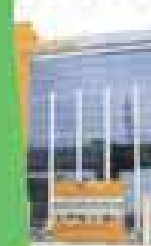
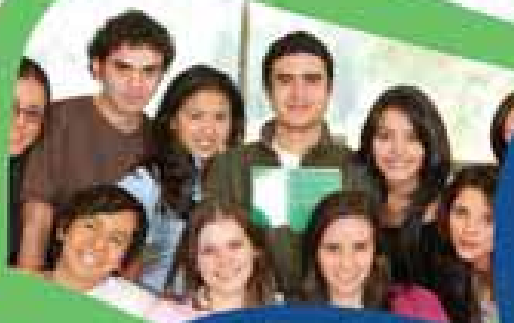


# BUILDING BLOCKS OF LIFE



ANNUAL REPORT 2008-09

[www.reportjunction.com](http://www.reportjunction.com)



“*The whole art of teaching is only the art of awakening the natural curiosity of young minds for the purpose of satisfying it afterwards.*”

Anatole France

About Educomp .....	2
Business Segment Overview .....	9
From the Chairman's Desk .....	17
Awards & Accreditations .....	21
Financial Highlights .....	25
Corporate Information .....	31
Director's Report .....	35
Corporate Governance .....	51
Management Discussion and Analysis .....	69
Financials .....	113
Auditor's Report .....	115
Balance Sheet & P&L Account.....	118
Cash Flow Statement .....	120
Schedules forming part of Balance Sheet .....	122
Schedules forming part of P&L Account .....	130
Significant Accounting Policies & Notes to Accounts .....	133
Balance Sheet Abstract .....	153
Consolidated Auditor's Report .....	155
Consolidated Balance Sheet & P&L Account .....	156
Consolidated Cash Flow Statement .....	158
Schedules forming part of Consolidated Balance Sheet .....	160
Significant Accounting Policies & Notes to Accounts .....	172
Statement pursuant to Section 212 of Companies Act .....	191
Shareholders Information .....	193
FAQs .....	201
Form 2B .....	206
ECS Mandate Format .....	208



## ABOUT EDUCOMP

### Overview

Educomp Solutions Limited is the largest education company in India with a growing global presence.

