

Date: 05-10-2023

The Secretary Listing Department BSE Limited PJ Towers, Dalal Street, Mumbai - 400 001 Script Code: 532696	The Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Script Code: EDUCOMP
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Sub: Intimation under Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding submission of Unaudited Financial Results (Standalone) for the quarter and nine month ended December 31, 2022 of Educomp Solutions Limited.

Dear Sir / Madam,

Pursuant to Regulation 33 and 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith the duly signed unaudited Quarterly Financial Statements (Standalone) for the quarter and nine month ended on December 31, 2022.

The Quarterly Financial Statements (Standalone) of the Company for the quarter and nine month ended on December 31, 2022 have been prepared by the Company, RP and his team. The Standalone Financial Statements have been approved by the RP and presented to auditors for their report thereon and the Standalone Financial Statements for the quarter and nine month ended on December 31, 2022 of the Company are closed by the RP with best of his knowledge and ability and with best available set of information that the RP and his team could gather, collate and present.

Furthermore, please take note that as the Company is in CIRP accordingly, the regulation pertaining to calling and holding meeting of Board of Directors are not applicable to company. Moreover, no meeting were called, accordingly the company has not given any prior intimation for approval of accounts. Further, for the purpose of filing, we have taken the date of signing and approval by the RP as date of board meeting.

Kindly take the above on record and oblige.

Thanking You,
Yours Truly,

**For Educomp Solutions Limited
(Under CIRP)**



Mahender Khandelwal
Resolution Professional in the matter of Educomp Solutions Limited
Taken on record
IBBI Reg. No IBBI/IPA-001/IP-P00033/2016-17/ 10086
Encl: as above



Educomp Solutions Limited
(CIN: L74999DL1994PLC061353)
Corporate office: 514, Udyog Vihar, Phase III, Gurgaon – 122001, Haryana (INDIA).
Tel.: 91-124-4529000.
Registered Office: 1211, Padma Tower I, 5, Rajendra Place, New Delhi-110008.
Web site www.educomp.com; email: investor.services@educomp.com

Note: As informed earlier also vide various communications, pursuant to an application for Corporate Insolvency Resolution Process ("CIRP") under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("the Code") on May 12, 2017, Hon'ble National Company Law Tribunal, Delhi ("Adjudicating Authority"), vide its order dated 30th May 2017, had ordered the commencement of CIRP in respect of the Company under the provisions of Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and Dr. Sanjeev Aggarwal was appointed as interim resolution professional of the Company. The IRP carried out his duties from May 30, 2017 till Mr. Mahender Khandelwal was appointed as Resolution Professional ("RP") vide the order of NCLT dated September 12, 2017 and took over the management of the affairs of the Company.





Independent Auditor's Review Report on Review of Interim Standalone Financial Results

To,
The Resolution Professional
Educomp Solutions Limited

We have reviewed the accompanying statement of unaudited standalone financial results of **Educomp Solutions Limited** (the "Company") for the quarter ended and nine-month ended December 31, 2022 (the "Statement") attached here with, being submitted by the Company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

This statement which is the responsibility of the Company's Management has been approved by the Resolution Professional as the powers of the Board of Directors have been suspended on initiation of Corporate Insolvency Resolution Process on 30.05.2017. This statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditors of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

1. As regards trade receivable amounting Rs. 11,844.45 lakhs (net of provision of Rs. 1,46,841.26 lakhs), as on December 31, 2022, the management is of the view that the same are good and recoverable in due course and hence no further provision is required. In the absence of appropriate audit evidence including balance confirmations, correspondences from parties, and details of subsequent realization, we are unable to comment on the recoverability of balance outstanding trade receivables and the possible impact on the loss for the quarter and nine-month ended December 31, 2022.
2. The Company follows Expected Credit Loss (ECL) model for measuring impairment of its trade receivables. The ECL allowance or loss rate is computed based on a provision matrix which takes in to account historical credit loss experience. We have not been provided with the workings of such loss rate computed by the Company. Further, the Company has not taken effect of aforesaid loss rate in computation of impairment provision, if any on trade receivable over and above the existing provision in the books of account. In absence of relevant workings and other details, we are unable to comment on the appropriateness of the loss rate and the possible impact of not considering the effect of the loss rate in impairment provision on the trade receivables balances as at December 31, 2022 and the loss for the quarter and nine months ended December 31, 2022 and, on the equity, as on that date.
3. The company has received advance from its customers which includes amount received from non-corporate entities of Rs. 804.70 lakhs which is deemed to be deposit u/s 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules 2014 and thereby in violation of section 73 to 76 of the Companies Act, 2013. The impact of the non-compliance on the accompanying unaudited standalone financial results Statements is presently not ascertainable.



