect of the First Tranche Shares showing the Purchaser as the owner of the First Tranche Shares, free and clear of all Encumbrances and claims;
- c) a certified copy of the entry in the register of members of the Company (certified by a duly appointed officer as true and correct) stating that the Purchaser is the registered holder of the First Tranche Shares;
- d) a certified copy of the resolution of the Board recording the appointment on the Board of the nominee of the Purchaser;
- e) a certified copy of the resolution of the shareholders recording an amendment of the Articles of Association of the Company in the form as agreed to by the Purchaser and a certified copy of the filings made with the Registrar of Companies in this regard.

5.4 In the event of termination of this Agreement under Clause 9, the Parties shall have no obligation to proceed further and the Parties shall be relieved and discharged from all liabilities, obligations or claims hereunder save and except in respect of any prior breach of this Agreement by any Party save the following clauses which shall survive the termination of this Agreement: clause 2, clause 8, clause 13, clause 15, clause 17 and clause 19.

5.5 In the event this Agreement is terminated pursuant to clause 5.4, after the payment of the Completion Consideration but prior to the transfer of the First Tranche Shares in accordance with the terms of this Agreement, without prejudice to any other right of the Purchaser, the Promoters shall refund the Completion Consideration by payment of the same to the Purchaser's bank account within fifteen Business Days from the date of termination of this Agreement, subject to the receipt of regulatory approvals, if any.

5.6 In the event this Agreement is terminated pursuant to clause 5.4, whether prior to the payment of the Completion Consideration or at any time thereafter, without prejudice to any other right of the Promoters, the Purchaser shall return all Transfer Documents and share transfer forms to the Promoters (and destroy all copies thereof) within three Business Days from the date of termination of this Agreement.

*[Handwritten signatures]*

*[Handwritten initials]*



- 5.7 Upon Completion, the issued, subscribed and fully paid up equity share capital of the Company shall be Rs. 1,55,49,230 (Rupees [One Crore Fifty Five Lakhs Forty Nine Thousand Two Hundred and Thirty only) divided into 15,54,923 ([Fifteen Lakhs Fifty Four Thousand Nine Hundred and Twenty Three) equity Shares of Rs.10/- each and will be held as under:

Name of the Shareholder	No of Shares held	% of total issued capital
Prof. MH Dhananjaya	80,646	5.19%
D Sudhanva	474,935	30.54%
Mrs Sukanya Dhananjaya	96,402	6.20%
Mrs Lajawanthi Sudhanva	192,724	12.39%
D. E. Shaw Composite Investments (Mauritius) Limited	551,923	35.50%
Ajay Ramesh Kulkarni	1,000	0.06%
HM Prashanth	1,000	0.06%
S. Shivakumar	1,000	0.06%
Arohi	155,293	9.99%
<b>Total</b>	<b>1554923</b>	<b>100.00%</b>

\* The number of shares pending allotment under the ESOP pool is 22,000 equity shares.

- 5.8 Pursuant to the transfer of the First Tranche Shares in accordance with this Clause 5, the Company and the Promoters shall provide the Purchaser with all assistance that may be requested so as to enable the Purchaser to ensure that all filings, intimations etc. as the case may be, in relation to the transaction set out in this Agreement are complied with including but not limited to the requisite filings with the Reserve Bank of India.

## 6. SECOND CLOSING CONSIDERATION

- 6.1 The Parties hereby agree that the Company shall cause the statutory auditors of the Company to audit, by June 15, 2009 (i) the financial statements of the Company prepared by the Company in accordance with Indian GAAP for the Second Closing Consideration Determination Period. The Company shall and the Parties shall cause the Company to provide to the statutory auditors of the Company unrestricted access to the books of account, documents, files and papers of the Company in order for statutory auditors of the Company to conduct and complete the audit. In case the statutory auditors of the Company fail to complete their audit by 15th June 2009 for lack of information to be provided or co-operation to be extended by any Person, then the Second Closing Consideration Payment Date shall get extended by the same period as that from June 15, 2009 until the date of completion of such audit by the statutory auditors of the Company, which shall not be later than July 01, 2009. The

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financial statements as audited by the statutory auditors of the Company shall be binding on the Parties.

The Parties hereby agree that if any Party disputes the Second Closing Consideration as audited by the statutory auditors of the Company, it may seek a determination of the Second Closing Consideration by an internationally reputed audit firm (the "Audit Firm") and raise a dispute in this regard only (a) if by the Purchaser after deposit of the Second Closing Consideration (in accordance with the results of the audit by the statutory auditors of the Company) with an escrow agent appointed by the Parties in accordance with an agreement to be mutually agreed by the Parties at the relevant time and (b) if by the Promoters prior to receipt of the Second Closing Consideration. All costs in relation to the Audit Firm appointed in terms of the preceding sentence shall be borne:

- (i) by the Promoters if the Second Closing Consideration is determined by the Audit Firm to be equal to or less than the Second Closing Consideration audited by the statutory auditors of the Company;
- (ii) by the Purchaser if the Second Closing Consideration is determined by the Audit Firm to be greater than the Second Closing Consideration audited by the statutory auditors of the Company.

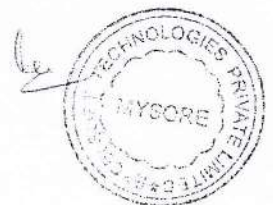
Provided that if the Second Closing Consideration as determined by the Audit Firm above is determined to be greater than the Second Closing Consideration audited by the statutory auditors of the Company, then the escrow agent shall release the entire Second Closing Consideration and the Purchaser shall, forthwith within 30 days of the determination by the Audit Firm pay the balance unpaid amount of the Second Closing Consideration due, failing which the Purchaser shall be in material default of this Agreement.

Provided that, if the Second Closing Consideration as determined by the Audit Firm is determined to be lesser than the Second Closing Consideration audited by the statutory auditors of the Company, then the escrow agent shall proportionately pay back to the Purchaser the difference between the Second Closing Consideration as audited by the statutory auditors of the Company and by the Audit Firm respectively and the balance to the Promoters.

- 6.2
- (i) Subject to sub-clause (iii) below, on or prior to the Second Closing Consideration Payment Date, the Purchaser shall provide instructions for transfer of the Second Closing Consideration into the Promoters' respective bank accounts (as more fully detailed in Annex A2) and provide details of confirmation of such fund transfers to the Promoters;
  - (ii) Subject to sub-clause (iii) below, if the Purchaser fails to make/cause the payment of the Second Closing Consideration in accordance with the provisions of this Agreement, then notwithstanding anything to the contrary

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contained in this Agreement, the Purchaser shall be deemed to have offered to sell to the Promoters so many First Tranche Shares at the lower of:

- (a) the fair market value of the Shares of the Company; and
- (b) the price Rs. 2411.68 per share;

such that the total consideration payable by the Promoters for such transfer shall equal the Second Closing Consideration, and shall accordingly forthwith transfer the First Tranche Shares to the Promoters. It is clarified that the consideration for these transfers shall be the Second Closing Consideration due to the Promoters from Arohi and remaining unpaid to the Promoters, and accordingly, no additional consideration or amounts shall be payable by the Promoters to Arohi for such transfer.

