

Date: 19-02-2024

The Secretary Listing Department BSE Limited PJ Towers, Dalal Street, Mumbai - 400 001 <b>Script Code: 532696</b>	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 <b>Script Code: EDUCOMP</b>
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**Sub: Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) - Annual Report for the Financial Year 2022-23 including notice of the 29<sup>th</sup> Annual General Meeting of the Company.**

Dear Sir / Madam,

This is to inform that the 29<sup>th</sup> Annual General Meeting (“AGM”) of the members of the Company will be held on Friday, March 15, 2024 at 11:30 A.M. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), in accordance with the relevant circulars issued by the ministry of Corporate Affairs and the Securities and Exchange Board of India.

The details such as manner of (i) registering / updating email addresses, (ii) casting vote through remote e-voting and (iii) attending the AGM through VC / OAVM has been set out in the Notice of the AGM.

The Annual Report for the Financial Year 2022-23, including the Notice convening Annual General Meeting, being sent to the members through electronic mode, is enclosed for your record. The Company has fixed Friday, March 8, 2024 as the “Cut-off Date” for the purpose of determining the members eligible to vote through remote e-voting on the resolutions set out in the Notice of the AGM or to attend the AGM and cast their vote thereat.

The Annual Report including Notice will also be available on the website of the Company, <http://www.educomp.com>.

You are requested to acknowledge and update the same in your records.

Thanking You,

Yours Truly,

**For Educomp Solutions Limited**



**Mahender Khandelwal**

**Caretaker Resolution Professional in the matter of Educomp Solutions Limited**

**Email: [mkipeducomp@bdo.in]**

**IBBI Registration No.: [IBBI/IPA-001/IP-P00033/2016-17/ 10086]**

**Educomp Solutions Limited  
(CIN: L74999DL1994PLC061353)**

**Corporate office: 514, Udyog Vihar, Phase III, Gurgaon – 122001, Haryana (INDIA).  
Tel.: 91-124-4529000.**

**Registered Office: L-314 (Ground and First floor), Gali No.7, Mahipalpur, New Delhi-110037.**

Web site [www.educomp.com](http://www.educomp.com); email: [investor.services@educomp.com](mailto:investor.services@educomp.com)

*Note: As informed earlier also vide various communications, 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. On 9<sup>th</sup> October, 2023 the resolution plan is approved by the NCLT which is yet to be implemented. Thereafter, on November 23, 2023 the NCLT has ordered that the RP would act as caretaker qua the CD and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP.*



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# **Educomp Solutions Limited**

29<sup>th</sup> Annual Report  
**2022-2023**



# INDEX

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice of Annual General Meeting	<b>1</b>
Resolution Professional's Report on Working & Affairs of the Company	<b>12</b>
Management Discussion and Analysis	<b>76</b>
Report on Corporate Governance	<b>82</b>
Standalone Financial Statements	<b>118</b>
Consolidated Financial Statements	<b>199</b>

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**EDUCOMP SOLUTIONS LIMITED**

[CIN: L74999DL1994PLC061353]

Regd. Office: L-314 (Ground and First Floor), Gali No.7, Mahipalpur, New Delhi-110037

Website: [www.educomp.com](http://www.educomp.com) E-mail: [investor.services@educomp.com](mailto:investor.services@educomp.com)

Tel.: 91-124-4529000 Fax: 91-11-25766775

**Notice of Annual General Meeting**

NOTICE is hereby given that Twenty Ninth Annual General Meeting of the Members of Educomp Solutions Limited ("the Company") will be held on Friday, March 15, 2024 at 11.30 A.M. IST through video conference / other audio-visual means ("VC") to transact the following businesses:

**ORDINARY BUSINESS****ITEM NO. 1:**

To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the financial year ended 31st March, 2023, together with the reports of the Resolution Professional and Auditor thereon.

**SPECIAL BUSINESS****ITEM NO. 2:****TO APPROVE AND RATIFIED THE REMUNERATION OF M/S AHUJA SUNNY & CO., COST ACCOUNTANTS OF THE COMPANY.**

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as "the Act") and the Companies (Audit and Auditors) Rules, 2014, (including any amendments, statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions, if any, of the Act, M/s. Ahuja Sunny & Co., Cost Accountants appointed as Cost Auditors by the Resolution Professional (as the power of the Board is suspended and delegated to Resolution Professional, as appointed in terms of Insolvency and Bankruptcy Code, 2016) of the Company to audit the cost records of the Company for the financial year 2022-23, be paid a remuneration of Rs. 40,000/- (Rupees Forty Thousand only) per annum (plus applicable taxes) and out of pocket expenses that may be incurred."

For Educomp Solutions Limited

Sd/-

**Mahender Khandelwal**

Caretaker Resolution Professional

Taken on record

IBBI Reg. No IBBI/IPA-001/IP-P00033/2016-17/ 10086

Date : 15/02/2024  
Place : New Delhi

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 02/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 (collectively referred to as "MCA Circulars") and, SEBI Circular No. Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 read with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May13, 2022 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. (collectively referred to as "SEBI Circulars") and other applicable circulars, permitted holding of the Annual General Meeting ("the Meeting/ AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members, Directors or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforesaid MCA and SEBI Circulars, the AGM of the Company will be conducted through VC/OAVM.
2. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and in view of the aforesaid MCA and SEBI Circulars, the Company has engaged the services of Link Intime (India) Private Limited ("LIPL") to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of the business to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM ("remote e-voting") is also being provided by LIPL.
3. In accordance with the MCA and SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. Since the AGM will be held through VC / OAVM, no Route Map is being provided with the Notice. The deemed venue for the AGM shall be the Registered Office of the Company.
4. The Company has enabled the Members to participate in the 29th AGM. The participation of members through VC/OAVM shall be counted for the purpose of reckoning quorum for the AGM under Section 103 of the Act.
5. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
6. Since this AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice.
7. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM') is annexed.
8. Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [ysaluja2005@gmail.com](mailto:ysaluja2005@gmail.com) with copies marked to the Company at [mkpieducomp@bdo.in](mailto:mkpieducomp@bdo.in); [ankit.bisht@educomp.com](mailto:ankit.bisht@educomp.com) and to its RTA at [swapann@linkintime.co.in](mailto:swapann@linkintime.co.in).
9. Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communication including Annual Report, Notices and Circulars etc. from the company electronically. **Members can do this by updating their email addresses with their depository participants.**

Registration of email ID and Bank Account details:

- (a) In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer



Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

(b) In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR

(ii) **In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC Code, mandates, nomination, power of attorney, change of address, change of name, e-mail address, contact numbers, etc to their depository participant ("DP"). Members holding shares in physical form are requested to intimate such changes to Company's RTA, i.e. Link Intime Private Limited along with relevant evidences or supporting.
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore requested to submit PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Company's RTA i.e. Link Intime India Private Limited.
12. SEBI has also made amendment to Regulation 40 of SEBI LODR Regulations with respect to mandatory dematerialization for transfer of securities. Pursuant to the aforesaid amendment to SEBI LODR Regulations, Listed Companies and their Registrars and Transfer Agents ("RTAs") are advised to ensure that shares which are lodged for transfer are mandatory in dematerialized form with effect from April 1, 2019. Therefore, shareholders are requested to get their physical shareholding dematerialized for any further transfers.
13. Pursuant to Section 91 of the Companies Act, 2013 read with Rules framed there under and Regulation 42 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of Members and Share Transfer Books will not be closed for the purpose of Annual General Meeting.
14. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.
15. The AGM Notice along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories or the Registrar and Share Transfer Agent i.e. Link Intime India Private Limited or the Depository Participant(s) in accordance with the aforesaid MCA Circulars and SEBI circulars. Members may note that the AGM Notice along with the Annual Report for the financial year 2022-23 will also be available on the Company's website <http://www.educomp.com/content/investors-home>; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. The Notice shall also be available on the e-voting website of the agency engaged for providing e-voting facility, i.e. Link Intime India Private Limited, (LIPL) viz., [instavote.linkintime.co.in](http://instavote.linkintime.co.in).

All documents referred to in the Notice and the Explanatory Statement/Annexure shall be made available for inspection by the Members of the Company, without payment of fees upto the date of AGM. Members desirous of inspecting the same may send their requests not later than March 12, 2024 at 11:00 A.M. at

mkipeducomp@bdo.in from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

In accordance with the MCA Circulars, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and Relevant documents referred to in this Notice of AGM and explanatory statement will be available for inspection on the date of AGM in electronic mode and shall remain open and be accessible to any Member.

16. Members of the Company holding shares either in physical form or in dematerialised forms as on Friday, February 16, 2024 will receive Annual Report and AGM Notice through electronic mode.
17. **PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and administration) Rules, 2014, as amended by the Companies (Management and administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), 2015 (“**Listing Regulations**”), the Company is pleased to provide members, the facility to exercise their vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the eligible members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) and e voting during Annual General Meeting will be provided by the Link Intime India Private Limited. The instructions to cast votes through remote e-voting and through e-voting system during the AGM are annexed separately and form part of this Notice.

The Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Friday, March 8, 2024. The remote-e-voting period commences on Tuesday, March 12, 2024 (9.00 a.m. IST) and ends on Thursday, March 14, 2024 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form as on the cut off date i.e. Friday, March 8, 2024 (hereinafter called as “**Cut-off Date**”), may cast their vote electronically. The remote E-voting module shall be forthwith blocked by Link Intime for voting thereafter. Once the vote on resolution is casted by the Member, he shall not be allowed to change it subsequently as well as a person who is not a member as on the Cut-off date should treat this Notice for information purpose only.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on cut off date Friday, March 8, 2024 are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date.

The resolution Professional has appointed CS Yogesh Saluja (C.O.P. No.22676) of M/s Yogesh Saluja & Associates, Practicing Company Secretaries (FRN : S2020DE718100) as the Scrutinizer to scrutinize the e- voting at the meeting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or a person authorised by him, in writing, in this regard. The Results along with the report of the Scrutinizer shall be placed on the website of the Company ([www.educomp.com](http://www.educomp.com)) and on the website of Link Intime India Private Limited (<https://instavote.linkintime.co.in>) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Friday, March 15, 2024

18. Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ul>

Type of shareholders	Login Method
	<ul style="list-style-type: none"> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Share holders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME</b>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>▶ Click on “<b>Sign Up</b>” under '<b>SHARE HOLDER</b>' tab and register with your following details: -                             <ol style="list-style-type: none"> <li>A. <b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                                     <ul style="list-style-type: none"> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> </ol> </li> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter).</li> </ul> </li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>▶ Click “<b>confirm</b>” (Your password is now generated).</li> <li>2. Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon for Educomp Solutions Limited.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ▶ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ▶ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

**19. Process and manner for attending the Annual General Meeting through InstaMeet:**

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions. Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
    - ▶ Select the “Company” and 'Event Date' and register with your following details: -
- A. Demat Account No. or Folio No :** Enter your 16 digit Demat Account No. or Folio No
- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
  - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

- Members can log in and join 15 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

**20. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

- Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company by sending their request on the e-mail id at [mkipeducomp@bdo.in](mailto:mkipeducomp@bdo.in).
- Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at [mkipeducomp@bdo.in](mailto:mkipeducomp@bdo.in), atleast 48 hours prior to the date of AGM i.e. on or before 10.00 a.m. (IST) on Wednesday, March 13, 2023. The same will be replied by the Company suitably.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **21. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

### **Note:**

*Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.*

*Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.*

*Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.*

*Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.*

*Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.*

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : 011 – 49411000 **InstaMeet Support Desk, Link Intime India Private Limited**



**Annexure to the Notice (Explanatory Statement in respect of the Special Businesses to be transacted at the AGM and set out under Item No. 2 of the accompanying Notice of AGM pursuant to Section 102 (1) of the Companies Act, 2013, as amended)**

**ITEM NO. 2**

Section 148 of the Act, inter-alia, provides that the Central Government may direct audit of cost records of class of Companies. Further, as you are aware that w.e.f. 30th May 2017 the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until 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. On 9th October, 2023 the resolution plan is approved by the NCLT which is yet to be implemented. Thereafter, on November 23, 2023 the NCLT has ordered that the RP would act as caretaker qua the CD and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP

In pursuance of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor, which shall also recommend remuneration for such cost auditor. The remuneration recommended shall be considered and approved by the Board and ratified subsequently by the shareholders.

In terms of the same, as specified above that post the initiation of the CIRP the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, Resolution Professional has, considered and approved the appointment of M/s Ahuja Sunny & Co., Cost Accountants as the cost auditor for the financial year 2022-23 at a remuneration of Rs. 40,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The resolution mentioned in Item no. 2 of the Notice is recommended for your approval.

For **Educomp Solutions Limited**

Sd/-

**Mahender Khandelwal**

Caretaker Resolution Professional

Taken on record

IBBI Reg. No IBBI/IPA-001/IP-P00033/2016-17/ 10086

Date : 15/02/2024  
Place : New Delhi

**RESOLUTION PROFESSIONAL'S REPORT ON WORKING & AFFAIRS OF THE COMPANY**

(As approved by the Resolution Professional appointed pursuant to order dated 12 September 2017 of the Hon'ble National Company Law Tribunal ("NCLT") in Company Petition (IB) No. 101(PB) of 2017 and acting as the Caretaker Resolution Professional in terms of the order dated 23 November, 2023 of the Hon'ble NCLT)

Dear Shareholders,

**Company under Insolvency and Bankruptcy Code 2016 (IBC)**

The Corporate Insolvency Resolution Process ("**CIRP**") against Educomp Solutions Limited ("**Company/ Corporate Debtor**") was initiated by the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("**Adjudicating Authority**") under Section 10 of the Code vide its order dated 30th May 2017. The Adjudicating Authority vide the same order appointed Dr. Sanjeev Aggarwal as the Interim Resolution Professional ("**IRP**") to conduct the CIRP of the Corporate Debtor. Later, in the third meeting of Committee of Creditors ("**CoC**") held on 12th September 2017, Mr. Mahender Kumar Khandelwal was appointed as the Resolution Professional ("**RP**") to run the CIRP of the Corporate Debtor.

Pursuant to his appointment, the RP published an Expression of Interest ("**EoI**") in terms of the code and applicable Regulations thereby inviting resolution plans for the revival and restructuring of the Corporate Debtor. Further, pursuant to the issuance of the EoI, the resolution plans were received from one Ebix Singapore Pte. Ltd. ("**Ebix**") and one Boundary Holdings SARL SPF. Pursuant to the discussions and deliberations with the CoC, the Resolution plan submitted by Ebix was put to vote. Ebix's resolution plan, in terms of Section 30(4) of the Code, was finally approved by the CoC with 75.35% majority voting share on 22nd February 2018 including vote of Chhattisgarh State Electricity Board ("**CSEB**") whose vote was received subsequently due to a technical glitch. Pursuant thereto, the Resolution Professional submitted Ebix's Resolution Plan for the approval of the Adjudicating Authority by way of an application under Section 30(6) and 31 of the Code (CA 195 of 2018) ("**Plan Approval Application**").

Around July 2019, while the Plan Approval Application was pending adjudication before the Adjudicating Authority, Ebix filed its first application seeking withdrawal of the Resolution Plan on account of the purported inordinate delay in approval of resolution plan by the Adjudicating Authority, and ongoing investigations into the affairs of the Corporate Debtor. The said application was dismissed by the Adjudicating Authority. Thereafter, Ebix filed another withdrawal application in August 2019 on the similar cause of action. The second application was also dismissed by the Adjudicating Authority. However, the third withdrawal application filed by Ebix (IA 1816 of 2019) after having been heard at length on 25th November 2019 was allowed by the Adjudicating Authority vide its order dated 02nd January 2020 ('Order dated 02 January 2020'). Thereby Ebix was permitted to withdraw its plan despite the same having been approved by the Committee of Creditors of Educomp ("**CoC**"). The Adjudicating Authority also imposed a cost of Rs. 1 lakh on Ebix and extended the CIRP of the Corporate Debtor by 90 days to begin from 16th November 2019. The Adjudicating Authority directed the Resolution Professional to expedite the possibility of achieving the resolution of the stressed assets within such extended period.

As a consequence of the Order dated 02 January 2020 passed by the Adjudicating Authority in third withdrawal application filed by Ebix (IA 1816 of 2019), the Adjudicating Authority dismissed the Plan Approval Application filed by the Resolution Professional vide its another order dated 3rd January 2020 ("**Order dated 03 January 2020**").

Thereafter, the Committee of Creditors of Educomp ("**CoC**") challenged the order dated 02 January 2020 passed by the Adjudicating Authority allowing the withdrawal before the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") on 28 January 2020 by way of an Appeal bearing number Company Appeal (AT) (Insolvency) No. 203 of 2020 ("**First Appeal**"). The First Appeal was listed for consideration before the NCLAT on 03 February 2020 wherein, the Appellate Tribunal was pleased to issue notice in the appeal and further stayed the operation of the order dated 2nd January 2020.

On 22nd June 2020, the CoC filed another Appeal i.e. Company Appeal (AT)(Ins) No. 587 of 2020 ("**Second Appeal**") before the NCLAT against the Order dated 3rd January 2020 passed by the Adjudicating Authority thereby dismissing the application of the RP seeking approval of the Resolution Plan filed by Ebix. It may be noted that the CoC gained

knowledge of the order dated 3rd January 2020 only during the hearing in the First Appeal and therefore, could not challenge the same at an earlier date.

The NCLAT allowed the First Appeal filed by the CoC vide its judgment dated 29th July 2020 and set aside the order dated 2nd January 2020 passed by the Adjudicating Authority inter alia holding that the Adjudicating Authority did not have the power to allow Ebix (RA) to withdraw its resolution plan after it was approved by the CoC.

Thereafter Ebix filed a Civil Appeal No. 3224 of 2020 ("**Ebix Appeal/Appeal**") before the Hon'ble Supreme Court of India ("**Hon'ble Supreme Court**") challenging the NCLAT Judgment dated 29 July 2020 passed in the First Appeal on the ground that (a) Ebix is not bound by the Resolution Plan until the same is approved by the Adjudicating Authority; (b) inordinate delay in the approval of the application under Section 31 and (c) pending SFIO and CBI investigations into the affairs of Educomp called for withdrawal.

The Hon'ble Supreme Court was pleased to issue notice in the Ebix Appeal on 07th October 2020 and vide the same order stayed the proceedings under Second Appeal before the NCLAT. The question of law involved in Ebix's Appeal was "Whether the withdrawal of Resolution Plan is permitted after it has been approved by the CoC".

The Hon'ble Supreme Court after hearing the parties vide its judgment dated 13th September 2021 dismissed the Appeal on the ground that "The existing insolvency framework in India provides no scope for effecting further modifications or withdrawals of CoC-approved Resolution Plans, at the behest of the Successful Resolution Applicant, once the plan has been submitted to the Adjudicating Authority. The Hon'ble Court further held that "A submitted Resolution Plan is binding and irrevocable as between the CoC and the successful Resolution Applicant in terms of the provisions of the IBC and the CIRP Regulations."

Accordingly, the Hon'ble Supreme Court dismissed Ebix's Appeal.

Consequent to the Supreme Court's order the NCLAT allowed the Second appeal, on 12th November 2021, dated against the NCLT Order dated 3rd January 2020, and immediately thereafter the certified copy of NCLAT order dated 12th November 2021 along with the certified copy of Hon'ble Supreme Court order were filed with the Registry of the NCLT. However, despite filing the said orders with the NCLT, the NCLT did not list the matter in time. Therefore, to escalate the matter an application for restoration was (RA 39 of 2021) filed. Finally, the RA 39 of 2021 came up before the NCLT on 3rd December 2021, where the Hon'ble NCLT remarked that 'it's a shame that this matter couldn't be taken up on its own' and vide its order dated 03rd December 2021 it was said that there was no requirement of filing restoration application, nevertheless this application has been filed in the deference of the Hon'ble Supreme Court and NCLT Order. The NCLT thereafter listed the Plan Approval Application for hearing on 22nd December 2021.

On 22nd December 2021, the matter was listed for hearing and part argument took place. The matter was then adjourned to 25th January 2022. However, before the matter could be taken up on the said adjourned date i.e., 25th January 2022, an application (IA 187 of 2022) Ex-Director's Application was filed by the Ex-Director- Mr Shantanu Prakash, also the promoter of Corporate Debtor, seeking direction from the NCLT to direct Resolution Professional to take action w.r.t the transaction which concerns the insolvency of Corporate Debtor's subsidiary based out of Singapore. The NCLT has not issued any notice in this application so far.

Thereafter, the application for plan approval was listed for 25th January 2022, but was simpliciter adjourned to 15th March 2022. Meanwhile, the Resolution Applicant filed another application IA 397/2022, which came up for hearing on 27th January 2022, and in the said application the Resolution Applicant sought certain information from the Resolution Professional regarding the annual returns, financial statement and status of affairs of the Corporate Debtor. RP's Counsel opposed IA 397 of 2022 and also filed a reply to IA 397 of 2022.

On 14th February 2022, IA 397/2022 was listed before the NCLT, however, the reply filed by RP was not available on record. The NCLT on that date granted liberty to RA to file Rejoinder to IA 397 of 2022 and adjourned it to 28th February 2022. On 28th February 2022, IA 397 of 2022 got listed before the Special Bench, therefore, again it was adjourned to 08th March 2022 for it to be heard by the Regular Bench, the matter was adjourned to 8th March 2022. The IA 397 of 2022 was finally taken up on 8th March 2022, where the RP Counsel opposed the application extensively and the same was dismissed on the ground of being premature.

On 11th April 2022, fresh application IA 1611 of 2022 was filed by the Resolution Applicant seeking issuance of a direction to the Resolution Professional to take steps to protect the assets owned by Corporate Debtor's Wholly Owned Subsidiary ("EPEL") attached by the Enforcement Directorate which was dismissed by the Adjudicating Authority the same day since the attached asset(s) were owned by EPEL and not the Corporate Debtor. The Adjudicating Authority adjourned the Plan Approval Application for hearing on 19 April 2022.

On 19th April 2022, the Adjudicating Authority directed the Resolution Professional to file the soft copy of the complete order sheets along with the list of dates of events in the form of an Additional Affidavit along with the soft copy of the Order(s) dated 02 January 2020 and 03rd January 2020 as also the judgments passed by the Hon'ble Supreme Court and Hon'ble NCLAT dated 12 November 2021. Thereafter, the matter was adjourned to 06 May 2022 for further hearing.

On 06 May 2022, the NCLAT heard the Co. Appeal (Ins.) No. 507 of 2022 filed by the Resolution Applicant challenging the order dated 08 March 2022 passed by the NCLT dismissing IA 397 of 2022. The NCLAT dismissed the appeal on the direction to RP that on the approval of the Resolution Plan, all of the required information which is available with the Resolution Professional shall be provided to the Resolution Applicant.

On 06 May 2022, the Plan Approval Application was also listed before the Adjudicating Authority for hearing, however, the same could not be taken up due to non-availability of Technical Member constituting the Bench hearing the matter. The matter was adjourned to 24.05.2022 accordingly.

Thereafter on 19 May 2022, Co. Appeal (Ins.) No. 550 of 2022 preferred by Resolution Applicant against order dated 11.04.2022 passed by the Adjudicating Authority n IA 1611 of 2022 was listed. The Hon'ble NCLAT pursuant to the submissions made by respective parties disposed of the appeal by directing the Resolution Professional to share the Provisional Attachment Order passed by Directorate of Enforcement with the Resolution Applicant.

On 24 May 2022, the Plan Approval Application was again listed for hearing before the Adjudicating Authority however, the matter could not be taken up due to non-availability of the Bench to hear the matter post the lunch hours. Accordingly, matter was adjourned to 01 June 2022.

On 01 June 2022, when the Plan Approval Application was taken up, the Judicial Member stated that since both him and the technical member constituting the present Bench are retiring in June 2022, all pending matters would only now be heard in the month of July. Accordingly, a short date of 08 July 2022 was given by the Registry for listing the Plan Approval Application.

On 05 September 2022, the following applications were listed- C.A No. 195(PB) of 2018 – Plan Approval Application, I.A No. 187 of 2022 – Application by Mr. Shantanu Prakash seeking directions and I.A. No. 3112 of 2022- Application filed by Sri Guru trust claiming to be an Operational Creditor. However, the matter could not be taken up since the Judicial Member had to sit in another Bench post-lunch and the matter was adjourned to **29 September 2022**.

In order to ensure hearing of the Plan Approval Application on 29.09.2022, I.A 4377 of 2022 (listed on 14 September 2022) was filed by the Resolution Professional, seeking listing of the Plan Approval Application high on board on the scheduled date of listing i.e. 29 September 2022 or to have the matter set down for a fixed time on that date for expeditious disposal. The Bench acknowledged the request and disposed of the application directing the Registry to list the Plan Approval Application at the top of the Board for the matters listed on 29 September 2022, after the supplementary and admission matters.

On 29 September 2022, the matter comprising the pending applications before the Adjudicating Authority were listed before a Special Bench rather than the usual Bench to which the matter is assigned. The Bench stated that since the Regular Bench was not available, the Bench adjourned the matter to 03 October 2022.

On 03 October 2022, the Senior Counsel representing the Resolution Professional submitted before the Bench that apart from the Plan Approval Application, there are two applications pending, one filed by the ex -promoter and the second by an operational creditor, both of which do not have any bearing on the Plan Approval Application. Further, a request was also made to the Bench to decide the Plan Approval Application. The Bench noted the submissions but expressed its inability to take up the matter as the Judicial Member had to take up the matters of another Bench after lunch hours and accordingly adjourned the matter to 09 November 2022.

