



## EDUCOMP SOLUTIONS LIMITED

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

Dear Shareholders,

### Postal Ballot Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

Pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, notice is hereby given that the Company is seeking consent of its Members to pass the proposed resolution(s) with or without modifications, as set out below by means of Postal Ballot.

The resolution and explanatory statement containing all material facts are being sent herewith along with the postal ballot form ("Form") along with a self-addressed, postage pre-paid envelope for your consideration and voting.

The Board of Directors of the Company ("Board") has appointed Mr. Sanjay Grover, a practicing company secretary as scrutiner ("Scrutinizer") who will be responsible for the fair and transparent conduct of the vote through postal ballot.

The Scrutinizer will submit his report to the Company after completion of the scrutiny of the Postal Ballot Forms and after verifying the voting as data received from the e-voting portal. The result of the Postal Ballot shall be announced at 4.30 P.M. at the registered office of the Company situated at **1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008** on 26<sup>th</sup> March, 2014 by the Chairman or in his absence by any other person authorized by the Chairman.

The result of the postal ballot will immediately be intimated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Subsequently, the result of the postal ballot shall also be published in at least one English Newspaper and one vernacular language newspaper circulating in Delhi. The result of the postal ballot will also be displayed at website of the Company ([www.educomp.com](http://www.educomp.com)).

#### Proposed Resolutions:

#### **Item No. 1. Re-appointment and payment of remuneration to Mr. Shantanu Prakash as Managing Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII 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) or any other law and subject to approval of Central Government and such others consent(s), approval(s) and permission(s) as may be necessary in this regard and such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s), consent of the Company be and is hereby accorded for the re-appointment of Mr. Shantanu Prakash as the Managing Director of the Company for a further period of three years with effect from 1st August, 2014, on a remuneration of not exceeding Rs. 1,50,00,000 (Rupees One Crore Fifty Lacs only) on the terms & conditions as follows:

(A) **Basic Salary:** Rs. 4,00,000/- to Rs. 8,00,000/- per month

(B) **Special Allowances:** As may be decided by the Board from time to time which shall not be counted for calculation of provident fund, gratuity, superannuation fund etc.

**Commission:** up to 1% of the net profits as may be decided by Board from time to time.

#### **Allowances/Perquisites:**

1. House Rent Allowances (HRA):  
Either HRA will be provided to the extent of 65% of Basic Salary or Director will be provided rent-free accommodation.
2. Medical Reimbursement: As per rules of the company
3. Allowances for purchase of Books/Journals/Periodicals: As per rules of the company
4. Leave Travel Allowances: As per rules of the company
5. Helper Allowances: As per rules of the company
6. 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.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Shantanu Prakash, as Chairman & Managing Director of the Company, the Company shall pay him the remuneration as specified above as minimum remuneration.

**RESOLVED FURTHER THAT** Mr. Shantanu Prakash shall also be entitled to reimbursement of all legitimate expenses incurred by him in performance of his duties and such reimbursement will not be a part of his remuneration.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matter and things as may be deemed necessary to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to any committee of directors, director or any other principal officer of the Company on such conditions as the Board may prescribe."

**Item No. 2. Increase in the limit of Investment U/s 372A of the Companies Act, 1956 in M/s. Educomp Infrastructure & School Management Limited**

**To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution**

**"RESOLVED THAT** in supersession of the resolution passed by members of the company in this regard and pursuant to the provisions of Section 372A 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/ consent of such appropriate authorities where necessary, the consent of the Company be and is hereby accorded to increase the limit of investment in **Educomp Infrastructure & School Management Limited**, subsidiary of the Company, up to Rs. 5000 Crores (Rupees Five Thousand Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is here by authorized (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to make investment, in one or more tranches, in **Educomp Infrastructure & School Management Limited**, by subscription, purchase or otherwise, in any securities comprising of equity shares, convertible or non convertible preference shares or debentures or by making loan, or by providing of security or guarantee in connection with a loan made by any other person to, or to any other person by, Educomp Infrastructure & School Management Limited' up to Rs. 5000 Crores (Rupees Five Thousand Crores only) notwithstanding that the aggregate of loans, guarantees or securities so far given or to be given to and/or investment so far made or to be made in all body corporates may exceed the limits prescribed under the said section.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate and finalise the terms and conditions of the said investments, loans, guarantees and provision of security on behalf of the Company as it deem fit in the interest of the Company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required to be signed, on behalf of the Company, in connection with such investments, loans, guarantees and provision of security and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

