

# NOTICE

NOTICE is hereby given that Nineteenth Annual General Meeting of Educomp Solutions Limited will be held on Thursday, 26<sup>th</sup> September, 2013 at 4.30 P.M. at Sri Sathya Sai international Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited **Balance Sheet** as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Jagdish Prakash**, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Sanklap Srivastava**, who retires by rotation, and being eligible offers himself for re-appointment.
4. To re-appoint Statutory Auditors, fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Haribhakti & Co., Chartered Accountants (Firm Registration No. 103523W) the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company."

## SPECIAL BUSINESS:

5. **TO APPROVE THE WAIVER OF THE RECOVERY OF REMUNERATION OF THE MANAGING DIRECTOR OF THE COMPANY**

To Consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 309 (5A) & (5B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, the approval of the members of the Company be and is hereby accorded to waive the recovery of refundable managerial remuneration of ₹1,40,88,456/- paid to Mr. Shantanu Prakash, Chairman & Managing Director of the Company for the financial year ended 31<sup>st</sup> March, 2013, as paid in excess of the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956 due to the loss suffered by the Company during the financial year 2012-13.

RESOLVED FURTHER THAT the Company do make application to the Central Government for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Shantanu Prakash, Chairman & Managing Director of the company, as may be suggested or advised or directed by the Central Government.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto".

6. **TO APPROVE THE WAIVER OF THE RECOVERY OF REMUNERATION OF THE WHOLE TIME DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 309(5A) & (5B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government, the approval of the members of the Company be and is hereby accorded to waive the recovery of refundable managerial remuneration of ₹50,00,004/- paid to Mr. Jagdish Prakash Whole Time Director of the Company for the financial year ended 31<sup>st</sup> March, 2013, as paid in excess of the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956 due to the loss suffered by the Company during the financial year 2012-13.

RESOLVED FURTHER THAT the Company do make application to central Government for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Jagdish Prakash, Whole Time Director of the Company, as may be suggested or advised or directed by the Central Government."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto".

7. **APPROVAL OF REMUNERATION OF MANAGING DIRECTOR FOR THE REMAINING TENURE**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of existing remuneration as detailed in the explanatory statement to this item to Mr. Shantanu Prakash, Chairman & Managing Director, during his remaining tenure from 1<sup>st</sup> April, 2013 up to 31<sup>st</sup> July 2014.

RESOLVED FURTHER THAT in case the Company has, during the remainder tenure of Mr. Shantanu Prakash, Chairman & Managing Director, no profits or its profits are inadequate, Mr. Shantanu Prakash, Chairman & Managing Director be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same exceeds/ may exceed the ceiling limit laid down in Sections 198, 309 and Schedule XIII to the Act, subject to approval of the Central Government.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors and the Company Secretary of the Company be

and are hereby severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto".

**8. APPROVAL OF REMUNERATION OF WHOLE TIME DIRECTOR FOR THE REMAINING TENURE**

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of existing remuneration as detailed in the explanatory statement to this item to Mr. Jagdish Prakash, Whole Time Director, during his remaining tenure from 1<sup>st</sup> April, 2013 up to 24<sup>th</sup> July, 2015.

RESOLVED FURTHER THAT in case the Company has, during the remainder tenure of Mr. Jagdish Prakash, Whole Time Director, no profits or its profits are inadequate, Mr. Jagdish Prakash, Whole time Director be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same exceeds/may exceed the ceiling limit laid down in Sections 198, 309 and Schedule XIII to the Act, subject to approval of the Central Government.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto".

**9. APPOINTMENT OF MR. ROY EDWIN CAMPBELL II AS A DIRECTOR**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Roy Edwin Campbell II, who was appointed as an Additional Director by the Board of Directors of the Company on 9<sup>th</sup> November 2012 pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who, being the Additional Director, holds the office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member along with a deposit of ₹500/- as required under Section 257 of the Companies Act, 1956 proposing his candidature for office of Director, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

**10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**Appointment of Mr. Venkata Subbarao Valluri as a Director**

"RESOLVED THAT Mr. Venkata Subbarao Valluri who was appointed as an Additional Director by the Board of Directors of the Company on 31<sup>st</sup> July 2013 pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who, being the Additional Director, holds the office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member along with a deposit of ₹500/- as required under Section 257 of the Companies Act, 1956 proposing his candidature for office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