- (iii) If the delay in the payment of the Second Closing Consideration beyond the Second Closing Consideration Payment Date is caused due to Force Majeure or Indian regulatory delays beyond the control of the Purchaser, the Second Closing Consideration Payment Date shall be extended by the delay occasioned by such Force Majeure or regulatory delay. Notwithstanding anything to the contrary stated in this Agreement or elsewhere, in the event of any delay in the payment of the Second Closing Consideration under this sub clause (iii) beyond the Second Closing Consideration Payment Date, the Second Closing Consideration shall be placed in escrow with an escrow agent, to be designated by the Promoters in accordance with an agreement to be mutually agreed by the Parties at the relevant time.

6.3 Pursuant to the transfer of the Second Tranche Shares in accordance with this Clause 6, the Company and the Promoters shall provide the Purchaser with all assistance that may be requested so as to enable the Purchaser to ensure that all filings, intimations etc. as the case may be, in relation to the transaction set out in this Agreement are complied with including but not limited to the requisite filings with the Reserve Bank of India.

6.4 Upon due execution of the Transfer Documents and the receipt of the Second Closing Consideration by the Promoters, Second Completion shall occur and the actions set out in clause 6.5 shall take place simultaneously at Second Completion.

6.5 The Promoters shall deliver to the Purchaser, subject to the receipt of the Form FC-TRS duly endorsed by an Authorised Dealer:

- a) a certified copy of the resolution of the Board approving the sale and purchase of the Second Tranche Shares to the Purchaser under this Agreement and the transfer of the Second Tranche Shares in favour of the Purchaser and authorizing the entry of the Purchaser as the registered holder of the Second Tranche Shares in the register of members of the Company;

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*S. J.*





- b) duly endorsed share certificates in respect of the Second Tranche Shares showing the Purchaser as the owner of the Second Tranche Shares, free and clear of all Encumbrances and claims;
- c) a certified copy of the entry in the register of members of the Company (certified by a duly appointed officer as true and correct) stating that the Purchaser is the registered holder of the Second Tranche Shares;

6.6 Upon Second Completion, the issued, subscribed and fully paid up equity share capital of the Company shall (unless altered in accordance with the Articles of Association of the Company) be Rs. 1,55,49,230 (Rupees [One Crore Fifty Five Lakhs Forty Nine Thousand Two Hundred and Thirty only) divided into 15,54,923 ([Fifteen Lakhs Fifty Four Thousand Nine Hundred and Twenty Three) equity Shares of Rs.10/- each and will be held as under:

Name of the Shareholder	No of Shares held	% of total issued capital
Prof. MH Dhananjaya	80,546	5.18%
D Sudhanva	474,835	30.54%
Mrs Sukanya Dhananjaya	96,402	6.20%
Mrs Lajawanthi Sudhanva	192,724	12.39%
D. E. Shaw Composite Investments (Mauritius) Limited	551,923	35.50%
Ajay Ramesh Kulkarni	1,000	0.06%
HM Prashanth	1,000	0.06%
S. Shivakumar	1,000	0.06%
Arohi	155493	10.00%
<b>Total</b>	<b>1554923</b>	<b>100.00%</b>

\* The number of shares pending allotment under the ESOP pool is 22,000 equity shares.

## 7. VALUATION PROTECTION

In the event that the Company desires to raise fresh capital, the Purchaser will be entitled and given the right of first subscription to subscribe up to an additional 10% of the paid-up capital of the Company ("New Subscription"). Provided always that Arohi shall at all times be entitled to subscribe to such number of additional shares so as to ensure that its percentage holding is at the same level as it was prior to the New Subscription. It is clarified between the Parties that this right shall be subject to the incorporation of the said term in the Deed of Adherence and Amendment Agreement to the Shareholders Agreement.

## 8. COSTS

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Each of the Parties hereto shall bear his or its own legal, accountancy and other costs, charges and expenses connected with the negotiation, preparation and implementation of this Agreement and any other agreement incidental to or referred to in this Agreement. The Purchaser shall bear the cost of stamp duty for the transactions contemplated under this Agreement.

**9. TERMINATION AND EFFECT OF COMPLETION**

9.1 The terms of this Agreement shall insofar as not performed at Completion and subject as specifically otherwise provided in this Agreement continue in force after and notwithstanding Completion.

**10. ENTIRE AGREEMENT**

This Agreement (together with any documents referred to herein) constitutes the entire agreement between the Parties hereto in connection with the subject matter of this Agreement.

No Party has relied upon any representation save for any representation expressly set out in this Agreement (or any document referred to herein).

**11. WAIVER, AMENDMENT**

11.1 No waiver of any term, provision or condition of this Agreement shall be effective unless such waiver is evidenced in writing and signed by the waiving Party.

11.2 No omission or delay on the part of any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.

11.3 No variation to this Agreement shall be effective unless made in writing and signed by all the Parties.

**12. FURTHER ASSURANCES**

At any time, whether prior to, on, or after Completion, the Promoters shall execute all such documents and do such acts and things necessary under applicable law for the purpose of vesting in the Purchaser the full legal and beneficial title to the Shares and giving to the Purchaser the full benefit of this Agreement.

**13. NOTICES**

13.1 Save as specifically otherwise provided in this Agreement any notice, demand or other communication to be served under this Agreement may be served upon any

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*S. J.*



Party hereto only by posting by registered acknowledgement due or delivering the same by courier or sending the same by facsimile transmission to the party to be served at its address above, or facsimile number given below, or at such other address or number as it may from time to time notify in writing to the other party hereto.

**Promoters** At the addresses set forth in the title clause

**Purchaser** Arohi Emerging Asia Master Fund  
PO Box 513, Strathvale House, North Church Street,  
George Town, Grand Cayman KY1-1106, Cayman  
Islands  
**c/o Arohi Asset Management Pte Ltd**  
24 Raffles Place #13-01  
Clifford Centre  
Singapore 048621  
Attention: Baburaj Pillai/Ashis Kumar  
Tel: +65 653 56171  
Fax: +65 6234 4513

**Promoters** At the addresses set forth in the title clause

**Company** Excelsoft Technologies Private Limited,  
No. 1-B, Hootagalli Industrial Area, Mysore 571 186,  
India  
Attention: Mr. D. Sudhanva  
Fax Number: (0821) 4082208

- 13.2 A notice or demand served by registered acknowledgement due post or courier shall be deemed duly served 48 hours after posting and a notice or demand sent by facsimile transmission shall be deemed to have been served at the time of transmission and in proving service of the same it will be sufficient to prove, in the case of a letter, that such letter was sent properly by registered post, addressed and placed in the post, in the case of courier, that the letter was addressed and delivered to the courier company and, in the case of a facsimile transmission, that such facsimile was duly transmitted to a current facsimile number of the addressee at the address referred to above.