4. The Company has fully amortized its intangible assets (which contains software and knowledge based content) as per its accounting policy but the same continues to generate revenue for the company. In absence of re-assessment of useful life of intangible assets, we are unable to comment on the resultant impact of amortization on the loss for the quarter and nine months ended on December 31, 2022 and on the carrying value of intangible assets and on the equity as on that date.
5. We have not been provided with the bank statements for borrowings from banks and financial institutions amounting Rs.1,29,180.55 lakhs as at December 31, 2022. Further, in case of bank borrowings amounting to Rs.52,413.31 Lakhs wherein we have received the confirmations or bank statements, the amount recorded in the Standalone Financial Results is short by Rs.18,359.16 Lakhs in comparison to amounts reported in the confirmations or bank statements. In absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the quarter and nine-month ended December 31, 2022.
6. Balance in borrowings other than bank borrowings mentioned in paragraph (5) above amounting to Rs. 81,093.09 lakhs as at December 31, 2022 are subject to confirmation. In the absence of any alternative audit evidence, we are unable to comment on any possible impact thereof on the loss for the quarter and nine month ended December 31, 2022 and on the balance of borrowings and equity as at December 31, 2022.
7. The balance with banks in current account amounting to Rs. 74.48 Lakhs is not verifiable as the same is not reflected in the bank statement. As per the bank statement available, the bank has already debited this amount in October, 2017 i.e. during the CIRP period where moratorium under the Insolvency and Bankruptcy Code, 2016 was in force prohibiting such actions. The company has not recorded this transaction in its books of accounts and therefore, the cash and bank balance as on December 31, 2022 is overstated by said amount along with overstatement of equity for the equivalent amount on that date.
8. We have neither got the direct confirmation nor provided with the bank statements for balance with banks in current accounts, term deposit and margin money with aggregate amount of Rs. 2.02 Lakhs. In the absence of any alternative evidence, we are unable to comment on any possible impact thereof on the loss for the quarter and nine months ended December 31, 2023 and on the balance with banks as at December 31, 2023 and on equity as on that date.
9. As disclosed in Note 6 to the unaudited standalone financial results, the Company has not accrued interest on borrowing post May 30, 2017, being CIRP commencement date. The amount of such interest not accrued is estimated to be Rs.10,234.39 lakhs for the quarter ended December 31, 2022. This has resulted in understatement of financial liabilities by Rs. 1,79,779.27 lakhs as at December 31, 2022 understatement of loss by Rs.10,234.39 lakhs for the quarter and nine month ended December 31, 2022 and over statement of equity by Rs. 1,79,779.27lakhs as on that date.
10. The Company has not determined the provision for penal interest for defaults on borrowings as per the contractual terms of the underlying agreements. In absence of such assessment, we are unable to comment on the possible impact thereof on the loss for quarter ended and nine month ended December 31, 2022.
11. The Company's investment in its subsidiary companies viz. Educomp Learning Private Limited, Educomp School Management Limited and Educomp Professional Education Limited aggregating to Rs.7,017.30 Lakhs (net of provision for impairment of Rs. 25,813.00 Lakhs) has not been evaluated for any further impairment during the year. These subsidiary companies have not furnished their audited financial statements nor latest valuation reports of these companies have been made available. In absence of appropriate audit evidence, we are unable to comment upon appropriateness of carrying amount of investments and possible impact of the same on the loss for the quarter and nine months ended December 31, 2022 and equity as on that date.