Place: Gurgaon

Date: 13<sup>th</sup> August 2013

By Order of the Board

For Educomp Solutions Limited

Sd/-

Jagdish Prakash

Whole Time Director

**NOTES:**

1. THE MEMBERS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHALL BE DEPOSITED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING IN ORDER TO BE PROXY BEING EFFECTIVE.
2. Members/Proxies should bring duly filled Attendance Slip sent herewith to attend the meeting. No eatables, brief case or bag will be allowed to be taken inside the meeting hall for security reasons. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.  
No gifts will be distributed at the meeting.
3. The Register of Members of the Company and the Share Transfer Books shall remain closed from 21<sup>st</sup> September 2013 to 26<sup>th</sup> September 2013 (both days inclusive).
4. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ("the Act") in respect of the Special Business under Item Nos. 5 to 10 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors are also annexed.
5. Any documents and papers as referred to in this notice and as required by the Companies Act, 1956 shall be available at the registered office of the Company for inspection between 11 A.M. to 1 P.M. for the period as required under the provisions of the Act.
6. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend & Vote at the Annual General Meeting.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, residential status, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited to provide

efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Private Limited

10. Consequent upon the introduction of Section 109A of the Act, shareholders are entitled to make nomination in respect to their shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B ( which will be made available on request) to the Registrar & Transfer Agents , M/s Link Intime India Private limited. The form 2B can be downloaded from the Company's website www.educomp.com.
11. Shareholders are advised to encash their dividend warrants pertaining to Dividend declared by the Company for the Financial Years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 immediately as the dividend amount remaining unclaimed/ unpaid at the expiry of 7 years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection Fund established under section 205C in terms of section 205A of the Act.
12. The Certificate from Auditors of the Company certifying that the Employee Stock Option Schemes of the Company is being implemented in accordance with SEBI( Employees Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines 1999 and in accordance with the resolution of the general body will be available for inspection to members at the meeting.
13. The Ministry of Corporate Affairs (MCA), Govt. of India, has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its circulars dated April 21, 2011 and April 29, 2011. To take part in the above 'Green Initiative', soft copy of the Annual Report for the year ended March 31, 2013 has been sent to all the members whose email address is registered with the Company/Depository Participants(s) unless any members has requested for a hard copy of the same.

All those members, who have not yet registered their email address with the Company or Depository Participant are requested to do the same at the earliest as your Company proposes to send communications/documents including Notices for General Meetings and Annual Reports from time to time in electronic mode to those members who have provided their e-mail addresses to their Depository Participants (DP) and in case you are holding share(s) in physical form you can send an email to investor.services@educomp.com giving details like Name and Folio No.

Place: Gurgaon By Order of the Board  
Date: 13<sup>th</sup> August 2013 For Educomp Solutions Limited  
Sd/-  
Jagdish Prakash  
Whole Time Director

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

##### Item no. 5 & 6

- (a) **Mr. Shantanu Prakash, Chairman & Managing Director**  
Mr. Shantanu Prakash was re-appointed as Chairman & Managing Director of the Company for a period of 5 years i.e. 01<sup>st</sup> August, 2009 to 31<sup>st</sup> July, 2014 as per provisions of section I of the Part II of Schedule XIII of the Companies Act, 1956 on the remuneration comprises of Basic Salary: ₹4,00,000/- to ₹8,00,000/- per month along with other allowances and perquisites.
- (b) **Mr. Jagdish Prakash, Whole Time Director**  
Mr. Jagdish Prakash was re-appointed as Whole Time Director of the Company i.e. 25<sup>th</sup> July, 2010 to 24<sup>th</sup> July, 2015 for a period of 5 years as per the provisions of section I of the Part II of Schedule XIII of the Companies

Act, 1956 on the remuneration on the remuneration comprises of Basic Salary: ₹1,50,000 to ₹2,50,000 per month along with other allowances and perquisites.

The Audited financial Results for the financial year ended 31<sup>st</sup> March, 2013 depicts net loss of ₹40.72 crores. As the Company incurred losses during the financial year 2012-13, the remuneration paid to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director as per provisions of Section I of the Part II of Schedule XIII of the Companies Act, 1956 for the financial year 2012-13 exceeded the limit as prescribed under Clause 1(C) of Section II of Part II of the Schedule XIII of the Companies Act, 1956.