#### 14. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

#### 15. GOVERNING LAW AND ARBITRATION

- 15.1 This Agreement shall be governed by and construed in accordance with laws of India.

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- 15.2 If any dispute arises between the Parties hereto during the subsistence of this Agreement or thereafter, in connection with the validity, interpretation, implementation or alleged material breach of any provision of this Agreement or regarding any question, the dispute shall be referred to a panel of three arbitrators, one arbitrator shall be appointed by Purchaser, the other by the Promoters and the third arbitrator shall be appointed by the two arbitrators already appointed, as above. The arbitration proceedings shall be governed by the provisions of the Arbitration and Conciliation Act, 1996. The Arbitration proceedings shall be held in Bangalore, India and be governed by the laws of India. The proceedings of arbitration shall be in English. The arbitration panel shall also decide on the costs of the arbitration proceedings. The arbitrators' award shall be substantiated in writing and shall be binding on the Parties subject to the applicable laws, and the award shall be enforceable in any competent court of law.
- 15.3 When any dispute is referred to arbitration, except for the matter under dispute the Parties shall be entitled to exercise their remaining respective rights and shall perform their remaining respective obligations under this Agreement.
- 15.4 The provisions of this Clause 15 shall survive the termination of this Agreement for any reason whatsoever.

16. **INVALIDITY**

If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

17. **SPECIFIC PERFORMANCE**

The Promoters acknowledges that in the event that the Promoters breach or commit a default of any of Promoters' obligations this Agreement, Purchaser will be irreparably harmed and the Purchaser shall therefore be entitled, without limitation, to a remedy of specific performance and any other equitable remedy, in addition to any other remedy permitted under applicable law, in addition to its other rights and remedies under this Agreement and under applicable law. However, the Promoters shall be entitled to the specific remedy of actual damages and in addition to any other remedy permitted under applicable law, in addition to its other rights and remedies under this Agreement and under applicable law.

18. **ASSIGNMENT**

This Agreement and the rights and liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto. However, the Purchaser shall be entitled to assign any and/or all of its indemnification rights under Clause 2.3 to any of the Purchaser-Covered Persons.

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*S.D.*



19. **CONFIDENTIALITY**

Each party hereto shall keep the terms of the Agreement and any information received by them in connection with the Agreement (which is otherwise not available in the public domain without breaching this clause 18) confidential and shall not disclose any such information to any other person other than:

- (i) a party hereto;
- (ii) any person permitted by the non disclosing party hereto;
- (iii) the chartered accountant or the statutory auditor of the Company in connection with any actual or proposed valuation certificate;
- (iv) any of its Affiliates;
- (v) any of its and its Affiliates' employees, officers, professional advisers and other persons providing services to it, in each case on a need to know basis, provided that any such Person shall keep any such information strictly confidential; or
- (vi) any Person to whom, and to the extent that, information is required to be disclosed by any applicable law.

*[The remainder of this page has been intentionally left blank. The signature pages, Annexes and Schedules follow.]*

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*S. P.*



IN WITNESS whereof this Agreement has been executed on the date first above written.

SIGNED AND DELIVERED  
BY THE WITHIN NAMED "PURCHASER"  
BY THE HAND OF MR.  
(AUTHORIZED SIGNATORY) PURSUANT TO THE  
RESOLUTION PASSED BY THE BOARD  
OF DIRECTORS OF THE PURCHASER

*Raburaj*

Witness:

*[Signature]*

(Vineet Toshniwal)  
D-102 Adarsh Residency,  
Jayanagar 8th Block, Bangalore

SIGNED AND DELIVERED  
BY THE WITHIN NAMED "COMPANY"  
BY THE HAND OF MR.  
(AUTHORIZED SIGNATORY) PURSUANT TO THE  
RESOLUTION PASSED BY THE BOARD  
OF DIRECTORS OF THE COMPANY

*[Signature]*

SIGNED AND DELIVERED  
BY THE WITHIN NAMED "PROMOTERS"

1. M. H. DHANANJAYA

*[Signature]*

2. D. SUDHANVA

*[Signature]*

3. SUKANYA DHANANJAYA

*[Signature]*

4. LAJWANTI SUDHANVA

*[Signature]*

ON THE DAY OF 2008.

IN THE PRESENCE OF  
WITNESS  
NAME AND ADDRESS

: *Ajay R. Kulkarni*  
:  
: #4510, Ashirwad, vijaynagar-II stage  
: Mysore-17.

[SIGNATURE PAGE FOR THE SHARE PURCHASE AGREEMENT EXECUTED BY AROHI EMERGING ASIA MASTER FUND, EXCELSTOCK TECHNOLOGIES PRIVATE LIMITED AND THE PROMOTERS DATED JUNE 4, 2008 SETTING OUT THE TERMS OF PURCHASE OF 1,55,493 EQUITY SHARES HELD BY THE PROMOTERS IN EXCELSTOCK TECHNOLOGIES PRIVATE LIMITED OF FACE VALUE OF RS.10 EACH CONSTITUTING 10.00% OF THE PAID-UP SHARE CAPITAL OF EXCELSTOCK TECHNOLOGIES PRIVATE LIMITED]

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ANNEX A1

COMPANY REPRESENTATIONS AND WARRANTIES

A. The Company hereby represents and warrants to the Purchaser that:

- (a) it has the power and authority to execute and deliver this Agreement and is not prohibited from entering into this Agreement.
- (b) this Agreement has been duly authorized, executed and delivered by the Promoters and Board of Directors of the Company and upon execution and delivery by the Company will be a legal, valid and binding obligation of the Company enforceable in accordance with its terms;
- (c) the execution and delivery of this Agreement by the Company and the promises, agreements or undertakings of the Company under this Agreement do not violate any law, rule, regulation or order applicable to them or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which they are a party or which are applicable to either of them;

B. The Company represents and warrants to the Purchaser that:

a) Information

The information set out in each of the following clauses is complete and accurate in all respects. None of the information is misleading in any manner whatsoever, whether by inclusion of misleading information or omission of any information or both.

b) Material Reports

There has been no material report concerning the Company or the whole or any part of its property or undertaking of the Company, by any accountant or financial or management consultant in the period since its incorporation upto the date of this Agreement.

c) Approvals

The Company is not engaged in (i) any retail activity or (ii) any activity in which foreign direct investment is restricted or prohibited or which requires the prior approval of any Government authority. Each legal, exchange control, regulatory or like approval, wherever required for the investment by the Purchaser in the Company

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have been duly obtained. Any condition imposed to any such approval obtained, has been duly observed.

d) Incorporation and power

(i) The Company:

(a) is a body corporate duly incorporated under the laws of India;

(b) has the power and the necessary regulatory approvals to own and operate its assets and carry on its business; and

(c) is duly registered and authorized to do business in India.