12. As disclosed in Note 14 to the unaudited standalone financial results, as per the Insolvency and Bankruptcy Code, 2016, the RP has received, verified, and admitted the claims submitted by the creditors (Operational and Financial), employees and workmen of the Company aggregating to Rs. 3,04,377.23 lakhs. These claims have been taken into cognizance by CoC in its 12th meeting held on February 17, 2018, while approving the Resolution Plan of the Company. The details of such claims have been disclosed in the said note. As represented by the Management/RP, a reconciliation of the admitted claims vis-à-vis liabilities outstanding in the books of accounts has not been prepared and any impact thereof has not been considered in the preparation of these unaudited standalone financial results for the quarter and nine months ended December 31, 2022. In the absence of the above, we are unable to comment on the possible impact thereof on the loss for the quarter and nine months ended December 31, 2022.
13. The company has issued financial guarantees aggregating Rs.1,32,156.00 lakhs to banks on behalf of its subsidiaries. As per Ind AS 109 "Financial Instruments", the said financial guarantees are required to be initially measured at fair value and subsequently measured at the higher of (i) the amount of loss allowance in accordance with Expected Credit Loss ("ECL") method and (ii) amount initially recognized less cumulative amount of income recognized in income statement. However, no measurement of financial guarantees at fair value and estimation of loss allowances in accordance with ECL method were performed during the quarter. In absence of such measurement, we are unable to comment on the resultant impact thereof on the loss for the quarter ended and nine months ended December 31, 2022.
14. As explained in Note 13 to the unaudited standalone financial results regarding managerial remuneration paid to one of the whole time directors of the Company during the quarter ended June 30, 2015 and during the year ended March 31, 2015 in non-compliance with the requirements of Section 197 and Section 198 read with Schedule V to the Companies Act, 2013, and paid during the year ended March 31, 2014 in non-compliance with the requirements of Section 198, Section 269 and Section 309 read with Schedule XIII to the Companies Act, 1956, for which the Central Government's approval is yet to be obtained.
15. As disclosed in Note 16 to the unaudited standalone financial results and based on the information and explanations provided to us by the Management, the Company is currently subjected to the investigations by Serious Fraud Investigation Office (SFIO) and the Central Bureau of Investigation (CBI). As further explained to us, certain information has been requested by them from the Company and the investigations are currently underway and the Company is yet to get any orders or directions in this respect from the said Authorities till the date of signing this review report. In absence of pending outcome of the investigations, we are unable to comment on the consequential impact of these matters on these Standalone Un- Audited Financial Results as at and for the quarter and nine month ended December 31, 2022.
16. As disclosed in Note 15 to the unaudited standalone financial results, the Company did not have any internal audit conducted during the quarter as required under sections 138 of the Act. The impact of the non-compliance on the accompanying unaudited standalone financial results is presently not ascertainable.
17. As disclosed in Note 17 to the unaudited standalone financial results, the Company has not been in compliance with various other provisions of the Companies Act 2013, SEBI (LODR) Regulations, 2015, Foreign Exchange Management Act, 1999 and Goods & Services Tax Act, 2017. The financial or other impact of these non-compliances on these unaudited standalone financial results is presently not ascertainable.
18. As disclosed in Note 7 of unaudited standalone financial results, the company has not made provision for gratuity and provision for leave encashment for the quarter ended and nine month ended December 31, 2022. In absence of such assessment, we are unable to comment on the possible impact thereof on the loss for the quarter ended and nine month ended December 31, 2022.



Adverse Conclusion

Based on our review conducted and the matters described in the basis of adverse opinion, the unaudited standalone financial results, for the quarter ended and nine month ended December 31, 2022, have not been prepared in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), as prescribed under section 133 of the Companies Act, 2013.