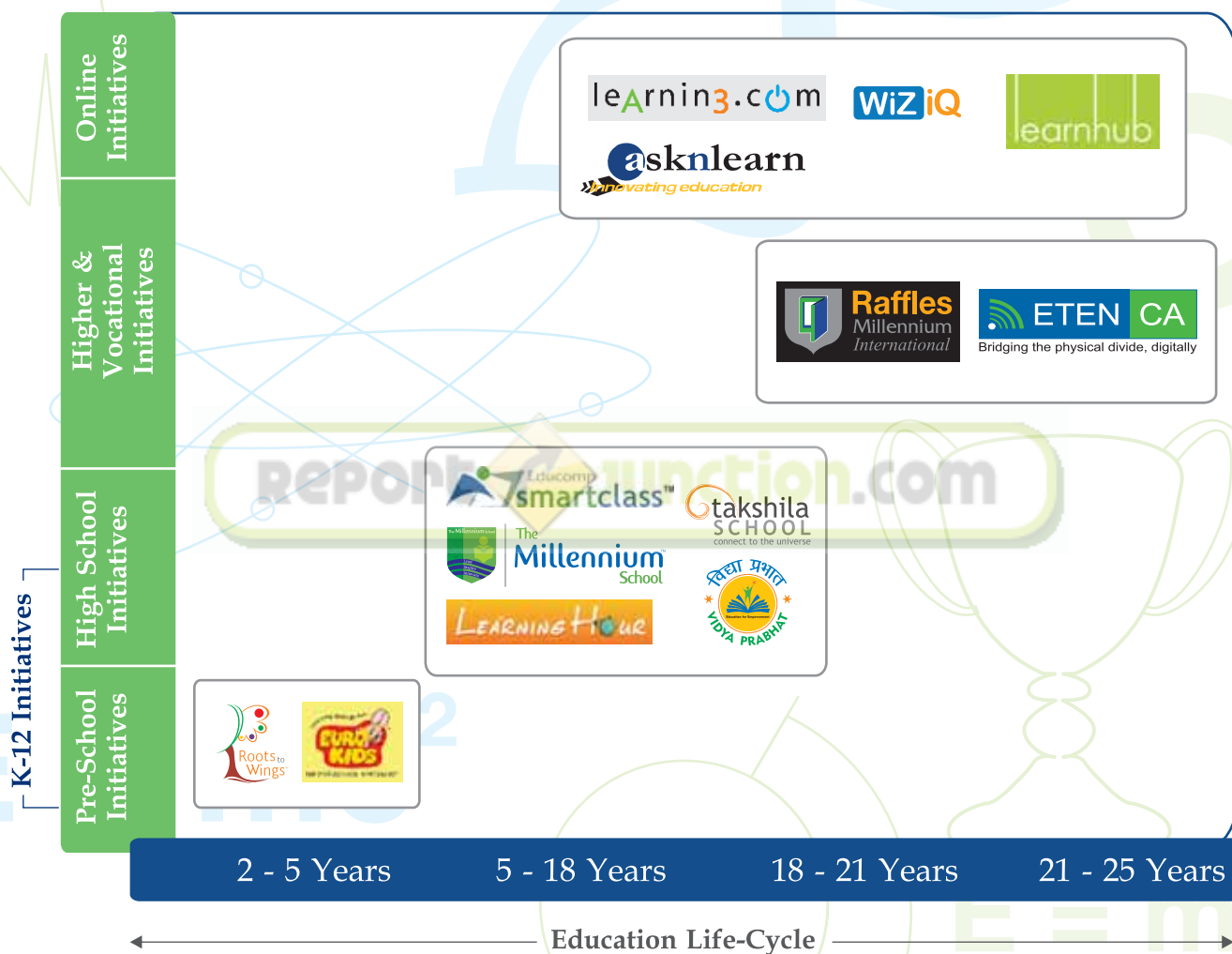
Founded in 1994, Educomp Solutions Limited offers education products and solutions for K-12 in the country, coupled with a large footprint in preschool, vocational and higher education. Servicing the education requirements of both private and public schools, the Company harnesses its intrinsic understanding of technology and education needs of schools to design and deliver superior quality and cost-effective products and services.



## Value continuum and brand portfolio

Having ushered in pioneering and transformational initiatives in the education space, the Company enjoys a strong presence across the entire educational value chain – from kindergarten till class 12 and extending to

vocational and supplemental training, thereby bringing a lasting difference through differentiated pre-school, high school, vocational and online initiatives.



## Geographic spread

The Company's primary market currently is in India. Total market size in India is 1 million schools and on a consolidated basis our market penetration level is around 2%. The Company also has a strong global footprint spanning US, Singapore, Sri Lanka and Canada and operates through its various subsidiaries, including AuthorGen Technologies Pvt. Ltd., Educomp Learning Hour Private Limited (formerly

ThreeBrix E-Services Pvt. Ltd.), Learning Internet Inc., USA, Asknlearn Pte Ltd., Singapore and Savvica Inc. in Canada.

Combined with its global presence, the Company reaches out to over 23,000 schools and is transforming the lives of over 12 million learners world over. Its 27 offices across the globe and 8000+ human resources further give a fillip to its execution and transformation capabilities.

Business Segments

To facilitate a better reflection of the performance and contribution from various businesses positioned across the entire education value chain, Educomp has reclassified its business segments into the School Learning Solutions, Higher Learning Solutions, K-12 Schools and Online, Supplementary and Global business segments.