(ii) There are presently no subsidiaries of the Company other than Huper LDT Private Limited.

e) Constituent documents

The business and affairs of the Company are being conducted in accordance with its Memorandum and Articles of Association and other constituent documents and the Company has delivered true and correct copies of such Memorandum and Articles of Association and other constituent documents to the Purchaser.

f) Consent

The Company owns or holds all material consents, licenses, franchises, permits and authorizations wherever necessary for the lawful conduct, ownership and operation, of its business and its shareholdings in other companies, if any, and the same are valid and subsisting and have not been terminated or become void, voidable or terminable.

g) No restriction

The Company is not bound by any contract, or court or other regulatory order which may restrict its right or ability to enter into or perform this Agreement and ancillary documents other than the right of first refusal granted to Pearson Overseas Holdings Limited and Pearson Inc.

h) Alteration of share capital

The Company has not at any time:

(a) redeemed or repaid any share capital other than in respect of the shares owned by the Promoter except the conversion of the optionally convertible cumulative preference shares;

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- (b) reduced its share capital or passed any resolution for the reduction of its share capital; and
- (c) given any financial assistance in relation to, acquired (directly or indirectly) or lent money on the security of Shares or units of Shares in itself or in any holding of the Company.

i) Dividends

No dividends have been declared by the Company since incorporation than the one disclosed in the financial statements of the Company.

j) Structure

- (i) The capital structure of the Company is as follows:

The Capital structure of the Company, as on the date of this Agreement, is as follows:

Authorized Share Capital : Rs. 3,00,00,000 (Rupees three crores only).

Issued and Paid-up Share Capital : Rs. 1,55,49,230 consisting of 15,54,923 equity Shares of Rs.10/- each.

- (ii) The Company:

(a) is not the holder or beneficial owner of any shares or other capital in any body corporate nor do they own or control any partnership interests or other equity interest in any partnership or other entity or any voting rights or rights to control the policies and direction of any partnership, body corporate or other entity nor has the Company agreed to or committed to invest or subscribe to the equity shares or other securities of any other entity, other than as described in sub-clauses (iii) hereunder other than the shares held in Huper LDT Private Limited and Freedom to Learn Limited.

(b) is not a member of any partnership or other unincorporated association; and

(c) is not the manager, trustee or representative of any trust or scheme.

- (iii) Other than ESOPs and warrants to Pearson Overseas Holdings Limited and Pearson Inc under the Subscription Agreement dated 20 March, 2006 and the Development and License Agreement dated 17 March, 2006 disclosed, there are no issued or outstanding options/ warrants, convertible securities, or any

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other agreements, which permit any entity to subscribe to any new shares or other securities of the Company nor have they pledged title to their shares to any third party, nor are there any existing commitments by the Company to invest in subsidiary/associate companies.

- (iv) Upon delivery to the Purchaser of the Sale Shares, the Purchaser will acquire good, valid and marketable title to the Sale Shares, free and clear of all Encumbrances and/or any pre-emptive rights.

k) Solvency

None of the following has occurred and is subsisting, nor has a notice been served, in relation to the Company:

- (i) An application to a court for an order, or the making of any order, that it be wound up, that a liquidator or receiver be appointed or that it be placed in bankruptcy.
- (ii) A resolution for winding up.
- (iii) The convening of a meeting or passing of a resolution to appoint an official liquidator.
- (iv) A scheme of arrangement or composition with, or reconstruction arrangement or assignment for the benefit of or other arrangement with all or a class of creditors.
- (v) The taking of any action to seize, take possession of or appoint a receiver and/or manager in respect of the Shares of the Company or any of the Subsidiary Companies.

l) Guarantees

The Company has not guaranteed and is not otherwise liable or potentially liable for the debts or obligations of any other Person.

m) Letters of comfort

The Company has not provided any letter of comfort or made any representation or given any undertaking to any Person in respect of the obligations or solvency of any Person or in support of or as an inducement to or otherwise in connection with the availing of financial assistance from any party.

n) Financials

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- (i) Except as disclosed in **Disclosure Schedule I**, the Company has not advanced any sum to any Person, firm, company etc other than the funds advanced to Huper LDT Private Limited.
- (a) Sufficient provisions have been made in the respective financial statements mentioned in sub-clause 14(iv) hereof, for any liability of the Company which may arise from any transactions relating to the business or operations.
- (b) Except as disclosed in **Disclosure Schedule -II-**, the Company has not borrowed any amount from any Person as secured or unsecured loans other than from its Directors.
- (iv) The accounts and financial statements attached in **Disclosure Schedule -I-** hereof, show a true and accurate picture of the state of affairs of the Company.
- o) Accounts
- (i) The audited accounts of the Company upto the period ended March 31, 2007 ("Balance Sheet Date") as provided to the Purchaser:
- (a) have been prepared in accordance with applicable legislation and applicable accounting standards;
- (b) show a true and fair view of:
- the assets and liabilities and of the state of affairs, financial position and results of the Company and of each of the Subsidiary Companies as the case may be; and
  - the profit or loss account.
- (c) have been prepared in accordance with the same accounting policies as stated in the notes to the audited accounts;
- (d) include reserves and provisions for taxation that are sufficient to cover all tax liabilities in respect of all periods upto March 31, 2007; and
- (a) provide for all other liabilities as on March 31, 2007 As mentioned in Clause 13 of the notes to Audited Balance Sheet as of March 31, 2007, payment of approximately Rs. 513, 000/- The details are enclosed in **Disclosure Schedule -I--**.
- (ii) Except as disclosed in the **Disclosure Schedule -I-** hereto, each receivable shown as an asset in the audited accounts and in the other accounts and financial statements of the Company drawn up to the date of execution of the Agreement, is a valid and subsisting debt and is likely to realize the nominal

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amount of the debt (and all interest and other charges payable) in accordance with its terms.