In view of the experience and invaluable contribution by Mr. Shantanu Prakash, Chairman & Managing Director, towards the growth of the Company since inception the Remuneration Committee and the Board of Directors of the Company, subject to necessary statutory approvals, have approved the waiver of recovery of excess remuneration as stated above and also approved the present remuneration as "minimum remuneration."

Further, the Remuneration Committee and the Board of Directors of the Company after having considered the contribution made by Mr. Jagdish Prakash, Whole Time Director in warehouse management, logistics and overall day to day operational issues, subject to necessary statutory approvals, have approved the waiver of recovery of excess remuneration as stated above and also approved the present remuneration as "minimum remuneration"

The waiver of recovery of refundable remuneration paid to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director for the Financial Year 2012-2013 and payment of remuneration for the remaining tenure of Mr. Shantanu Prakash as Chairman & Managing Director and Mr. Jagdish Prakash as Whole Time Director requires the approval of members of the Company by way of Special Resolution.

The above resolutions are in the interest of the Company and the Board recommends the resolution as set out in item no.5 & 6 for members' approval by way of Special Resolution.

None of the Director except Mr. Jagdish Prakash and Mr. Shantanu Prakash are interested or concerned in these resolutions.

##### Item no. 7 & 8

The Existing remuneration payable to Mr. Shantanu Prakash, Chairman and Managing Director and Mr. Jagdish Prakash, Whole Time Director was defined as "Minimum Remuneration" to be payable in case company has no or inadequate profits during their tenure. Further, in accordance with Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, where in any financial year during the currency of the tenure of the Managerial Person, a Company has no profits or its profits are inadequate, it may pay remuneration, upon compliance with the conditions stated there under including seeking approval from the Shareholders by way of a Special Resolution for the payment of remuneration for a period not exceeding three years subject to approval of the Central Government.

As the payment of minimum remuneration to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director for the remaining tenure exceeds/may exceed the ceiling limit laid down in Sections 198,309 read with Schedule XIII to the Act, Shareholders approval vide Special Resolution is sought for the said proposal, subject to approval of the Central Government.

In terms of the requirements as per sub-clause (iv) of the proviso to Sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, the information is as furnished below:

##### I. GENERAL INFORMATION:

- (1) Nature of Industry : Education
- (2) Date of Commencement of commercial Production : Not Applicable
- (3) In case of new Companies, expected date of Commencement of activities as per project approved by Financial Institutions appearing

in the Prospectus : Not Applicable

- (4) Financial Performance: Financial parameters of the Company for the last five financial years:

(Amount in ₹)

Financial Years	2008-09	2009-10	2010-11	2011-12	2012-13
Turnover (Net)	5,011.70	8,322.21	10,206.63	10,765.12	7,331.10
Profit/(Loss) before tax	2,018.62	3,746.21	4,360.66	2,412.82	(473.09)
Net Profit/(Loss)	1,315.88	2,218.66	3,888.68	1,889.03	(407.20)
Paid-up share capital	172.86	190.03	191.09	191.13	244.81
Reserves & Surplus	3,922.55	11,903.13	15,875.61	18,042.51	19,608.91
Rate of dividend (%)	25.00	137.50	30.00	15.00	Nil

- (5) Export Performance, Net Foreign Exchange Earnings and Collaborations:

During the year 2012-13, the Net Foreign Exchange Earnings is Rupees (1,393.69) million. The Company has no direct foreign collaboration.

- (6) Foreign Investments or Collaborators, if any:

The total Equity Shares held by Foreign Institutional Investors (FIIs) and Foreign Body Corporate is 4,38,83,040 Equity Shares of ₹2 each which constitutes 35.85 % of the Paid up Equity Share Capital of the Company.

## II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background details:

- (a) Mr. Shantanu Prakash, Chairman & Managing Director:

Mr. Shantanu Prakash, Chairman & Managing Director is the founder member of Educomp Solutions Limited and has been responsible for its overall operations since inception. He is a PGDBM from IIM, Ahmedabad and is an expert in Education Technology and Pedagogy. He has been involved in the area of education management, multimedia content and instructional delivery for around two decade. Under his leadership Educomp has introduced several products in the education technology domain. He is well recognized in the education space as an expert in the area of instructional technology.