Business Segments

School Learning Solutions



Higher Learning Solutions

K-12 Schools



Online, Supplementary & Global





## Business

## Brand

Educational Content Licensing to Private-sector-run schools

Educational Content Licensing to Government run schools

1. Smart Class
2. Edureach (formerly ICT Solutions)

Higher Education

Vocational

3. Raffles Millennium International colleges
4. ETEN, Language Edge and other programmes

Pre Schools

High Schools

5. Pre-schools – Roots to Wings and EuroKids
- 6.\* The Millennium Schools and Co-branded Schools (including PSBB Millennium, and ShriRam brand names), Takshila Schools and Vidya Prabhat Schools, amongst others

Offline Initiatives:

Online Initiatives:

7. Tutoring – Learning Hour
8. Mathguru.com
9. Wiziq.com
10. Authorstream.com
11. LearnHub.com
12. EasyTech / Tech Literacy Assessment (Learning.com)
13. Aha! Math / Aha! Science (Learning.com)
14. www.smartclassonline.com
15. Retail sale

Distribution

\* Brands run by independent trusts to whom infrastructure and content is provided by subsidiary of Educomp.

## MISSION

To reach out to 15 million learners through our products, services and solutions by 2010 and be amongst the top 5 education companies worldwide by the year 2012.



Report Junction.com

## Our Subsidiaries

Educomp's 26 subsidiaries, including Joint Ventures, principally focus on providing services and products directly to individual consumers as part of the Company's Direct Initiatives Business. Some of our major subsidiaries are as follows:

### Directly held

**Educomp Infrastructure and School Management Limited (formerly Educomp Infrastructure Pvt. Ltd.) - India**

Provides an all-in-one package of educational infrastructure to independent trusts running schools, comprising features including provision of land and building on a 30 year term lease, the Millennium Learning System (as described below), teacher training programs, pedagogical training, Roots to Wings,

on-line content and the Smart Class program.



**Educomp Learning Hour Private Limited (formerly ThreeBrix E-Services Pvt. Ltd.) - India**

ThreeBrix provides online and offline tutoring services.



**AuthorGen Technologies Private Limited - India**

Acquired in Fiscal 2007 to enable the Company to leverage and consolidate its position in online tutoring by providing it with access to key technology competence and student teacher marketplace models.





## Savvica

### **Savvica Inc. - Canada**

Became a subsidiary in August 2008 (earlier an associate company) aimed at building up learning communities.



### **EuroKids International Limited - India**

Acquired in October 2008, the Company is the largest pre-school operator in India.

### **Educomp Childcare Private Limited - India**

Acquired to create value in the pre-school business.

### **Indirectly held**



### **ASKnLearn Pte Limited - Singapore**

ASKnLearn was acquired to enable the Company to leverage its multimedia content repository in the APAC region.

## learn3.com

### **Learning Internet Inc. (DBA learning.com) - USA**

Learning.com is a premier provider of web-delivered curriculum and assessment in the US. The investment in Learning.com enables the Company to leverage its multimedia content repository in the US.

### **Educomp-Raffles Higher Education Limited - India**

ERHEL was incorporated to act as the vehicle through which the joint venture with Raffles in India will be run.

### **Educomp Vocational Education Private Limited - India**

To be used to make investments in the Vocational Education Business of the Company in India.

### **Educomp APAC Services Limited - BVI**

Subsidiary company to be used to expand the business of Edu Infra and set up schools in the APAC region.

1 2 3 4 5 6 7 8 9 10 11



## Testimonials

### Students, Parents, Educators Speak

“The easy to learn and teacher friendly software of Smart class drastically reduces the apprehensions on the teacher's side in the use of technology in the classroom. The presence of the resource coordinator in the school has minimized the possibility of any daily hassles, which may arise otherwise.”

Ms. Poonnamma Mathew  
Principal, Vidya Bhavan  
Public School, Indore

“This website is awesome, I got 100% for my maths exam.”

Sharon Annie Jacob,  
Student, Mathguru

“It is simply marvelous. I am able to do abstract concepts. I am able to help my children browse the Net. There is a lot of scientific activity that is happening. Science is happening right now rather than to look up obsolete matters from textbooks.”

Mrs. Geeta Mani  
Teacher, The PSBB  
Millennium, Chennai