On 09 November 2022, the Bench again expressed its inability to take up the matter as the Judicial Member had to take up the matters of another Bench and accordingly adjourned the matter to 06 December 2022.

On 06 December 2022, the Bench considered the Plan Approval Application at length and heard the submissions made by Senior Counsel representing Resolution Professional up till 2 pm. Thereafter, the Bench adjourned the matter to 07 December 2022 (the next day) for the resumption of arguments on the Plan Approval Application.

On 07 December 2022, the Bench directed the Resolution Professional's Counsel to resume arguments on the Plan Approval Application. The Senior Counsel representing RP presented submissions on the contents of the Resolution Plan while simultaneously taking the Bench through the relevant clauses of the Plan. On this date, the Bench for its understanding and reference directed the RP to file the Compliance Certificate dated 26.09.2018 in the form of FORM-H. The matter was accordingly adjourned to 14 December 2022 for the purpose of bringing Form H on record.

On 14 December 2022, in compliance with the order dated 07 December 2022, Form H was filed by the Resolution Professional by way of an Additional Affidavit. However, the Bench stated that since the Ld. Technical Member has to preside in another Bench after lunch and the Additional Affidavit so filed is also not yet reflecting on the DMS (online portal) of the NCLT, the matter (all the pending applications) was accordingly adjourned to 03.01.2023.

On 03 January 2023, the following applications were listed:

- I. I.A No. 195 of 2018 – Plan Approval Application by RP
- II. I. A No 20 of 2023 – Application to file Revised Form H by RP
- III. I.A No. 3112 of 2022- Sri Guru Trust Application
- IV. I.A No. 187 of 2022- Ex- Director Application

At first, the Bench took up **(I.A. 20 of 2023)** filed by the Resolution Professional to bring on record the revised Form H to bring out greater clarity in respect of certain issues/ provisions under the Resolution Plan. The NCLT allowed I. A 20 of 2023 and took the revised Form H on record.

Thereafter, the Bench called out **I.A 3112 of 2022** (Sri Guru Trust Application). The Bench took a brief overview of the Sri Guru Trust Application filed by Sri Guru Trust claiming to be an Operational Creditor of the Corporate Debtor. The Senior Counsel appearing for the Resolution Professional vehemently denied the maintainability of the present application. The Bench then noted that they will take up the application after hearing the Plan Approval application.

Thereafter, the Bench took up **I.A. 187 of 2022** (Ex-Directors Application) and enquired about the issue involved in the Application. After much elucidation on the Application by the Counsels representing respective parties, the NCLT directed the Applicant and the RP Counsels to file a detailed chart of the entities involved and the transaction under the Ex-Directors' Application for its understanding. Thereafter, all applications including the Plan Approval Application were adjourned to 06 February 2022.

On 06 February 2023, the Bench took I.A 187 of 2022. The counsel appearing on behalf of Mr. Shantanu Prakash gave background about the application filed by Mr. Shantanu Prakash and issues involved. In response, the counsel appearing on behalf of the RP inter alia challenged the maintainability of the application filed by Mr. Shantanu Prakash under Section 45 and 47 of the Code. After hearing the submissions, the Hon'ble Bench determined six questions and directed all parties to file short written synopsis. All the applications were directed to be listed on 01 March 2023 including I.A 195 of 2018 (Plan Approval Application) and I.A No. 3112 of 2022 (Sri Guru Trust Application).

Thereafter, all the three applications were listed on 01 March 2023. When the matter was called out, the Bench took I.A 187 of 2022. The Bench enquired about the status of the written synopsis as directed by the Bench by its order dated 06 February 2023. The counsel appearing on behalf of the RP, Mr. Shantanu Prakash and SBI Singapore informed the Bench that they have filed the written synopsis. The counsel appearing on behalf of the COC informed that they could not e-file the written synopsis because of a technical fault in the filing system. Meanwhile, Mr. Saurabh Kirpal, Senior Advocate appearing on behalf of Mr. Shantanu Prakash in IA No. 187/2022 joined the hearing via video conference. The bench was not inclined to hear Mr. Kirpal on video conference and directed him to appear in person. Mr. Kirpal sought accommodation to appear and make submissions in IA No. 187/2022 after a week. After hearing the brief submissions

of all parties, the Bench listed IA No. 187 on 22 March 2023.

The Bench then took I.A No. 3112 of 2022. The counsel appearing on behalf of Shri Guru Trust gave a background of the application. The counsel informed the Bench that the RP has admitted and acknowledged to pay INR 31,26,000 to the Applicant. Counsel appearing on behalf of the RP in response submitted that no claim form was filed by the Applicant during the corporate insolvency resolution process and secondly no bifurcation is provided by the Applicant to show which part of the claim belongs to post-CIRP and pre-CIRP period. The counsel also submitted that any dues for post-CIRP period will become part of the CIRP and the dues pertaining to pre-CIRP period cannot be accepted by the RP at this stage as the resolution plan is already pending approval before the bench. After hearing the submissions, the Bench directed that upon the Applicant furnishing a break-up of its claim INR 31,26,000, the RP would examine and verifying the same in accordance with the provisions of the Code.

Thereafter, C.A 195 (Plan approval application) was mentioned by Mr. P Nagesh. He submitted that there is great urgency in the matter as also the long wait through which the lenders have been put through on account of the delay. He also traced the background of the matter and prayed that the application be taken up and disposed of at the earliest. Pursuant to his request, the Bench listed CA 195 along with IA No. 187/2022 on 22 March 2023.

Thereafter, the matter was listed on 22 March 2023. However, due to paucity of time, the two remaining applications i.e., IA No. 187/2022 and C.A 195 (Plan approval application) were adjourned to 24 April 2023.

On 24 April 2023, both the applications were listed. When the matter was called out, the Bench took IA No. 187/2022. During the hearing, the counsel appearing on behalf of Mr. Shantanu Prakash sought for a pass over since Mr. Saurabh Kirpal, Senior Advocate leading them in the matter was held up in a constitution bench matter before the Supreme Court. The Bench expressed its inability to pass over the matter and intended to give a short date. The counsel appearing on behalf of the COC and the RP pressed listing of CA 195 (Plan Approval Application). Upon the request, the Bench have a short date and now listed the matter on 08 May 2023.

On 08 May 2023, the Bench first called out I.A 187/2022. The counsel appearing on behalf of Mr. Shantanu Prakash sought for a pass over on the ground that Mr. Saurabh Kirpal was on his legs before another court. The Bench expressed its inability to pass over the matter and requested Mr. P Nagesh to proceed with his submissions on C.A No. 195 (PB) of 2018. The Bench accordingly took C.A No. 195 (PB) of 2018. Mr. P Nagesh, appearing on behalf of the RP took the Bench through Form H and explained the amount payable to various creditors under the Resolution Plan along with relevant clauses. Mr. P Nagesh also took the Bench through various compliances of the Resolution Plan with the provisions of Code and CIRP Regulations. During the hearing, the Bench enquired about fair value, Section 29A affidavit by the Successful Resolution Applicant, performance bank guarantee etc. In response, Mr. P Nagesh submitted that the concept of fair value was inserted by IBBI by its notification dated 06.02.2018 and therefore, the same was not applicable. Further, P Nagesh referred to the referred to the undertaking dated 28.11.2017 by the Successful Resolution Applicant giving its declaration cum undertaking that there is no violation of Section 29A. The Bench on observing the multiplicity of pleadings that have been filed in C.A No. 195 (PB) of 2018, directed the RP and the COC to comply with the following directions, within 1 (One) week:

- (i) Filing of the Resolution Plan along with all the annexures and addendums;
- (ii) Since the proposed Resolution Plan did not contain any provision for the Performance Bank Guarantee ("PBG"), the RP was directed to place the same on record. The Bench also stated that in case the same has not been deposited, then the Successful Resolution Applicant must take steps to file the PBG;
- (iii) Filing of a detailed table indicating the size of the plan and distribution of funds; The RP and COC were directed to file this as a joint affidavit with reconciled figures, dates, pages etc.
- (iv) To point out source of funds and implementation of the Resolution Plan duly approved by the COC

Mr. P Nagesh, on the direction of the Bench with respect to submission of PBG point, submitted that the RP cannot place on record the PBG. Mr. P Nagesh referred to Regulation 36B of the CIRP Regulations and submitted that the requirement of submitting a PBG in terms of Section 36B of CIRP Regulations came into effect only on 24.01.2019, whereas the plan was approved on 22.02.2018. The Bench noted the observations of Mr. Nagesh and stated that they will look into this issue on the next date of hearing.

Thereafter, I.A 187 was once taken up by the Bench. The counsel appearing on behalf of Mr. Shantanu Prakash informed the Bench that Mr. Saurabh Kirpal is still on his legs and will be unable to appear before the Bench today and accordingly requested for a date. In response, the Bench noted that an adjournment is being sought for the second time on the ground of unavailability of Mr. Saurabh Kirpal and stated that they are of the opinion that the Application by ex-director should be dismissed on the grounds of non-prosecution. The counsel appearing on behalf of Mr. Shantanu Prakash requested for a last opportunity. The Bench allowed the request with the remark that last opportunity is given to the ex-director to make submissions in support of his application, failing which the application of the ex-director will be dismissed on grounds of non-prosecution on the next date of hearing. After hearing the submissions, the Bench posted the matter on 25.05.2023.

In compliance of the directions given by the Bench, the RP filed its affidavit on 23.05.2023. On the next date of the hearing i.e., 25.05.2023, both the applications were listed i.e., I.A 187/2022 and C.A 195 (PB)/2019. The Bench took I.A 187/2022 first. Mr. Saurabh Kirpal, Senior Advocate appearing on behalf of Mr. Shantanu Prakash proceeded with his arguments. Mr. Saurabh Kirpal inter alia submitted that:-

- actual valuation of the shares that have been sold amounts to USD 250 Million and that it has been sold at a highly undervalued price and in a non-transparent way.
- exception under explanation to Section 18 (i.e. assets of the Corporate Debtor shall not include assets of its Indian or foreign subsidiary) has no bearing on the moratorium imposed under Section 14 of the IBC and that the value of the shares of Educomp Asia Pacific (Pte) Ltd. should have been protected by the RP in light of Section 20 of IBC.

Thereafter, Mr. P Nagesh inter alia made the following submissions:-

- shares of Educomp Asia could not have been part of the CIRP of the Corporate Debtor first because they are not owned by the Corporate Debtor and second in light of the exception under Section 18 of the IBC.
- shares have been sold under the liquidation proceedings pursuant to order of the High Court of Singapore and that no such issue was raised by the ex-director before the liquidator of Educomp Asia Pacific (Pte) Ltd.
- there are various judicial precedents on this position of the NCLT and the NCLAT that the assets of the subsidiary cannot be made part of the CIRP proceedings of the holding company.

The counsel appearing on behalf of SBI Singapore, and COC supplemented and supported the submissions of Mr. P Nagesh. In response, the Bench enquired about the difference and definition of asset and property. In response, the counsel for SBI Singapore submitted that property has been defined under Section 3(27) of the IBC. The counsel for SBI Singapore by way of relying on the provisions of the Income Tax Act and stated that property forms part of asset, which is a bigger genus, and both the definitions cannot be distinguished and read independently in IBC.

The Bench after hearing the submissions, reserved the orders in I.A 187/2022 with the direction to the counsel of Mr. Shantanu Prakash, to file a written synopsis regarding the alleged valuation of the shares on 03.09.2021(date on which the shares of Educomp Asia were sold). The Bench also directed the counsel of SBI Singapore to file a written synopsis regarding the valuation of the shares of the Educomp Asia (Pte) Ltd. The Bench also directed the counsel for SBI Singapore and ex-Director to submit the details regarding all the valuation of shares carried out by both parties. RP was also directed to file compilation of judgements distinguishing definition of asset and property under the law. After hearing the submissions, the Bench posted the matter on 08 June 2023.

On 08 June 2023, a special bench comprising of Sh. Mahendra Khandelwal (J) and Sh. L.N. Gupta (T) presided in Court No. 2. P. Nagesh appearing on behalf of the RP apprised the special bench that IA 195/2019 is already part heard before the Regular Bench comprising of Shri Ashok Bhardwaj (J) and Sh. L.N. Gupta (T) and therefore requested that IA 195/2019 be immediately posted after the vacations. The counsel appearing on behalf of the Resolution Applicant also requested the Special Bench that the matter be posted on the top of the board on the next date of hearing.

Thereafter, the Plan Approval Application - CA 195(PB) of 2018 filed by the Resolution Professional was listed on 05 July 2023. On that date, the matter could not be heard and the same was posted for 10 July 2023. On the next date i.e., 10

July 2023, due to torrential rains, the basement of the NCLT building was waterlogged and was inspected by CPWD for civil and electric faults. Accordingly, the NCLT officials informed that the Bench would preside at 12 Noon to hear the matters through video conference. However, at 12 Noon, the NCLT issued another notice informing that the hearing for all the matters listed on 10.07.2023 stands suspended.

The Plan Approval Application - CA 195(PB) of 2018 was then listed on 31 July 2023. During the hearing, Mr. Abhishek Sharma informed and submitted to the Bench that in compliance of the order dated 08 May 2023, an affidavit has already been filed by the RP responding to the queries raised by the Bench. However, it was informed by the court master that the same is not showing on record (DMS). In response, Mr. Abhishek Sharma informed the Bench that he had checked with the registry and noted that the affidavit was showing on the DMS and is on record. However, since the court master could not locate the affidavit filed by the RP, the Bench directed the counsel of the RP to ensure that the same is showing on the DMS (on record) and listed the matter at a short date on 07 August 2023.

On the next date i.e., 07 August 2023, Mr. P Nagesh Senior Advocate appearing on behalf of the RP made the following submissions:

- In terms of the order dated 08 May 2023, the Bench raised certain queries with respect to the Resolution Plan and directed the RP to respond to the queries by way of an affidavit. In compliance of the order, an affidavit was filed by the RP on 23 May 2023.
- Mr. P Nagesh took the Bench through the queries and the responses. First, he referred to query no. 1 and submitted that a copy of the entire Resolution Plan has been annexed as Annexure- 2 to the affidavit.
- He referred to query no. 2 with respect to non-submission of performance bank guarantee by Resolution Applicant and submitted that Regulation 36B (4A) of the CIRP Regulations which requires the successful resolution applicant to submit the performance bank guarantee came into force on 24.01.2019. However, the request for resolution plan and the resolution plan was approved by the Committee of Creditors prior to the amendment i.e., in the year 2017 and 2018. Therefore, Regulation 36B (4A) was not applicable.
- He further submitted that the NCLT, Chandigarh Bench in Phoenix ARC Pvt. Ltd. v. Sarbat Cotfab Private Limited having similar facts as in our case, approved the resolution plan.

The counsel appearing on behalf of the Resolution Applicant by referring to the order dated 13 September 2021 submitted that that in terms of the RFRP, SRA/Resolution Applicant was required to replace its EMD with a PBG equivalent to 10% of the Resolution Plan value, if it were to be declared as the successful resolution applicant which is also recorded in the said order. Accordingly, the counsel submitted that the RP did not seek any PBG from the Resolution Applicant. On an inquiry by the Bench as to what remedies are available in case the Resolution Applicant fails to implement the Resolution Plan, Mr. P Nagesh informed that a recourse is available under Section 74 of the Code. The Bench noted the same, however, insisted that it is necessary to get the PBG from the Resolution Applicant to secure implementation of the Resolution Plan as the Resolution Applicant had filed three applications in the past for withdrawal of the Resolution Plan. Thereafter, the counsel appearing on behalf of the Resolution Applicant submitted the other objections to the Resolution Plan. The counsel submitted that the RP has unilaterally modified the Resolution Plan by inserting Para No. 19 in the Plan Approval Application. The Bench enquired whether such modification was placed before the COC for their approval and consideration. In response, Mr. P Nagesh submitted that there is no modification in the Resolution Plan and Para No. 19 stated in the Plan Approval Application is nothing but a clarification in terms of the addendum dated 21 February 2018 issued by the Resolution Applicant. Mr. P Nagesh further took the Bench through various key dates and submitted that after the addendum was received from the Resolution Applicant, the RP re-opened the e-voting and accordingly the Resolution Plan along with the addendum was approved by the COC. Since, Para No. 19 was inserted only for clarification, Mr. P Nagesh submitted that the same is not pressed by the RP and may be disregarded in order to avoid confusion. The Bench allowed the request of Mr. P Nagesh and considered the final Resolution Plan dated 19 February 2018 along with addendum dated 21 February 2018.

Thereafter, the counsel appearing on behalf of the Resolution Applicant referred and submitted other objections including but not limited to going concern issue, financial statements not being prepared etc. In response, Mr. P Nagesh



submitted that all these issues have already been dealt by the Hon'ble Supreme in its order dated 13 September 2021. The Hon'ble Bench took note of the same.

After hearing the submissions, the Bench directed the Resolution Applicant to submit the PBG within 4 weeks. Further, the Bench directed the RP to be present on the next date of hearing. Mr. P Nagesh and counsel of the COC submitted that 4 weeks will further delay the adjudication of the Plan Approval Application and accordingly requested for a short time period. In response, the Bench granted 3 weeks' period to the Resolution Applicant to submit the PBG. The Bench also noted the submissions and undertaking of the Resolution Applicant that the Resolution Applicant will not withdraw the Resolution Plan for any reason related to PBG and accordingly listed the matter on 29 August 2023.

Meanwhile, the application filed by the RP before the Hon'ble Supreme Court seeking expeditious disposal of the Plan Approval Application was listed on 18 August 2023. Mr. Abhishek Sharma appeared on behalf of the RP and made submissions. After hearing the submissions, the Hon'ble Supreme Court by its order dated 18.08.2023 directed the NCLT to dispose of the Plan Approval Application as expeditiously as possible or within 2 months from the date of the order.

Meanwhile, on 25.08.2023, the Hon'ble Bench passed the final order in I.A 187 and directed as follows: -

- RP to approach IBBI within one week for appointment of registered valuers to conduct the valuation of shares of Learning Internet Inc. owned by Educomp Asia and pledged with SBI, Singapore as on 03.09.2021 subject to payment of fees by Mr. Shantanu Prakash.
- Valuers to submit the report within one month of their appointment in accordance with internationally accepted valuation standards.
- If the valuation is found more than the value of USD 7.1 million for which the shares were sold on 03.09.2021, the claim of SBI Singapore against the Corporate Debtor would stand reduced to the equal or that extent.
- The CIRP qua the Corporate Debtor would continue unhindered and uninfluenced by the aforementioned direction. The secured financial claim of the State Bank of India (Singapore) qua the Corporate Debtor would be subject to the outcome of the valuation result/report.

On 29.08.2023, Mr. Abhishek Sharma appearing on behalf of the RP made the following submissions: -

- In terms of the last order, SRA was required to submit PBG within a period of 3 weeks, however, the SRA has till date not complied with the said directions.
- Referred to the affidavit filed by the RP and took the bench through various queries raised by the Bench and RP's response to the said queries.
- SRA is eligible under Section 29A of the Code and in this an undertaking has also been submitted by the SRA. Further, a letter has also been issued by the RP to the COC confirming the eligibility of SRA under Section 29A of the Code.
- Referred and took the Hon'ble Bench to various clauses of the Resolution Plan such as terms, implementation, distribution, waiver etc.

During the hearing, the counsel appearing on behalf of the SRA reiterated its objections to the Plan Approval Application which were submitted on the last date of the hearing. In response, Mr. Abhishek Sharma submitted that the issues regarding erosion of commercial substratum of the Corporate Debtor were already argued by the SRA before the Supreme Court. In addition to the same he had also filed an application bearing IA 397/2022 praying for similar reliefs which was dismissed by the Bench vide its Order dated 08.03.2022 and subsequently reaffirmed by the NCLAT vide its Order dated 06.05.2022.

The Hon'ble Bench after hearing the submissions of the parties reserved the matter for orders and permitted SRA/RP/COC to file brief written synopsis.

Ebix Singapore Pte Limited thereafter filed IA 4845 of 2023 before the NCLT, New Delhi inter alia stating that Educomp

Solutions Ltd. is not a going concern and also seeking issuance of appropriate directions against the RP for making false statements and also direct that there is no requirement to furnish Performance Bank Guarantee by Ebix in terms of order dated 07.08.2023 and 29.08.2023.

The captioned application was listed on 15.09.2023 before the NCLT New Delhi Bench, when the Link Legal team along with Mr. Neeraj Malhotra, Senior Advocate appeared on behalf of the RP and Mr. Arvind Nayar, Senior Advocate appeared on behalf of Ebix Singapore Pte. Ltd.. Mr. Arvind Nayar started his arguments by referring to the audit report for the FY 2020-2021 of the Corporate Debtor and submitted that the auditor in its report has stated that the Corporate Debtor is not a going concern. The Bench expressed its inability to hear the arguments further and accordingly listed the application 19.09.2023 after considering the availability of both the senior counsels.

On 19.09.2023, the application was listed for hearing. During the hearing, the following submissions were made by Mr. Arvind Nayar, appearing on behalf of Ebix: -

- By referring to the Independent Audit Report for the FY 31 March 2021 of the Corporate Debtor, it was submitted that the RP/Corporate Debtor did not take steps to recover the receivables.
- In the FY 2021-2022, the revenue from operations have substantially been reduced/decreased.
- RP has failed to keep the Corporate Debtor as a going concern as the auditor has itself stated in the report that there is substantial doubt about the Company's ability to continue as a going concern.
- Various statutory proceedings have been initiated against the RP before the Delhi High Court and other forums.

In response, Mr. Neeraj Malhotra appearing on behalf of the RP made the following submissions: -

- The independent report referred by Ebix's counsel pertains to FY 2021-2022.
- The revenue in the FY 2020-2021 and 2021-2022 decreased/reduced on account of Covid-19 which impacted the business operations of the Corporate Debtor. It was submitted that the Corporate Debtor's product is an offline product which were again in demand in the FY 2022-2023.
- Corporate Debtor has generated revenue of 40 Million in the FY 2023-2023.
- Referred to the order dated 08.03.2022 passed by the NCLT and order dated 06.05.2022 passed by the NCLAT and submitted that the NCLAT upheld the decision of the NCLT to state that all the necessary documents/information to be provided after approval of the resolution plan by this Hon'ble Bench.
- One of the associate companies of Ebix i.e., Ebix Smart Class Services Pvt. Ltd. has purchased approximately 9 thousand licenses during FY 2023.
- All the points have been argued before by Ebix and this is the 4th attempt to reargue the same issues.
- Ebix doesn't want to implement the resolution plan and therefore, such application has been filed. Till date, Ebix has not submitted the PBG in terms of the order dated 07.08.2023 and 29.08.2023.

After hearing the submissions, the Bench reserved the order in the captioned application and further directed the RP to file a short affidavit stating the revenue of the Corporate Debtor in the FY 2022-2023 and whether the Corporate Debtor is a going concern. The short affidavit was duly filed by the RP in compliance of the said order.

On 21.09.2023, Company Appeal (AT)(INS) No. 1351/2023 was filed by the State Bank of India, Singapore as the Appellant assailing the order dated 25.08.2023 passed by the NCLT, New Delhi whereby inter alia directions were provided for the appointment of registered valuers for the conducting the valuation of shares of The Learning Internet Inc.

On 09.10.2023 the NCLT, New Delhi vide a detailed order approved the Resolution Plan of Ebix Singapore Pte Ltd. and also dismissed the IA 4845 of 2023 filed by Ebix Singapore Pte Ltd.

The erstwhile RP thereafter filed the following applications:

- (i) Contempt Petition 55/2023 against the Ebix and its personnel for non-compliance of the Order dated 07.08.2023 and 29.08.2023 of the NCLT, New Delhi by Ebix with respect to furnishing of PBG;
- (ii) IA 5355/ 2023 for seeking directions to Greycells 18 Media Pvt. Ltd.

The aforesaid applications were listed for hearing on 11.10.2023. Mr. Abhishek Sharma appeared on behalf of the RP. The NCLT was pleased to issue notice to Ebix in the Cont. Pet 55 of 2023. However, with respect to IA 5355/2023 the Bench observed that the erstwhile RP has no locus filing this application as the plan stands approved vide Order dated 09.10.2023. Mr. Abhishek Sharma submitted on behalf of the erstwhile RP that the present application can be kept in abeyance so that subsequently the Monitoring Agency can pursue the said Application. However, the Bench was not inclined to do so. As a result of the aforesaid, Mr. Abhishek Sharma withdrew the said Application.

IA 5640 of 2023 was filed by the erstwhile COC seeking directions for constitution of the Monitoring Agency. The IA was listed for hearing on 20.10.2023. Ms. Misha, appeared on behalf of the erstwhile COC, Mr. Abhishek Sharma also appeared on behalf of the erstwhile RP. The NCLT, New Delhi issued notice in the said IA. Ebix was also directed to file a Reply to the said Application. The NCLT also directed that in the meantime all concerned would discharge their duties with due reference to the provisions of IBC.

On 18.10.2023, the NCLAT in Company Appeal (AT)(INS) No. 1351/2023 issued notice and directions issued in Paragraph 27(a) and (b) of the Impugned Order dated 25.08.2023 of the NCLT in I.A. No. 187 of 2022 were stayed.

