



August 10, 2020

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Scrip Symbol: EDUCOMP

Scrip Code: 532696

Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Impact Of COVID-19 Pandemic on the Company

Dear Sir(s),

This has reference to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 requiring the Listed Companies to disclose the impact of COVID-19 pandemic on their business, performance and financials, both qualitatively and quantitatively.

Initial Response and Current Situation:

In response to the early signs of the pandemic, employee advisory was issued on March 23, 2020, which required work planning for critical tasks and encouraging employees to largely work from home. Non-essential travel was halted, entry of external stakeholders visit on office premises was restricted. In terms of the guidelines issued by the Government of India, States and other concerned authorities for taking preventive measures to protect the citizens from this global medical emergency due to COVID-19, the Company kept its offices closed at all locations from March 23, 2020 which was regularly updated as per the guidelines received from State authorities. Simultaneously, Business Continuity was ensured through availability / accessibility of required data to authorize personnel of the Company.

The Company strictly complied with all the guidelines prescribed by the Ministry of Home Affairs and the State Government from time to time, including following of necessary precautionary measures at its offices, maintaining hygiene standards, screening of the employees and other visitors, regular sanitization of work-place, supply of hand sanitizers, hand-wash and water etc.

In view of the relaxations provided by the Order issued by Ministry of Home Affairs (MHA), Govt. of India, dated May 1, 2020, the offices of Company have been resumed in a phased manner from June 08, 2020 with strict protocols and Do's & Don'ts to be followed by the staff. Downloading of AarogyaSetu app by employees with smartphone has been mandated and a self-declaration form, which also captures information from the app, is required to be signed by each employee on each day of attending office.

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

Impact on the CIRP Proceedings:

Further, as intimated earlier 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. The pandemic situation has further delayed the continuing litigation(s) in which the Company is involved. This has severely impacted the business operations of the Company.

Impact on Finalization and Audit of Accounts

The financial statements of the Company for the Financial Years 2017-18 and 2018-19 are not audited yet, hence the Company has not called the 24th and 25th AGM, as yet. In addition to the delay caused due to continuing litigation and non-cooperation by concerned stakeholders in finalization of the accounts, the pandemic situation has further delayed the accounts finalization and audit completion due to non-availability of official records particularly for employees working from home, non-availability of staff of the Company and / or the auditors, and other facilities for employees working from home, lack of and / or delay in obtaining information from vendors / banks / auditors, delay in submission / non-submission of records and information by the subsidiaries located at various geographical locations. Despite the issues and hurdles faced by the Company, all efforts are being made to ensure that the audit of the financial statements is completed for FY 2017-18 and FY 2018-19.

Impact on Financial Position:

Upon finalization of the accounts, the Company will be able to quantify any impact on its financial results and position due to COVID-19. However, the adverse impact of the following on the financial statement due to the pandemic situation is evident:

- Since the Company is into licensing of software for online education to schools, the Company is severely impacted by continuing closure of schools due to prevailing Covid situation and subsequent non-payment of license fees.
- There is a delay in realization of Receivables which are pending under various stages of litigation at Courts across the country.
- Most of the clients have discontinued their contract with the Company.
- Additional cost has been incurred to sanitize the office premises and to implement preventive measures in the office, to reimburse expenses incurred by employees / consultants / professionals engaged by the Company since public transportation facility is not available.

Impact on Business Operations:

The Company is finding it difficult to procure new operations/business and servicing only to old customers and hence comprises of very limited staff and trying to stay afloat. Delay in completion of the existing assignments and non-availability of manpower has limited the new

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opportunities for the Company and has stalled the Company's growth. Since the schools all over the country are not functioning, hence, the Company is not able to sell its software which has led to severe financial crisis.

Impact on Compliances:

There were frequent resignations of Directors as well as Company Secretary & Chief Financial Officer since the initiation of CIRP. There is no proper composition of the Board and the Committees of the Board i.e. Audit Committee, Nomination and Remuneration Committee and Stakeholders Grievance Committee etc. In the Board, there is only one Director i.e. Mr. Shantanu Prakash, who is also Promoter of the Company. Most of the senior employees and other employees have also resigned since commencement of CIRP.. The Company has not been able to comply with various provisions of the Companies Act, 2013, SEBI (LODR), 2015. The Company is making efforts to comply with pending compliances. The Company along with its Director/Ex-Directors, Employees/Ex-Employees are facing legal issues and investigations such as investigation by SFIO, CBI.

In view of the above reasons, the Company is finding it very difficult to hire new resources, particularly at the senior management level. The pandemic situation has further worsened the situation and the hiring process has almost come to a halt. This has resulted in continued defaults and non-compliances.

To conclude, as stated above, the Present COVID-19 pandemic situation has deeply aggravated the already stressed situation of the Company

You are requested to take the above on record.

Thanking You.

Yours Truly,

Mahender Kumar Khandelwal
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