- (b) Mr. Jagdish Prakash, Whole Time Director :

Mr. Jagdish Prakash, Whole Time Director (WTD) was appointed as WTD of the Company on 25<sup>th</sup> July, 2010 is responsible for warehouse management, logistics and operational issues. He has over 50 years of experience in materials management and logistics in Steel Authority of India Limited as a Chief Materials Manager and as a marketing and management consultant with various public sector undertakings and academic institutions.

- (2) Past Remuneration:

The details of aggregate Salary, Perquisites and Allowances and other retrial benefits paid to Mr. Shantanu Prakash Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director in the last three financial years are as given below:

(Amount in ₹)

Financial Year	Mr. Shantanu Prakash, Chairman & Managing Director	Mr. Jagdish Prakash, Whole Time Director
2010-11	1,40,88,456	43,24,328
2011-12	1,40,88,456	50,00,004
2012-13	1,40,88,456	50,00,004

- (3) Recognition/Awards:

Under the leadership of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director, the Company has won many prestigious awards and has been recognized for its contribution to the society.

- PricewaterhouseCoopers (PwC) report (May 2013) ranked Educomp at number 85 amongst the top 100 software vendors in the emerging markets commanding combined revenue of \$797 million and among the 16 Indian companies

that have made it to the list.

- Educomp ranked number 12 in Business World's India's fastest growing companies (May 2013 Issue).
- In Indian Education Awards 2013 Educomp won awards for, 'Best K12 School Chain- National for The Millennium Schools', 'Innovation in Early Learning for Little Millennium' and 'Best Digital Content for Smartclass'.
- At Navikaran Awards ceremony on 30<sup>th</sup> January, 2013 at 'World Schools Resources Expo 2013' Educomp was awarded as the "Corporate of the Year" and Shantanu Prakash, chairman & managing director, Educomp Solutions, was awarded "Entrepreneur of the Year". The event was organized by Creative Children Media in partnership with Zee Business
- Educomp was ranked amongst India's 40 fastest growing companies by Outlook Business in its 26<sup>th</sup> May, 2012 issue. Shantanu Prakash, Chairman & Managing Director of the Company was nominated for the highest honour - "Entrepreneur of the Year" Award for his exceptional vision in uplifting the education sector in India and bestowing it with much needed change at "Entrepreneur India Awards 2012" organized by Franchise India Holdings Limited on 18<sup>th</sup> May, 2012.
- Educomp Solutions won three prestigious awards - "Best Education Company to work with," "Best Innovative K 12 School" and "Best Education Webinar Series" at the Indian Education Awards (IEA) 2012 at a glittering ceremony on 28<sup>th</sup> April, 2012.
- Mr. Jagdish Prakash, Whole Time Director is also a well-known poet who writes both in English and Urdu. He has written many articles on management issues. His poems have been published in newspapers and magazines like "Pioneer," "Continuum" and "Adab Saaz". Two of his poetry compilations have won awards from the Urdu Academy, New Delhi.

- (4) Job Profile and Suitability:

### Mr. Shantanu Prakash, Chairman & Managing Director

Mr. Shantanu Prakash is the Chairman & Managing Director of our Company having around 2 decades of rich experience in education industry. It was Mr. Shantanu's vision to transform the teaching-learning process through the use of technology and best practices.

He functions under the control, superintendence and direction of the Board of Directors. Under his able leadership, the Company which was primarily engaged in the Edureach, (ICT) Segment has since then ventured in to a wide range of educational products and services in diverse segments of Higher Learning Solutions, School Learning Solutions, K-12 Schools and Online supplemental & Global such as SmartClass, Online Education and Pre-school and the Company is India's top educational Company. With his unstinted contribution and in the present challenging business environment, the duties and responsibilities of Mr. Shantanu Prakash, Chairman & Managing Director, has continued to grow manifold and is increasingly complex. There is an imperative need for formulation of consolidation and competitive strategies and ongoing review for successful implementation in order to provide an impetus to the consolidation and growth prospects of the Company. This enduring process necessitates his continued focus and higher involvement in managing the overall affairs of the Company. Needless to say, in these tough times, the Company ought to be continuously guided and lead under the able leadership of Mr. Shantanu Prakash with whose rich and dynamic experiential background, the Company can remain oriented and look forward to steer through the challenging times and bounce back on the growth trajectory.