On 30.10.2023, a reply was filed on behalf of the IBBI in I.A. No. 187 of 2022 filed by Mr. Shantanu Prakash in compliance with the order dated 25.08.2023 passed by the NCLT, New Delhi. It has been asserted in their reply that while the Impugned Order directs the IBBI to appoint registered valuers to do the valuation of shares, it is not in the domain of the IBBI in terms of the applicable CIRP Regulations and the IBBI (Liquidation Process) Regulations 2016, to appoint registered valuers. Accordingly, it has been submitted that the Hon'ble Tribunal may pass appropriate considering the reply submitted on behalf of IBBI.

The Application by the erstwhile COC i.e. IA 5640 of 2023 was again listed on 01.11.2023. However, due to paucity of time the said Application was not taken up and was renotified on 06.11.2023.

On 06.11.2023, the Bench could not take up the matter i.e. IA 5640 of 2023 filed by the erstwhile COC due to paucity of time. The counsel for the erstwhile COC and the erstwhile RP mentioned the matter and submitted before the Bench that the Monitoring Agency has not been constituted by Ebix till date and the erstwhile RP is facing difficulty in carrying out the day-to-day activities of the Corporate Debtor such as payment of salaries etc. The Bench posted the matter for the next date of hearing i.e. on 08.11.2023.

On 08.11.2023, the Cont. Pet 55 of 2023 and IA 5640 of 2023 were listed for hearing. When the matter was called for hearing, the counsel on behalf of the erstwhile RP informed the Bench that no reply has been received by the SRA in the Contempt Petition. The Bench observed that even on the last date of hearing, a similar request was made. The Bench directed Ebix and its officials to file the Reply in one week of time granted subject to payment of cost of Rs 50,000/- to be deposited in the Prime Minister's Relief Fund. In respect to IA 5640 of 2023, the NCLT noticed that the Reply filed by the SRA is not reflected on the DMS. The Court directed Ebix to ensure that its reply is uploaded on the DMS within three days. The matter was next posted for hearing on 23.11.2023.

On 23.11.2023 the Cont. Pett 55/2023 and IA 5640 of 2023 were listed for hearing before NCLT, New Delhi. The counsels for all the parties were present. When the matter was called for hearing, Abhishek Sharma, counsel on behalf of the erstwhile RP apprised the Bench that on the last date of hearing cost was imposed on Ebix in the Cont. Pett 55/2023. Mr. Rajiv Ranjan, Sr. Adv. Appearing on behalf of Ebix informed the Bench that Ebix has filed an appeal against the plan approval order by filing an appeal on 03.11.2023 before the NCLAT. Therefore, he seeks an adjournment by two weeks. Whilst Abhishek Sharma, counsel on behalf of the erstwhile RP informed the Bench that no such appeal has been served on them and neither any filing particulars have been made available to them. The Bench after hearing submission of the parties directed the matter to be listed on 03.01.2024. However, upon a joint request made by the counsel of the erstwhile RP and the counsel of the erstwhile COC that the management of the Corporate Debtor has come to a standstill, and there is no one to look after the said Company. In the circumstance, NCLT, directed that the RP would act

as a caretaker qua the Corporate Debtor and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP. The Bench also held that the cost of caretaker RP would be borne by Ebix. The Counsel of the erstwhile COC and the RP was directed to inform the eRP about the same as well.

The matter was next listed for hearing on 03.01.2024. The matter could not be taken up due to paucity of time. The next date of hearing in the matter is on 24.01.2024. The matter again could not be taken up due to paucity of time on 24.01.2024 and got listed on 06.02.2024. The matter again could not be taken up due to paucity of time on 06.02.2024 and now got listed on 06.03.2024.

On 18.12.2023, the Link Legal Team appeared on behalf of the RP in Company Appeal (AT)(Ins) 1351 of 2023 whereby the Appellant, SBI Singapore, was allowed two weeks' time to file Rejoinder Affidavit. An impleadment application was also preferred. The appeal along with the Impleadment Application have now been listed on 17.01.2024, for further consideration.

The matter was next listed for hearing on 03.01.2024. The matter could not be taken up due to paucity of time. The next date of hearing in the matter is on 24.01.2024. The matter again could not be taken up due to paucity of time on 24.01.2024. The next date of hearing in the matter is on 06.02.2024.

On 17.01.2024, the Link Legal Team appeared on behalf of the RP in Company Appeal (AT) (INS) 1351 of 2023 before the National Company Law Appellate Tribunal. The matter was mentioned in the morning by the counsel for the Appellant who sought time to file their Rejoinder. At this stage, the Link legal team on behalf of the RP also sought time to bring on record their Reply in the captioned matter. Accordingly, two weeks' time was granted to the Appellant to file the Rejoinder and the RP to file his Reply. The Reply of the RP was filed and defects cleared to bring the same on record on the very next day, i.e. 18.01.2024. On 18.01.2024, The matter was mentioned by the counsel for the Appellants at around 10:30 AM in the morning as the Bench sat for hearing, seeking further time to file their Rejoinder. At this stage, the Link Legal Team on behalf of the Erstwhile Resolution Professional sought to file their Reply and that a copy of the same has already been E-filed on 16.01.2024. Upon hearing the submissions of the parties, the Bench was pleased to provide further time to the Appellants to file their rejoinder and granted 2 weeks' time to the Erstwhile Resolution Professional to bring on record his reply in the captioned matter and listed the matter on 05.02.2024. On 05.02.2024, the matter was taken up at around 1 PM. The Link Legal Team appeared on behalf of the ERP and apprised the court that the Reply has been filed. The Bench, considering the paucity of time, was pleased to list the matter for arguments on 06.03.2024, for arguments.

In the meantime, the appeal filed by the SRA against the plan approval order dated 09.10.2023 of the Hon'ble NCLT got listed before the Hon'ble NCLAT on 24.01.2024 as Item No. 18 in the supplementary list. Mr. Abhishek Sharma along with the Link Legal Team appeared on behalf of the ERP. Siddhant Kant along with SAM's team was present for the COC. Senior Advocate Ramji Srinivasan appeared on behalf of the Appellant / Ebix Singapore Private Limited. It was submitted by the counsel for COC that despite having filed a caveat, they had not been served with a copy of the Appeal. Accordingly directions were given by NCLAT impleading COC as one of the Respondents in the Appeal. NCLAT also directed that an Amended Memo be filed within three days i.e., by 29.01.2024. Abhishek Sharma on behalf of the ERP objected to the application filed by Ebix Singapore for condonation of delay in re-filing the appeal (after defects were raised). Senior Advocate Ramji Srinivasan stated that the delay has been on account of the change in counsel and voluminous records in the matter. Upon hearing the parties in the matter, NCLAT permitted the application filed by Ebix Singapore seeking condonation of re-filing delay and listed the matter on 31.01.2024.

On 31.01.2024, the matter was called and the counsel for SRA has made there submission and then due to the paucity of time the Hon'ble NCLAT listed the matter on 05.02.2024 as part-heard. On 05.02.2024, during the course of the hearing, Ramji Srinivasan, Senior Advocate made submissions on behalf of Ebix Singapore arguing that the Plan approval order passed by NCLT was erroneous and lacked judicial application of mind. The Link Legal Team on behalf of the ERP and the ECOC supported the Plan Approval Order passed by NCLT and placed reliance on the judgment of the Supreme Court dated 13.09.2021 to stated that similar arguments have already been raised and considered by the Hon'ble Supreme Court and hence, the present appeal is not maintainable. After hearing the parties, judgment was reserved in the matter.

**1. FINANCIAL PERFORMANCE :**

The highlights of the consolidated and standalone audited financial results for the year ended 31st March 2023 are as follows:

Rs. in Millions

Particulars	Standalone		Consolidated	
	Audited		Audited	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Total Income</b>	<b>50.89</b>	<b>40.16</b>	<b>50.89</b>	<b>40.16</b>
Expenditure	799.12	426.53	<b>799.12</b>	<b>426.53</b>
Finance Cost	51.00	44.82	<b>51.00</b>	<b>44.82</b>
Depreciation	3.11	4.17	3.11	4.17
<b>Profit / Loss for the year before Exceptional Items &amp; Tax</b>	<b>(802.34)</b>	<b>(435.36)</b>	<b>(802.34)</b>	<b>(435.36)</b>
Share of profit/(loss) of associates (net of tax)	-	-	<b>2.44</b>	<b>(8.49)</b>
Exceptional Items	-	-	-	-
Tax Expense	-	-	-	-
<b>Net Profit / (Loss) for the year after Tax</b>	<b>(802.34)</b>	<b>(435.36)</b>	<b>(799.90)</b>	<b>(443.85)</b>

**2. DIVIDEND AND TRANSFER TO RESERVE:**

In view of losses incurred during the period under review, the Company does not recommend any dividend on the equity shares for the financial year ended as on March 31, 2023.

During the year under review, the Company has made no transfer to reserves.

**3. OPERATING RESULTS AND BUSINESS:**

**On Standalone basis Company's** total income stands at Rs. 50.89 million as on March 31, 2023 as compared to Rs. 40.16 million as on March 31, 2022, a increase of 26.72%. The loss before taxes is Rs. 802.34 million as on March 31, 2023 as against loss before taxes of Rs. 435.36 million as on March 31, 2022.

**On Consolidated basis Company's** total income stands at Rs. 50.89 million as on March 31, 2023 as compared to Rs. 40.16 million as on March 31, 2022, registering a increase of 26.72%. The loss before tax and exceptional items stands at Rs. 799.90 million as on March 31, 2023 as against loss of Rs. 443.85 million as on March 31, 2022.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review detailing economic scenario and outlook, as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR Regulations") is presented in a separate section and forms integral part of this Report.

**4. CHANGES IN CAPITAL STRUCTURE:**

**A. AUTHORIZED SHARE CAPITAL**

Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores Only) divided into 20,00,00,000 (Twenty Crores) equity shares of Rs. 2/- (Rupees Two Only) each.

**B. ISSUED AND PAID-UP SHARE CAPITAL**

During the year under review, the Company has not issued and allotted any equity shares and the paid up share capital stood at Rs. 24,49,34,336/- consisting of 12,24,67,168 Equity Shares of the face value of Rs. 2/- each as on 31st March, 2023 and as on the date of report.

**5. FOREIGN CURRENCY CONVERTIBLE BONDS**

In Year 2012-13, the Company had raised US\$ 10 million, Zero Coupon Foreign Currency Convertible Bonds ("FCCB") for redemption of outstanding Zero Coupon Foreign Currency Convertible Bonds. The Bond holders, as per the agreement, have the option to convert these bonds into Equity Shares, at a price of Rs.188.62 per share within 5 years and 1 day from the date of disbursement. The FCCB are redeemable at a premium of 33.15 % on principal after 5 years and 1 day. The FCCB were raised for the purposes of redemption of earlier FCCB of the Company. As on March, 31, 2017 US\$ 10 million (previous year US\$ 10 million) FCCB were outstanding for conversion into equity shares of Rs. 2 each. The bonds were convertible latest by July 24, 2017. The Company was not able to redeem these FCCB and thus has defaulted on redemption. In this regard, as also mentioned above, the Resolution Plan submitted by the SRA has not been implemented and the undersigned is acting as the caretaker of the company in terms of the order dated 23.11.2023 of the Hon'ble NCLT.

**6. SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES & EXTERNAL COMMERCIAL BORROWINGS****Non-Convertible Debentures**

As on 31st March 2022, the Company has outstanding Secured Non-Convertible Debentures (NCDs) for an aggregate value of Rs. 45 Crores comprising 350, 13.5% Secured Non-Convertible Debentures (Listed on Bombay Stock exchange) of the face value of Rs.10,00,000/- each aggregating to Rs.35 Crores and 100, 13.25% Secured Non-Convertible Debentures of the face value of Rs.10,00,000/- each aggregating to Rs.10 Crores.

The debenture trustee of these debentures is Axis Trustee Services Limited having its registered office at Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra-400025. Ph:-022-24255215/5216; email:-complaints@axistrustee.com; debenturetrustee@axistrustee.com.

The Company has defaulted on interest and redemption of these NCDs. In this regard, please note that the Company is under CIRP since May 30, 2017 and a moratorium period is in effect since 30th May 2017 wherein no judicial proceedings for recovery, enforcement of security interest, sale or transfer of assets, or termination of essential contracts can be instituted or continued against the Company.

**External Commercial Borrowings**

In Year 2012-13, the Company has raised US\$ 70 million through External Commercial Borrowing ("ECB") comprising US\$ 30 million from International Financial Corporation ("IFC") a member of the World Bank Group and US\$ 40 million from Société De Promotion Et De Participation Pour La Coopération Économique (PROPARCO), a French development financial institution. The ECB has a term of 8.5 years with a 3 years moratorium and the coupon rate is LIBOR + 4.5%. The ECB has been raised for purposes of redemption of existing FCCB. The said ECB is outstanding at the Financial Year ending on March 31, 2020. The Company has made a default in payment of interest and repayment of these ECBs. In this regard, as also mentioned above, the Resolution Plan submitted by the SRA has not been implemented and the undersigned is acting as the caretaker of the company in terms of the order dated 23.11.2023 of the Hon'ble NCLT.

**7. MATERIAL CHANGES AND COMMITMENTS**

Material Changes affecting the financial position of the Company which have occurred between the F.Y.2017-2024 and the date of this report:

The Corporate Insolvency Resolution Process ("CIRP") against Educomp Solutions Limited ("Corporate Debtor") was initiated by the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("Adjudicating Authority") under Section 10 of the Code vide its order dated 30th May 2017. The Adjudicating Authority vide its order, appointed Dr. Sanjeev Aggarwal as the Interim Resolution Professional ("IRP") to conduct the CIRP of the Corporate Debtor. Thereafter, in the third CoC Meeting held on 12th September 2017, the IRP was replaced and Mr.

Mahender Kumar Khandelwal was appointed as the Resolution Professional (“**RP**”) to run the CIRP of the Corporate Debtor.

Subsequently, the RP published Expression of Interest (“**Eoi**”) \ inviting resolution plans for the revival and restructuring of the Corporate Debtor. Further to the issuance of the Eoi, the resolution plans were received from one Ebix Singapore Pte. Ltd. (“**Ebix**”) and one Boundary Holdings SARL SPF. Pursuant to the discussions and deliberations with the CoC, the Resolution plan submitted by the Ebix was put to vote. Ebix's resolution plan, in terms of Section 30(4) of the Code, was finally approved by the CoC with 75.35% majority voting share on 22nd February 2018 including vote of Chhattisgarh State Electricity Board (“**CSEB**”) whose vote was received subsequently due to a technical glitch. Pursuant thereto, the Resolution Professional submitted the Ebix's Resolution Plan for the approval of the Adjudicating Authority by way of an application under Section 30(6) and 31 of the Code (CA 195 of 2018) (“**Plan Approval Application**”).

Around July 2019, while the Plan Approval Application was pending adjudication before the Adjudicating Authority, Ebix filed its first application seeking withdrawal of the Resolution Plan on account of the purported inordinate delay in approval of the resolution plan by the Adjudicating Authority, and ongoing investigations into the affairs of the Corporate Debtor. The said application was dismissed by the Adjudicating Authority. Thereafter, Ebix filed another withdrawal application in August 2019 on the similar cause of action. The second application was also dismissed by the Adjudicating Authority. However, the third withdrawal application filed by Ebix (IA 1816 of 2019) after having been heard at length on 25th November 2019 was allowed by the Adjudicating Authority vide its order dated 02nd January 2020 (“**2nd January Order**”). Thereby Ebix was permitted to withdraw its plan despite the same having been approved by the Committee of Creditors of Educomp (“**CoC**”). The Adjudicating Authority also imposed a cost of Rs. 1 lakh on Ebix and extended the CIRP of the Corporate Debtor by 90 days to begin from 16th November 2019. The Adjudicating Authority directed the Resolution Professional to expedite the possibility of achieving resolution of the stressed assets within such extended period.

As a consequence of the 2nd January Order passed by the Adjudicating Authority in third withdrawal application for filed by Ebix (IA 1816 of 2019), the Adjudicating Authority dismissed the Plan Approval Application filed by the Resolution Professional vide its further order dated 3rd January 2020.

Thereafter, the Committee of Creditors of Educomp (“**CoC**”) challenged the 2nd January Order passed by the Adjudicating Authority allowing the withdrawal before the National Company Law Appellate Tribunal (“**NCLAT**”) on 28.01.2020 by way of an Appeal bearing number Company Appeal (AT) (Insolvency) No. 203 of 2020 (“**First Appeal**”). The First Appeal was listed for consideration before the NCLAT on **03.02.2020** wherein, the Appellate Tribunal was pleased to issue notice in the appeal and further stayed the operation of the 2nd January order.

On 22 June 2020, the CoC filed another Appeal i.e. Company Appeal (AT)(Ins) No. 587 of 2020 (“**Second Appeal**”) before the NCLAT against the 3rd January order passed by the Adjudicating Authority thereby dismissing the application of the RP seeking approval of the Resolution Plan filed by Ebix. It may be noted that the CoC gained the knowledge of the 3rd January order only during the hearing in the First Appeal and therefore, could not challenge the same at an earlier date.

The NCLAT allowed the First Appeal filed by the CoC vide its judgment dated 29th July 2020 and set aside the 2nd January order passed by the Adjudicating Authority inter alia holding that the Adjudicating Authority did not have the power to allow Ebix (RA) to withdraw its resolution plan after it was approved by the CoC.

Thereafter Ebix filed a Civil Appeal No. 3224 of 2020 (“**Ebix Appeal/Appeal**”) before the Hon'ble Supreme Court of India (“**Hon'ble Supreme Court**”) challenging the NCLAT Judgment dated 29.07.2020 passed in the First Appeal on the ground that (a) Ebix is not bound by the Resolution Plan until the same is approved by the Adjudicating Authority; (b) inordinate delay in approval of the application under Section 31 and (c) pending SFIO and CBI investigations into the affairs of Educomp called for withdrawal.

The Hon'ble Supreme Court was pleased to issue notice in the Ebix Appeal on 07th October 2020 and vide the same order stayed the proceedings under Second Appeal before the NCLAT. The question of law involved in Ebix's Appeal was “Whether the withdrawal of Resolution Plan is permitted after it has been approved by the CoC”.

The Hon'ble Supreme Court after hearing the parties vide its judgment dated 13th September 2021 dismissed the

Appeal on the ground that “The existing insolvency framework in India provides no scope for effecting further modifications or withdrawals of CoC-approved Resolution Plans, at the behest of the Successful Resolution Applicant, once the plan has been submitted to the Adjudicating Authority. The Hon'ble Court further held that “A submitted Resolution Plan is binding and irrevocable as between the CoC and the successful Resolution Applicant in terms of the provisions of the IBC and the CIRP Regulations.”

Accordingly, the Hon'ble Supreme Court dismissed Ebix's Appeal.

Consequent to the Supreme Court's order the NCLAT allowed the Second appeal, on 12th November 2021, dated against the NCLT Order dated 3rd January 2020, and immediately thereafter the certified copy of the NCLAT order dated 12th November 2021 along with the certified copy of Hon'ble Supreme Court Order were filed with the Registry of the NCLT. However, despite filing the said orders before the Adjudicating Authority, the NCLT did not list the matter in time. Therefore, to escalate the matter an application for restoration was (RA 39 of 2021) filed. Finally, RA 39 of 2021 came up before the NCLT on 3rd December 2021, where the Adjudicating Authority remarked that 'it's a shame that this matter couldn't be taken up on its own' and vide its order dated 03rd December 2021 it was said that there was no requirement of filing restoration application, nevertheless this application has been filed in the deference of the Hon'ble Supreme Court and NCLT Order. The NCLT thereafter listed the Plan Approval Application for hearing on 22nd December 2021.

On 22nd December 2021, the matter was listed for hearing and part argument took place. The matter was then adjourned to 25th January 2022. However, before the matter could be taken up on the said adjourned date i.e., 25th January 2022, an application (IA 187 of 2022) Ex-Director's Application was filed by the Ex-Director- Mr Shantanu Prakash, also the promoter of Corporate Debtor, seeking direction from the Adjudicating Authority to direct Resolution Professional to take action w.r.t the transaction which concerns the insolvency of Corporate Debtor's subsidiary based out of Singapore. This application was also listed on 01.06.2022 along with Resolution Professional's Plan Approval Application. However, the NCLT has not issued any notice in this application so far.

Thereafter, the Plan Approval Application was listed on 25 January 2022, but was simpliciter adjourned to 15 March 2022. Meanwhile, the Resolution Applicant filed another application IA 397/2022, which came up for hearing on 27 January 2022, and in the said application the Resolution Applicant sought certain information irrespective of the Information Memorandum from the Resolution Professional regarding the annual returns, financial statement and status of affairs of the Corporate Debtor. RP's Counsel opposed IA 397 of 2022 and also filed a reply to IA 397 of 2022.

On 14 February 2022, IA 397/2022 was listed before the NCLT, however, the reply filed by RP was not available on record. The Adjudicating Authority on that date granted liberty to RA to file Rejoinder to IA 397 of 2022 and adjourned it to 28 February 2022. On 28 February 2022, IA 397 of 2022 got listed before the Special Bench, therefore, again it was adjourned to 08 March 2022 for it to be heard by the Regular Bench, the matter was adjourned to 08 March 2022. The IA 397 of 2022 was finally taken up on 8th March 2022, where the RP Counsel opposed the application extensively and the same was dismissed on the ground of being premature.

On 11th April 2022, fresh application IA 1611 of 2022 was filed by the Resolution Applicant seeking issuance of a direction to the Resolution Professional to take steps to protect the assets owned by Corporate Debtor's Wholly Owned Subsidiary (“EPEL”) attached by the Enforcement Directorate which was dismissed by the Adjudicating authority the same day since the attached asset(s) were owned by EPEL and not the Corporate Debtor. The Adjudicating Authority adjourned the Plan Approval Application for hearing on 19 April 2022.

On 06 May 2022, the NCLAT heard the Co. Appeal (Ins.) No. 507 of 2022 filed by the Resolution Applicant challenging the order dated 08 March 2022 passed by the NCLT dismissing IA 397 of 2022. The NCLAT dismissed the appeal on the direction to RP that on the approval of the Resolution Plan, all of the required information which is available with the Resolution Professional shall be provided to the Resolution Applicant.

On 06 May 2022, the Plan Approval Application was also listed before the Adjudicating Authority for hearing, however, the same could not be taken up due to non-availability of Technical Member constituting the Bench hearing the matter. The matter was adjourned to 24.05.2022 accordingly.

Thereafter on 19 May 2022, Co. Appeal (Ins.) No. 550 of 2022 preferred by Resolution Applicant against order



dated 11.04.2022 passed by NCLT in IA 1611 of 2022 was listed. The Hon'ble NCLAT pursuant to the submissions made by respective parties disposed of the appeal by directing the Resolution Professional to share the Provisional Attachment Order passed by Directorate of Enforcement with the Resolution Applicant.

On 24 May 2022, the Plan Approval Application was again listed for hearing before the Adjudicating Authority however, the matter could not be taken up due to non-availability of the Bench to hear the matter post the lunch hours. Accordingly, matter was adjourned to 01 June 2022.

On 01 June 2022, when the Plan Approval Application was taken up, the Judicial Member stated that since both him and the technical member constituting the present Bench are retiring in June 2022, all pending matters would only now be heard in the month of July. Accordingly, a short date of 08 July 2022 was given by the Registry for listing the Plan Approval Application.

On 05 September 2022, the following applications were listed- C.A No. 195(PB) of 2018 – Plan Approval Application, I.A No. 187 of 2022 – Application by Mr. Shantanu Prakash seeking directions and I.A. No. 3112 of 2022- Application filed by Sri Guru trust claiming to be an Operational Creditor. However, the matter could not be taken up since the Judicial Member had to sit in another Bench post-lunch and the matter was adjourned to 29 September 2022.

In order to ensure a hearing of the Plan Approval Application on 29.09.2022, I.A 4377 of 2022 (listed on 14 September 2022) was filed by the Resolution Professional, seeking listing of the Plan Approval Application high on board on the scheduled date of listing i.e. 29 September 2022 or to have the matter set down for a fixed time on that date for expeditious disposal. The Bench acknowledged the request and disposed of the application directing the Registry to list the Plan Approval Application at the top of the Board for the matters listed on 29 September 2022, after the supplementary and admission matters.

On 29 September 2022, the matter comprising the pending applications before the Adjudicating Authority were listed before a Special Bench rather than the usual Bench to which the matter is assigned. The Bench stated that since the Regular Bench was not available, the Bench adjourned the matter to 03 October 2022.

On 03 October 2022, the Senior Counsel representing the Resolution Professional submitted before the Bench that apart from the Plan Approval Application, there are two applications pending, one filed by the ex -promoter and the second by an operational creditor, both of which do not have any bearing on the Plan Approval Application. Further, a request was also made to the Bench to decide the Plan Approval Application. The Bench noted the submissions but expressed its inability to take up the matter as the Judicial Member had to take up the matters of another Bench after lunch hours and accordingly adjourned the matter to 09 November 2022.

On 09 November 2022, the Bench again expressed its inability to take up the matter as the Judicial Member had to take up the matters of another Bench and accordingly adjourned the matter to 06 December 2022.

On 06 December 2022, the Bench considered the Plan Approval Application at length and heard the submissions made by Senior Counsel representing Resolution Professional up till 2 pm. Thereafter, the Bench adjourned the matter to 07 December 2022 (the next day) for the resumption of arguments on the Plan Approval Application.