**Item No. 3. Appointment and payment of remuneration to Mr. V. K. Dandona as Whole Time Director of the Company.**

**To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII 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 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 consent of the Company be and is hereby accorded for the appointment of Mr. V. K. Dandona, as Whole Time Director of the Company for a period of 3 years w.e.f. 13<sup>th</sup> November, 2013 on a consolidated remuneration given herein below consisting but not limited to basic salary, various allowances, perquisites and all other benefits and the said remuneration limit inter-alia covering, but not limited to, the following basic features:

For a period Commencing from 13 <sup>th</sup> November, 2013 to 14 <sup>th</sup> February, 2014	For a period Commencing from 15 <sup>th</sup> February, 2014 to 12 <sup>th</sup> November, 2016
A. Basic Salary: upto 6,30,000 per annum	A. Basic Salary: upto 8,40,000 per annum
B. House Rent Allowance: upto Rs. 3,15,000 per annum	B. House Rent Allowance: upto Rs. 4,20,000 per annum
C. Following may be paid, subject to the overall consolidated maximum remuneration limit of Rs. 18,00,000/- (Rupees Eighteen Lacs Only) per month:  1) Perquisites: a) Medical reimbursement for self and family on actual b) Provision of Car and driver c) Leave travel assistance  2) Any other perquisites, amenities, benefits incentives and allowance which shall be payable in accordance with the Company policies.	C. Following may be paid, subject to the overall consolidated maximum remuneration limit of Rs. 24,00,000/- (Rupees Twenty Four Lacs Only) per month:  1) Perquisites: a) Medical reimbursement for self and family on actual b) Provision of Car and driver c) Leave travel assistance  2) Any other perquisites, amenities, benefits incentives and allowance which shall be payable in accordance with the Company policies.

**RESOLVED FURTHER THAT** in the event of absence or inadequate of profits in any financial year during the tenure of Mr. V. K. Dandona, as Whole Time Director of the Company, the Company shall pay him the remuneration as specified above as Minimum remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, 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 form, 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".

**Date: February 14, 2014**  
**Place: New Delhi**

**By Order of the Board**  
**For Educomp Solutions Limited**

**Sd/-**  
**Harish Popli**  
**Company Secretary**

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Section 192A of the Companies Act, 1956 in respect of proposed special business (es) along with the Postal Ballot form setting out material facts are appended herein below.
2. Only a member who is entitled to vote is entitled to exercise his/her vote through postal ballot. The Notice is being sent to all the Members, whose names would appear in the Register of Members/ list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited as on as on Friday, 14.02.2014.
3. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
4. Members(s) are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of Business hours on 24<sup>th</sup> March, 2014. Forms received after this date will be strictly treated as if the reply from the concerned member has not been received.
5. The postage will be borne and paid by the Company, however, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Members will also be accepted. It is, however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.
6. The Company is pleased to offer e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. The member may opt for e-voting facility for giving their assent/dissent to the proposed resolution(s). Please note that any Postal Ballot Form received after the close of working Hours on Monday, 24<sup>th</sup> March, 2014 will be treated as not having been received. The e-voting facility shall be disabled by NSDL accordingly.
7. The date of Declaration of Result of the Postal Ballot shall be deemed to be the date of the General Meeting and the date of passing of the proposed resolution(s).
8. The shareholders are requested to exercise their voting rights by using the attached postal ballot Form only. No other form or photocopy of the form is permitted.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 1 & 3**

Mr. Shantanu Prakash was re-appointed as Managing Director of the Company for a period of 5 years w.e.f 1st August, 2009 to 31st July, 2014. His term of office as Managing Director shall cease on 31st July, 2014.