### Mr. Jagdish Prakash, Whole Time Director

Mr. Jagdish Prakash, Whole Time Director, has a first class M.Com

from Agra University. As a whole time director in the company, his responsibilities include procurement, inventory management and logistics. He is also responsible for certain key operational areas of the company.

Mr. Jagdish Prakash, Whole Time Director of the Company has worked as the Chief Material Manager in the Steel Authority of India. He is heading the procurement and warehouse operation of the Company. He has wide ranging experience, spanning over about 48 years, in marketing and materials management of industrial products including procurement, inventory and logistics

management. He has been a marketing and materials management consultant with several PSU's and academic institutions.

In a competitive and tough economic environment there is a continuous need to formulate appropriate procurement policies and formalize decisions which have a competitive edge over others. As the Whole-Time Director, his dedicated and holistic involvement for the entire operations of the Company is necessitated.

With his experience under difficult conditions and his expertise, the Company will benefit immensely from his experience and have a reinforced direction to steer through the challenging times.

(5) Remuneration proposed:

PROPOSED REMUNERATION	
Mr. Shantanu Prakash, Chairman & Managing Director	Mr. Jagdish Prakash, Whole Time Director
From 1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> July, 2014	From 1 <sup>st</sup> April, 2013 to 24 <sup>th</sup> July, 2015
(A) Basic Salary: ₹4,00,000/- to ₹8,00,000/- per month	(A) Basic Salary: ₹1,50,000 to 2,50,000 per month
(B) Special Allowances: As may be decided by the Board from time to time which shall not be counted for calculation provident fund, gratuity, superannuation fund etc.	(B) Allowances/Perquisites: In addition, he would be entitled to allowances/perquisites as follows
Commission: up to 1% of the net profits as may be decided by Board from time to time.	1. Special Allowances: As may be decided by the Board from time to time which shall not be counted for calculation provident fund, gratuity, superannuation fund etc.
Allowances/Perquisites:	2. House Rent Allowances (HRA)
1. House Rent Allowances (HRA)	Either HRA will be provided to the extent of 50% of Basic Salary or Director will be provided rent-free accommodation.
2. Either HRA will be provided to the extent of 65% of Basic Salary or Director will be provided rent-free accommodation.	3. Medical Reimbursement: As per rules of the company
3. Medical Reimbursement: As per rules of the company	4. Allowances for purchase of Books/Journals/Periodicals: As per rules of the company
4. Allowances for purchase of Books/Journals/Periodicals: As per rules of the company	5. Leave Travel Allowances: As per rules of the company
5. Leave Travel Allowances: As per rules of the company	6. Helper Allowances: As per rules of the company
6. Helper Allowances: As per rules of the company	7. Gratuity, Ex-gratia/Bonus, Superannuation or annuity funds benefits, chauffeur driven car, free telephone including mobile telephone, internet and computer facility at the residence, Helper/Assistant as per Company's Policy and rules.
7. Gratuity, Ex-gratia/Bonus, Superannuation or annuity funds benefits, chauffeur driven car, free telephone including mobile telephone, internet and computer facility at the residence, Helper/Assistant as per Company's Policy and rules.	

(6) Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person:

- (a) **Mr. Shantanu Prakash, Chairman & Managing Director**  
Due to the unstinted efforts and contribution of Mr. Shantanu Prakash, Chairman & Managing Director of the Company, the Company has been able to reach a prominent position in the education Industry and has been acclaimed as India's leading Company in education Sector. His unflinching contribution has ensured the long term survival and sustainability of our Company and thus the Remuneration Committee of our Board and the Board of Directors felt that the remuneration proposed to him is reasonable. In view of the above, Remuneration Committee of the Board and the Board of Directors after considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the role of the Chairman & Managing Director, had approved the existing remuneration. Further the existing remuneration stated at the resolution and the explanatory statement is commensurate to prevailing levels in the industry and thereby is fit and more than justified for payment to him.
- (b) **Mr. Jagdish Prakash, Whole Time Director**  
The Remuneration Committee and the Board of Directors

after considering the competence, subject matter expertise, experience and considering his contribution, towards the procurement and warehouse management and day to day operations and the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, had approved the existing remuneration as minimum remuneration to be paid for the remaining tenure as Whole Time Director. Further the existing remuneration stated at the resolution and the explanatory statement is commensurate to prevailing levels in the industry and thereby is fit and more than justified for payment to him.