On 07 December 2022, the Bench directed the Resolution Professional's Counsel to resume arguments on the Plan Approval Application. The Senior Counsel representing RP presented submissions on the contents of the Resolution Plan while simultaneously taking the Bench through the relevant clauses of the Plan. On this date, the Bench for its understanding and reference directed the RP to file the Compliance Certificate dated 26.09.2018 in the form of FORM-H. The matter was accordingly adjourned to 14 December 2022 for the purpose of bringing Form H on record.

On 14 December 2022, in compliance with the order dated 07 December 2022, Form H was filed by the Resolution Professional by way of an Additional Affidavit. However, the Bench stated that since the Ld. Technical Member has to preside in another Bench after lunch and the Additional Affidavit so filed is also not yet reflecting on the DMS (online portal) of the NCLT, the matter (all the pending applications) was accordingly adjourned to 03.01.2023.

On 03 January 2023, the following applications were listed:

- I. I.A No. 195 of 2018 – Plan Approval Application by RP

- II. I.A No 20 of 2023 – Application to file Revised Form H by RP
- III. I.A No. 3112 of 2022- Sri Gurutruster Application
- IV. I.A No. 187 of 2022- Ex- Director Application

At first, the Bench took up (I.A. 20 of 2023) filed by the Resolution Professional to bring on record the revised Form H to bring out greater clarity in respect of certain issues/ provisions under the Resolution Plan. The NCLT allowed I.A 20 of 2023 and took the revised Form H on record.

Thereafter, the Bench called out I.A 3112 of 2022 (Sri Gurutruster Application). The Bench took a brief overview of the Sri Gurutruster Application filed by Sri Gurutruster claiming to be an Operational Creditor of the Corporate Debtor. The Senior Counsel appearing for the Resolution Professional vehemently denied the maintainability of the present application. The Bench then noted that they will take up the application after hearing the Plan Approval application.

Thereafter, the Bench took up I.A. 187 of 2022 (Ex-Directors Application) and enquired about the issue involved in the Application. After much elucidation on the Application by the Counsels representing respective parties, the NCLT directed the Applicant and the RP Counsels to file a detailed chart of the entities involved and the transaction under the Ex-Directors' Application for its understanding. Thereafter, all applications including the Plan Approval Application were adjourned to 06 February 2023.

It is pertinent to state that at present along with the pending Plan Approval Application- CA 195(PB) of 2018 filed by the Resolution Professional, IA 187 of 2022 filed by suspended Director Mr. Shantanu Prakash, IA 3112 of 2022 filed by Srigurutruster under Section 60(5) claiming to be an Operational Creditor, CA 160(PB) of 2018-Clarification Application are also pending adjudication before the Adjudicating Authority and are next listed for consideration on 06 February 2023.

On 06 February 2023, the Bench took I.A 187 of 2022. The counsel appearing on behalf of Mr. Shantanu Prakash gave background about the application filed by Mr. Shantanu Prakash and issues involved. In response, the counsel appearing on behalf of the RP inter alia challenged the maintainability of the application filed by Mr. Shantanu Prakash under Section 45 and 47 of the Code. After hearing the submissions, the Hon'ble Bench determined six questions and directed all parties to file short written synopsis. All the applications were directed to be listed on 01 March 2023 including I.A 195 of 2018 (Plan Approval Application) and I.A No. 3112 of 2022 (Sri Guru Trust Application).

Thereafter, all the three applications were listed on 01 March 2023. When the matter was called out, the Bench took I.A 187 of 2022. The Bench enquired about the status of the written synopsis as directed by the Bench by its order dated 06 February 2023. The counsel appearing on behalf of the RP, Mr. Shantanu Prakash and SBI Singapore informed the Bench that they have filed the written synopsis. The counsel appearing on behalf of the COC informed that they could not e-file the written synopsis because of a technical fault in the filing system. Meanwhile, Mr. Saurabh Kirpal, Senior Advocate appearing on behalf of Mr. Shantanu Prakash in IA No. 187/2022 joined the hearing via video conference. The bench was not inclined to hear Mr. Kirpal on video conference and directed him to appear in person. Mr. Kirpal sought accommodation to appear and make submissions in IA No. 187/2022 after a week. After hearing the brief submissions of all parties, the Bench listed IA No. 187 on 22 March 2023.

The Bench then took I.A No. 3112 of 2022. The counsel appearing on behalf of Shri Guru Trust gave a background of the application. The counsel informed the Bench that the RP has admitted and acknowledged to pay INR 31,26,000 to the Applicant. Counsel appearing on behalf of the RP in response submitted that no claim form was filed by the Applicant during the corporate insolvency resolution process and secondly no bifurcation is provided by the Applicant to show which part of the claim belongs to post-CIRP and pre-CIRP period. The counsel also submitted that any dues for post-CIRP period will become part of the CIRP and the dues pertaining to pre-CIRP period cannot be accepted by the RP at this stage as the resolution plan is already pending approval before the bench. After hearing the submissions, the Bench directed that upon the Applicant furnishing a break-up of its claim INR 31,26,000, the RP would examine and verifying the same in accordance with the provisions of the Code.

Thereafter, C.A 195 (Plan approval application) was mentioned by Mr. P Nagesh. He submitted that there is great urgency in the matter as also the long wait through which the lenders have been put through on account of the

delay. He also traced the background of the matter and prayed that the application be taken up and disposed of at the earliest. Pursuant to his request, the Bench listed CA 195 along with IA No. 187/2022 on 22 March 2023.

Thereafter, the matter was listed on 22 March 2023. However, due to paucity of time, the two remaining applications i.e., IA No. 187/2022 and C.A 195 (Plan approval application) were adjourned to 24 April 2023.

On 24 April 2023, both the applications were listed. When the matter was called out, the Bench took IA No. 187/2022. During the hearing, the counsel appearing on behalf of Mr. Shantanu Prakash sought for a pass over since Mr. Saurabh Kirpal, Senior Advocate leading them in the matter was held up in a constitution bench matter before the Supreme Court. The Bench expressed its inability to pass over the matter and intended to give a short date. The counsel appearing on behalf of the COC and the RP pressed listing of CA 195 (Plan Approval Application). Upon the request, the Bench have a short date and now listed the matter on 08 May 2023.

On 08 May 2023, the Bench first called out I.A 187/2022. The counsel appearing on behalf of Mr. Shantanu Prakash sought for a pass over on the ground that Mr. Saurabh Kirpal was on his legs before another court. The Bench expressed its inability to pass over the matter and requested Mr. P Nagesh to proceed with his submissions on C.A No. 195 (PB) of 2018. The Bench accordingly took C.A No. 195 (PB) of 2018. Mr. P Nagesh, appearing on behalf of the RP took the Bench through Form H and explained the amount payable to various creditors under the Resolution Plan along with relevant clauses. Mr. P Nagesh also took the Bench through various compliances of the Resolution Plan with the provisions of Code and CIRP Regulations. During the hearing, the Bench enquired about fair value, Section 29A affidavit by the Successful Resolution Applicant, performance bank guarantee etc. In response, Mr. P Nagesh submitted that the concept of fair value was inserted by IBBI by its notification dated 06.02.2018 and therefore, the same was not applicable. Further, P Nagesh referred to the referred to the undertaking dated 28.11.2017 by the Successful Resolution Applicant giving its declaration cum undertaking that there is no violation of Section 29A. The Bench on observing the multiplicity of pleadings that have been filed in C.A No. 195 (PB) of 2018, directed the RP and the COC to comply with the following directions, within 1 (One) week:

- (i) Filing of the Resolution Plan along with all the annexures and addendums;
- (ii) Since the proposed Resolution Plan did not contain any provision for the Performance Bank Guarantee ("PBG"), the RP was directed to place the same on record. The Bench also stated that in case the same has not been deposited, then the Successful Resolution Applicant must take steps to file the PBG;
- (iii) Filing of a detailed table indicating the size of the plan and distribution of funds; The RP and COC were directed to file this as a joint affidavit with reconciled figures, dates, pages etc.
- (iv) To point out source of funds and implementation of the Resolution Plan duly approved by the COC

Mr. P Nagesh, on the direction of the Bench with respect to submission of PBG point, submitted that the RP cannot place on record the PBG. Mr. P Nagesh referred to Regulation 36B of the CIRP Regulations and submitted that the requirement of submitting a PBG in terms of Section 36B of CIRP Regulations came into effect only on 24.01.2019, whereas the plan was approved on 22.02.2018. The Bench noted the observations of Mr. Nagesh and stated that they will look into this issue on the next date of hearing.

Thereafter, I.A 187 was once taken up by the Bench. The counsel appearing on behalf of Mr. Shantanu Prakash informed the Bench that Mr. Saurabh Kirpal is still on his legs and will be unable to appear before the Bench today and accordingly requested for a date. In response, the Bench noted that an adjournment is being sought for the second time on the ground of unavailability of Mr. Saurabh Kirpal and stated that they are of the opinion that the Application by ex-director should be dismissed on the grounds of non-prosecution. The counsel appearing on behalf of Mr. Shantanu Prakash requested for a last opportunity. The Bench allowed the request with the remark that last opportunity is given to the ex-director to make submissions in support of his application, failing which the application of the ex-director will be dismissed on grounds of non-prosecution on the next date of hearing. After hearing the submissions, the Bench posted the matter on 25.05.2023.

In compliance of the directions given by the Bench, the RP filed its affidavit on 23.05.2023. On the next date of the hearing i.e., 25.05.2023, both the applications were listed i.e., I.A 187/2022 and C.A 195 (PB)/2019. The Bench took I.A 187/2022 first. Mr. Saurabh Kirpal, Senior Advocate appearing on behalf of Mr. Shantanu Prakash proceeded with his arguments. Mr. Saurabh Kirpal inter alia submitted that: -

- actual valuation of the shares that have been sold amounts to USD 250 Million and that it has been sold at a highly undervalued price and in a non-transparent way.
- exception under explanation to Section 18 (i.e. assets of the Corporate Debtor shall not include assets of its Indian or foreign subsidiary) has no bearing on the moratorium imposed under Section 14 of the IBC and that the value of the shares of Educomp Asia Pacific (Pte) Ltd. should have been protected by the RP in light of Section 20 of IBC.

Thereafter, Mr. P Nagesh inter alia made the following submissions: -

- shares of Educomp Asia could not have been part of the CIRP of the Corporate Debtor first because they are not owned by the Corporate Debtor and second in light of the exception under Section 18 of the IBC.
- shares have been sold under the liquidation proceedings pursuant to order of the High Court of Singapore and that no such issue was raised by the ex-director before the liquidator of Educomp Asia Pacific (Pte) Ltd.
- there are various judicial precedents on this position of the NCLT and the NCLAT that the assets of the subsidiary cannot be made part of the CIRP proceedings of the holding company.

The counsel appearing on behalf of SBI Singapore, and COC supplemented and supported the submissions of Mr. P Nagesh. In response, the Bench enquired about the difference and definition of asset and property. In response, the counsel for SBI Singapore submitted that property has been defined under Section 3(27) of the IBC. The counsel for SBI Singapore by way of relying on the provisions of the Income Tax Act and stated that property forms part of asset, which is a bigger genus, and both the definitions cannot be distinguished and read independently in IBC.

The Bench after hearing the submissions, reserved the orders in I.A 187/2022 with the direction to the counsel of Mr. Shantanu Prakash, to file a written synopsis regarding the alleged valuation of the shares on 03.09.2021 (date on which the shares of Educomp Asia were sold). The Bench also directed the counsel of SBI Singapore to file a written synopsis regarding the valuation of the shares of the Educomp Asia (Pte) Ltd. The Bench also directed the counsel for SBI Singapore and ex-Director to submit the details regarding all the valuation of shares carried out by both parties. RP was also directed to file compilation of judgements distinguishing definition of asset and property under the law. After hearing the submissions, the Bench posted the matter on 08 June 2023.

On 08 June 2023, a special bench comprising of Sh. Mahendra Khandelwal (J) and Sh. L.N. Gupta (T) presided in Court No. 2. P. Nagesh appearing on behalf of the RP apprised the special bench that IA 195/2019 is already part heard before the Regular Bench comprising of Shri Ashok Bhardwaj (J) and Sh. L.N. Gupta (T) and therefore requested that IA 195/2019 be immediately posted after the vacations. The counsel appearing on behalf of the Resolution Applicant also requested the Special Bench that the matter be posted on the top of the board on the next date of hearing.

Thereafter, the Plan Approval Application - CA 195(PB) of 2018 filed by the Resolution Professional was listed on 05 July 2023. On that date, the matter could not be heard and the same was posted for 10 July 2023. On the next date i.e., 10 July 2023, due to torrential rains, the basement of the NCLT building was waterlogged and was inspected by CPWD for civil and electric faults. Accordingly, the NCLT officials informed that the Bench would preside at 12 Noon to hear the matters through video conference. However, at 12 Noon, the NCLT issued another notice informing that the hearing for all the matters listed on 10.07.2023 stands suspended.

The Plan Approval Application - CA 195(PB) of 2018 was then listed on 31 July 2023. During the hearing, Mr. Abhishek Sharma informed and submitted to the Bench that in compliance of the order dated 08 May 2023, an affidavit has already been filed by the RP responding to the queries raised by the Bench. However, it was informed by the court master that the same is not showing on record (DMS). In response, Mr. Abhishek Sharma informed the Bench that we had checked with the registry and noted that the affidavit was showing on the DMS and is on record. However, since the court master could not locate the affidavit filed by the RP, the Bench directed the counsel of the RP to ensure that the same is showing on the DMS (on record) and listed the matter at a short date on 07 August 2023.

On the next date i.e., 07 August 2023, Mr. P Nagesh Senior Advocate appearing on behalf of the RP made the

following submissions:

- In terms of the order dated 08 May 2023, the Bench raised certain queries with respect to the Resolution Plan and directed the RP to respond to the queries by way of an affidavit. In compliance of the order, an affidavit was filed by the RP on 23 May 2023.
- Mr. P Nagesh took the Bench through the queries and the responses. First, he referred to query no. 1 and submitted that a copy of the entire Resolution Plan has been annexed as Annexure- 2 to the affidavit.
- He referred to query no. 2 with respect to non-submission of performance bank guarantee by Resolution Applicant and submitted that Regulation 36B (4A) of the CIRP Regulations which requires the successful resolution applicant to submit the performance bank guarantee came into force on 24.01.2019. However, the request for resolution plan and the Resolution plan was approved by the Committee of Creditors prior to the amendment i.e., in the year 2017 and 2018. Therefore, Regulation 36B (4A) was not applicable.
- Hu further submitted that the NCLT, Chandigarh Bench in Phoenix ARC Pvt. Ltd. v. Sarbat Cotfab Private Limited having similar facts as in our case, approved the resolution plan.

The counsel appearing on behalf of the Resolution Applicant by referring to the order dated 13 September 2021 submitted that that in terms of the RFRP, SRA/Resolution Applicant was required to replace its EMD with a PBG equivalent to 10% of the Resolution Plan value, if it were to be declared as the successful resolution applicant which is also recorded in the said order. Accordingly, the counsel submitted that the RP did not seek any PBG from the Resolution Applicant. On being enquired by the Bench as to what remedies are available in case the Resolution Applicant fails to implement the Resolution Plan, Mr. P Nagesh informed that a recourse is available under Section 74 of the Code. The Bench noted the same, however, insisted that it is necessary to get the PBG from the Resolution Applicant to secure implementation of the Resolution Plan as the Resolution Applicant had filed three applications in the past for withdrawal of the Resolution Plan. Thereafter, the counsel appearing on behalf of the Resolution Applicant submitted the other objections to the Resolution Plan. The counsel submitted that the RP has unilaterally modified the Resolution Plan by inserting Para No. 19 in the Plan Approval Application. The Bench enquired whether such modification was placed before the COC for their approval and consideration. In response, Mr. P Nagesh submitted that there is no modification in the Resolution Plan and Para No. 19 stated in the Plan Approval Application is nothing but a clarification in terms of the addendum dated 21 February 2018 issued by the Resolution Applicant. Mr. P Nagesh further took the Bench through various key dates and submitted that after the addendum was received from the Resolution Applicant, the RP re-opened the e-voting and accordingly the Resolution Plan along with the addendum was approved by the COC. Since, Para No. 19 was inserted only for clarification, Mr. P Nagesh submitted that the same is not pressed by the RP and may be disregarded in order to avoid confusion. The Bench allowed the request of Mr. P Nagesh and considered the final Resolution Plan dated 19 February 2018 along with addendum dated 21 February 2018.

Thereafter, the counsel appearing on behalf of the Resolution Applicant referred and submitted other objections including but not limited to going concern issue, financial statements not being prepared etc. In response, Mr. P Nagesh submitted that all these issues have already been dealt by the Hon'ble Supreme in its order dated 13 September 2021. The Hon'ble Bench took note of the same.

After hearing the submissions, the Bench directed the Resolution Applicant to submit the PBG within 4 weeks. Further, the Bench directed the RP to be present on the next date of hearing. Mr. P Nagesh and counsel of the COC submitted that 4 weeks will further delay the adjudication of the Plan Approval Application and accordingly requested for a short time period. In response, the Bench granted 3 weeks' period to the Resolution Applicant to submit the PBG. The Bench also noted the submissions and undertaking of the Resolution Applicant that the Resolution Applicant will not withdraw the Resolution Plan for any reason related to PBG and accordingly listed the matter on 29 August 2023.

Meanwhile, the application filed by the RP before the Hon'ble Supreme Court seeking expeditious disposal of the Plan Approval Application was listed on 18 August 2023. Mr. Abhishek Sharma appeared on behalf of the RP and made submissions. After hearing the submissions, the Hon'ble Supreme Court by its order dated 18 August 2023 directed the NCLT to dispose of the Plan Approval Application as expeditiously as possible or within 2 months from the date of the order.

Meanwhile, on 25 August 2023, the Hon'ble Bench passed the final order in I.A 187 and directed as follows: -

- RP to approach IBBI within one week for appointment of registered valuers to conduct the valuation of shares of Learning Internet Inc. owned by Educomp Asia and pledged with SBI, Singapore as on 03.09.2021 subject to payment of fees by Mr. Shantanu Prakash.
- Valuers to submit the report within one month of their appointment in accordance with internationally accepted valuation standards.
- If the valuation is found more than the value of USD 7.1 million for which the shares were sold on 03.09.2021, the claim of SBI Singapore against the Corporate Debtor would stand reduced to the equal or that extent.
- The CIRP qua the Corporate Debtor would continue unhindered and uninfluenced by the aforementioned direction. The secured financial claim of the State Bank of India (Singapore) qua the Corporate Debtor would be subject to the outcome of the valuation result/report.

On 29 August 2023, Mr. Abhishek Sharma appearing on behalf of the RP made the following submissions: -

- In terms of the last order, SRA was required to submit PBG within a period of 3 weeks, however, the SRA has till date not complied with the said directions.
- Referred to the affidavit filed by the RP and took the bench through various queries raised by the Bench and RP's response to the said queries.
- SRA is eligible under Section 29A of the Code and in this an undertaking has also been submitted by the SRA. Further, a letter has also been issued by the RP to the COC confirming the eligibility of SRA under Section 29A of the Code.
- Referred and took the Hon'ble Bench to various clauses of the Resolution Plan such as terms, implementation, distribution, waiver etc.

During the hearing, the counsel appearing on behalf of the SRA reiterated its objections to the Plan Approval Application which were submitted on the last date of the hearing. In response, Mr. Abhishek Sharma submitted that the issues regarding erosion of commercial substratum of the Corporate Debtor were already argued by the SRA before the Supreme Court. In addition to the same he had also filed an application bearing IA 397/2022 praying for similar reliefs which was dismissed by the Bench vide its Order dated 08.03.2022 and subsequently reaffirmed by the NCLAT vide its Order dated 06 May 2022.

The Hon'ble Bench after hearing the submissions of the parties reserved the matter for orders and permitted SRA/RP/COC to file brief written synopsis.

Ebix Singapore Pte Limited thereafter filed IA 4845 of 2023 before the NCLT, New Delhi inter alia stating that Educomp Solutions Ltd. is not a going concern and also seeking issuance of appropriate directions against the RP for making false statements and also direct that there is no requirement to furnish Performance Bank Guarantee by Ebix in terms of order dated 07.08.2023 and 29.08.2023.

The captioned application was listed on 15.09.2023 before the NCLT New Delhi Bench, when the Link Legal team along with Mr. Neeraj Malhotra, Senior Advocate appeared on behalf of the RP and Mr. Arvind Nayar, Senior Advocate appeared on behalf of Ebix Singapore Pte. Ltd.. Mr. Arvind Nayar started his arguments by referring to the audit report for the FY 2020-2021 of the Corporate Debtor and submitted that the auditor in its report has stated that the Corporate Debtor is not a going concern. The Bench expressed its inability to hear the arguments further and accordingly listed the application 19.09.2023 after considering the availability of both the senior counsels.

On 19.09.2023, the application was listed for hearing. During the hearing, the following submissions were made by Mr. Arvind Nayar, appearing on behalf of Ebix: -

- By referring to the Independent Audit Report for the FY 31 March 2021 of the Corporate Debtor, it was submitted that the RP/Corporate Debtor did not take steps to recovery the receivables.
- In the FY 2021-2022, the revenue from operations have substantially been reduced/decreased.
- RP has failed to keep the Corporate Debtor as a going concern as the auditor has itself stated in the report that

there is substantial doubt about the Company's ability to continue as a going concern.

- Various statutory proceedings have been initiated against the RP before the Delhi High Court and other forums.

In response, Mr. Neeraj Malhotra appearing on behalf of the RP made the following submissions: -

- The independent report referred by Ebix's counsel pertains to FY 2021-2022.
- The revenue in the FY 2020-2021 and 2021-2022 decreased/reduced on account of Covid-19 which impacted the business operations of the Corporate Debtor. It was submitted that the Corporate Debtor's product is an offline product which were again in demand in the FY 2022-2023.
- Corporate Debtor has generated revenue of 40 Million in the FY 2023-2023.
- Referred to the order dated 08.03.2022 passed by the NCLT and order dated 06.05.2022 passed by the NCLAT and submitted that the NCLAT upheld the decision of the NCLT to state that all the necessary documents/information to be provided after approval of the resolution plan by this Hon'ble Bench.
- One of the associate companies of Ebix i.e., Ebix Smart Class Services Pvt. Ltd. has purchased approximately 9 thousand licenses during FY 2023.
- All the points have been argued before by Ebix and this is the 4th attempt to reagitate the same issues.
- Ebix doesn't want to implement the resolution plan and therefore, such application has been filed. Till date, Ebix has not submitted the PBG in terms of the order dated 07.08.2023 and 29.08.2023.

After hearing the submissions, the Bench reserved the order in the captioned application and further directed the RP to file a short affidavit stating the revenue of the Corporate Debtor in the FY 2022-2023 and whether the Corporate Debtor is a going concern. The short affidavit was duly filed by the RP in compliance of the said order.

On 21.09.2023, Company Appeal (AT)(INS) No. 1351/2023 was filed by the State Bank of India, Singapore as the Appellant assailing the order dated 25.08.2023 passed by the NCLT, New Delhi whereby inter alia directions were provided for the appointment of registered valuers for the conducting the valuation of shares of The Learning Internet Inc.

On 09.10.2023 the NCLT, New Delhi vide a detailed order approved the Resolution Plan of Ebix Singapore Pte Ltd. and also dismissed the IA 4845 of 2023 filed by Ebix Singapore Pte Ltd.

The erstwhile RP thereafter filed the following applications:

- (i) Contempt Petition 55/2023 against the Ebix and its personnel for non-compliance of the Order dated 07.08.2023 and 29.08.2023 of the NCLT, New Delhi by Ebix with respect to furnishing of PBG;
- (ii) IA 5355/ 2023 for seeking directions to Greycells 18 Media Pvt. Ltd.

The aforesaid applications were listed for hearing on 11.10.2023. Mr. Abhishek Sharma appeared on behalf of the RP. The NCLT was pleased to issue notice to Ebix in the Cont. Pet 55 of 2023. However, with respect to IA 5355/2023 the Bench observed that the erstwhile RP has no locus filing this application as the plan stands approved vide Order dated 09.10.2023. Mr. Abhishek Sharma submitted on behalf of the erstwhile RP that the present application can be kept in abeyance so that subsequently the Monitoring Agency can pursue the said Application. However, the Bench was not inclined to do so. As a result of the aforesaid, Mr. Abhishek Sharma withdrew the said Application.

IA 5640 of 2023 was filed by the erstwhile COC seeking directions for constitution of the Monitoring Agency. The IA was listed for hearing on 20.10.2023. Ms. Misha, appeared on behalf of the erstwhile COC, Mr. Abhishek Sharma also appeared on behalf of the erstwhile RP. The NCLT, New Delhi issued notice in the said IA. Ebix was also directed to file a Reply to the said Application. The NCLT also directed that in the meantime all concerned would discharge their duties with due reference to the provisions of IBC.

On 18.10.2023, the NCLAT in Company Appeal (AT)(INS) No. 1351/2023 issued notice and directions issued in Paragraph 27(a) and (b) of the Impugned Order dated 25.08.2023 of the NCLT in I.A. No. 187 of 2022 were stayed.

