

Ebix, London-based Investor in Race to Acquire Educomp

Bidders submitted binding offers on Saturday; offers will be evaluated by a panel of creditors on Thursday

Mohit Bhalla & Varuni Khosla

New Delhi: Ebix and a London-based investor are competing to buy debt-laden Educomp Solutions after they submitted binding offers for the company on Saturday, according to people briefed on the matter.

Nasdaq-listed Ebix's offer includes upfront payments and values the company below ₹300 crore, which is 90% less than the ₹3,000 crore owed by Educomp to lenders. The London-based investor has offered a deferred payment plan to the creditors. The offers will be evaluated by a committee of creditors on Thursday.

Educomp, promoted by Shantanu Prakash, filed for bankruptcy in May last year. The group of creditors include State Bank of India, Axis Bank, ICICI Bank, International Finance Corporation and French development finance institution Proparco.

PricewaterhouseCoopers is advising the creditors on the bidding process. A spokesperson for the firm declined comment in response to ET's queries. Ebix had not responded to emailed queries till press time on Sunday.

Two prospective bidders, FIITJEE and ExtraMarks, which had completed due



Seeking Extra Time

- ◆ Ebix submits binding offer, London-based investor also in the fray
- ◆ Educomp has existing JV with Ebix to bid for govt school tenders
- ◆ FIITJEE, ExtraMarks did not submit binding offers
- ◆ Both parties had sought two week extension from NCLT to bid for company



India has 260 million students enrolled in 1.5 million schools: KPMG Study

diligence on Educomp Solutions, did not submit offers after their plea for a two-week extension to evaluate the company was dismissed by the National Company Law Tribunal.

The two parties had sought more time on the grounds that they had not been provided adequate information on the subsidiaries of Educomp, ET reported on Wednesday. Two subsidiaries—Edusmart and Educomp Learning Hour—are also undergoing insolvency proceedings at the NCLT. Two others, Edu Infra and Vidya Mandir Classes, are slated to be admitted for insolvency proceedings.

A Singapore-based arm of the company is already facing liquidation.

Educomp has a joint venture with Ebix to bid for government tenders in the education sector. Atlanta-based Ebix acquired digital payments platform ItzCash from Zee

group last year for about ₹800 crore. Ebix is a supplier of software and ecommerce services to the insurance, financial, e-governance and healthcare industries.

"Ebix would be interested in the access that the Educomp platform can provide to a network of schools and its sales force which can be used to sell its own products such as its payments platform," said Danish Faruqui, Partner at L.E.K Consulting's global education practice.

Ebix and the London-based investor will be called for discussions and further negotiations after the offers are reviewed, according to people in the know.

Educomp specialises in K12 (kindergarten to Class 12) content library with 3D multimedia educational content. It has 350 pre-schools under the name Little Millennium, 45 K12 schools and 63 test prep centres.