- 7) **Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:**
- (a) **Mr. Shantanu Prakash, Chairman & Managing Director**  
Mr. Shantanu Prakash is Promoter Director of the Company, holding 4,43,15,205 Equity Shares of the face value of ₹2 Each representing 36.19% of the total paid up capital of the Company. Mr. Shantanu Prakash is son of Mr. Jagdish Prakash, Whole Time Director of the Company.
- (b) **Mr. Jagdish Prakash, Whole Time Director**  
Mr. Jagdish Prakash is father of Mr. Shantanu Prakash Chairman and Managing Director of the Company.

### III OTHER INFORMATION:

#### (1) Reasons for loss or inadequate profits:

The education sector presented a huge potential for the company and the company embarked on an aggressive growth path given that it was pioneer in this area. The company equipped 11000, 27000 and 40,000 classes with its Smart Class product in FY 10, FY 11 and FY 12 respectively and maintained its leadership position in the market. However, during this period of high growth, the Company could not implement the projects in timely manner resulting in higher implementation and finance costs that adversely affected liquidity and profitability of the company. Further as the Company pays substantial amount upfront in implementation of contract, delayed payment by debtors has adversely impacted the cash flows of the company coupled with delayed payment cycle from government schools under ICT program. Investment in education companies with long gestation period also takes longer time to provide adequate return.

#### (2) Steps taken or proposed to be taken for improvement :

From the beginning of FY201-13, the Company has been in a phase of consolidation. Company is focusing its energies on operational efficiencies, strengthening our balance sheet, focusing on cash flows and launching new products and services through existing sales and distribution network.

Given the changed business environment, the Company has focused on cost management Company has already begun the process of exiting non-core businesses and in addition company has also closed loss making businesses which should also help improve our operating performance.

Company is also working on streamlining its operations, integrating technology into the supply chain and servicing components to replace and optimize our existing cost structure. During the year, company has undertaken specific measures in K-12 business wherein corporate expenses have been reduced by more than 50%.

Our Company has also filed the proposal for restructuring its rupee denominated liabilities through CDR process.

The Company hopes that these concrete measures would show signs of recovery in the Company's growth path.

#### (3) Expected increase in productivity and profits in measurable terms:

The Company is driving on its six point agenda of Focus, Cautious growth, Solution company, Correction of Asset Liability mismatch, A leaner organization and Leadership initiated during the FY13.

Company has been focusing on consolidating its position as one of the leaders in the industry. The emphasis has been on reorienting its business strategy and enhancing its internal capabilities. The Company aims to be leaner and more productive. The near term outlook in FY14 is mixed, considering liquidity constraints and a volatile market environment, despite strong business fundamentals. However, by leveraging (a) our extremely valuable IP based smart learning solutions and (b) an enviable customer reach of 34,500 schools and ~23 million learners, over the mid-term, Company is confident of returning the business to a position of strength.

As mentioned above, the management has already taken and is continuing to undertake diligent efforts to step up the performance of the Company and it is expected that the reinforced and dedicated efforts would certainly bring about an improvement in the operational growth in future. However it is difficult to forecast the productivity and profitability in measurable terms but, the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

### IV DISCLOSURES:

(1) The shareholders of the Company have been informed of the remuneration package of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director as detailed in the explanatory statement.

(2) Disclosures on remuneration package to the Directors of the Company including details of Stock Options issued by the Company have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2012-13.

As mentioned earlier, since the payment of aforementioned remuneration as Minimum Remuneration to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole-time Director, respectively may exceed the ceiling limit for remuneration laid down in Sections 198, 309 read with Schedule XIII to the Act, shareholders approval is sought by way of a special resolution for payment of the aforesaid remuneration in accordance with Schedule XIII of the Act

The payment of the aforesaid remuneration to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director as stated above is also subject to approval of the Central Government and the Company shall be making the necessary application to the Central Government in due course of time.

The Remuneration Committee and Board of Directors of the Company felt that considering the rich experience and contribution of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director to the sustained growth of the Company from time to time and considering the multifaceted responsibilities shouldered by them and the industry benchmarks, the aforementioned remuneration structure of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director is commensurate with the remuneration package paid to similarly placed persons, in other Companies in the same Industry and therefore recommend the resolution at Item No. 6 and 8 of the accompanying notice for your approval by way of Special Resolution.