On 30.10.2023, a reply was filed on behalf of the IBBI in I.A. No. 187 of 2022 filed by Mr. Shantanu Prakash in compliance with the order dated 25.08.2023 passed by the NCLT, New Delhi. It has been asserted in their reply that

while the Impugned Order directs the IBBI to appoint registered valuers to do the valuation of shares, it is not in the domain of the IBBI in terms of the applicable CIRP Regulations and the IBBI (Liquidation Process) Regulations 2016, to appoint registered valuers. Accordingly, it has been submitted that the Hon'ble Tribunal may pass appropriate considering the reply submitted on behalf of IBBI.

The Application by the erstwhile COC i.e. IA 5640 of 2023 was again listed on 01.11.2023. However, due to paucity of time the said Application was not taken up and was renotified on 06.11.2023.

On 06.11.2023, the Bench could not take up the matter i.e. IA 5640 of 2023 filed by the erstwhile COC due to paucity of time. The counsel for the erstwhile COC and the erstwhile RP mentioned the matter and submitted before the Bench that the Monitoring Agency has not been constituted by Ebix till date and the erstwhile RP is facing difficulty in carrying out the day-to-day activities of the Corporate Debtor such as payment of salaries etc. The Bench posted the matter for the next date of hearing i.e. on 08.11.2023.

On 08.11.2023, the Cont. Pet 55 of 2023 and IA 5640 of 2023 were listed for hearing. When the matter was called for hearing, the counsel on behalf of the erstwhile RP informed the Bench that no reply has been received by the SRA in the Contempt Petition. The Bench observed that even on the last date of hearing, a similar request was made. The Bench directed Ebix and its officials to file the Reply in one week of time granted subject to payment of cost of Rs 50,000/- to be deposited in the Prime Minister's Relief Fund. In respect to IA 5640 of 2023, the NCLT noticed that the Reply filed by the SRA is not reflected on the DMS. The Court directed Ebix to ensure that its reply is uploaded on the DMS within three days. The matter was next posted for hearing on 23.11.2023.

On 23.11.2023 the Cont. Pett 55/2023 and IA 5640 of 2023 were listed for hearing before NCLT, New Delhi. The counsels for all the parties were present. When the matter was called for hearing, Abhishek Sharma, counsel on behalf of the erstwhile RP apprised the Bench that on the last date of hearing cost was imposed on Ebix in the Cont. Pett 55/2023. Mr. Rajiv Ranjan, Sr. Adv. Appearing on behalf of Ebix informed the Bench that Ebix has filed an appeal against the plan approval order by filing an appeal on 03.11.2023 before the NCLAT. Therefore, he seeks an adjournment by two weeks. Whilst Abhishek Sharma, counsel on behalf of the erstwhile RP informed the Bench that no such appeal has been served on them and neither any filing particulars have been made available to them. The Bench after hearing submission of the parties directed the matter to be listed on 03.01.2024. However, upon a joint request made by the counsel of the erstwhile RP and the counsel of the erstwhile COC that the management of the Corporate Debtor has come to a standstill, and there is no one to look after the said Company. In the circumstance, NCLT, directed that the RP would act as a caretaker qua the Corporate Debtor and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP. The Bench also held that the cost of caretaker RP would be borne by Ebix. The Counsel of the erstwhile COC and the RP was directed to inform the RP about the same as well.

The matter was next listed for hearing on 03.01.2024. The matter could not be taken up due to paucity of time. The next date of hearing in the matter is on 24.01.2024. The matter again could not be taken up due to paucity of time on 24.01.2024 and got listed on 06.02.2024. The matter again could not be taken up due to paucity of time on 06.02.2024 and now got listed on 06.03.2024.

On 17.01.2024, the Link Legal Team appeared on behalf of the RP in Company Appeal (AT) (INS) 1351 of 2023 before the National Company Law Appellate Tribunal. The matter was mentioned in the morning by the counsel for the Appellant who sought time to file their Rejoinder. At this stage, the Link legal team on behalf of the RP also sought time to bring on record their Reply in the captioned matter. Accordingly, two weeks' time was granted to the Appellant to file the Rejoinder and the RP to file his Reply. The Reply of the RP was filed and defects cleared to bring the same on record on the very next day, i.e. 18.01.2024. On 18.01.2024, The matter was mentioned by the counsel for the Appellants at around 10:30 AM in the morning as the Bench sat for hearing, seeking further time to file their Rejoinder. At this stage, the Link Legal Team on behalf of the Erstwhile Resolution Professional sought to file their Reply and that a copy of the same has already been E-filed on 16.01.2024. Upon hearing the submissions of the parties, the Bench was pleased to provide further time to the Appellants to file their rejoinder and granted 2 weeks' time to the Erstwhile Resolution Professional to bring on record his reply in the captioned matter and listed the matter on 05.02.2024. On 05.02.2024, the matter was taken up at around 1 PM. The Link Legal Team appeared on behalf of the ERP and apprised the court that the Reply has been filed. The Bench, considering the paucity of



time, was pleased to list the matter for arguments on 06.03.2024, for arguments.

In the meantime, the appeal filed by the SRA against the plan approval order dated 09.10.2023 of the Hon'ble NCLT got listed before the Hon'ble NCLAT on 24.01.2024 as Item No. 18 in the supplementary list. Mr. Abhishek Sharma along with the Link Legal Team appeared on behalf of the ERP. Siddhant Kant along with SAM's team was present for the COC. Senior Advocate Ramji Srinivasan appeared on behalf of the Appellant / Ebix Singapore Private Limited. It was submitted by the counsel for COC that despite having filed a caveat, they had not been served with a copy of the Appeal. Accordingly directions were given by NCLAT impleading COC as one of the Respondents in the Appeal. NCLAT also directed that an Amended Memo be filed within three days i.e., by 29.01.2024. Abhishek Sharma on behalf of the ERP objected to the application filed by Ebix Singapore for condonation of delay in re-filing the appeal (after defects were raised). Senior Advocate Ramji Srinivasan stated that the delay has been on account of the change in counsel and voluminous records in the matter. Upon hearing the parties in the matter, NCLAT permitted the application filed by Ebix Singapore seeking condonation of re-filing delay and listed the matter on 31.01.2024.

On 31.01.2024, the matter was called and the counsel for SRA has made there submission and then due to the paucity of time the Hon'ble NCLAT listed the matter on 05.02.2024 as part-heard. On 05.02.2024, during the course of the hearing, Ramji Srinivisan, Senior Advocate made submissions on behalf of Ebix Singapore arguing that the Plan approval order passed by NCLT was erroneous and lacked judicial application of mind. The Link Legal Team on behalf of the ERP and the ECOC supported the Plan Approval Order passed by NCLT and placed reliance on the judgment of the Supreme Court dated 13.09.2021 to stated that similar arguments have already been raised and considered by the Hon'ble Supreme Court and hence, the present appeal is not maintainable. After hearing the parties, judgment was reserved in the matter.

As per Section 17 of the Code, on the commencement of CIRP against the Corporate Debtor,

- (a) the management of the affairs of the company shall vest in the Resolution Professional.
- (b) the powers of the Board of Directors of the company shall stand suspended and be exercised by the Resolution Professional.
- (c) the officers and managers of the company shall report to the resolution professional and provide access to such documents and records of the company as may be required by the Resolution Professional.
- (d) the financial institutions maintaining accounts of the company shall act on the instructions of the Resolution Professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

The Company has received a letter dated October 12, 2018 from the Serious Fraud Investigation Office ("SFIO"), Ministry of Corporate Affairs ("MCA"), Government of India, intimating the Company that the Ministry of Corporate Affairs has ordered an investigation into the affairs of the Company by the SFIO.

The Ministry of Corporate Affairs ("MCA") vide its Order No. 32/2018/SFIO/CL-II dated 01.08.2018 has ordered an investigation into the affairs of the Corporate Debtor by SFIO. The first communication requisitioning documents/information was received from SFIO by the RP in October 2018. Since then, SFIO on numerous occasions has requisitioned various documents/ information which were duly provided to them and the requisite information is being provided to them as and when required. The last communication received from SFIO was on 28.09.2022.

There was no proper composition of the Board and Key Managerial Personnel. Most of the senior employees and other staff had also resigned.

The Company has not complied with the various provisions of the Companies Act, 2013 and SEBI (LODR), 2015. Due to this reason the authorities have imposed penalties on the Company. The overall working of the Company has been affected.

The CBI had conducted search at the corporate office of the Corporate Debtor situated at 514, Udyog Vihar, Phase-III, Gurugram on 11th February, 2020, the Registered office situated at 1211, Padma Tower I, 5, Rajendra Place, New Delhi-110008 as well as the residences of the Promoters. . The raid was based on the complaint lodged by SBI on behalf of itself and various consortium banks. During the search, the CBI team had taken various documents

from the corporate office. The list/ details of documents seized by CBI were also shared with the members of the CoC. Subsequently, the CBI team has visited the corporate office on various occasions and were there for almost 15 days and had requisitioned various customer agreements mostly pertaining to the financial year 2011-12. Majority of the customer agreements have been provided to them. Almost all the documents have been provided to the CBI, some of them are pending since CBI has specifically asked for the original agreements however, photocopies have been provided to them. The last communication received from CBI was on 29.12.2022.

**SEBI Investigation matter against Educomp Solutions Limited:** SEBI issued show cause notice dated 20.05.2021 bearing reference no. SEBI/HO/IVD/ID-16/VS/SS/2021/0532/1 u/s 11(1), 11(4), 11(4A), 11B(1) and 11B(2) r/w 15HA of Securities and Exchange Board of India Act, 1992 ("SEBI Act"), and u/s 12A(2) read with section 23E and 23H of Securities Contracts (Regulations) Act, 1956 and Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of investigation into the alleged manipulation of books of accounts of Educomp Solutions Limited ("**Show Cause Notice**").

In reference to the Show Cause Notice issued by SEBI, the RP on behalf of the Company filed its Reply on 12.07.2021. Thereafter, on 03.08. 2022, the RP also filed a Compilation of Judgments in support of the grounds raised in its Reply. On 03.08. 2022, the matter was also listed before the Whole Time Member, SEBI and arguments on behalf of the RP/Company were heard by the Whole Time Member, SEBI. After the hearing, on 18.08. 2022, Written Submissions were also filed by the RP on behalf of the Company. The other parties to the Show Cause Notice also concluded their arguments. On 19.04.2023, a notice was sent by the office of the SEBI calling for further submissions as the matter would be listed for passing of orders. Accordingly, the RP on 25.04.2023 filed additional written submissions. Thereafter, SEBI vide its email dated 22.05.2023 had sought certain information regarding the Company from the RP. The same was duly provided by the RP on 24.05.2023. On 30.05.2023, SEBI passed order in the Show Cause Notice. SEBI via the said order held that present proceedings initiated by SEBI against the Company cannot be continued in light of the fact that the Company is undergoing CIRP vide order dated 31.05.2017 and that RP has been appointed vide order dated 12.09.2017 of the NCLT, New Delhi. Further, SEBI imposed penalty on Shantanu Prakash Jagdish Prakash. With the above holding, SEBI disposed off the Show Cause Notice.

#### **8. EXTRACT OF ANNUAL RETURN**

The annual return of the company will be available on the Company's website [www.educomp.com](http://www.educomp.com).

#### **9. PUBLIC DEPOSITS:**

During the year, the Company has not accepted any deposits under the provisions of the Companies Act, 2013.

#### **10. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES**

The Company has 15 subsidiaries and 1 associate Company as on March 31, 2023. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company and marked as Annexure I.

- I. During the year ended March 31, 2019, 1 subsidiary namely Educomp infrastructure and school management limited (EISML) has filed for insolvency on January 11, 2018 and on April 25, 2018 consequent to which Resolution Professionals (RP) have been appointed in the company and all the powers to direct the state of affairs of the company rests with the RP. Further, CoC of the EISML in September, 2019 approved a Resolution Plan submitted by Mr. Paramjit Gandhi. Accordingly, the Resolution Professional of EISML on October 10, 2019 filed an application for the approval of Resolution Plan at NCLT, Chandigarh which has been approved on December 14, 2020. Accordingly, by virtue of provisions of Ind AS 110 Consolidated Financial Statement, the Holding Company has lost its controlling power over the EISML and its 24 step-down subsidiaries (EISML group) and have not been consolidated in the current year.
- II. In absence of financial or other information from the overseas subsidiaries since beginning of CIRP period despite best efforts, it has been determined by holding company, that the Group has lost control over 5 overseas subsidiaries namely Edumatics Corporation Inc. USA, Savvica Inc., Canada, Educomp IntelProp Ventures Pte Limited, Educomp Global Holding FZE and Educomp Global WLL, during the year.
- III. EduSmart Services Private Limited (ESSPL) (a subsidiary through potential voting rights), Educomp Asia Pacific

Pte Limited. (EAPL), The Learning Internet Inc (L.com) and 1 step down subsidiary, Educomp Learning Hour Private Limited have filed for insolvency on June 27, 2017, June 30, 2017, June 30, 2017 and December 11, 2017 respectively consequent to which Resolution Professionals (RP) have been appointed in the respective companies and all the powers to direct the state of affairs of these companies rests with the respective RP's. Accordingly, by virtue of provisions of Ind AS 110 Consolidated Financial Statement, the Holding Company has lost its controlling power over the above mentioned subsidiaries and have not been consolidated in the current year.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements will be available on our website <http://www.educomp.com/content/investors-home>.

#### **11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on 31st March 2023, there is no director on the Board of the company.

On May 05, 2021 the company has appointed Mr. Manoj Garg as Chief Financial Officer and Mr. Ankit Bisht as Company Secretary of the Company w.e.f. 1st September, 2022. The Previous Company Secretary Mr. Lakshay Vaid has resigned from the company w.e.f. 31st August, 2022. Moreover, as on date of the report, the Company does not have the Managing Director/CEO/WTD.

##### **Board Evaluation**

As specified the Company has been admitted to CIRP under Section 10 of the Code w.e.f 30th May 2017. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, due to the suspension of the powers of the board no Board evaluation has been carried out during the year under review.

#### **12. BOARD MEETINGS**

On May 30, 2017, the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Therefore, no board meeting was convened during the reporting period.

#### **13. COMMITTEES TO THE BOARD OF DIRECTORS**

The details regarding committees of the Board of Directors of the Company viz. composition, terms of reference, and other information, as required, have been provided in the Report on Corporate Governance which forms integral part of Annual Report.

#### **14. INDEPENDENT DIRECTORS' DECLARATION**

As specified above that w.e.f May 30, 2017 the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, the Company does not have the necessary declaration, for period under review, from the Independent Director as required in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 read with Clause 16(1)(b) and 25 of the Listing Regulations, 2015.

#### **15. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Your Company has put in place a structured induction and familiarization programme for Independent Directors. The Company through such programme familiarizes Independent Directors with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. Details on familiarization programme for Independent Directors is posted on the Company's website and can be accessed at <http://www.educomp.com/content/familiarisationprogramme>. No Familiarization program has been carried out by the company during the period under review as the company was under CIRP w.e.f. May 30, 2017.

**16. NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed nomination and remuneration Policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration as well as policy on the appointment and remuneration of other employees. The Remuneration Policy is stated in the Corporate Governance Report that forms part of this Annual Report.

**17. DIRECTORS RESPONSIBILITY STATEMENT:**

To the best of knowledge and beliefs and according to the information and explanations obtained by the RP of the Company, the RP makes the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the RP has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the period ended on March 31, 2023;
- c) That RP has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual accounts have been prepared on a going concern basis; and
- e) That proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.
- f) That the RP has devised the proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**18. HUMAN RESOURCE MANAGEMENT:**

The Company is having no new operations and servicing only to old customers and hence comprises of very limited staff. Educomp had total employee strength of 34 as on 31st March, 2023 as compared to 38 as on 31st March, 2022.

**19. STATUTORY DISCLOSURES:**

As specified above that w.e.f May 30th, 2017 the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. The Company does not have the written declaration, for period under review, in Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

**20. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has the Corporate Social Responsibility (CSR) Committee and CSR Policy, as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014. For other details regarding the CSR Committee, please refer to the corporate governance report, which forms part of this report. Further, the Annual Report on CSR Activities in format prescribed in Companies (Corporate Social Responsibility) Rules, 2014 including the brief outline of the corporate social responsibility (CSR) policy of the Company annexed to this report **Annexure II**.

The Company has losses in the past periods and has no amount attributable to Corporate Social Responsibility as per the Companies Act and the company is currently undergoing Corporate Insolvency and Resolution Process, Hence, no expenses towards the Corporate Social Responsibility is required.

**21. AUDITORS & AUDITOR'S REPORT:**

It is to be noted that Committee of Creditors has power to appoint the statutory auditor of the Corporate Debtor and its through Committee of Creditors' approval only that the appointment can be done. Further, under Insolvency and Bankruptcy Code, 2016 ("Code"), the Resolution Professional, during the CIRP, cannot make changes in the appointment or terms of contract of statutory auditors or internal auditors of the Corporate Debtor without the prior approval of the Committee of Creditors of the Corporate Debtor.

In view of above, subject to the approval of the members of the Company, the Members of the Committee of Creditors approved the appointment of M/s Kumar Vijay Gupta & Co. Chartered Accountants as Statutory Auditors of the Company for the FY 2020-21 to FY 2024-25 by 84.75 percent of voting share of the financial creditors on the recommendation of the Resolution Professional in the 28th CoC meeting held on 24th January, 2023.

Further, the members of the Company also approved the appointment of M/s Kumar Vijay Gupta & Co. Chartered Accountants as Statutory Auditors of the Company for the FY 2020-21 to FY 2024-25 in the 26th Annual General Meeting held on 27th March, 2023.

The Company has received consent letter and eligibility certificate from M/s Kumar Vijay Gupta & Co, Chartered Accountants of the Company, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act 2013 and the rules made thereunder.

S. No.	Audit Observation	Our Remarks
1.	As mentioned in Note 3.1 to the Standalone Ind AS Financial Statements, the Management did not conduct physical verification of Property, plant and equipment during the year ended March 31, 2023. In absence of the same, we are unable to comment over existence, valuation, and the extent of the adjustment, if any, required in respect of these assets as at March 31, 2023 and the resultant possible impact of the same on the loss for the year ended on that date and on the equity as on that date.	The management has physically verified the fixed assets lying only at Corporate Office Gurgaon on October 23, 2020. The offices at other locations of the company have been shut down due to liquidity and business constraints and the assets lying at these locations, carrying value of Rs. 4.92 million, have been shifted to the warehouses based out at Mahipalpur (New Delhi) and Chennai which could not be physically verified during the year.
2	As regards trade receivable amounting Rs. 1,186.28 million (net of accumulated loss allowance of Rs. 14,680.44 million) as on March 31, 2023, the management is of the view that the same are good and fully recoverable in due course and hence no further loss allowance is required. In absence of appropriate audit evidences including balance confirmations, correspondences from parties and details of subsequent realization post March 31, 2023, we are unable to comment on the recoverability of the outstanding trade receivables of Rs. 1,186.28 million and the possible impact of the same on the loss for the year ended March 31, 2023, and on the equity as on that date.	The Provision has been created on smartclass customers against whom legal action has been initiated and on remaining Customers including ICT (Govt. customers) and retail customers on case to case basis. We are regularly collecting money from these customers. The receivables of Rs. 1,186.28 million are good and recoverable. However due to company being in IBC the auditor had given this qualification. The fact that an amount of Rs. 6.9 million has been recovered during the year from these receivables demonstrates that the receivables are good and recoverable. The balance receivables will be collected in the next two years subject to their service commitments with the customers under these contracts.

S. No.	Audit Observation	Our Remarks
3.	As mentioned in Note 12.4 to the Standalone Ind AS Financial Statements, the Company has not accrued interest on borrowing post May 30, 2017, being Corporate Insolvency Resolution Process ("CIRP") commencement date. The amount of such interest not accrued is estimated to be Rs.4,017.70 million for the reporting financial year and Rs.19,005.18 million till March 31, 2023. This has resulted in understatement of financial liabilities by Rs.19,005.18 million as at March 31, 2023; understatement of loss for the year by Rs. 4,017.70 million and overstatement of equity by Rs.19,005.18 million as on that date.	As the CIRP initiated, financial creditors has filed their claims which are crystallized and admitted claims are already filed with NCLT, post approval of resolution plan by COC. Since post admission of claim, no liability can accrue on account of interest, therefore same is not provided.
4.	As disclosed in Note 14 to the Standalone Ind AS Financial Statements, the advance from customers includes amount received from non-corporate entities of Rs. 80.47 million 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 Standalone Ind AS Financial Statements is presently not ascertainable.	The Company had received advances from customers, which are outstanding for more than one year and still lying in the books as on March 31, 2023. These advances mainly pertain to the pre CIRP period and includes amount of Rs. 80.47 million received from non corporate entities. The advances cannot be repaid after initiation of CIRP and the same will be settled, if any, in accordance with the provision of the Insolvency and Bankruptcy Code 2016 and regulations issued there under.
5.	As mentioned in Note 24.2 to the Standalone Ind AS Financial Statements, the Company follows Expected Credit Loss (ECL) model for measuring impairment loss allowance of its trade receivables. The ECL allowance or loss rate is computed based on a provision matrix which takes into account historical credit loss experience. However, for the computed loss rate as mentioned in Note 24.2 to the Standalone Ind AS Financial Statements, we have not been provided with any underlying workings of such loss rate computed by the Company.  Further, the Company has not taken effect of aforesaid loss rate in computation of impairment loss allowance, if any on trade receivables 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 loss allowance on the trade receivables balance as at March 31, 2023 and the loss for the year ended on that date and on the equity as on that date.	The Company following the provisioning method based on the legal recovery status initiated against the customer. Historically we are following norms as under. <ol style="list-style-type: none"> <li>1. For the cases closed/ cancelled 100% provision.</li> <li>2. For the cases arbitration award passed in our favour 60% provision.</li> <li>3. For the cases under arbitration (award not yet passed) 100% provision.</li> <li>4. For the cases arbitration award passed but set aside 100% provision.</li> <li>5. For the cases amount overdue more than five-year 100% provision.</li> </ol> <p>The same clarified in note # 25.2 of our Financial Statement.</p> <p>It is technical qualification based on different view on the adoption of Ind AS.</p>

S. No.	Audit Observation	Our Remarks
6.	<p>We have neither got the direct confirmations nor provided with the statements for borrowings from banks and financial institutions amounting to Rs.11,970.00 million (net) as at March 31, 2023. Further, in case of bank borrowings amounting to Rs.6,189.16 million wherein we have received the confirmations or bank statements, the amount recorded in the Standalone Ind AS Financial Statements is short by Rs.2,186.46 million (net) in comparison to amounts reported in the confirmations or bank statements. In the absence of reconciliations and other alternative audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended 31st March 2023 and on balance of borrowings and equity as at March 31, 2023</p>	<p>All the loan accounts with lenders were NPA and lenders did not share loan statements with the Company.</p> <p>As audit procedure, auditor had sent letters to confirm the balance of loan but lenders hadn't provided balance confirmations.</p> <p>Since the company admitted in IBC on May 30, 2017, lenders had filed their claims. After that date no statement provided by lenders.</p> <p>In some of the cases where the lenders provided the confirmation directly to the auditors without complete loan statement, we are unable to reconcile and comment upon the difference between balance as per books and balance as per confirmations.</p>
7.	<p>Balance in borrowings other than bank borrowings mentioned in paragraph 6 above, amounting to Rs. 8,040.64 million as at March 31, 2023 are subject to confirmation. Borrowings other than bank borrowings amounting to Rs. 30 million wherein we have received the balance confirmation, the amount recorded in the Ind AS Financial Statements is short by Rs. 4.05 million. In the absence of any alternative audit evidence, we are unable to comment on any possible impact thereof on the loss for the year ended 31st March 2023 and on balance of borrowings and equity as at March 31, 2023.</p>	<p>As audit procedure auditor had sent letters to confirm the balance of loan accounts but bankers hadn't provided balance confirmation.</p> <p>Since the company admitted in IBC on May 30, 2017, lenders had filed their claims. After that date no statement provided by lenders.</p> <p>In some of the cases where the lenders provided the confirmation directly to the auditors without complete loan statement, we are unable to reconcile and comment upon the difference between balance as per books and balance as per confirmations.</p>
8.	<p>As disclosed in Note 28 to the Standalone Ind AS Financial Statements, financial guarantees aggregating Rs. 13,346.06 million were issued to banks on behalf of its erstwhile 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 year. In absence of such measurement, we are unable to comment on the resultant impact thereof on the loss for the year ended March 31, 2023 and corresponding liability and equity as on that date.</p>	<p>It is technical qualification on adoption of Ind AS and the liability against corporate guarantees provided by the company towards borrowings of subsidiaries shall only be crystallized upon default and invocation by the lenders. It doesn't have any impact on profit and loss account of the company.</p> <p>Financial guarantees are part of the claims submitted by the lenders, so no provision made during year.</p>