Emphasis of Matter

We draw attention to the following matters in the notes to the unaudited standalone financial results:

- a. As disclosed in Note 1 of unaudited standalone financial results, wherein it is stated that CIRP has been initiated in case of the Company vide an order of the Hon'ble NCLT, New Delhi dated May 30, 2017 under the provisions of the Insolvency and Bankruptcy Code, 2016. Pursuant to the order, the management of the affairs of the Company and powers of board of directors of the Company are now vested with the Resolution Professional (RP), who is appointed by the CoC. Accordingly, these unaudited standalone financial results have been prepared and approved by the RP.
- b. As disclosed in Note 5 of unaudited standalone financial results, which indicates that the Company has incurred substantial losses during the quarter, its net worth has been completely eroded, has defaulted in repayment of its loans and related interest, and has negative working capital. Further, currently the Company is under the CIRP. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. However, these unaudited standalone financial results have been prepared on a going concern basis as the management is of the view that the Company has been able to discharge its operational liabilities from its internal accrual of funds till the date of these financial results and is also confident that the Company is having sufficient fund balance to continue as going concern as stated in the said note.
- c. The Company has not made further provision of interest for the period after commencement of CIRP, i.e. May 30, 2017 on unpaid dues of the MSME's as these dues would be settled in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

For Kumar Vijay Gupta & Co.

Chartered Accountants

ICAI Firm Registration No.: 007814N



Gopal Garg

Partner

Membership No.: 524345



Place: New Delhi

Date: 14-09-2023

UDIN: 23524345BGZZVY3919

EDUCOMP SOLUTIONS LIMITED
CIN No:-L74999DL1994PLC061353
Regd. Office: 1211, Padma Tower I, Rajendra Place, New Delhi-110008

(Rupees in lacs)							
STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2022							
S.NO	Particulars	Quarter ended			Nine month ended		Year ended
		Unaudited December 31, 2022	Unaudited September 30, 2022	Unaudited December 31, 2021	Unaudited December 31, 2022	Unaudited December 31, 2021	Audited March 31, 2022
1	Income from operations						
(a)	Net sales/income from operations	100.26	110.29	42.98	268.94	65.03	138.14
(b)	Other operating income	-	-	-	-	-	-
	Total Income from operations (net)	100.26	110.29	42.98	268.94	65.03	138.14
2	Expenses						
(a)	Purchases of stock-in-trade	-	-	-	-	-	-
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	0.09	-	4.48
(c)	Employee benefit expenses	61.19	60.68	52.28	174.77	158.26	212.42
(d)	Depreciation and amortisation expenses	8.02	7.81	10.20	23.11	30.54	41.77
(e)	Other expenses	150.63	151.83	193.70	441.79	541.14	754.12
(f)	Provision for doubtful trade receivables/advances/ bad debts written off	153.62	-	-	154.94	23.48	286.87
(g)	Foreign exchange fluctuation (Net)	1,434.41	2,512.42	332.37	7,283.28	1,421.39	3,007.39
	Total Expenses	1,807.87	2,732.74	588.55	8,077.98	2,174.81	4,307.05
3	Loss from operations before other income , finance costs and exceptional items (1-2)	(1,707.61)	(2,622.45)	(545.57)	(7,809.04)	(2,109.78)	(4,168.91)
4	Other income	16.30	19.00	94.60	52.58	242.58	263.48
5	Loss from ordinary activities before finance costs and exceptional items (3+4)	(1,691.31)	(2,603.45)	(450.97)	(7,756.46)	(1,867.20)	(3,905.43)
6	Finance costs	127.20	127.40	111.58	381.80	334.82	448.19
7	Loss from ordinary activities after finance costs but before exceptional items (5-6)	(1,818.51)	(2,730.85)	(562.55)	(8,138.26)	(2,202.02)	(4,353.62)
8	Exceptional Items/Prior period items	-	-	-	-	-	-
9	Loss from ordinary activities before tax (7-8)	(1,818.51)	(2,730.85)	(562.55)	(8,138.26)	(2,202.02)	(4,353.62)
10	Tax Expense	-	-	-	-	-	-
11	Net Loss from Ordinary activities after tax (9-10)	(1,818.51)	(2,730.85)	(562.55)	(8,138.26)	(2,202.02)	(4,353.62)
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-
13	Net Loss for the period (11-12)	(1,818.51)	(2,730.85)	(562.55)	(8,138.26)	(2,202.02)	(4,353.62)
14	Other Comprehensive income	-	-	-	-	-	(1.53)
15	Total Comprehensive income (13+14)	(1,818.51)	(2,730.85)	(562.55)	(8,138.26)	(2,202.02)	(4,355.15)
16	Paid up Equity share capital (Face Value Rs.2/- each)	2,449.34	2,449.34	2,449.34	2,449.34	2,449.34	2,449.34
17	Reserve excluding revaluation reserves	-	-	-	-	-	-
18	(Loss)/ Earning Per Share (before and after extraordinary items) (not annualized)						
(a)	Basic	(1.48)	(2.23)	(0.46)	(6.65)	(1.80)	(3.55)
(b)	Diluted	(1.48)	(2.23)	(0.46)	(6.65)	(1.80)	(3.55)



Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

Particulars	Quarter ended			Nine month ended		Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
Segment Revenue						
Higher Learning Solutions	-	-	-	-	-	-
School Learning Solutions	100.26	110.29	42.98	268.94	65.03	138.14
K-12 Schools	-	-	-	-	-	-
Online Supplemental & Global	-	-	-	-	-	-
Total Net Sales/ Income from Operations	100.26	110.29	42.98	268.94	65.03	138.14
Segment Results ((Loss)/Profit before Interest and tax from each segments)						
Higher Learning Solutions	-	-	-	-	-	-
School Learning Solutions	57.48	65.02	(2.24)	136.90	(87.96)	(335.87)
K-12 Schools	-	-	-	-	-	-
Online Supplemental & Global	-	-	-	-	-	-
	57.48	65.02	(2.24)	136.90	(87.96)	(335.87)
Less : Interest	127.20	127.40	111.58	381.80	334.82	448.19
: Other un-allocable expenses	1,765.09	2,667.47	543.33	7,945.94	2,021.82	3,833.04
Add : Un-allocable Income	16.30	19.00	94.60	52.58	242.58	263.48
Total Loss before Tax	(1,818.51)	(2,730.85)	(562.55)	(8,138.26)	(2,202.02)	(4,353.62)
Segment Assets						
Higher Learning Solutions	0.26	0.26	0.26	0.26	0.26	0.26
School Learning Solutions	12,348.39	12,478.69	12,818.41	12,348.39	12,818.41	12,548.47
K-12 Schools	-	-	-	-	-	-
Online Supplemental & Global	372.20	372.20	603.15	372.20	603.15	372.20
Unallocated	10,601.56	10,691.36	10,971.47	10,601.56	10,971.47	10,825.56
Total Segment Assets	23,322.41	23,542.51	24,393.29	23,322.41	24,393.29	23,746.49
Segment Liabilities						
Higher Learning Solutions	0.06	0.06	0.06	0.06	0.06	0.06
School Learning Solutions	12,780.83	12,654.61	12,378.19	12,780.83	12,378.19	12,207.75
K-12 Schools	1,109.50	1,109.50	1,109.50	1,109.50	1,109.50	1,109.50
Online Supplemental & Global	437.40	437.40	437.40	437.40	437.40	437.40
Unallocated	3,11,812.79	3,10,340.61	3,02,994.93	3,11,812.79	3,02,994.93	3,04,671.70
Total Segment Liabilities	3,26,140.58	3,24,542.18	3,16,920.08	3,26,140.58	3,16,920.08	3,18,426.41
Capital Employed						
(Segment Assets- Segment Liabilities)						
Higher Learning Solutions	0.20	0.20	0.20	0.20	0.20	0.20
School Learning Solutions	(432.44)	(175.92)	440.22	(432.44)	440.22	340.72
K-12 Schools	(1,109.50)	(1,109.50)	(1,109.50)	(1,109.50)	(1,109.50)	(1,109.50)
Online Supplemental & Global	(65.20)	(65.20)	165.75	(65.20)	165.75	(65.20)
Unallocated	(3,01,211.23)	(2,99,649.25)	(2,92,023.46)	(3,01,211.23)	(2,92,023.46)	(2,93,846.14)
Total	(3,02,818.17)	(3,00,999.67)	(2,92,526.79)	(3,02,818.17)	(2,92,526.79)	(2,94,679.92)