- (iii) The Company has not, nor is it engaged in any transaction that is not required to be shown or reflected in its accounts.
- (iv) The accounts shown in the audited accounts dated March 31, 2007 and financial statements drawn upto the date of execution of the Agreement in respect of the Company have not resulted to any extent from:
  - (a) inconsistencies of accounting practices;
  - (b) the inclusion of abnormal or extraordinary items of income or expenditure;
  - (c) transactions entered into other than on normal commercial terms; or
  - (d) any other factors rendering the profits or losses for all or any of those periods, abnormally high or low.
- (v) There are no set-off arrangements between the Company and any other Person.
  - (a) The Company is not in material default in respect of the terms or conditions of any indebtedness.
  - (b) Since the Balance Sheet Date and until the date of this Agreement, the Company has not:
    - (a) incurred any material liability or obligation of any nature (whether accrued, absolute, contingent or otherwise), except in the ordinary course of business;
    - (b) incurred any material liability with regard to unpaid employee pension or benefits;
    - (c) permitted any of its assets to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind;
    - (d) written down the value of any work-in-progress, or written off as un-collectible any notes or accounts receivable, except write-downs and write-offs in the ordinary course of business, none of which individually or in the aggregate, is material to the Company;

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- (e) granted any increase in the rate of wages, salaries, bonuses or other remuneration of any employee who after giving effect to such increase or prior thereto receives compensation at an annual rate of Indian Rupees 2,500,000/- (Rupees Two Million Five Hundred) or more other than increase in salaries undertaken in the ordinary course of business and the increase in wages to the Directors as disclosed in the minutes of the meeting of the Board of Directors held on May 23, 2007;
- (f) cancelled or waived any claims or rights of substantial value;
- (g) made any change in any method of accounting or auditing practice; and
- (h) renewed, extended or modified any lease of real property except in the ordinary course of business.

p) Business

- (a) Except the Business mentioned in the Memorandum of Association, the Company has not carried on or are not carrying on any other business.
- (b) The property of the Company has been and will remain in the possession and under the control of the Company. The Company has good title to all its assets and properties (both movable and immovable) and has not created any charge or an encumbrance over, nor declared itself trustee of any of its properties.
- (c) Except as stated in **Disclosure Schedule -1-**, the Company has not made any capital expenditure.
- (d) No decision has been made to defer any capital expenditure of the Company.
- (e) No asset of the Company has been written down or written off.
- (f) No contract has been entered into or terminated or has expired which could reasonably be expected to have an adverse effect on the profitability of any business conducted by the Company.
- (g) The Company has not received any notice or threat of termination of a contract that could reasonably be expected to have an adverse effect on the profitability of the business conducted by the Company.
- (h) No authorization from which the Company benefits has been terminated, or has expired and could reasonably be expected to have an adverse effect on the profitability of any business of the Company.

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- (i) No share, security or other right convertible into Shares or loan capital has been issued or are issuable by the Company other than the warrants allotted to Pearson Overseas Holdings Limited and Pearson Inc..
- (j) The Company has not defaulted in paying any creditor and have paid off their creditors in accordance with the general business practice. However, wherever some delays have occurred in few cases a suitable dialogue with the parties has been maintained. These matters are insignificant, and will not materially affect the business operations of the Company.
- (k) The business of the Company has been carried on in the ordinary and usual course and not otherwise. The Company has not indulged in any corrupt practices in dealing with its clients or for getting business from clients.
- (l) The Company has not been in conflict with, contravened or been in violation or breach of or default under (with or without the giving of notice or the lapse of time or both) (i) any Law applicable to it or any of its properties, assets, operations or businesses, (ii) any order, judgment or decree of any court or other Government Authority to which the Company is a party or by which any of its assets or properties may be bound or affected, (iii) any provision of its existing organizational documents, or (iv) any contract to which the Company is a party or by which any of its assets or properties may be bound or affected.
- q) Powers of attorney
- (i) Except as stated below, no authorities have been issued in favour of any officer and/or employee to bind the Company other than in the normal course of business.
- (ii) No outstanding offer, tender, quotation or the like, given or made by the Company is capable of giving rise to a contract merely by any unilateral act of a third party or on terms calculated to yield a gross profit margin in consistent with that usually obtained or decided by the Company.
- (iii) The Board of Directors of the Company is at present, authorized to borrow any amount, and/or mortgage or charge movable and immovable property as described in Memorandum & Articles of Association of the Company. It is hereby represented that the Board of Directors of the Company shall not incur or undertake any Debt other than as authorized under the Memorandum & Articles of Association of the Company. The term 'Debt' shall have the meaning ascribed to the said term under the Shareholders Agreement.
- r) Contracts and commitments

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- (a) The Company has on the date of this Agreement not entered into any contract or commitment which imposes or is likely to impose an obligation on the Company to make payments under a single contract or commitment in excess of Rs. 50,00,000. Further, all the contracts and commitments entered into/made by the Company do not impose and will not impose an obligation on the Company to make payments in excess of Rs. 25,000,000, in aggregate. No contracts or commitments entered into/made by the Company can create or is likely to create any obligations or liabilities, or in terms of which the Company is or will be bound to share profits, pay any royalties or waive or abandon any rights.
- (b) The Company has not on or before the date hereof and will not prior to the Completion, enter into any negotiations, or enter into any contract or option agreement or other commitments of any kind, whether contingent or not, to issue any Shares or any other securities to any Person other than the Purchaser.
- (c) No contract entered into by the Company:
- (i) is outside the ordinary and proper course of business or is otherwise unusual;
  - (ii) Except as disclosed in Disclosure Schedule -II-, has a period of more than 12 months to run from the date of this Agreement until its expiration or termination except for reasons which are beyond the control of the Company; and
  - (iii) provides that the Company will act as distributor of goods or services or as agent for another Person.
- (d) The Company has not breached any contract in any material manner whatsoever to which it is a party.
- (e) The Company has not entered into any joint venture or shareholders agreement nor has the Company agreed to or made any commitment to set up a joint venture or enter into a shareholders agreement with any Person or entity for any purpose or agreed to enter into any joint venture or similar arrangement with any Person or entity other than in respect of Huper LDT Private Limited and Freedom to Learn Limited.

s) Assets

Except as disclosed in **Disclosure Schedule -I-** and except in the ordinary course of business, the Company has not entered into any capital commitments to purchase any assets whatsoever that are not reflected in its Financial Statements.

- (a) The assets of the Company are as reflected in the register of assets.