<b>S. No.</b>	<b>Audit Observation</b>	<b>Our Remarks</b>
9.	<p>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 the year ended March 31, 2023 and on the balance of borrowings and equity as on that date.</p>	<p>In FY 2017, the Company has requested to all its lenders to waive penal interest as company is facing liquidity crunch and not able to generate adequate cash flows to meet its normal debt obligation. Hence company has not computed and provided for penal interest.</p> <p>Post CRP admission, financial creditors has filed their claims which are crystallized and admitted claims are already filed with NCLT, post approval of resolution plan by COC. Since post admission of claim no liability can accrue on account of interest, therefore same is not provided.</p>
10.	<p>As disclosed in Note 6.5 to the Standalone Ind AS Financial Statements, the balance with banks in current account amounting to Rs. 7.45 million 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 March 31, 2023 is overstated by said amount along with overstatement of equity for the equivalent amount on that date.</p>	<p>The balance with banks in current account of Rs. 7.45 million is not reflected in the bank statement as the bank have adjusted the same against Term Loan during CIRP period. The bank was not supposed to recover any amount during the moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016. Since the company has taken up the matter with the concerned bank, the amount is shown in balance with banks in current account.</p>
11	<p>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. 0.23 million. In the absence of any alternative evidence, we are unable to comment on any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance with banks as at March 31, 2023 and on equity as on that date.</p>	<p>Company has requested for bank statement but bank had not provided with statement of current account, term deposit and balance of margin money maintained with them.</p> <p>As audit procedure, auditor had sent letters to confirm the balance in current accounts, term deposit and margin money to all bankers but bankers hadn't provided balance confirmation.</p> <p>We don't have any control over bankers to provide such confirmations to auditors.</p>



S. No.	Audit Observation	Our Remarks
12.	As mentioned in Note 4(ii) to the Standalone Ind AS Financial Statements, the Company has fully amortized its intangible assets (knowledge based content) as per its accounting policy but the same continues to generate revenue for the company. In absence of re-assessment of the useful life of the intangible assets, we are unable to comment on the resultant impact of amortization on the loss for the year ended on March 31, 2023, carrying value of intangible assets and on the equity as on that date.	The intangible assets (which contains knowledge based content) have been fully amortized till the previous year FY 2020-21 in accordance with the accounting policy of the company. However, the intangible assets are still in use and continue to generate revenue.
13.	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. 701.73 million (net of provision for impairment of Rs. 2,581.30 million) has not been evaluated for any further impairment since financial year 2020-21. These subsidiary companies have not furnished their audited financial statements nor latest valuation reports of these companies have been made available. The latest audited financial statements of subsidiary companies are available for the financial year 2018-19. 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 year ended March 31, 2023 and equity as on that date.	Despite the regular follow-ups, we have not been able to get the financial of these subsidiaries, hence we unable to get fair valuation of investments for further impairment.
14.	As explained in Note 36 to the Standalone Ind AS Financial Statements 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.	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,

S. No.	Audit Observation	Our Remarks
		<p>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.</p> <p>Further the company had not paid any remuneration to whole time directors after June 30, 2015.</p>
15.	<p>As disclosed in Note 38 to the Standalone Ind AS Financial Statements, as per the Insolvency &amp; Bankruptcy Code and Regulations issued there under, 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. 30,437.72 million as on May 30, 2017. These claims have been taken into cognizance by Committee of the Creditors (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 as at March 31, 2023 as per books of accounts has not been prepared and any impact thereof has not been considered in the preparation of these Standalone Ind AS Financial Statements as at and for the year ended March 31, 2023.</p> <p>In absence of the above, we are unable to comment upon appropriateness of carrying value of such liabilities as at March 31, 2023 and any possible impact of the same on the loss for the year ended on that date and equity as at that date.</p>	<p>As per the Insolvency Code, the RP has received, verified and admitted the claims submitted by the creditors (Operational and Financial), employees and workmen of the Company till the approval of resolution plan by the CoC. The RP has received claims of Rs. 31,378.12 millions, verified and admitted claims of Rs. 30,437.72 millions and claims of Rs. 940.41 millions not admitted by RP. 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. As represented by the Management/RP, pending approval of the Resolution Plan by Hon'ble NCLT, a reconciliation of the admitted claims vis-à-vis liabilities outstanding as at March 31, 2022 has not been prepared and any impact thereof has not been considered in the preparation of these Standalone Ind AS Financial Statements as at and for the year ended March 31, 2022.</p>
16.	<p>As disclosed in Note 39 to the Standalone Ind AS Financial Statements, 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 report. In absence of pending final outcome of the investigations, we are unable to comment on the consequential impact of these matters on these Standalone Ind AS Financial Statements as at and for the year ended March 31, 2023.</p>	<p>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 financial statements.</p>

17.	As disclosed in Note 40 to the Standalone Ind AS Financial Statements, the Company did not have any internal audit conducted during the year as required under section 138 of the Act. The impact of the non-compliance on the accompanying Standalone Ind AS Financial Statements is presently not ascertainable.	Due to the limited bandwidth the Company has not carried out any internal audit during the year as required under sections 138 of the Act.
18.	As disclosed in Note 41 to the Standalone Ind AS Financial Statements, these Standalone Ind AS Financial Statements are not authenticated by the Company Secretary of the Company which is not in compliance applicable provisions of the Act. Also, the impact of these non-compliances on the accompanying Standalone Ind AS Financial Statements is presently not ascertainable.	The Company has filed the IBC on dated May 30, 2017, there after the powers of the board has been suspended and the company secretary signed the Financial Statements on behalf of the board as per companies act 2013. As the board is not in place so company secretary has not signed the financial statements.
19.	As disclosed in Note 42 to the Standalone Ind AS Financial Statements, these Standalone Ind AS Financial Statements are not approved by the Chief Financial Officer of the Company which is not in compliance with section 134 (1) of the Act. The impact of this noncompliance on the accompanying Standalone Ind AS Financial Statements is presently not ascertainable.	The Company has filed the IBC on dated May 30, 2017, there after the powers of the board has been suspended and the Chief Financial Officer (CFO) signed the Financial Statements on behalf of the board as per companies act 2013. As the board is not in place so CFO has not signed the financial statements.
20.	As disclosed in Note 43 to the Standalone Ind AS Financial Statements, 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 and Services Tax Act, 2017. The financial or other impact of these non-compliances on these Standalone Ind AS Financial Statements is presently not ascertainable.	As the company is under IBC, we don't have control and information regarding foreign subsidiary companies to comply the RBI requirement. Further regular compliances are made based on available information. Similarly, SEBI and ROC compliances are not complied with due to non finalization of audited accounts.

**Audit Observations and management response for the Consolidated Financial Statements for the Financial Year ended on 31.03.2023**

S No.:	Audit Observation	Our Remarks
1.	As fully explained in Note 49.1 of the Consolidated Ind AS Financial Statements, and as represented by the RP, the financial statements and other financial information for the year ended March 31, 2023 relating to 7 subsidiaries namely Whitestone Production Private Limited, Educomp Learning Private Limited, Educomp Online Supplemental Service Limited, Educomp School Management Limited, Educomp Professional Education Limited, Educomp Investment Management Limited and Educomp Software Limited are not available with the management/RP of the holding company. In	Despite the regular follow-ups, we have not been able to get the financials of these subsidiary companies as explained in audit observation, we are consolidating the financials of these subsidiary companies based on last available financial statement i.e for the year 2019-20.

S. No.	Audit Observation	Our Remarks
	<p>absence of the same, the Consolidated Ind AS Financial Statements are prepared using the last available financial information with the RP. Accordingly, these consolidated financial statements have been prepared based on the unaudited financial statements for the year ended March 31, 2020 in respect of these subsidiaries, which is not in compliance with the requirements of Ind AS-110 "Consolidated Financial Statements". Therefore, in absence of availability of financial information for the year ended March 31, 2023 in respect of these subsidiaries, we are unable to comment on any possible impact of the same on the consolidated statement of Profit &amp; Loss for the year ended March 31, 2023 and on the financial position and Equity, including various mandatory disclosures of the Group and its associates and jointly controlled entity as on that date.</p>	
2.	<p>As fully explained in Note 40A.2(ii) of the Consolidated Ind AS financial Statements, the Group Management, on the basis of their assessment, has concluded that the Group no longer controls 5 of the subsidiaries, incorporated outside India, namely Edumatics Corporation Inc. USA, Savicca Inc., Canada, Educomp Intelli Prop Ventures Pte Ltd, Educomp Global Holding WLL, Bahrain and Educomp Global FZE and accordingly, has not consolidated financial statements of these subsidiaries as at and for the year ended March 31, 2023. We have not however, been provided with the management's assessment of loss of control in respect of these subsidiaries. In absence of such assessment, we are unable to comment on the appropriateness of the assessment of loss of control and consequential impact of non-consolidation of financial statement of these 5 subsidiaries on the consolidated Ind AS Financial Statements, if any.</p>	<p>Despite the regular follow-ups, we have not been able to get the financials from last 4-5 years and in absence of no communication, we are unable to control the subsidiaries located outside india. We are unable to consolidate the financials of these subsidiaries.</p>

S. No.	Audit Observation	Our Remarks
3.	<p>We draw attention to Note 40A.2 to the Consolidated Ind AS Financial Statements, which explains that as per Ind AS 110 "Consolidated Financial Statements", the Group was required to derecognize assets and liabilities of the subsidiaries on the date when the control was lost. As represented by the management of the Holding Company, since the financial statements of above 5 subsidiaries as on the date of loss of control are not prepared/available with the management, loss of control accounting has been done on the basis of last available unaudited financial statements i.e. for the year ended March 31, 2016 in respect of 1 subsidiary namely Savicca Inc., Canada; and based on the last available audited financial information i.e. for the year ended March 31, 2017 in respect of 4 subsidiaries namely Edumatics Corporation Inc. USA, Educomp Intelli Prop Ventures Pte Ltd, Educomp Global Holding WLL- Bahrain and Educomp Global FZE. In absence of the financial statements on the date of loss of control, we are unable to comment upon any possible impact of the same on the consolidated statement of profit &amp; loss for the year ended March 31, 2023 and on the consolidated financial position and the equity as on that date.</p>	<p>Despite the regular follow-ups, we have not been able to get the financials from last 4-5 years and in absence of no communication, we are unable to control the subsidiaries located outside india. We are unable to consolidate the financials of these subsidiaries</p>
4.	<p>We did not audit the Ind AS financial statements of 7 subsidiaries (Including one step down subsidiary company), whose Ind AS financial statements reflects total assets of Rs. 949.55 million and net assets of Rs. 643.25 million as at March 31, 2023, total revenues of Rs. Nil and net cash outflow amounting to Rs. Nil million for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements for the year ended March 31, 2023. As disclosed in Note 49.1, the Consolidated Ind AS Financial Statements as at March 31, 2023 are prepared based on last unaudited and unapproved financial statements as at March 31, 2020, therefore, we are unable to comment on their correctness and completeness and whether any adjustment or disclosure is required in the Consolidated Ind AS Financial Statement. We also could not comment whether financial statements of these subsidiary companies (including one step</p>	<p>Despite the regular follow-ups, we have not been able to get the financials of these subsidiaries, hence we consolidate the unaudited financials of these subsidiaries based on last available financial statements provided by management of respective company.</p>

S. No.	Audit Observation	Our Remarks
	<p>down subsidiary) are in compliance with the Indian Accounting Standards as specified under section 133 of the Act read with relevant rules issued there under.</p>	
5.	<p>In the absence of availability of financial statement of subsidiary companies as stated in para 1 above, we are unable to obtain the sufficient appropriate audit evidence as required under SA 600 "Using the work of another Auditor" with respect to scope and timing of their work on financial information and their findings, if any; and also, not able to ensure compliance of SA 560 "Subsequent events". Therefore, we are unable to comment whether this may lead to any possible adjustment or disclosure in these consolidated Ind AS Financial Statements had this procedure been performed.</p>	<p>Despite the regular follow-ups, we have not been able to get the audited financials of these subsidiaries.</p>
6.	<p>We draw attention to Note 3.1 to the Consolidated Ind AS Financial Statements, which states that the Directorate of Enforcement vide its order dated March 28, 2022 has provisionally attached the land of EPEL measuring 23 acres and 18 guntas situated at district Ranga Reddy, Andhra Pradesh under the Prevention of Money Laundering Act, 2002, along with rent of Rs. 0.19 million and Rs.2.12 million available in a Bank account and deposited with Delhi High Court respectively. The carrying value of the said land as at March 31, 2023 is Rs. 891.10 million after revaluation (Increase) by Rs. 659.90 million in the financial year 2019-20. No adjustment has been made in these Consolidated Ind AS Financial Statement in respect of this provisional attachment made by the Directorate of Enforcement. As the further investigation is still under progress, we are unable to comment on the consequential impact of the said attachment on these consolidated Ind AS financial statements as at and for the year ended March 31, 2023.</p>	<p>As per Order of Directorate of Enforcement vide its order dated March 28.2022 has provisionally attached the land of EPEL.</p>

S. No.	Audit Observation	Our Remarks
7.	<p>On review of the financial statements of the Educomp Software Limited, a step-down Subsidiary, as considered in these Consolidated Ind AS Financial Statements and enquiries with the Management of the Holding Company, we noted that the Subsidiary has a bank borrowing of Rs. 170.81 million outstanding for last several years, in respect of which the management of the Holding Company neither have any underlying documents like bank statement nor they provided any satisfactory explanation to us regarding completeness of this balance. In absence of that, we are unable to determine any possible impact thereof on these consolidated Ind AS financial statements as at for the year ended March 31, 2023 and on the loss for the year ended March 31, 2023 and on the balance of borrowings and equity as on that date.</p>	<p>Based on unaudited financials provided by respective company, these financials has been clubbed.</p>
8.	<p>We draw attention to Note 12.1, Inventories which include Rs. 17.80 million pertaining to Educomp School Management Ltd, in respect of which the management of the Holding Company neither has any underlying documents like physical verification report nor they provided any satisfactory explanation to us regarding completeness of this balance. In absence of that, we are unable to determine any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance of inventory and on the equity as on that date.</p>	<p>Based on unaudited financials provided by respective company, these financials has been clubbed.</p>
9.	<p>As disclosed in Note 59 to the Consolidated Ind AS Financial Statements, the Educomp Software Limited, a step-down subsidiary didn't have any director on board and rest of the subsidiary Companies didn't have requisite number of directors on the board resulting in non-compliance with section 149 of the Companies Act 2013. Further the subsidiary companies are in non compliance with various other provisions of the Companies Act 2013 and other statutes. The financial or other impact of these non-compliances on these Consolidated Ind AS Financial Statements is presently not ascertainable.</p>	<p>The Subsidiary companies are non compliance with Section 149 of Companies Act 2013.</p>

S. No.	Audit Observation	Our Remarks
10.	<p>As mentioned in Note 3.2 to the Consolidated Ind AS Financial Statements, the Management of the Holding Company did not conduct physical verification of property, plant and equipment during the year. In absence of the same, we are unable to comment over existence, valuation and the extent of the adjustment, if any, required in respect of these assets as at March 31, 2023 and the resultant possible impact of the same on the loss for the year ended on that date and on the equity as on that date.</p>	<p>The management has physically verified the fixed assets lying only at Corporate Office Gurgaon on October 23, 2020. The offices at other locations of the company have been shut down due to liquidity and business constraints and the assets lying at these locations, carrying value of Rs. 4.92 million, have been shifted to the warehouses based out at Mahipalpur (New Delhi) and Chennai which could not be physically verified during the year.</p>
11.	<p>We draw attention to trade receivable at Note 13 of Rs. 1,187.42 million (net of accumulated loss allowance of Rs. 14,693.89 million) as on March 31, 2023, the management of the Holding Company is of the view that the same are good and fully recoverable in due course and hence no further loss allowance is required. In absence of sufficient appropriate audit evidences including balance confirmations, correspondences from parties and details of subsequent realization post March 31, 2023, we are unable to comment on the recoverability of the outstanding trade receivables of Rs. 1,187.42 million and the possible impact of the same on the carrying value of trade receivables, loss for the year ended March 31, 2023 and, on the equity, as on that date.</p>	<p>The Provision has been created on smartclass customers against whom legal action has been initiated and on remaining Customers including ICT (Govt. customers) and retail customers on case to case basis. We are regularly collecting money from these customers. The receivables of Rs. 1,187.42 million are good and recoverable. However due to company being in IBC the auditor had given this qualification. The fact that an amount of Rs. 6.9 million has been recovered during the year from these receivables demonstrates that the receivables are good and recoverable. The balance receivables will be collected in the next two years subject to their service commitments with the customers under these contracts.</p>
12.	<p>As mentioned in Note 33.2 to the Consolidated Ind AS Financial Statements, the Group follows Expected Credit Loss (ECL) model for measuring impairment loss allowance of its trade receivables. The ECL allowance or loss rate is computed based on a provision matrix which takes into account historical credit loss experience. However, for the computed loss rate as mentioned in Note 33.2 to the Consolidated Ind AS Financial Statements, we have not been provided with any underlying workings of such loss rate computed.</p> <p>Further, the Group has not taken effect of aforesaid loss rate in computation of impairment loss allowance, if any on trade receivables over and above the existing provision in the books of account. In absence of relevant workings and</p>	<p>The Company following the provisioning method based on the legal recovery status initiated against the customer. Historically we are following norms as under.</p> <p>For the cases closed/ cancelled 100% provision.</p> <p>For the cases arbitration award passed in our favour 60% provision.</p> <p>For the cases under arbitration (award not yet passed) 100% provision.</p> <p>For the cases arbitration award passed but set aside 100% provision.</p> <p>For the cases amount over due more than five-year 100% provision.</p> <p>The same clarified in note # 25.2 of our Financial</p>



S. No.	Audit Observation	Our Remarks
	<p>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 loss allowance on the trade receivables balance as at March 31, 2023 and the loss for the year ended on that date and on the equity as on that date.</p>	<p>Statement.</p> <p>It is technical qualification based on different view on the adoption of Ind AS.</p>
13.	<p>We draw attention to Note 14.1 of Consolidated Ind AS Financial Statements, "Balance with banks in current accounts" includes Rs. 28.84 million pertaining to subsidiaries companies in which we have neither received bank confirmation nor bank statements. In absence of sufficient and appropriate audit evidence, we are unable to comment upon any possible impact thereof on these consolidated Ind AS financial statements as at for the year ended March 31, 2023 and of the same on the carrying value of the bank balance, loss for the year ended on that date and equity as at that date.</p>	<p>Despite regular follow-ups with the subsidiary companies, we unable to get the bank statements from them.</p>
14.	<p>We have neither got any direct confirmations nor we been provided with the statements for borrowings from banks and financial institutions by the Holding Company amounting to Rs. 11,970.00 million (net) as at March 31, 2023. Further, in case of bank borrowings amounting to Rs. 6,189.16 million wherein we have received the confirmations or bank statement, the amount recorded in the Standalone Ind AS Financial Statements is short by Rs. 2,186.46 million (net) in comparison to amounts reported in the confirmations or bank statement. In the absence of reconciliation and other alternative audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance of borrowings and equity as at March 31, 2023.</p>	<p>All the loan accounts with lenders were NPA and lenders did not share loan statements with the Company.</p> <p>As audit procedure, auditor had sent letters to confirm the balance of loan but lenders hadn't provided balance confirmations.</p> <p>Since the company admitted in IBC on May 30, 2017, lenders had filed their claims. After that date no statement provided by lenders.</p> <p>In some of the cases where the lenders provided the confirmation directly to the auditors without complete loan statement, we are unable to reconcile and comment upon the difference between balance as per books and balance as per confirmations.</p>

S. No.	Audit Observation	Our Remarks
15.	<p>Balance in borrowings other than bank borrowings mentioned in paragraph 14 above, amounting to Rs.8,040.64 million as at March 31, 2023 are subject to confirmation. Borrowings other than bank borrowings amounting to Rs. 30 million wherein we have received the balance confirmation, the amount recorded in the Ind AS Financial Statements is short by Rs. 4.05 million. In the absence of any alternative audit evidence, we are unable to comment on any possible impact thereof on the loss for the year ended 31st March, 2023 and on balance of borrowings and equity as at March 31, 2023.</p>	<p>As audit procedure auditor had sent letters to confirm the balance of loan accounts but bankers hadn't provided balance confirmation.</p> <p>Since the company admitted in IBC on May 30, 2017, lenders had filed their claims. After that date no statement provided by lenders.</p>
16.	<p>As mentioned in Note 20.1 to the Consolidated Ind AS Financial Statements, the Holding Company has not accrued interest on borrowing post May 30, 2017, being Corporate Insolvency Resolution Process ("CIRP") commencement date. The amount of such interest not accrued is estimated to be Rs. 4,017.70 million for the year ended and Rs. 19,005.18 million as at March 31, 2023. This has resulted in understatement of financial liabilities by Rs. 19,005.18 million as at March 31, 2023; understatement of loss for the year by Rs. 4,017.70 million and overstatement of equity by Rs. 19,005.18 million as on that date.</p>	<p>As the CIRP initiated, financial creditors has filed their claims which are crystallized and admitted claims are already filed with NCLT, post approval of resolution plan by COC. Since post admission of claim, no liability can accrue on account of interest, therefore same is not provided.</p>
17.	<p>As disclosed in Note 14.1 to the Consolidated Ind AS Financial Statements, the balance with banks in current account amounting to Rs. 7.45 million 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 March 31, 2023 is overstated by said amount along with overstatement of equity for the equivalent amount on that date.</p>	<p>The balance with banks in current account of Rs. 7.45 million is not reflected in the bank statement as the bank have adjusted the same against Term Loan during CIRP period. The bank was not supposed to recover any amount during the moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016. Since the company has taken up the matter with the concerned bank, the amount is shown in balance with banks in current account.</p>

S. No.	Audit Observation	Our Remarks
18.	As mentioned in Note 6.2 to the Consolidated Ind AS Financial Statements, the Company has fully amortized its intangible assets (knowledge based content) as per its accounting policy but the same continues to generate revenue for the company. In absence of re-assessment of the useful life of the intangible assets, we are unable to comment on the resultant impact of amortization on the loss for the year ended on March 31, 2023, carrying value of intangible assets and on the equity as on that date.	The intangible assets (knowledge based content) have been fully amortized during the year in accordance with the accounting policy of the company. However, the intangible assets are still in use and continue to generate revenue
19.	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 of the holding company with aggregate amount of Rs. 0.23 million. In the absence of any alternative evidence, we are unable to comment on any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance with banks as at March 31, 2023.	Company has requested for bank statement but bank had not provided with statement of current account, term deposit and balance of margin money maintained with them.  As audit procedure, auditor had sent letters to confirm the balance in current accounts, term deposit and margin money to all bankers but bankers hadn't provided balance confirmation.  We don't have any control over bankers to provide such confirmations to auditors.
20.	The Holding 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 the year ended March 31, 2023 and on the balance of borrowings and equity as on that date.	In FY 2017, the Company has requested to all its lenders to waive penal interest as company is facing liquidity crunch and not able to generate adequate cash flows to meet its normal debt obligation. Hence company has not computed and provided for penal interest.  Post CRP admission, financial creditors has filed their claims which are crystallized and admitted claims are already filed with NCLT, post approval of resolution plan by COC. Since post admission of claim no liability can accrue on account of interest, therefore same is not provided.
21.	As disclosed in Note 47 to the Consolidated Ind AS Financial Statements, as per the Insolvency and Bankruptcy Code, 2016 and Regulations issued there under, the RP of the holding Company has received, verified and admitted the claims submitted by the creditors (Operational and Financial), employees and workmen of the Company aggregating to Rs. 30,437.72 million as on May 30, 2017. These claims have been taken into cognizance by Committee of the Creditors	As per the Insolvency Code, the RP has received, verified and admitted the claims submitted by the creditors (Operational and Financial), employees and workmen of the Company till the approval of resolution plan by the CoC. The RP has received claims of Rs. 31,378.12 millions, verified and admitted claims of Rs. 30,437.72 millions and claims of Rs. 940.41 millions not admitted by RP. These claims have been taken into cognizance by

S. No.	Audit Observation	Our Remarks
	<p>("CoC") in its 12th meeting held on February 17, 2018, while approving the Resolution Plan of the Holding Company. The details of such claims have been disclosed in the said note. As represented by the Management/RP of the Holding Company, a reconciliation of the admitted claims vis-à-vis liabilities outstanding as at March 31, 2023 as per books of accounts has not been prepared and any impact thereof has not been considered in the preparation of these Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2023.</p> <p>In absence of the above, we are unable to comment on appropriateness of carrying value of such liabilities as at March 31, 2023 and any possible impact of the same on the loss for the year ended on that date and equity as at that date.</p>	<p>CoC in its 12th meeting held on February 17, 2018, while approving the Resolution Plan of the Company. As represented by the Management/RP, pending approval of the Resolution Plan by Hon'ble NCLT, a reconciliation of the admitted claims vis-à-vis liabilities outstanding as at March 31, 2023 has not been prepared and any impact thereof has not been considered in the preparation of these Standalone Ind AS Financial Statements as at and for the year ended March 31, 2023.</p>
22.	<p>As disclosed in Note 37(ii) to the Consolidated Ind AS Financial Statements, financial guarantees aggregating Rs. 13,346.06 million were issued to banks on behalf of its erstwhile 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 year. In absence of such measurement, we are unable to comment on the resultant impact thereof on the loss for the year ended March 31, 2023 and on the corresponding liability and equity as on that date.</p>	<p>It is technical qualification on adoption of Ind AS and the liability against corporate guarantees provided by the company towards borrowings of subsidiaries shall only be crystallized upon default and invocation by the lenders. It doesn't have any impact on profit and loss account of the company.</p> <p>Financial guarantees are part of the claims submitted by the lenders, so no provision made during year.</p>
23.	<p>As disclosed in Note 22.1 to the Consolidated Ind AS Financial Statements, the advance from customers includes amount of Rs.80.47 million received from non-corporate entities 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 Consolidated Ind AS Financial Statements is presently not ascertainable.</p>	<p>The Company had received advances from customers, which are outstanding for more than one year and still lying in the books as on March 31, 2023. These advances mainly pertain to the pre CIRP period and includes amount received from non corporate entities. The advances cannot be repaid after initiation of CIRP and the same will be settled, if any, in accordance with the provision of the Insolvency and Bankruptcy Code 2016 and regulations issued there under.</p>

S. No.	Audit Observation	Our Remarks
24.	<p>The Holding Company has not performed any evaluation for impairment of goodwill on consolidation in respect of its investment in subsidiaries. In absence of such assessment, we are unable to comment upon the appropriateness of carrying amount of such goodwill as at March 31, 2023 and on the resultant impact of the same on the loss for the year ended on that date and equity as on that date.</p>	<p>We will make the impairment testing of goodwill on consolidation in succeeding years.</p>
25.	<p>As explained in Note 46 to the Consolidated Ind AS Financial Statements regarding managerial remuneration paid to one of the whole time directors of the Holding Company during the quarter ended June 30, 2015 and 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.</p>	<p>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.</p> <p>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.</p> <p>Further the company had not paid any remuneration to whole time directors after June 30, 2015.</p>

S. No.	Audit Observation	Our Remarks
26.	As disclosed in Note 53 to the Consolidated Ind AS Financial Statements, the Holding Company is currently subjected to the investigations by Serious Fraud Investigation Office (SFIO), the Central Bureau of Investigation (CBI) and SEBI. As explained by the Management of the Holding Company, certain information has been requested by them from the Holding Company and the investigations are currently underway. As explained further, the Management (the Resolution Professional) is yet to get any orders or directions in this respect from the said Authorities till the date of signing this report. In absence of pending final outcome of the investigations, we are unable to comment on the consequential impact of these matters on these consolidated Ind AS financial statements as at and for the year ended March 31, 2023.	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 financial statements
27.	As disclosed in Note 54 to the Consolidated Ind AS Financial Statements, the Holding Company did not have any internal audit conducted during the year as required under sections 138 of the Act. The impact of the non- compliance on the accompanying Consolidated Ind AS financial statements is presently not ascertainable.	Due to the limited bandwidth the Company has not carried out any internal audit during the year as required under sections 138 of the Act.
28.	As disclosed in Note 55 to the Consolidated Ind AS Financial Statements, these Consolidated Ind AS Financial Statements are not authenticated by the Company Secretary of the Company which is not in compliance applicable provisions of the Act. Also, the impact of this non- compliance on the accompanying Consolidated Ind AS financial statements is presently not ascertainable.	The Company has filed the IBC on dated May 30, 2017, there after the powers of the board has been suspended and the company secretary signed the Financial Statements on behalf of the board as per companies act 2013. As the board is not in place so company secretary has not signed the financial statements.
29.	As disclosed in Note 56 to the Consolidated Ind AS Financial Statements, these Consolidated Ind AS Financial Statements are not approved by the Chief Financial Officer of the Company which is not in compliance with section 134 (1) of the Act. The impact of this non-compliance on the accompanying Consolidated Ind AS Financial Statements is presently not ascertainable.	The Company has filed the IBC on dated May 30, 2017, there after the powers of the board has been suspended and the Chief Financial Officer (CFO) signed the Financial Statements on behalf of the board as per companies act 2013. As the board is not in place so CFO has not signed the financial statements.