In view of the experience and invaluable contribution by Mr. Shantanu Prakash towards the growth of the Company, the shareholders may consider and approve re-appointment of Mr. Shantanu Prakash as Managing Director of the company for a further period of 3 years w.e.f. 1st August, 2014 to 31st July, 2017.

Further, The Board of Directors in their meeting held on 13<sup>th</sup> November, 2013 approved the appointment and remuneration of Mr. V. K. Dandona, as Whole Time Director of the Company for the period of 3 years with effect from 13<sup>th</sup> November, 2013 to 12th November, 2016 on a consolidated remuneration of up to Rs. 18,00,000/- per annum, which was, subsequently increased upto Rs. 24,00,000/- by the Board of Directors in their meeting held on February 14, 2014. The said appointment and the remuneration, as payable to him, shall be subject to the approvals of shareholders in their general meeting and such other approvals as may be required.

As the payment of minimum remuneration to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. V K Whole Time Director of the Company exceeds/may exceed the ceiling limit laid down in Sections 198, 309 read with Schedule XIII to the Act or in partial compliance of the terms of Schedule XIII of 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:

(Rupees in millions)

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 were 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 are 3,42,24,270 Equity Shares of Rs 2 each which constitutes 27.95 % of the Paid up Equity Share Capital of the Company as on 31<sup>st</sup> December, 2013

**II. INFORMATION ABOUT THE APPOINTEE:**

- (1) Background details:

- (a) Mr. Shantanu Prakash

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 decades. 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. Vinod Kumar Dandona

Sh. V.K. Dandona, was initially appointed as Consultant/ Advisor (Vice -President) on 01<sup>st</sup> September, 2010 and later designated as Sr. Vice President, Director-Corporate Affairs of M/S Educomp Solutions Ltd ( ESL ) Mr. V.K. Dandona, was brought in the ESL in Sept' 2010 immediately after his superannuation. A highly decorated Police officer with Police medals awarded by the Hon'ble Prime Minister / President of India for 37 years of highly eventful, meritorious and distinguished service, having served all over the country handling crisis managements and multiple tasks of highly classified nature had been his strong forte, besides invaluable experience of tackling political and Bureaucratic machinery of the States/ Govt. of India.

- (2) Past Remuneration:

- (a) Mr. Shantanu Prakash

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

(Amount in Rupees)

Financial Year	Mr. Shantanu Prakash, Chairman & Managing Director
2010-11	1,40,88,456
2011-12	1,40,88,456
2012-13	1,40,88,456

- (b) Mr. Vinod Kumar Dandona

The details with regard to Past Remuneration are not applicable for Mr. Vinod Kumar Dandona as Mr. V K Dandona appointed as a Whole Time Director of the Company w.e.f. November 13, 2013.

**(3) Recognition/Awards:**

**(a) Mr. Shantanu Prakash**

Under the leadership of Mr. Shantanu Prakash, Chairman & Managing 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.

**(b) Mr. Vinod Kumar Dandona**

- ❖ Awarded Indian Police Medal for Meritorious Services on Independence Day i.e. 15th Aug, 1994.
- ❖ Awarded 26 Commendation Letters from DsG & other senior officers, HM, MOS (IS) & MOS (PP), MHA/GOI. Also Received 138 appreciation letters from 1973 till date i.e. March 2010 from DsG, IsG/DIsG, HM & other Senior Officers.
- ❖ Earned appreciation letters from media and elite citizens of Dehradun (Uttarakhand) with a prestigious award of DOON-RATNA for the year 1998-99 for coordinating/undertaking rescue and relief operations during earthquakes in May/June 1999 in Distt: Chamoli (Gwl) of Uttarakhand.