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- (b) Each asset of or represented as belonging to the Company is the property of the Company.
- (c) No notice has been served on the Company by any public authority that might materially impair, prevent or otherwise interfere with the use of or proprietary rights in any of its assets.
- (d) No property of the Company is at present the subject matter of any suit, writ or execution or other legal proceedings.

t) Insurance

- (a) All insurance policies are in force and premium thereon has been duly paid in full and the Company is not in default thereunder.
- (b) The insurance policies held by the Company are on such terms (including without limitation as to deductibles and self-insured retentions), cover such risks, contain such deductibles and retentions and are in such amounts as are (i) customarily held by companies of established reputation engaged in the same or similar business as the Company, and (ii) required pursuant to the provisions of any contract the Company is party to. The insurance coverage provided by such policies is adequate and suitable for the Company's business and operations.

u) Employees

- (i) The Company does not employ any personnel as contract labour and/or any personnel as temporary labour other than as disclosed. The Company has no collective bargaining agreements with any of its personnel or employees or any of their representatives or union.
- (a) The Company has complied with and continue to comply with provisions of all the labour laws applicable to them.
- (b) The Company has not breached any legislation or authorization relating to the health or safety of its employees.

v) Compliance with legislation

The Company has complied with all the laws, rules and regulations applicable to it, including labour laws and regulations applicable to their respective business. The Company has not, and none of their Directors, officers, agents or employees, has/have committed or omitted to do any act or thing the commission or omission of which is in contravention of any legislation.

w) Litigation

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(a) Neither the Company nor any Person for whom it may be vicariously liable, is or has been engaged in any prosecution, litigation, arbitration proceedings or administrative or governmental investigation or challenge as plaintiff, defendant, third party or in any other capacity whether in India or outside India. Further, the Company has not received any information or notice regarding any impending litigation, arbitration proceedings, and administrative or governmental investigation against it.

(a) No notice has so far been served upon the Company for imposing any charges, fines, levies, and penalties by any government or regulatory authority other than in respect of dues relating to payment of service tax which are listed in **Disclosure Schedule -I-**. All of the above mentioned cases of delayed remittance shall be resolved with payment of minor fines.

(b) The Company has not committed any material breach of any material agreement with any Person including, in particular, any Person who has provided loans, deposits, advances, guarantees or other financial facilities to the Company.

x) Authorizations

(a) The Company has all the necessary authorizations, licenses, permits and approvals to carry on their business properly all of which are in full force and effect, and are not limited in duration or subject to any unusual or onerous conditions. In respect of each authorization:

(i) all fees due have been paid;

(ii) all conditions have been duly complied with; and

(iii) there exists no factor that might prejudice its continuance or renewal.

(b) The agreements entered into by the Company are in accordance with applicable laws and are enforceable in accordance with their respective terms and all legal, exchange control, regulatory and other approvals in connection therewith have been duly obtained and all conditions imposed under all such approvals have been duly observed.

(c) The Company has not been in conflict with, contravened or been in violation or breach of or default under (with or without the giving of notice or the lapse of time or both) (i) any law applicable to it or any of its properties, assets, operations or businesses, (ii) any order, judgment or decree of any court or other Government Authority to which the Company is a party or by which any of its assets or properties may be bound or affected, (iii) any provision of its

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existing organizational documents, or (iv) any contract to which the Company is a party or by which any of its assets or properties may be bound or affected.

y) Confidentiality

No disclosure has been made to any Person of any confidential information of the Company except in the ordinary and proper course of business of the Company and on receipt of an undertaking to keep the information confidential.

z) Taxation

(i) Since the date of incorporation of the Company, no additional liability for tax has accrued to the Company otherwise than as a result of the activities of the Company in the ordinary course of business.

(ii) All taxes which have been or deemed to have been assessed or imposed on the Company or have been required to be withheld from any payment made by the Company to another Person:

(a) which are due and payable, have been paid by the final date for payment; and

(b) which are not yet payable but become payable before the Completion, shall be paid by the due date.

The Company has not entered into any agreement or arrangement, which extends the period of assessment or payment of any taxes.

(iii) All necessary information, notices, computations and returns have:

(a) been properly and duly submitted by the Company to each relevant public authority in respect of taxes for or in respect of the Company for the period up to the date of this Agreement; and

(b) will continue to be submitted in respect of periods after the date of this Agreement until the Completion in respect of those later periods.

(iv) There is no unresolved/pending correspondence or dispute with any public authority. No fiscal authority has at any time carried out, or is at present conducting any investigation into all or any part of the business or affairs of the Company.

aa) Real Estate and Properties

(i) The Company does not own, control or possess any real estate and/or immovable property other than those listed in **Disclosure Schedule ---I-**

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hereof. Further, no real estate property is at present subject matter of any legal proceedings.

- (ii) The Company has not taken any properties on Lease and/or Leave and License, and/or Lease-cum-sale basis other than those listed in **Disclosure Schedule -I-** hereof. The properties disclosed under (i) and (ii) immediately above are referred to as "Properties".
- (iii) The Company is in possession of the whole of each of the Properties, none of which is vacant and no other Person or entity is in or actually or conditionally entitled to possession, occupation, use or control of any of the Properties.
- (iv) The Company has good, valid and marketable title (which title has, where requisite, been perfected by registration or other lodgement at the appropriate public registry with the best quality of title available) to, or otherwise has the right to use, pursuant to a valid and enforceable lease, license or similar contractual arrangement, each of the Properties, in each case free from any Encumbrance, and all original sale deeds and documents necessary to prove such title are in the possession or under the control of the Company or are the subject of binding acknowledgements for production.
- (v) The buildings and other structures on, under or over the Properties are in good and substantial repair and condition and fit for the purposes for which they are presently used and there is no material defect (whether latent, inherent or otherwise) in the construction or condition of any of such buildings or other structures.
- (vi) The Company has not received any notice affecting any Property from the Government or any other local body or authority. The approvals and consents obtained in respect of the Company's Properties are valid and subsisting.

bb) Liabilities

All the liabilities, present and contingent, that may arise to the Company have been disclosed in **Disclosure Schedule -I-** hereof. Other than the said liabilities, the Company does not have or are suffering from any present or potential or contingent monetary or business liability of any nature.

E. The Company hereby represents and warrants to the Purchaser that:

- (a) The Company has the legal right, having undertaken registrations in some cases and unrestricted authority as the sole owner to use any or all of the software, trademarks, trade names, brand names, patents, designs, domain names and other intellectual property rights set forth in the **Disclosure**

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**Schedule -I-** (whether registered or not). The Company has all the intellectual property rights necessary to carry on its business.

- (b) The Company does not use or infringe any patents, trademarks, domain names registered designs, registered business names, copyrights or other intellectual property rights belonging to any third party.
- (c) There are no oppositions to the registration of its intellectual property rights. Further, the Company is not aware of and have not received any notice from any third party in respect of infringement of the said third party's intellectual property rights.
- (d) Except to the extent specifically disclosed by the Company, any existing or previous client, customer or consultant of the Company does not presently possess, or has the right to demand in future, any right (of ownership or otherwise) over any of the Company's software, trademarks, trade names, brand names, patents, designs, domain names and other intellectual property rights set forth in the **Disclosure Schedule -I-**.