S. No.	Audit Observation	Our Remarks
30.	As disclosed in Note 57 to the Consolidated Ind AS Financial Statements, the Holding 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 and Service Tax 2017. The financial or other impact of these non-compliances on these Consolidated Ind AS Financial Statements is presently not ascertainable.	As the company is under IBC, we don't have control and information regarding foreign subsidiary companies to comply the RBI requirement. Further regular compliances are made based on available information. Similarly, SEBI and ROC compliances are not complied with due to non finalization of audited accounts.

## 22. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. P.C. Jain & Co., Company Secretaries, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Report of the Secretarial Auditor is annexed herewith as **Annexure- III**.

### **MANAGEMENT RESPONSE TO THE OBSERVATIONS IN THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDING 31st MARCH 2023.**

With reference to observations provided by the Secretarial Auditor, please note that the observations are related to the non-compliances under the Companies Act, 2013 and SEBI regulations. As the members are aware that during the review period the Company was under CIRP and most of the officials of the company including the top management has left. The Company is making its best efforts to make all compliances under all applicable laws to the extent possible.

## 23. COST AUDITOR AND COST AUDIT REPORT

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Company appointed M/s Ahuja Sunny & Co., Cost Accountant, as the Auditor of the Cost records of the Company for the year ending 31st March, 2023. Further, as specified above, as the powers of the board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. The Resolution professional further approved the appointment of M/s Ahuja Sunny & Co., Cost Accountant, as the cost auditors of the Company for the year ending 31st March, 2023, at a remuneration, subject to approval and ratification by the shareholders, of Rs. 40,000 (Rupees Forty Thousand Only) plus out of pocket expenses.

The cost audit report of M/s Ahuja Sunny & Co., Cost Accountant, for the financial year 2022-23 does not contains any adverse qualification or remarks.

## 24. SHARE REGISTRATION ACTIVITY:

The Company has appointed "LINK INTIME INDIA PRIVATE LIMITED" a category-I Registrar and Share Transfer Agent reregistered with Securities and Exchange Board of India (SEBI) to handle the work related to Share Registry.

## 25. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Company has a Vigil Mechanism Policy/ Whistle Blower Policy to deal with instance of unethical practices, fraud and mismanagement or gross misconduct by the employees of the Company, if any, that can lead to financial loss

or reputational risk to the organization. The details of the vigil mechanism Policy/ Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company. It can be accessed on the following link <http://www.educomp.com/content/policies>.

## **26. RISK MANAGEMENT COMMITTEE AND RISK MANAGEMENT POLICY**

Like any other business, the Company too is exposed to various uncertainties and risks such as changing customer preferences and behavior, competition and economic uncertainties. Thus, with the objective of assessing and addressing such business risks and their prioritization on regular basis, a comprehensive risk management policy has been put in place, which describes the scope, objectives, processes as well as roles and responsibilities of various functions in risk management.

By way of a systematic risk assessment process, a detailed enterprise risk identification exercise is carried out every year; and risks are evaluated for their likelihood of materialization, potential impact and mitigation efforts. Management has assigned ownership of key risks to various risk owners who are responsible to monitor and review these risks from time to time, and plan for their mitigation measures. Your Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The framework also defines the risk management approach across the enterprise at various levels. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

In terms of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Company is not required to form Risk Management Committee.

As specified above during the review period the Company was under CIRP w.e.f May 30, 2017 and all the powers of the management are vested to the Interim Resolution Professional followed by the Resolution Professional. Resolution Professional, in accordance with the provisions of the code, is performing his best to mitigate the all risk associated with the company.

## **27. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Audit Committee Policy is also uploaded on the website of the Company & can be accessed on <http://www.educomp.com/content/policies>.

Since all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and there was no material related party transactions entered into by the Company during the financial year, accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not required.

The details of the transactions with related parties are provided in the notes to accompanying standalone financial statements.

## **28. CONSOLIDATED FINANCIAL STATEMENTS:**

As required under the Companies Act, 2013 and also under the Listing Regulations, 2015 we have, prepared consolidated financial statements of the Company and all its subsidiaries and Associates except during the year ended March 31, 2018, 3 subsidiaries namely EduSmart Services Private Limited (ESSPL) (a subsidiary through potential voting rights), Educomp Asia Pacific Pte Limited. (EAPL), The Learning Internet Inc (L.com) and 1 step down subsidiary, Educomp Learning Hour Private Limited have filed for insolvency on June 27, 2017, June 30, 2017, June 30, 2017 and December 11, 2017 respectively consequent to which Resolution Professionals (RP) have been appointed in the respective companies and all the powers to direct the state of affairs of these companies rests with the respective RP's. Accordingly, by virtue of provisions of Ind AS 110 Consolidated Financial Statement, the



Holding Company has lost its controlling power over the above mentioned subsidiaries and have not been consolidated in current year. Further, as per Ind AS110" Consolidated Financial Statements" ,Loss of Control accounting is required to be done on the date on which control is lost by the parent entity. Since the financials on the date of loss of control are not available with the management of the holding company, loss of control accounting in preparing these consolidated Ind AS financial statements has been done on the basis of last financials statements available for the year ended March 31, 2017.

Further, during the previous year ended March 31, 2017, the holding company had total investment of 41.82% in Joint venture namely Educomp Raffles Higher Education Limited (ERHEL), through two of its wholly owned subsidiaries i.e. 41.17% through Educomp Asia Pacific Pte Ltd. (EAPL) and 0.65% through Educomp Professional Education Limited (EPEL). During current year, the High Court of the Republic of Singapore, on the grounds of insolvency, vide its order dated June 30, 2017 has passed an order of compulsory winding up against EAPL pursuant to which liquidators have been appointed in EAPL. Hence, by virtue of Ind AS110" Consolidated Financial Statements" the holding company has lost its controlling power over EAPL leading to loss of significant influence in ERHEL as the investment of the Holding company in ERHEL has reduced to 0.65% from 41.82% during the year. Accordingly, ERHEL has ceased to be a Joint venture of the Holding Company as at March 31, 2019 and hence the same has been disclosed as an investment in others.

During the year ended March 31, 2019, 1 subsidiary namely Educomp infrastructure and school management limited (EISML) has filed for insolvency on January 11, 2018 and on April 25, 2018 consequent to which Resolution Professionals (RP) have been appointed in the company and all the powers to direct the state of affairs of the company rests with the RP. Further, CoC of the EISML in September, 2019 approved a Resolution Plan submitted by Mr. Paramjit Gandhi. Accordingly, the Resolution Professional of EISML on October 10, 2019 filed an application for the approval of Resolution Plan at NCLT, Chandigarh which has been approved on December 14, 2020. Accordingly, by virtue of provisions of Ind AS 110 Consolidated Financial Statement, the Holding Company has lost its controlling power over the EISML and its 24 step-down subsidiaries (EISML group) and have not been consolidated in the current year.

The audited consolidated financial statements together with Auditor's Report form part of this Annual Report.

## **29. LISTING OF SHARES:**

The Equity Shares of your Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Listing fee for the financial year 2022-23 has not been paid to BSE and NSE.

## **30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars are prescribed under section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding the energy conservation, technology absorption and foreign exchange earnings and outgo are set out in 'Annexure – IV' attached to this report.

## **31. RATINGS, AWARDS, ACHIEVEMENTS & RECOGNITIONS:**

As specified above during the review period the Company was under CIRP w.e.f May 30, 2017 and all the powers of the management are vested to the Interim Resolution Professional followed by the Resolution Professional. The Company has not carried out any rating during the period under review. So we are reproducing the last ratings as allocated to the company.

### **Ratings**

Credit Analysis & Research Ltd, or CARE, has assigned the following ratings in relation to our long term and short term financing facilities:

**Bank facilities:** 'CARE D' (Single D) to our bank facilities aggregating to Rs. 1921.80 Crore.

**Receivable assignment facilities:** 'CARE D' (Single D) to our Receivable Assignment facilities, aggregating to Rs. 404.08 Crore.

**Non-Convertible Debentures (NCDs):** 'CARE D' (Single D) to our Non- Convertible Debenture issuance of Rs. 45 crore.

### **32. CORPORATE GOVERNANCE**

A detailed report on Corporate Governance along with the Certificate from M/s P.C. Jain & Co., Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Part C of Schedule V of the Listing Regulations, 2015 are annexed and forms part of this Annual Report.

### **33. CODE OF CONDUCT:**

As per the Listing Regulations, 2015, the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management Personnel as well and the same has been posted on Website of the Company which can be access by the following link <http://www.educomp.com/content/code-conduct>.

### **34. NOTES TO ACCOUNTS:**

They are self-explanatory and do not require any explanations.

### **35. INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEM**

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

As specified above during the review period the Company is present under CIRP w.e.f May 30, 2017 and all the powers of the management are vested to the Interim Resolution Professional followed by the Resolution Professional. Resolution Professional, in accordance with the provisions of the code, is performing his best to mitigate the all risk associated with the company along with the internal financial control and internal control system.

### **36. PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report and Marked as Annexure V

Further, the disclosure pursuant to Section 197(14) of the Companies Act, 2013 in respect of remuneration or commission received from any holding or subsidiary company of the company by any Managing Director or Whole Time Director who is also in receipt of commission from that company is not available with the company.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any statutory modification or amendment in these Rules, a statement showing the name of top ten employees in terms of Remuneration drawn forms part of the Report and annexed to this report and marked as Annexure VI. Further, there was no employee in the Company who drawn the remuneration in excess of the limits set out in the said Rules. Therefore, the disclosure for the same is not required.

### **37. EMPLOYEES STOCK OPTION SCHEMES (ESOPs)**

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (erstwhile Securities and Exchange

Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) hereinafter referred as the “SEBI Guidelines”.

The Details as required under the SEBI Guidelines, for Employees' Stock Option Schemes have been uploaded on the website of the Company and can be accessed through the link <http://www.educomp.com/content/employee-stock-option-schemes>. There is no material change in the ESOP schemes of the Company during the year.

**38. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees given, security provided and investments made during the year as per Section 186 of the Companies Act, 2013 form part of the notes and schedules of the Financial Statements provided in this Annual Report.

**39. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNAL**

Please refer point no. 7 - Material Changes and Comments of this report.

**40. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has complied with the provisions relating to the constitution of Internal Committee in term of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The details of the sexual harassment cases received, disposed of and pending are given below:-

Number of Sexual Harassment Cases pending in the beginning of the Financial Year i.e.01.04.2022	Number of Sexual Harassment cases received during the Financial year 2022-23	Number of Sexual Harassment cases disposed off during the Financial year 2022-23	Number of Sexual Harassment cases pending at the end of Financial year 2022-23
NIL	NIL	NIL	NIL

**Note: The Company is undergoing CIRP and the powers of Board are suspended. Hence this report has been initialed by RP in order to meet the compliance.**

For Educomp Solutions Limited

Sd/-

Date : 09/02/2024  
Place : New Delhi

**Mahender Khandelwal**  
Caretaker Resolution Professional  
Taken on record  
IBBI Reg. No IBBI/IPA-001/IP-P00033/2016-17/ 10086

**Form No. AOC - 1**

**Annexure -I**

Statement containing salient features of the Financial Statements of the subsidiaries / Associates / Joint Ventures  
[Pursuant to first proviso to sub - section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014  
Part - "A" Subsidiaries

Name of the subsidiary	Reporting currency	Exchange Rate as at 31.03.18	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
Educomp learning Pvt. ltd.	INR	1.00	10,50,000	7,71,599	86,77,625	68,56,026	-	-	-	-	-	-	51.00%
Educomp School Management Ltd	INR	1.00	5,00,000	9,22,32,032	9,35,27,755	7,95,723	7,25,50,674	-	-	-	-	-	68.35%
Wheatstone Productions Pvt. Ltd	.INR	1.00	16,84,290	(34,55,873)	16,824	17,88,407	-	-	-	-	-	-	51.00%
Eduomatics Corporation, usa *	USD	-	-	-	-	-	-	-	-	-	-	-	100.00%
Educomp Asia Pacific Pte. Ltd. *	USD	-	-	-	-	-	-	-	-	-	-	-	100.00%
The Learning Internet, Inc. USA *	USD	-	-	-	-	-	-	-	-	-	-	-	58.32%
Educomp Professional Educational Ltd. *	INR	1.00	4,28,40,950	84,77,89,369	89,37,52,431	31,22,112	-	-	-	-	-	-	100.00%
Savvica Inc. canada *	CAD	-	-	-	-	-	-	-	-	-	-	-	79.55%
Educomp Intelliprop Ventures Pte. Ltd. (Formerly known as Educomp Intelprop Ventures Pte. Ltd.) *	EURO	-	-	-	-	-	-	-	-	-	-	-	100.00%
Educomp Online Supplemental Services Ltd. *	INR	1.00	3,65,76,595	(14,20,52,951)	1,16,04,540	11,70,80,896	-	-	-	-	-	-	95.15%
Educomp Learning Hour Pvt.Ltd. *	INR	1.00	-	-	-	-	-	-	-	-	-	-	95.90%
Educomp Software Ltd. *	INR	1.00	4,56,96,710	(20,57,21,034)	1,41,26,216	17,41,50,540	-	-	-	-	-	-	95.15%
Educomp Investment Managmentt Ltd. *	INR	1.00	68,90,450	(90,05,575)	3,93,968	25,09,093	10,000	-	-	-	-	-	100.00%
Educomp Global FZE *	AED	-	-	-	-	-	-	-	-	-	-	-	100.00%
Educomp Global Holding W.L.L. *	BHD	-	-	-	-	-	-	-	-	-	-	-	100.00%
Educomp Childcare Pvt.ltd. *	INR	1.00	33,36,02,390	(10,70,81,390)	42,55,98,000	19,90,77,000	6,85,00,000	45,89,19,000	54,13,000	3,66,000	50,47,000	-	48.29%

\* ceased to be a subsidiary due to loss of control as per IND AS 110. Also refer note 6.1.7 of Standalone Financial Statements for the year ended March 31, 2019

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

Educomp Solutions Limited as the largest education solution provider of the country determined to align its corporate goals with greater societal needs. Educomp Solutions Limited through Educomp Foundation engages itself in the welfare of the under privileged sections of the society. Educomp Foundation strives to play a catalytic role in bringing a paradigm shift in Education, health, awareness and employability potential levels of the rural community.

**CSR POLICY**

The policy is to empower the disadvantaged people and marginalized sections of society by facilitating quality education, skill development and provide access to alternative livelihood opportunities in order to bring about a long term, sustainable impact on the life of people in the community. The primary objective of the policy is to focus on the key areas which include Education, Health care, skill development and Inclusive Growth. Details are as under:

- I. To promote primary education with active involvement in teaching and creating learning environment
- II. To facilitate awareness campaign related to health and hygiene and organize relevant workshops
- III. To reach out to masses with real intervention in the fields of women empowerment and senior citizen care.
- IV. To develop and analyse case studies and research materials related to pressing global challenges
- V. To engage with youth/ students to develop them into real empathetic leaders.

As specified above during the review period the Company was under CIRP w.e.f May 30, 2017 and all the powers of the management are vested to the Interim Resolution Professional followed by the Resolution Professional. Accordingly, during the financial year no programme was conducted by the Educomp Foundation i.e. the implementing agency for the CSR Activities of the Company, as the Company does not contributed any amount for the CSR activities due to lack of profits or insufficient Funds in the Company.

The CSR Policy of the Company can be assessed at the company's website through the link: <http://educomp.com/content/policies>

2. **The Composition of the CSR Committee.**
  - There is Committee with no member as there is no director on the board of the company.
3. **Average net profit of the company for last three financial years**  
Average Net Loss is Rs. 581.23 Million.
4. **Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)**  
NIL
5. **Details of CSR spent during the financial year.**
  - (a) Total amount to be spent for the financial year;- NIL
  - (b) Amount unspent, if any – Not Applicable
  - (c) Manner in which the amount spent during the financial year is detailed below

S. No.	CSR Projects or Activities	Sector in which the project is covered	Locations Districts (State)	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
	-	-	-	-	<b>NIL</b>	-	-

\*Give details of implementing agency, if any: Educomp Foundation

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

As the Company is presently in CIRP and all powers of Boards are delegated to Resolution Professional.

**For Educomp Solutions Limited**

Date : 09/02/2024

Place : New Delhi

Sd/-  
**Mahender Khandelwal**  
 Caretaker Resolution Professional  
 Taken on record  
 IBBI Reg. No IBBI/IPA-001/IP-P00033/2016-17/ 10086

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE YEAR ENDED AS ON 31st March, 2023  
[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule No.9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014]

To,  
The Members  
Educomp Solutions Limited  
(Company under the Corporate Insolvency Resolution Process)  
1211, Padma Tower I, 5 Rajendra Place  
New Delhi-110008

Dear Members

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Educomp Solutions Limited** having CIN: L74999DL1994PLC061353 (**hereinafter called "the Company"**). Secretarial Audit for the financial year 2022-23 was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Pursuant to an order passed by the Hon'ble National Company Law Tribunal, Principal Bench ("NCLT") on May 30, 2017 for the initiation of Corporate Insolvency Resolution Process ("CIRP") of the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016, Hon'ble NCLT vide its order dated September 12, 2017 appointed Mr. Mahender Khandelwal having IP Registration no. IBBI/IPA-001/IP-P00033/2016-17/10086 as the Resolution Professional ("RP") of the Company. As per the provisions of the Section 17 and 18 of the IBC, the powers of the Board of Directors and the Management of the Company stand suspended from the date of initiation of the CIRP and vest with the RP.**

**Further, the Hon'ble National Company Law Tribunal, New Delhi Bench-II (NCLT) vide its order dated 09th October, 2023 approved the resolution plan submitted by the Resolution Applicant and the moratorium declared under Section 14 of IBC 2016 shall cease to have effect forthwith. Further the role of RP ceased to exist.**

**In the meantime, the Successful Resolution Applicant (SRA) did not carry out the order dated 09 October, 2023 issued by the National Company Law Tribunal, New Delhi Bench-II (NCLT) for the implementation of approved resolution plan and filed an appeal before the Hon'ble NCLAT against the order passed by the Hon'ble NCLT. Therefore in this circumstances, the Hon'ble NCLT vide its order dated 23rd November, 2023 directed RP to act as caretaker qua the CD and in such capacity, he would discharge all those functions' as are required to be discharged by an IP as RP.**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, ***the company has not, during the audit period under the financial year ended on 31<sup>st</sup> March, 2023 ("Audit Period") properly complied with the statutory provisions listed hereunder and also that the Company has not proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made thereunder.***

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable for the period under review)**
  - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable for the period under review)**
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable for the period under review)**
  - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable for the period under review)**
  - (h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Shares) Regulations, 2021 **(Not applicable for the period under review)**
  - (I) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable for the period under review)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that:

- (a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- (c) We have not verified the correctness and appropriateness of the financial statements of the company.
- (d) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- (e) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations :-



**COMPANIES ACT, 2013**

- (i) The composition of the Board of Directors of the Company as per Section 149(4) of the Companies Act, 2013 did not comprise the sufficient number of Independent Directors including Woman Director as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
- (ii) During the period under review, no Board meeting was conducted as The Hon'ble National Company Law Tribunal, New Delhi Bench (NCLT) has admitted the application filed by the Company and commenced Corporate Insolvency Resolution Process against the Company under the Insolvency and Bankruptcy Code, 2016 on May 30, 2017 and, therefore, the powers of Board of Directors of the Company stand suspended and the said powers are being exercised by the RP. As a result thereof, Committee of Creditors was formed and 04(four) meetings of COC were held dated 31<sup>st</sup> May 2022, 01<sup>st</sup> September 2022, 27<sup>th</sup> October 2022, and 17<sup>th</sup> January, 2023(adjourned) and 24<sup>th</sup> January 2023 during the period under review.*
- (iii) The composition of the Audit Committee and Nomination and Remuneration Committee was not in accordance with the requirement of Section 177 and Section 178 respectively of Companies Act, 2013 as the company is under Corporate Insolvency Resolution Process, therefore the power of BOD and Management of the company stands suspended.*
- (iv) The Company has not convened the Annual General Meeting for the Financial Year as on 31/03/2022 on or before 30<sup>th</sup> September 2022 under Section 96 of the Companies Act 2013. However the Annual General Meeting for the Financial Year as on 31/03/2022 was held on Tuesday, 07/11/2023.*
- (v) The Company has not carried out Internal Audit for the period under review as per Section 138 of the Companies Act, 2013.*
- (vi) The Company is under CIRP, therefore it is not requirement to get declaration by director(s) under Section 164(2) of the Act.*
- (vii) The Company was not required to conduct separate meeting of Independent Directors in terms of Clause VII of Schedule IV to the Companies Act, 2013 as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
- (viii) The Company has not complied the clauses of the Secretarial Standards on Meetings of the Board of Directors and General Meetings as issued by the Institute of Company Secretaries of India as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
- (ix) The Company has not updated Statutory Registers during the period under review.*

**SEBI LAWS**

- (x) The Company has prepared the Quarterly and Annual Results for the year ended as on 31<sup>st</sup> March 2023 as required under Regulation 33 of SEBI (LODR) Regulations, 2015. However the company has delayed filing to stock exchange as per SEBI Regulations.*
- (xi) The Company was not required to obtain the Compliance Certificate under the terms of Regulation 17(8) from the Chief Executive Officer and the Chief Financial Officer as specified in Part B of Schedule II of Listing Regulations as the Company is under Corporate Insolvency Resolution Process pursuant to the provisions of Insolvency and Bankruptcy Code, 2016.*
- (xii) The performance of the Independent Director (s) for the financial year 2022-23 of the company were not evaluated by the Board of Directors of the Company as required under Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
- (xiii) The company was unable to get the compliance report for the year ended 31st March 2023 from the*

*Board members and senior management of the Company regarding the compliance of all the provisions of the Code of Conduct and also the copies of the affirmation (s) from the Board of Directors and senior management personnel for the compliance with code of conduct are not available as the company is under as per the provisions of Insolvency and Bankruptcy Code, 2016*

*(xiv) The company has not filled/ filled delayed various disclosures with the stock exchanges, as required to be made in terms of various applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*(xv) The company has not complied with the provisions of SEBI (Prohibition of Insider Trading Regulations), 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*

*(xvi) The company has not filled Annual Performance Report to the Authorized Dealer in respect of its financial commitments in its overseas subsidiaries/ joint venture for the period under review.*

#### **OTHER LAWS**

*(xvii) We have not received any documents pertaining to the compliance in terms of filing of Annual returns on Foreign Liabilities and Assets as notified and required to be filled in terms of FEMA Act, 1999. Therefore we are unable to make any comment on the compliance of FEMA Act 1999 in this respect.*

*(xviii) The website of the company is not properly updated.*

*(xix) The company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.*

**We further report that** the Company affairs are currently under the investigation by Serious Fraud Investigations Office (SFIO) and the Central Bureau of Investigation (CBI).