The Notice read with Explanatory Statement should be considered as an abstract of the terms of payment of remuneration to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director and a memorandum as to the nature of the concern or interest of the Director as required under Section 302 of the Companies Act, 1956. Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Jagdish Prakash, Whole Time Director are interested to the extent of their shareholding, if any, and remuneration payable to them under Resolution Nos. 7 and 8 respectively.

No other Director is directly or indirectly concerned or interested in these resolutions.

#### Item No. 9 & 10

Mr. Roy Edwin Campbell and Mr Venkata Subbarao Valluri were appointed as additional directors pursuant to Section 260 of the Companies Act, 1956 of the Company w.e.f 09<sup>th</sup> November, 2012 and 31<sup>st</sup> July 2013 respectively. They hold office of the Director up to date of the ensuing Annual General Meeting.

Further Company has received notice(s) in writing from member(s) of the Company along with deposit of ₹500/- proposing the candidature of Mr. Roy Edwin Campbell and Mr. Venkata Subbarao Valluri for office of Director(s) under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends Resolution 9 & 10 for the approval of the members by way of an Ordinary Resolution.

None of the Directors of the Company other than Mr. Roy Edwin Campbell and Mr. Venkata Subbarao Valluri are interested or concerned in the respective resolution(s).

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING  
(In Pursuance of Clause 49 IV (G) of Listing Agreement)**

Name	Mr. Jagdish Prakash	Mr. Sankalp Srivastava	Mr. Roy Edwin Campbell	Mr. Venkata Subbarao Valluri
Age	78	49	40	58
Qualification	Mr. Prakash holds a Master of Commerce degree from Agra University.	Bachelor Degree in Electronics & Communication Engineering	BBA in Finance and Economics	Doctoral degree in Simulation modeling (Ph D)
Area of expertise	Procurement, Marketing and Management consultant with various public sector undertakings and academic institutions. Has previously worked as Chief Material Manager with Steel Authority of India.	Telecommunication, Power Control, Energy Management Systems and Business Management Software Development.	Private Equity, Corporate Debt Restructuring, Strategic Solutions, and Global syndication.	Strategic consulting, Cost optimization, Business re-engineering, Corporate Finance, Governance Risk & Consulting (GRC)
Directorship held in other Companies in India	SEI Technology Pvt. Ltd. Educomp Learning Pvt. Ltd. Kaisons Housing Corporation Ltd. Educomp School Management Ltd. Educomp infrastructure & school management Ltd. Educomp Infrastructure Services Pvt. Ltd. Gyankunj Education Pvt. Ltd. Educomp Professional Education Ltd. Educomp Investment Management Ltd.	Mark and Space Telesystems Pvt. Ltd. Telebias Networks Pvt. Ltd.	MedPlus Health Services Pvt. Ltd. Mount Kellett Capital Management India Pvt. Ltd.	Nil
Membership/ Chairmanship of the Committees in other Companies in India	Audit Committee Educomp infrastructure & School Management Ltd.	Nil	Nil	Nil
Number of Shares held in the Company	Nil	15,000	Nil	Nil
Inter-se relationship with other Director	Father of Mr. Shantanu Prakash, Chairman and Managing director	Nil	Nil	Nil

## EDUCOMP SOLUTIONS LIMITED

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

### ATTENDANCE SLIP

(To be presented at the entrance)

19<sup>th</sup> Annual General Meeting

Thursday, September 26, 2013 at 4.30

Sri, Sathya Sai international Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003

Please fill in the attendance slip and hand it over at the entrance of meeting venue:

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

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## PROXY FORM

## EDUCOMP SOLUTIONS LIMITED

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

### ATTENDANCE SLIP

(To be presented at the entrance)

19<sup>th</sup> Annual General Meeting

Thursday, September 26, 2013 at 4.30

Sri, Sathya Sai international Center, Pragati Vihar, Lodhi Road, New Delhi- 110003

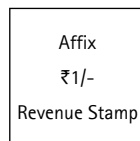
I/We \_\_\_\_\_ R/o \_\_\_\_\_

being member(s) of Educomp Solutions Limited hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ Or failing

im/her Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the 19<sup>th</sup> Annual

General Meeting to be held on \_\_\_\_\_ at \_\_\_\_\_ or at any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ of 2013



Note: the Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the schedule time of the aforesaid Annual General Meeting. A shareholder may vote either 'for' or 'against' the resolutions.