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**ANNEX A2**

Promoter	Bank account details	Number of First Tranche Shares proposed to be transferred at the Completion	Consideration to be received from Arohi at the Completion (INR)	Number of Second Tranche Shares proposed to be transferred at the Second Completion	Consideration to be received from Arohi at the Second Completion
Mrs. Sukanya Dhananjaya	Canara Bank, Jayalakshmipuram, Mysore, SB Account No. 9210	77,647	187,260,037.43	NIL	NIL
Mrs. Lajwanti Sudhanva	HDFC Bank, Saraswathipuram, Mysore, SB Account No. 00651-00000-4997	77,646	187,257,625.75	NIL	NIL
Mr. Manchakondanahalli Dhananjaya	SB Account No. 00651050006644 in HDFC Bank Limited, Saraswathipuram, Mysore	NIL	NIL	100 Equity Shares	A minimum of Rs. 241,168.41 and A maximum of Rs. 12,741,168.41
Mr. Dhananjaya Sudhanva	SB Account No. 00651050006651, HDFC Bank Limited, Saraswathipuram, Mysore	NIL	NIL	100 Equity Shares	A minimum of Rs. 241,168.41 and A maximum of Rs. 12,741,168.41
<b>TOTAL</b>		155,293 Equity Shares	374,517,663.17	200 Equity Shares	A minimum of Rs. 482,336.83 and A maximum of Rs. 25,482,336.83

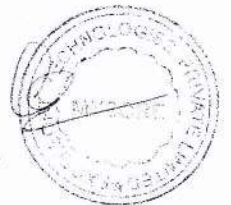
IFSC Code

570240002

MICR Code

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ANNEX B1

[on the letterhead of Company]

[ ] June, 2008

**WAIVER LETTER**

To,  
**Arohi Asset Management Pte Ltd,**  
24 Raffles Place, #13-01 Clifford Centre, Singapore- 048621

Dear Sirs,

**SUB: Waiver of the Company's and Promoters' (as defined in the Shareholders Agreement referred to below) right to notice etc as contained in the Shareholders Agreement dated 8 January, 2001**

The Shareholders Agreement dated 8 January, 2001 ("**Shareholders Agreement**") entered into between Excelsoft Technologies Private Limited ("**Company**"), Unit Trust of India - India Technology Venture Unit Scheme ("**UTI**") and the Promoters (as defined in the Shareholders Agreement), as amended by the Deed of Adherence and Amendment dated 31 March, 2008 entered into between D. E. Shaw Composite Investments Excelsoft (Mauritius) Limited PCC, the Promoters and the Company, and the Articles of Association of the Company provide to the Promoters and the Company the right to be issued a prior written notice by a shareholder of the Company proposing to sell its shares. Upon receipt of the said notice, the Company/Promoters have the right, in their sole discretion, to purchase the shares offered for sale to the third party by such selling shareholder (the "**Right of Notice and Purchase**").

The Promoters and the Company are fully aware about the proposed transfer of 1,55,493 equity shares of the Company held by Selling Promoters to Arohi(the "**Proposed Transfer**"). As of this date, the Company and the Promoters hereby waive their Right of Notice and Purchase as well as any other right of first refusal, tag along or other such similar rights they may possess under the Shareholders Agreement and the Articles of Association of the Company with respect to the Proposed Transfer.

Sincerely,  
For **Excelsoft Technologies Private Limited**

\_\_\_\_\_  
Name:  
Designation:


Private & Confidential


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The Promoters:

1. M. H. DHANANJAYA: 

2. D. SUDHANVA: 

3. SUKANYA DHANANJAYA: 

4. LAJWANTI SUDHANVA: 



SD



**ANNEX C**

**Disclosures Qualifying the Promoter's Representations and Warranties**

Promoter's Representations and Warranties	Disclosures
<p>(c) The Promoter is the recorded beneficial owner and holder of, with good, valid, and marketable title to the Sale Shares. The Sale Shares are owned by the Promoter free and clear of all pledges, security interests, options, equities, liens, charges, encumbrances, claims or other third party rights (including rights of pre-emption) and the Promoter has all requisite power and authority to own and dispose of the Sale Shares to be sold by them;</p>	<p>There exist third party rights over the transfer of Shares under the provisions of (i) Clause 9 of the Shareholders Agreement dated the 8th day of January 2001, executed by and between UTI, the Promoters and the Company, as amended by the Deed of Adherence and Amendment dated 31 March, 2008 entered into between D. E. Shaw Composite Investments Excelsoft (Mauritius) Limited PCC, the Promoters and the Company and (ii) Article 4.3 of the Articles of Association of the Company, and (iii) the Development and License Agreement dated 17 March, 2006 ("Development Agreement") entered into between the Company, Pearson, Inc. and Freedom To Learn, Ltd., Pearson, Inc., and (iv) the Subscription Agreement dated 20 March, 2006 entered into between the Company, Pearson Holdings, the Company and the Founders (as defined therein)</p>
<p>(d) No consent, approval, or authorization of, or designation, declaration or filing with, any governmental authority, or any other third party, on the part of such Promoter is required in connection with the valid execution, delivery and performance of this Agreement by such Promoter, or the sale of the Sale Shares by such Promoter to Purchaser under this Agreement;</p>	<p>The filing of following forms are necessary:</p> <ol style="list-style-type: none"> <li>1. The statutory form 32 with the Registrar of Companies for the appointment of the nominee of the Purchaser to the Board;</li> <li>2. The Form FC-TRS with the Authorised Dealer for the sale and transfer of each tranche of the Sale Shares.</li> </ol>
<p>(g) The transfer of the Sale Shares to the Purchaser hereunder will convey to the Purchaser good and marketable title to the Sale Shares, free and clear of all pledges, security interests, options, equities, liens, charges, encumbrances, claims or other third party rights (including rights of pre-emption) whatsoever;</p>	<p>There exist third party rights over the transfer of Shares under the provisions of (i) Clause 9 of the Shareholders Agreement dated the 8th day of January 2001, executed by and between UTI, the Promoters and the Company, as amended by the Deed of Adherence and Amendment dated 31 March, 2008</p>

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Promoter's Representations and Warranties	Disclosures
	<p>entered into between D. E. Shaw Composite Investments Excelsoft (Mauritius) Limited PCC, the Promoters and the Company and (ii) Article 4.3 of the Articles of Association of the Company, and (iii) the Development and License Agreement dated 17 March, 2006 ("Development Agreement") entered into between the Company, Pearson, Inc. and Freedom To Learn, Ltd., Pearson, Inc., and (iv) the Subscription Agreement dated 20 March, 2006 entered into between the Company, Pearson Holdings, the Company and the Founders (as defined therein)</p>

**Disclosure Schedule I**

This Disclosure Schedule, together with the schedules and annexures hereto, constitutes the Disclosure Schedule.

**A. PRELIMINARY MATTERS**

1. Any information contained or referred to in this Schedule is to be treated as a disclosure in respect of the Warranties.
2. Where any conflict arises between the contents of any document supplied to the Investor by the Company (including, without limitation, any document referred to in this Schedule) and the information contained in this Schedule, the information contained in this Schedule shall prevail unless otherwise expressly stated herein.
3. Disclosure in any section or subsection of this Schedule will constitute disclosure for purposes of other sections or subsections hereof.
4. The headings and numbering used in this Schedule shall not affect the interpretation of this Schedule.
5. Nothing in this Disclosure Schedule constitutes an admission of any liability or obligation of the Company to any third party or an admission against the Company's interest.