**(4) Job Profile and Suitability:**

**(a) Mr. Shantanu Prakash**

Mr. Shantanu Prakash is the Chairman & Managing Director of our Company having around two 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 into 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 are increasingly complexed. 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.

**(b) Mr. Vinod Kumar Dandona**

Mr. V.K. Dandona, is a highly decorated Police officer with Police medals awarded by the Hon'ble Prime Minister / President of India for 37 years of highly eventful, meritorious and distinguished service, having served all over the country handling crisis managements and multiple tasks of highly classified nature had been his strong forte, besides invaluable experience of tackling political and Bureaucratic machinery of the States / Govt. of India. He retired from service as the Inspector General of Police (IG) Devoid of such experience and knowledge, the ESL brought him to accomplish and meet the following organizational expectations:-

- a. To advise on day-to-day administrative and various legal problems concerning approx. 14,000 + employees deployed in / over 14,000 schools in the NCR, 18 States and 2 Union Territories across length and breadth of the country. Political and Executive liasoning at highest / appropriate levels and bridging them with the Company for its business development and multifarious interests.
- b. Handling rogue clients, habitual debtors and intentional defaulters / offenders in recovering huge sums of money of the Company.
- c. Any other matter requiring seasoned and matured approach to handle various complicated issues with or without interference of the Police or Bureaucratic hierarchy at the highest levels of administration.

- d. Expediting investigations of thefts as well as petty / major white-collar crimes within the Company directly or through police channels, recovery of company stores, hardware, money, etc.; having matters closed, managing NTRs/NOCs & final reports (FRs) and realization of claims from various insurance companies.
- e. Security & safety of all buildings, schools, ware houses, reorganization of security staff and ensuring cost cuttings as well as implementation of preventative measures to avoid pilferages.

The untiring, sincere, dedicated and focused approach exhibited by Mr. Dandona for well-being of the Company and his endeavors in contributing to improve its financial health has proved of great asset value to the Company.

**(5) Remuneration proposed: As disclosed in the Resolution**

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

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. Further, Mr. V K Dandona, retired Inspector general of police, having 37 years of highly eventful, meritorious and distinguished service, having served all over the country handling crisis managements and multiple tasks of highly classified nature had been his strong forte, besides invaluable experience of tackling political and Bureaucratic machinery of the States / Govt. of India. Thus the Remuneration Committee of our Board and the Board of Directors felt that the remuneration proposed to them is reasonable.

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 Mr. Shantanu Prakash and Mr. V K Dandona 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.

**7) Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:**

Mr. Shantanu Prakash is Promoter Director of the Company, holding 4,43,15,205 Equity Shares of the face value of Rs. 2 Each representing 36.19% of the total paid up capital of the Company.

Mr. V K Dandona, Whole Time Director, does not have any pecuniary relationship except as to office of Whole Time Director, directly or indirectly, with the Company or relationship with Managerial Person.

**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 2009-10, FY 2010-11 and FY 2011-12 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 FY 2012-13, 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 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 FY 2012-13.

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 FY 2013-14 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:**

The shareholders of the Company have been informed of the remuneration package of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. V K Dandona, Whole Time Directors as detailed in the resolutions.

As mentioned earlier, since the payment of aforementioned remuneration as Minimum Remuneration to Mr. Shantanu Prakash, Chairman & Managing Director and Mr. V K Dandona, Whole Time Director, may exceed the ceiling limit for remuneration laid down in Sections 198, 309 read with Schedule XIII to the Act and is in partial compliance with the terms of Schedule XIII of 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. V K Dandona, Whole Time Director as stated above is 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 of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. V K Dandona, Whole Time Directors and the industry benchmarks, the aforementioned remuneration structure of Mr. Shantanu Prakash, Chairman & Managing Director and Mr. V K Dandona, Whole time Director of the Company 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. 1 and item no. 3 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. V K Dandona, 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 is interested to the extent of, his shareholding, and remuneration payable to him under Resolution No. 1 and Mr. V K Dandona, Whole Time Director is interested to the extent of, remuneration payable to him under Resolution No. 3