Notes

1. On May 30, 2017, the Company's application for Corporate Insolvency Resolution Process ("CIRP") under the provisions of Insolvency & Bankruptcy Code, 2016 ("IBC"), has been approved by the Hon'ble National Company Law Tribunal ("NCLT"), and accordingly CIRP proceedings have been initiated. As per the provisions of the IBC, under CIRP, the RP is required to manage the operations of the Company as a going concern and accordingly, a resolution plan needs to be presented to and approved by the Committee of Creditors ("CoC") by a requisite majority (as per applicable provisions of the IBC at that time), and thereafter submission of the duly approved Resolution Plan to the Hon'ble NCLT for its approval.

Pursuant to initiation of CIRP, Ebix Singapore Pte. Ltd., submitted the resolution plan which was approved by the CoC consisting of all bankers of the Company on February 17, 2018 and accordingly the same was submitted with Hon'ble NCLT on March 07, 2018.

Subsequently, Ebix has filed an application under Section 60(5) of IBC seeking withdrawal of its Resolution Plan. After multiple hearings, the application seeking withdrawal of Ebix's resolution plan was listed before the Principal Bench, the Hon'ble NCLT for the pronouncement of order on January 02, 2020. Vide Order dated January 02, 2020 passed by the Hon'ble NCLT, the withdrawal application of Ebix was allowed to the extent of granting leave to Resolution Applicant to withdraw the Resolution Plan pending approval u/s 30(6) before the Hon'ble NCLT with cost of Rs. 1 lakh to be paid by the Resolution Applicant into the corpus of the Corporate Debtor. Further, the Hon'ble NCLT, vide the same order, also granted 90 days-time commencing from November 16, 2019 to the RP and CoC to seek/expedite the possibility of achieving resolution of the stressed assets of the Corporate Debtor within such time of 90 days. Thereafter, the Hon'ble NCLT vide its Order dated January 03, 2020, dismissed the approval application as infructuous as a consequence of its order dated January 02, 2020 which allowed the withdrawal of the Resolution Plan by Ebix.

Thereafter, after discussions and deliberation in the CoC meetings, an appeal under Section 61 of Insolvency and Bankruptcy Code, 2016 against the Order of the Hon'ble NCLT dated January 02, 2020 (allowing withdrawal of Resolution Plan) and Order dated January 03, 2020 was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT") by CoC's legal Counsel. Multiple hearings took place in the Hon'ble NCLAT in the said matter. Further, due to lockdowns imposed by government authorities in view of the prevailing situation due to Covid-19, the Courts remained suspended till the month of May, 2020. The appeal was heard by the Hon'ble NCLAT on June 15, 2020 wherein the arguments made by CoC Counsel were heard in part and thereafter, the matter was adjourned to June 22, 2020 wherein the remaining submissions were made by the respective parties. On July 29, 2020, the appeal filed by CoC was listed before Hon'ble NCLAT for the pronouncement of order. The Hon'ble NCLAT has allowed the appeal and has set aside the Hon'ble NCLT order dated January 02, 2020 vide CA No. 1816(PB)/2019 in C.P.(IB)No. 101 (PB) 2017.

Thereafter, Ebix challenged the NCLAT's final order and judgment dated July 29, 2020 before the Hon'ble Supreme Court of India by way of a civil appeal.

The question of law involved in Ebix's appeal is "Whether the withdrawal of Resolution Plan is permitted after it has been approved by the CoC". Considering the issues similar to those involved in Ebix's Appeal have also been raised in the matters of Gujarat Urja Vikas Nigam Ltd vs. Amit Gupta and Ors. (Civil Appeal No. 9241 of 2020) and Kundan Care Products Limited vs. Amit Gupta (Civil Appeal No. 3560 of 2020), all the three matters have been kept together for hearing. The Gujarat Urja Vikas Nigam Ltd. matter was being heard first and arguments in the said matter (to be followed by the other two matters) which were part-heard as on February 03, 2021, February 04, 2021 and February 9, 2021. Subsequently, on February 10, 2021, the Hon'ble Court heard the Gujarat Urja Vikas Nigam Ltd. matter and wherein the order was pronounced on March 08, 2021 in the Gujarat Urja matter. Later, the Hon'ble Supreme Court vide order dated September 13, 2021, dismissed the civil appeal preferred by Ebix.