**B. SPECIFIC DISCLOSURES**

**Schedule D (1)**

**List of Related Parties**

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- 1 Subsidiaries:: Huper LDT Private Limited  
Mysore
- 2 Affiliates : JV Company - Freedom to Learn limited UK
- 3 Promoter Directors :Prof. MH Dhananjaya, Chairman  
:D. Sudhanva, Managing Director

Other related parties: NIL.

**Schedule D (2)**

**List of Investments in other companies and Mutual Funds as on December 31, 2007**

Investment in Subsidiary Company- Huper LDT Private Limited	Rs 85,000
Investment in LIC Mutual Funds –FMP	Rs.2,05,63,216
Investment in Joint venture Company –F2L Limited UK	£10
Fixed deposits in Syndicate Bank Main Mysore	Rs. 8,03,85,708
Fixed deposits in Corporation Bank Main Mysore	Rs. 1,01,94,815
Fixed deposits in Canara Bank Main Mysore	Rs. 5,86,942

**List of Advances to Related Parties as at December 31, 2007**

Advances to HuperLDT Private Limited:	Rs. 48,57,715/-
---------------------------------------	-----------------

**List of Borrowings from Directors as at December 31, 2007**

Prof. M.H. Dhananjaya	Rs. 5,89,648/-
Mr. D. Sudhanva	Rs. 30,50,633/-

**List of Capital Expenditure incurred from 1.4.2007 to 31.01.2008**

Computers	Rs. 12,30,867/-
Software including advances paid for Software Purchase	Rs.5,20,80,364/-
Building	Rs. 2,19,63,338/-
Electrical Installations	Rs.2,94,946/-
Electronic Equipments	Rs. 1,97,500/-
Furniture	Rs. 38,95,766/-
Plant & Machinery	Rs. 28,52,960/-
Office Equipment	Rs. 4,03,612/-

**Schedule D (3)**

**List of Existing Shareholders as on Execution**

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Name of the Shareholder	No of Shares held	% of total issued capital
Prof. MH Dhananjaya	80,646	5.19%
D Sudhanva	474,935	30.54%
Mrs Sukanya Dhananjaya	174,048	11.19%
Mrs Lajawanthi Sudhanva	270,371	17.39%
D. E. Shaw Composite Investments (Mauritius) Limited	551,923	35.50%
Ajay Ramesh Kulkarni	1,000	0.06%
HM Prashanth	1,000	0.06%
S. Shivakumar	1,000	0.06%
<b>Total</b>	<b>1,554,923</b>	<b>100.00%</b>

**Schedule D (4)**

**Financial Statement as on 31st March 2007**

The accounts have been prepared by the Company in good faith. However, it is possible for the tax authorities to take a different view as to the provisioning and / or other accounting entries in the accounts.

"Please see Annexure"

**Schedule D (5)**

**List of owned Immovable Properties and Properties taken on lease as on March 31, 2008**

**I. Owned Immovable Properties:**

	Extent	1.
<b>Land (own)</b>		
1B	1 acre	
1C	2.58 acres	
<b>2. Buildings</b>	5636 smt	

**Schedule D (6)**

**List of application made for Trademark registration pending (if any)**

1. Patent application for registering "Metadata Based Navigation System for Learning Spaces" dated 8 January 2008.
2. Trademark application for registering "Excelsoft" accompanied by a distinct logo dated 19 August 1998 in the name of M/S D. Sudhanva, Miss. Sukanya Dhananjaya.
3. Trademark Application to Trademark Registry in South Wales, UK for registering "Saras"

**Schedule D (7)**

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**Litigation Pending against Promoters and Company as on December 31, 2007**

**Against Promoters: Nil**

**Against Company**

Litigation	Amount Involved (in Rs.)
Service tax claim –internal audit observations (without considering Interest till the date of payment)	3,74,541
Service tax claim-Against show cause notice (approx)	8,67,834

**Schedule D (8)**

**List of Insurance Policies as on December 31, 2007**

1. Fixed assets policy-covering Fire, SRCC, Breakdown ant total loss-  
No.072000/48/07/88/00000483 ( 20.08.07 to 19.08.08)  
DG-set - Machinery Break down policy No.072000/44/07/51/30000029  
(from 20.08.07 to 19.08.08)
2. Vehicle Insurance policy  
Santro :KA-09, MH 8222 - Policy No.072000/31/07/01/00000763 ( covered  
from 14.05.07 to 13.05.08)  
Innova : KA09-MJ8222 - Policy No.072000/31/07/01/00001853 ( covered from  
04.07.07 to 03.07.08)
3. Cash –storage and Money- in transit policy: No.072000/48/07/88/00000483 ( 20.08.07 to 19.08.08)
4. Personal Accident policy: No.072000/42/07/03/00000055 (03.12.07 to 02.12.08)

**Schedule D (8)**

**Tax Matters**

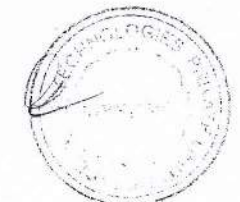
**Income Tax Assessment**

Previous Year	Asst. Year	Return Filing date	Intimation/ Assessment U/s	Assessment Status
2003-04	2004-05	30.10.2004	143(3)	Complete
2004-05	2005-06	28.10.2005	143(1)	Complete
2005-06	2006-07	13.11.2006		Under Progress
2006-07	2007-08	29.10.2007		Under Progress

**Service Tax**

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Issues relating to Service Tax dues have been brought out in D(7)

**Sales Tax/VAT**

Deputy Commissioner of Commercial Taxes, Mysore with respect to the years 2002-03, 2003-04 and 2004-05 assessing the total taxable turnover and the total tax payable by the Company under Karnataka Sales Tax Act and the Central Sales Tax Act 1956.

In relation to the Financial Year 2005-06 & 2006-2007 VAT returns have been filed. The company has not received any Notices from the Department till date.

**Schedule D (9)**

Some of the statutory registers are in the process of being updated and some of the filings required to be made with the Registrar of Companies are in the process of being filed.

**Schedule D (10)**

**Guarantee Outstanding**

Bank Guarantee to Customs department For Rs165,000

Bank Guarantee to Asst. Commissioner of Commercial Taxes For Rs 5,000

Bank Guarantee to Karnataka Information & Biotechnology Dept. for Rs. 1,80,000

There are no personal guarantees given by the promoters of the Company to the lenders/bankers of the company for Working Capital Finance and Term debts.

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SCHEDULE II  
NO DISCLOSURES

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