All related document will be open for inspection on all working days during business hours at the registered office of the Company up to the date of announcement of results of postal ballot / evoting i.e. Wednesday, March 26, 2014. **None of the other Directors/Key Managerial Personnel and their relatives are in any way concerned or interested in the above referred resolutions except as holders of shares in general.**

#### **Item No. 2**

The Company, in the capacity of promoter of the M/s. Educomp Infrastructure & School Management Limited (hereinafter referred as "EISML") Subsidiary of the Company, required to provide additional guarantees/ securities/ investment in EISML under the terms of Master Restructuring Agreement entered by the M/s. Educomp Infrastructure & School Management Limited with the CDR Lenders.

Members of the company by passing special resolution had authorized the Board under Section 372A of the Companies Act, 1956 to make loans, extension of guarantees or provision of securities for loans from other parties or investment into the securities of the said subsidiary up to Rs.2,500 Cr. (Rupees Two thousand and Five Hundred Crores only). However considering the current circumstances the company proposes to increase the limit under Section 372A of the Companies Act 1956 up to Rs. 5,000 Crores (Rupees Five Thousand Crores only).

**As per provisions of Section 372A of the Companies Act, 1956, the proposed increase in aforesaid limit requires the approval of shareholders by way of Special Resolution.**

**None of the Directors/Key Managerial Personnel and their relatives are in any way concerned or interested in the above referred resolution except as holders of shares in general, however Mr. Shantanu Prakash is a Common Director as well as shareholder in Educomp Infrastructure & School Management Limited.**

Your Directors recommend the resolution for your approval as a special resolution.

**Date: February 14, 2014  
Place: New Delhi**

**By Order of the Board  
For Educomp Solutions Limited**

**Sd/-  
Harish Popli  
Company Secretary**

(Pursuant to clause 49 of the listing agreement as on the date of notice)

**Additional Information on Directors recommended for appointment or seeking re-appointment at the Annual General Meeting**