The CoC's Appeal bearing No. 587 of 2020 assailing NCLT's order dated January 3, 2020 (in IA 195 of 2018) was further listed for pronouncement of the judgment before the Hon'ble National Company Law Appellate Tribunal, Bench-III at New Delhi ("Bench") on November 12, 2021 allowing the CoC's appeal and setting aside the Impugned Order. The Hon'ble Bench also directed the Adjudicating Authority to restore CA No. 195(PB)/2018 and proceed in accordance with law.



The Miscellaneous Application has been filed on November 18, 2022 before Hon'ble Supreme Court seeking appropriate direction for expeditious disposal of Plan Approval Application and the matter is disposed on August 18, 2023 with a direction to NCLT to dispose of the application for approval of the Resolution plan as expeditiously as possible and in any event within a period of two months from the date of this order.

On November 29, 2021, an application for the restoration of Plan Approval Application has been filed by before the NCLT, Principal Bench at New Delhi. The Restoration Application has been registered as RA 39 of 2021 and after various hearings, on August 29, 2023 the matter is reserved for order.

2. Moratorium period

The Hon'ble NCLT vide its letter dated May 30, 2017 has declared the moratorium period as per the provision of section 13 (1) (a) of the Insolvency and Bankruptcy Code, 2016 ("Insolvency Code") which is further extended to February 24, 2018. As the Resolution Plan is under consideration by Hon'ble NCLT therefore the moratorium period continue to be in effect till conclusion of the CIRP process.

As per section 14 of the IBC, declaration of moratorium prohibits the following activities:

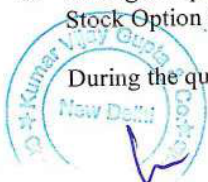
(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority; (b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; (c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; (d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

3. Since the power of the Board of Directors stand suspended after the commencement of CIRP, The above unaudited standalone financial results for the quarter and nine month ended December 31, 2022 have been reviewed and approved by the Resolution Professional.
4. The unaudited standalone financial results for the quarter and nine month ended December 31, 2022 have been prepared in accordance with the accounting principles generally accepted in India, including Ind AS specified u/s 133 of the Companies Act, 2013, read with the relevant rules issued thereunder
5. The Company has incurred substantial losses, its net worth has been completely eroded, has defaulted in repayment of its loans and related interest, has negative working capital and has applied under the Insolvency and Bankruptcy Code for CIRP. All these conditions has raised substantial doubt about the Company's ability to continue as a going concern.

The management is of the view that the Company has been able to fund its operational liabilities from its internal accrual of funds and is also confident that the Company would have sufficient fund balance to continue as a going concern. Further, the management is also confident to agree on a Resolution Plan/Business Revival plan for the Company during this ongoing CIR process. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustment relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

6. The company has not accrued interest on borrowings post May 30, 2017, being Corporate Insolvency Resolution Process (CIRP) commencement date. The amount of such interest not accrued is estimated to be Rs. 10,234.39 lacs for the quarter. The cumulative amount of interest not accrued as at December 31, 2022 is estimated to be Rs. 179,779.27 lacs.
7. The Company makes Provision for Gratuity and Provision for Leave Encashment based on Actuarial Valuation at the close of Financial Year. No such Provision has been made during the quarter ended December 31, 2022.
8. During the quarter ended December 31, 2022, the Company has not granted any stock options under Employee Stock Option Scheme of the Company.

During the quarter ended December 31, 2022, the Company has not allotted any equity Shares.



Paid up Capital of the Company as on Balance Sheet date is Rs. 244,934,336 consisting of 122,467,168 Equity Shares of the face value of Rs. 2 each.