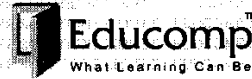
**1. Mr. Shantanu Prakash**

**Detailed profile of Mr. Shantanu Prakash**

	Mr. Shantanu Prakash	Mr. V K Dandona
Date of Birth	January 26, 1965	March 27, 1950
Qualification	Graduate in B.Com ( Hons.) from S.R.C.C, Delhi University PGDBM, I.I.M ( Ahmedabad )	M.sc (Mathematics)
Experience	<p>Mr. Shantanu Prakash is the founder member of Educomp Solutions Ltd and has been responsible for its overall operations since inception in September 7, 1994. He is an expert in Education Technology and Pedagogy.</p> <p>Under the leadership of Mr. Shantanu Prakash, Chairman &amp; Managing Director, the Company has won many prestigious awards and has been recognized for its contribution to the society.</p> <ul style="list-style-type: none"> <li>❖ 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.</li> <li>❖ Educomp ranked number 12 in Business World's India's fastest growing companies (May 2013 Issue).</li> <li>❖ 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".</li> <li>❖ 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 &amp; managing director, Educomp Solutions, was awarded "Entrepreneur of the Year". The event was organized by Creative Children Media in partnership with Zee Business</li> <li>❖ 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 &amp; 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.</li> <li>❖ 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.</li> </ul>	<p>Mr. V.K. Dandona, is a highly decorated Police officer with Police medals awarded by the Hon'ble Prime Minister / President of India for 37 years of highly eventful, meritorious and distinguished service, having served all over the country handling crisis managements and multiple tasks of highly classified nature had been his strong forte, besides invaluable experience of tackling political and Bureaucratic machinery of the States / Govt. of India. He retired from service as the Inspector General of Police (IG)</p>
Shareholding in Educomp Solutions Limited	44,315,205 Equity Shares constituting of 36.19% the paid up capital of the company.	Nil
*Directorship/Chairmanship held in other companies	<p>Educomp Solutions Limited, Chairman &amp; Managing Director</p> <p>Kaisons Housing Corporation Limited</p> <p>Educomp Infrastructure &amp; School Management Limited</p> <p>Career Launcher Education Infrastructure And Services Limited</p> <p>Educomp-Raffles Higher Education Limited</p> <p>Educomp Learning Hour Private Limited</p> <p>Gyankunj Education Private Limited</p> <p>Falcate Builders Private Limited</p> <p>Strotech Infrastructure Private Limited</p> <p>Growzone Infrastructure Private Limited</p> <p>Good Luck Structure Private Limited</p> <p>Boston Realtech Private Limited</p> <p>Evergreen Realtech Private Limited</p> <p>Grider Infratech Private Limited</p> <p>Lakshya Digital Private Limited</p> <p>Bilakes Consulting Private Limited</p> <p>B and R Brass Collection Private Limited</p> <p>Edugames Solutions Private Limited</p> <p>Beacon Learning Private Limited</p> <p>Beacon Higher Education Services Private Limited</p> <p>Great Lakes Institute of Management</p> <p>Great Learning Management Private Limited</p> <p>Pioneer Client Associates Private Limited</p>	<p>Educomp Solutions Limited</p> <p>Educomp Professional Education Limited</p> <p>Boston Realtech Private Limited</p> <p>Reverie Infratech Private Limited</p> <p>Orlando Builders Private Limited</p> <p>Markus Infrastructure Private Limited</p> <p>Grider Infratech Private Limited</p> <p>Omega Infrastructure Private Limited</p> <p>Zeta Buildcon Private Limited</p> <p>Virtual Buildtech Private Limited</p> <p>Hidream Constructions Private Limited</p> <p>Educomp School Management Limited</p> <p>Modzex Infrastructure Private Limited</p> <p>Rockstrong Infratech Private Limited</p> <p>Newzone Infrastructure Private Limited</p> <p>Shiksha Solutions Trustee Private Limited</p>
Chairmanship/Membership of committees in public company	<p>Member -Audit Committee- Educomp Solutions Limited</p> <p>Member-Shareholder &amp; Investor Grievances Committee-Educomp Solutions Limited</p>	N.A.

\*Directorship details in other companies excludes directorship of the overseas body corporate.





**EDUCOMP SOLUTIONS LIMITED**

Regd. Office: 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110 008

**SR.NO**

**POSTAL BALLOT FORM**

1. Name(s) of Member(s)/Beneficial Owner(s) :  
(in block letters)(including joint holders, if any)

2. Registered address of the sole/  
first named Member(s)/ beneficial owner(s) :

3. Registered folio No./DP ID No./Client ID No\* :  
(\*Applicable to investors holding  
shares in dematerialized form)

4. Number of shares held :

I/We hereby exercise my / our vote in respect of the Special Resolution(s) to be passed through postal ballot for the business stated in the Notice of postal ballot issued by the company dated 14<sup>th</sup> February, 2014 by sending my / our assent / dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:-

S. No	Description	No. of Equity shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1	Special Resolution for Re-appointment and payment of Remuneration to Mr. Shantanu Prakash as Managing Director of the Company			
2	Special Resolution for increase in the limit of Investment U/s 372A of the Companies Act, 1956 in M/s Educomp Infrastructure & School Management Limited			
3	Special Resolution for appointment and payment of remuneration to Mr. V.K. Dandona as Whole Time Director of the Company.			

Place:

Date:

\_\_\_\_\_  
(Signature of the shareholder)

**ELECTRONIC VOTING PARTICULARS**

EVEN	USER ID	PASSWORD/PIN

**NOTE: Please read carefully the instructions printed overleaf before exercising vote.**