9. In respect of 350, 13.50% Secured Redeemable Non Convertible Debentures of Rs. 1,000,000 each aggregating Rs. 3,500 lacs, the Company has created partial security on the assets of the Company.
10. The segment wise revenue, results and capital employed have been prepared in accordance with the IND AS - 108 "Operating Segments".
11. The basic and diluted earnings per share has been calculated in accordance with the IND AS - 33 "Earnings Per Share".
12. As per regulation 33(3)(d) of SEBI (LODR) Regulation, 2015, if the Listed entity has subsidiaries, it shall, while submitting quarterly and year to date Financial Results, shall also submit quarterly and year to date Consolidated Financial Results. It is to be noted that, the Resolution Professional in his powers shall have control over the management of the company only and not on its subsidiaries, associate, or group companies.

The quarterly Financials of the subsidiaries have not been made available and therefore, only standalone unaudited Financial Results are submitted to the Stock Exchange.

13. Due to inadequacy of the profits, managerial remuneration paid by the Company to one of its Whole Time Director during the quarter ended June 30, 2015 and year ended March 31, 2015, was in excess of limits prescribed under Section 197 and 198 read with Schedule V to the Companies Act, 2013. Similarly, managerial remuneration paid during the financial year ended March 31, 2014 to one of its Whole Time Director was also in excess of limits prescribed under Section 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. The management of the Company had filed an applications to the Central Government to obtain its approval for the waiver/approval of the remuneration so paid in years ended March 31, 2014, March 31, 2015 and quarter ended June 30, 2015. Since the Company had not received any response from the Central Government approving or granting any waiver for the said excess remuneration, pursuant to the provisions of Section 197(9) of the Companies Act, 2013, the Company (through its resolution professional) has sought a refund via email dated December 28, 2020, for the entire excess remuneration paid. The amount is however, yet to be refunded by the Whole Time Director.
14. In accordance with the provisions of the Insolvency and Bankruptcy Code (Insolvency Code), public announcement was made for submission of proof of claims against the Company from financial creditors, operational creditors and employees and workmen. As per the Insolvency and Bankruptcy Code, the Resolution Professional (RP) has to receive, collate and admit all the claims submitted against the Company. Such claims can be submitted to the RP during the Corporate Insolvency Resolution Process (CIRP), till the approval of a resolution plan by Committee of Creditors (CoC).

The following claims have been filed against the Company by its creditors (financial and operational), workmen and employees, and taken into cognizance by the committee of the creditors in its meeting dated February 17, 2018:

(Rs. in lacs)

Particulars	Claimed Amount	Admitted Amount	Not Admitted
Creditors (financial)	3,10,808.93	3,02,426.61	8,382.32
Creditors (operational)	2,198.37	1,641.33	557.05
Workmen and employees	773.99	309.29	464.70
Total A	3,13,781.29	3,04,377.23	9,404.07

reconciliation of the claims admitted viz-a-viz liabilities outstanding in the books of accounts is yet to be prepared.



15. The company did not have any internal audit conducted during the quarter ended December 31, 2022 as required under section 138 of the Act.
16. The Company is currently subjected to the investigations by Serious Fraud Investigation Office (SFIO) and the Central Bureau of Investigation (CBI). Certain information have been requested by them from the Company and the investigations are currently underway. The Company is yet to get any orders or directions in this respect from the said Authorities till the date of signing these standalone Ind AS Financial Statements.
17. The Company has not been in compliance with various other provisions of the Companies Act 2013, SEBI (LODR) Regulations, 2015, Foreign Exchange Management Act, 1999 and Goods & Service tax Act, 2017.
18. The financial results of the Company for the quarter and nine month ended December 31, 2022 are also available on website of the Company (www.educomp.com), National Stock Exchange of India Limited (www.nseindia.com) and Bombay Stock Exchange Limited (www.bseindia.com).
19. Previous period/year figures have been regrouped and rearranged, wherever considered necessary to conform to the classification in current period.

By order of the Board of Directors
For Educomp Solutions Limited



Mahender Kumar Khandelwal
Resolution Professional
Regn.No IBBI/IPA-001/IP-P00033/2016-17/10086



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Place: New Delhi
Date: 14-09-2023