**We further report that** Compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and accordingly, we rely on Statutory Auditors report in relation to the financial statements, qualifications and accuracy of financial figures for Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC etc. as discussed under financial statements.

We further report that there are systems and processes in the company which are not commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines, which needs to be further strengthened.

#### **We further report that**

- (i) As per sub-regulation 2A & 2B of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Regulation 17, 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 were not applicable during the Corporate Insolvency Resolution Process dealing with the requirements of, composition of board of directors including that of independent director, constitution, meeting and terms of reference of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.
- (ii) During the period under review, the Board of Directors of the Company was not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also did not have a woman director.
- (iii) We further report that, during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.
  - a) As informed by the Management/ RP, as on date of this Report, pursuant to the provisions of the IBC, the

Committee of Creditors (“COC”) had approved the resolution plan received from the Ebix Singapore Pte. Ltd. (“Resolution Applicant”/ “Ebix”). Accordingly, the Corporate Debtor has submitted the Resolution Plan for final approval with the Hon'ble NCLT under Section 30(6) of the IBC vide application dated March 03, 2018 (“Resolution Plan”) and the matter was under consideration before the NCLT. Subsequently, the Resolution Applicant filed an application under Section 60(5) of the IBC seeking withdrawal of its Resolution Plan. Vide NCLT's order dated January 02, 2020, the withdrawal application of Ebix was allowed, to the extent of granting leave to the said Resolution Applicant to withdraw the Resolution Plan pending approval u/s 30 (6) before the NCLT by payment of cost of INR 1 Lakh by the Resolution Applicant into the corpus of the Corporate Debtor. Further, Hon'ble NCLT vide the same order also granted 90 days time commencing from November, 16 2019 to the Resolution Professional and the COC to seek/ expedite the possibility of achieving the resolution of the stressed assets of the Corporate Debtor within such time of 90 days. Thereafter, the NCLT vide its order dated January 03, 2020 dismissed the approval application as infructuous as a consequence of its order date January 02, 2020 which allowed the withdrawal of Resolution plan by Ebix. Thereafter, an appeal under section 61 of the IBC against the NCLT order 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 the COC's legal counsel. On July 29, 2020, the Hon'ble NCLAT has allowed the appeal and has set aside the Hon'ble NCLT order dated January 02, 2020 in CA No. 1816(PB)/2019 in C.P. (IB) No. 101(PB) 2017. Thereafter, Ebix challenged the final order and judgement dated July 29, 2020 before the Hon'ble Supreme Court of India by way of a civil appeal. The Hon'ble Supreme Court after hearing the parties vide its judgement dated 13<sup>th</sup> September, 2021 dismissed the appeal on the ground that “The existing insolvency framework in India provides no scope for effecting further modifications or withdrawals of COC approved Resolution Plans, at the behest of the successful Resolution Applicant, once the plan has been submitted to the Adjudicating authority. The Hon'ble court further held that “A submitted Resolution Plan is binding and irrevocable as between the COC and the successful Resolution Applicant in terms of the provisions of the IBC and the CIRP Regulations”.

The Hon'ble NCLT has vide its order dated 09<sup>th</sup> October 2023 directing SRA (Ebix Singapore Pte. Limited) to furnish Bank Guarantee of Rs. 32.50 crore against performance qua implementation of plan and shall implement the plan qua Resolution of Insolvency of Corporate Debtor, submitted by it, in letter and spirit, with due deference to all the Terms & Conditions thereof.

In the meantime, the Successful Resolution Applicant (SRA) did not carry out the order dated 09 October, 2023 issued by the National Company Law Tribunal, New Delhi Bench-II (NCLT) for the implementation of approved resolution plan and filed an appeal before the Hon'ble NCLAT against the order passed by the Hon'ble NCLT. Therefore in this circumstances, the Hon'ble NCLT vide its order dated 23rd November, 2023 directed RP to act as caretaker qua the CD and in such capacity, he would discharge all those functions' as are required to be discharged by an IP as RP.

Place : Faridabad  
Date : 25/01/2024  
UDIN: F004103E003307502

For **P. C. Jain & Co.**  
Company Secretaries  
(FRN: P2016HR051300)

Sd/-  
**(P C Jain)**  
Managing Partner  
CP No.3349  
M.No. 4103

'Annexure A'

To,  
The Members,  
Educomp Solutions Limited  
(Company under the Corporate Insolvency Resolution Process)  
1211, Padma Tower I, 5 Rajendra Place  
New Delhi-110008

Sir,

Our Secretarial Audit Report for the year ended as on 31st March, 2023 of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Faridabad  
Date : 25/01/2024  
UDIN: F004103E003307502

For **P. C. Jain & Co.**  
Company Secretaries  
(FRN: P2016HR051300)

Sd/-  
**(P C Jain)**  
Managing Partner  
CP No.3349  
M.No. 4103

**INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

**A) CONSERVATION OF ENERGY**

- |  |   |
|--|---|
| (i) the steps taken or impact on conservation of energy;:-                       | Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost |
| (ii) the steps taken by the company for utilizing alternate sources of energy;:- | NIL   |
| (iii) the capital investment on energy conservation equipments; :-               | NIL   |

**B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

**RESEARCH AND DEVELOPMENT (R & D) –**

Specific area in which R&D was carried out by the Company      NIL

Benefits derived as a result of the above R&D      NIL.

Future plan of action

To add more technical skills to provide better educational solutions to clients.

Expenditure on R&D

Capital      : NIL

Recurring      : NIL

Total      : NIL

Total R&D expenditure as a Percentage of total turnover      : NIL

**TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION**

The efforts made towards technology absorption, adaptation and innovation.

We at Educomp Solutions Limited are well aware of latest technology being available in our field of operation. Necessary training is imparted to the relevant people from time to time to make them well acquainted with the latest technology.

The Benefit derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc. :

We are able to provide educational services in more innovative form & maintain a high standard of quality.

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

Technology imported.	: N.A.
Year of import.	: N.A.
Has technology been fully absorbed	: N.A.
If not fully absorbed, areas where this	: N.A.
has not taken place, reasons there for and future plans of action.	

**c) FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Activities relating to export, initiatives to increase exports, Developments of New export markets for products and Services and Export plan**

The Company has continued to maintain focus on and avail of export opportunities based on economic considerations.

Foreign Exchange Earning & Outgo details are as follows:

(Rs. in Millions)

Foreign Exchange details *	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Foreign Exchange Earnings (A) (Including deemed exports & sales through export houses)	-	-
Foreign Exchange Outgo (B)	-	-
Net Foreign Exchange Earnings (A-B)	-	-

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name & Designation	Ratio to Median Remuneration
-	-

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name & Designation	% increase in remuneration in the financial year
-	-

- (iii) The percentage increase in the median remuneration of employees in the financial year- Not Available

- (iv) The number of permanent employees on the rolls of company as on 31st March, 2023: 34 Employees

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for the increase;  
N.A

- (vi) The key parameters for any variable component of remuneration availed by the directors  
NIL

- (vii) **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company hereby affirms that the remuneration paid is as per the remuneration policy of the company.

**DISCLOSURE PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, A STATEMENT SHOWING THE NAME OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN**

S. No.	Employee Name	Designation	Nature of Duties	Qualification	Joining date	Age (In Years)	Experience (Yrs)	Remuneration Received (considering the Cost to the company OR actual amount received, whichever is higher) (In Rs.)	Previous Employment-designation
1.	Anil Kumar Singh	Senior Manager - Taxation	Direct & Indirect tax	Graduate	03-Jan-2008	47	N.A	1,356,360	N.A.
2.	Manoj Garg	Chief Financial Officer	Finance & Accounts	Chartered Accountant	17-June-2020	46	N.A	3,300,000	N.A.
3.	Geetu Malhotra	Senior Sales Manager	Smart class sale	Graduate	01-Apr-2022	47	N.A	1,360,000	N.A
4.	Tushar Mehta	Head – Sales & Marketing	Smart class sale	Post Graduate	15-Jul-2022	40	N.A	1,275,002	N.A
5.	Manish Kumar Jaiswal	Assistant General Manager	Finance & Accounts	Chartered Accountant	02-Jan-2006	47	16	2,673,120	N.A.
6.	Surender Singh	Deputy Manager - Accounts	Finance & Accounts	Graduate	01-Aug-2020	48	N.A	1,011,960	N.A.
7	Santosh Kumar Tiwari	Senior Manager	Finance & Accounts	Graduate	12-Sep-2013	44	20	3,110,880	N.A
8	Supreet Singh	Assistant Manager	Direct & Indirect tax	Graduate	01-Jun-2022	39	N.A	658,200	N.A.
9	Bishwajit Panigrahi	Senior System Engineer	Information Technology	Graduate	19-Nov-2020	41	N.A	660,000	N.A.
10	Priya Singh	Front Office Cum Admin Assistant	Administration	Graduate	18-Nov-2020	29	N.A	714,000	N.A



**Notes:**

1. The remuneration received shown as above comprises of salary, bonus, allowances, cash incentives and monetary value of perquisites (excluding ESOP Perquisites) as per income tax rules, Provident Fund and professional tax.
2. None of the employees shown above is related to any Directors of The Company.
3. None of employees mentioned above is holding more than 2% of outstanding equity shares of the Company as on 31st March 2023.
4. All the employees shown above are in full-time employment with the Company.
5. In addition to the above remuneration, employees are entitled to gratuity in accordance with the Company's rules.
6. The appointment of the above employees is non-contractual and are governed by the company's policy and rules.
7. The aforesaid employees were in receipt of remuneration which in the aggregate is in excess of that drawn by Managing Director of the Company and but does not hold by himself or along with his spouse and dependent children, more than 2% of the equity shares of the Company.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management's Discussion and Analysis ("MDA") focuses on significant factors that affected Educomp Solutions Limited from FY 2022-23 till date. It contains a review and analysis of the financial results for the relevant period, identifies business risks that the Company faces.

The Company had been facing significant challenges in servicing its debt obligations over the years and debt restructuring efforts could not succeed. The Hon'ble NCLT, New Delhi, ("Adjudicating Authority") vide its order dated May 30, 2017, initiated corporate insolvency resolution process ("CIRP") of the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Thereafter, in accordance with the provisions 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. Please refer to the discussion on revival plan of the Company for further details.

### a) Industry structure and developments for FY 2022-23.

India's economy emerged as the world's fastest-growing major economy after remaining mostly insulated from the grim global outlook. During FY2023, the domestic economy showed remarkable resistance to global shocks. The National Statistical Office's (NSO) second advance estimate reveals that the Indian economy is well-positioned to clock a growth rate of 7% in FY2023. According to sectoral analysis, this growth is being encouraged by robust construction activity, facilitated by upbeat infrastructure investment from the central government and state governments. This is also opening up the door for substantial job prospects. During FY 2023, there was a consistent rise in GST collections, electronic toll collections, and the volume of E-Way bills produced. Indicators of the services sector (UPI transactions, high credit demand) also indicate sustained expansion. Despite the fact that the post-pandemic private investment recovery is still in its early stages, there are tentative signs that suggest that India is prepared for a robust investment upcycle in both the manufacturing and services sectors. Overall, India's demand environment remains conducive to economic growth. India remains bullish about the upcoming fiscal year, backed by underlying and overall macroeconomic stability. However, it remains cautious about emerging geopolitical and geoeconomic concerns.

#### Indian education industry

With 580 million people, India has the largest population of people aged 5 to 24 globally. This presents a major opportunity for the education sector. India is a leading player in the global education sector. India is home to one of the largest networks of universities in the world. However, there is still ample room for improvement in the educational system. Through the introduction of the National Education Policy (NEP) 2020, several changes were proposed to the Indian educational system to promote the overall development of pupils in response to the consistently growing need for a skilled workforce. The '10+2+3' year system that was previously in place is proposed to be replaced by the '5+3+3+4' framework. The new framework involves five years of foundation stage, three years of preparatory stage, three years of middle stage and four years of secondary stage. India has also embraced the Education 4.0 revolution, which encourages inclusive learning and helps boost employability. The Education 4.0 revolution leverages best-of-breed technologies such as AI, ML, IoT and blockchain.

#### India's preschool industry

Pre-primary education is critical for laying the foundation for a child's holistic well-being. The early years of a child's

life form the bedrock for lifelong growth. Children who fall behind in these formative years often fail to catch up with their peers, making them more likely to drop out of school and fall short of their potential. Though there are varying standards, pre-primary educational programmes are typically designed for children aged between three and five years. India's pre-school or childcare market is expected to witness healthy growth in the forecast period of 2023 to 2028, growing at a CAGR of 19.2%, aided by the shift away from conventional education practices and greater acceptance of experiential teaching. The pre-school and childcare sector in India is expanding due to the increasingly hectic schedules of parents and late work hours, which have compelled them to switch to these programmes. Additionally, the rising per capita income of families and the higher participation of women in the workforce have expanded the availability of high-quality childcare and education for children. The prevalence of nuclear families in the country has boosted demand for quality pre-school services offered by professionals as well.

### **India's K-12 industry**

India is a prominent player in the global education industry, with 218 million students and 1.55 million K–12 institutions. The Indian school system can be categorised into various sections based on the educational levels offered, including preschool, primary, middle, secondary, and higher secondary. Advancements such as personalised education and cheaper infrastructure are anticipated to aid the sector's anticipated growth and contribute to the robust demand over the projection period. India's K-12 sector was valued at USD 43.5 billion in 2022. It is anticipated to register a CAGR of 12.1% during 2023-2028. India is now the second-most populated nation in the world, after China, with an ever-growing population that has reached nearly 1.37 billion. This represents a huge consumer base for the education sector. Another key growth driver in this sector is the National Education Policy (NEP).

### **b) Opportunities, Risks and areas of concerns**

#### **Opportunities in Indian Education industry**

**Demographic advantage:** In India, approximately 26 million children are born every year and based on the census conducted in 2011, children aged 0 to 6 years account for 13% of the country's population. India can capitalise on this growing need for education.

**Digitalisation:** The digital revolution in India has ushered in new opportunities for the education sector with the prevalence of e-learning platforms, online courses and other digital learning tools.

**Growth in online education and edtech:** India had 622 million active internet users in 2020, which is expected to increase by 45% to reach 900 million by 2025. Following the pandemic, classroom instruction was one of the first areas to adopt technabled solutions. Some of the most popular teaching aids for young kids included technologies such as robotics, online group sessions and assessments.

**Rising Gross Enrollment Ratio (GER):** India now has a 100% gross enrollment ratio (the capacity of the education system to enroll students) at the primary level which is comparable to the developed nations. The aim of the NEP is to increase the Gross Enrolment Ratio in higher education, including vocational education, from 26.3% (2018) to 50% by 2035.

- **Favourable Government Policies:** - The government has made the various favourable policies for the education sector. Some of the favourable policies made by the government are given below:-
- The Union Budget for 2023 set aside 1.12 lakh crore (USD 13.5 billion) for education, which is the highest ever

allocation received by this sector. It marked an increase of around 8.2% compared to what was pegged for 2022-23.

- In the Union Budget for 2023, it was announced that a National Digital Library for Children and Adolescents will be set up to facilitate the availability of quality books across geographies, languages, genres and levels and to ensure device-agnostic accessibility.
- In July 2022, Prime Minister Mr. Narendra Modi inaugurated a three-day Akhil Bharatiya Shiksha Samagam at Varanasi to discuss how the implementation of the National Education Policy 2020 can be taken further across the country with various stakeholders.
- The government schemes of Revitalising Infrastructure and System in Education (RISE) and Education Quality Upgradation and Inclusion Programme (EQUIP) are helping the Government tackle the prominent challenges faced by the education sector.
- As part of a comprehensive initiative known as PM eVIDYA, the Department of School Education and the Ministry of Education were recognised by UNESCO for their use of information and communication technology (ICT) during the COVID-19 pandemic.
- 100% FDI under the automatic route is allowed in the Indian education sector.
- In February 2022, the Ministry of Education approved the scheme of Rashtriya Uchchatar Shiksha Abhiyan (RUSA) to continue until 2026.

### **Challenges and area of concern**

Unequal access to education in many rural and underserved regions is one of the major concerns plaguing India's educational system. There is an alarming disparity in the quality of education being offered in the rural and urban regions of the country, as demonstrated by the low literacy rates in these areas and the high dropout rates for children from these communities. To ensure that every student has access to equal and unbiased knowledge and growth opportunities, steps must be taken to standardise the quality of education across the country.

The education system in India also faces a lack of funding. Despite the government's commitment to providing quality education, many schools and colleges still lack the resources they need to offer quality education to their students. This covers funding for basic facilities, such as classrooms and libraries, as well as funding for the development of new curricula and the training of new teachers.

Notwithstanding the increasing demand for education in India, the quality of education remains a major challenge, with many schools and universities failing to adequately educate their students. There is a significant gap between the skills that students acquire in school and the skills that employers demand, which can limit the opportunities available to them after graduation.

### **Financial Risk**

The large debt burden and rising interest cost caused defaults in payment of its obligations leading to the Company being admitted under the CIRP on 30th May, 2017 vide an order of the Adjudicating Authority. In the event, any resolution of stressed assets of the Company is achieved, the capital structure and the associated risk profile of the Company is expected to significantly change and therefore at the moment, the management is not able to comment on the future capital structuring of the Company and the resultant change in the risk profile.

**c) Outlook**

Subject to the adjudication of the Adjudicating Authority and other appellate authorities in relation to the receipt and approval of any resolution plan and with the support of the resolution applicant submitting such resolution plan, the Company may be in a position in terms of capacities, capabilities and customer relationships to capitalise on market opportunities. Approval of any resolution plan would enable the Company to progressively ramp up operations.

However, in the event, no resolution is achieved of stressed assets of the Company, the Company may be liquidated upon the order of the Adjudicating Authority /Appellate Tribunal/subsequent appellate authority. Further, for better explanation refer below to the point (e).

**Internal control systems and their adequacy.**

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

As specified above the Company is present under CIRP w.e.f. May 30, 2017 and all the powers of the management are vested to the Interim Resolution Professional followed by the Resolution Professional. Resolution Professional, in accordance with the provisions of the code, is performing his best efforts to mitigate all risks associated with the company along with the internal financial control and internal control system.

**d) Financial performance.****Financial performance (Standalone)**

The total revenues of Educomp aggregated Rs. 50.89 million in FY23 as compared to Rs. 40.16 million in FY22.

In fiscal 2023, the Company's profit/(loss) before prior period items, exceptional items and taxes aggregated Rs. (802.34) million as against Rs (435.36) million in fiscal 2022.

In fiscal 2023, the Company's profit/(loss) after taxes, prior period, exceptional items and other comprehensive income aggregated Rs. (802.35) million as against Rs (435.51) million in fiscal 2022.

In fiscal 2023, the Company's earnings/(loss) per share (basic) is Rs (6.55) as against Rs (3.55) in fiscal 2022.

**Financial performance summary (Consolidated)**

In fiscal 2023, the total consolidated revenues of Educomp group aggregated Rs. 50.89 million as compared to Rs 40.16 million in fiscal 2022.

The consolidated profit/(loss) before taxes aggregated Rs (799.90) million in fiscal 2023 as against Rs (443.85) million in fiscal 2022.

In fiscal 2023, the Company's consolidated profit after taxes, prior period and minority interest aggregated Rs (799.84) million as against Rs (443.27) million in fiscal 2022.

In fiscal 2023, the Company's consolidated earnings/(loss) per share (basic) is Rs (6.53) as against Rs (3.62) in fiscal 2022.

**Key Ratios (Standalone)**

<b>Ratio</b>	<b>Fy23</b>	<b>FY22</b>
EBIDTA/Net Sales	-1470.29%	-962.08%
Profit/(loss) after Tax and prior period items/ Net Sales	-1576.62%	-1084.06%
Total Expenditure/ Net Sales	1676.62%	1184.06%
Cost of Goods Sold/ Net Sales--Staff Cost/Net Sales	47.42%	52.89%
Selling, Distribution & Administration expenses (including Miscellaneous Expenses)/ Net Sales	1522.85%	1008.09%
Debtors Turnover	0.03	0.01
Inventory Turnover	0.04	0.25
Interest Coverage Ratio	-14.73	-8.71
Current Ratio	0.04	0.05
Debt Equity Ratio	-0.87	-0.88
<b>Net Profit Margin (%)</b>	<b>-1576.62%</b>	<b>-1084.06%</b>

**Segment Results**

**Segment Revenue & Expenses (External)**

(Rs in millions)

	<b>For the year ended March 31, 2023</b>			<b>For the year ended March 31, 2022</b>		
	<b>Revenue</b>	<b>Expenses</b>	<b>Results</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Results</b>
Higher Learning Solutions	-	-	-	-	-	-
School Learning Solutions	39.82	22.51	17.31	13.81	47.40	(33.59)
K-12 Schools	-	-	-	-	-	-
Online, Supplementary & Global	-	-	-	-	-	-
<b>Total</b>	<b>39.82</b>	<b>22.51</b>	<b>17.31</b>	<b>13.81</b>	<b>47.40</b>	<b>(33.59)</b>

**Cash Flows:**

The cash generated/(used) from operations stands at Rs. (17.92) million as on March 31, 2023 as against Rs. (26.18) million as on March 31, 2022.

The cash generated/ (used) in on account of investing activities stands at by Rs. 6.13 million as on March 31, 2023 as against Rs. 24.08 million as on March 31, 2022.

The net cash generated/ (used) in financing activity were Rs. Nil as on March 31, 2023 as against Rs. Nil as on March 31, 2022.

**e) Revival Plans for the Company and update on the corporate insolvency resolution process defined under Insolvency and Bankruptcy Code, 2016**

The Company was admitted under the CIR process in terms of the Code vide an order of Adjudicating Authority dated 30 May, 2017 (“Order”).

Subsequently, the RP published Expression of Interest (“Eoi”) \ inviting resolution plans for the revival and restructuring of the Corporate Debtor. Further to the issuance of the Eoi, the resolution plans were received from one Ebix Singapore Pte. Ltd. (“Ebix”) and one Boundary Holdings SARL SPF. Pursuant to the discussions and deliberations with the CoC, the Resolution plan submitted by the Ebix was put to vote. Ebix's resolution plan, in terms of Section 30(4) of the Code, was finally approved by the CoC with 75.35% majority voting share on 22nd February 2018 including vote of Chhattisgarh State Electricity Board (“CSEB”) whose vote was received subsequently due to a technical glitch. Pursuant thereto, the Resolution Professional submitted the Ebix's Resolution Plan for the approval of the Adjudicating Authority by way of an application under Section 30(6) and 31 of the Code (CA 195 of 2018) (“Plan Approval Application”).

The future of the Company depends on the implementation of the Resolution Plan C.A No. 195(PB) of 2018 before Bench II of the National Company Law Tribunal, New Delhi.

For detailed about the complete Corporate Insolvency Resolution Process you may please refer to the point no. 2 of the Report on Corporate Governance.

**f) Human Resources**

The Company is having no new operations and servicing only to old customers and hence comprises of very limited staff. The Company had been operating with 34 employees during FY 2022-23.

**Cautionary Statement**

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental / related factors. Please also note that as mentioned elsewhere also the Company is in insolvency under IBC.

**CORPORATE GOVERNANCE  
REPORT ON CORPORATE GOVERNANCE****1. CORPORATE GOVERNANCE**

Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. The framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of “stakeholder value”.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) is given below:

**2. CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)**

The Corporate Insolvency Resolution Process (“CIRP”) against Educomp Solutions Limited (“**Company/ Corporate Debtor**”) was initiated by the Hon’ble National Company Law Tribunal, Principal Bench at New Delhi (“**Adjudicating Authority**”) under Section 10 of the Code vide its order dated 30th May 2017. The Adjudicating Authority vide the same order appointed Dr. Sanjeev Aggarwal as the Interim Resolution Professional (“**IRP**”) to conduct the CIRP of the Corporate Debtor. Later, in the third meeting of Committee of Creditors (“**CoC**”) held on 12th September 2017, Mr. Mahender Kumar Khandelwal was appointed as the Resolution Professional (“**RP**”) to run the CIRP of the Corporate Debtor.

Pursuant to his appointment, the RP published an Expression of Interest (“**EoI**”) in terms of the code and applicable Regulations thereby inviting resolution plans for the revival and restructuring of the Corporate Debtor. Further, pursuant to the issuance of the EoI, the resolution plans were received from one Ebix Singapore Pte. Ltd. (“**Ebix**”) and one Boundary Holdings SARL SPF. Pursuant to the discussions and deliberations with the CoC, the Resolution plan submitted by Ebix was put to vote. Ebix's resolution plan, in terms of Section 30(4) of the Code, was finally approved by the CoC with 75.35% majority voting share on 22nd February 2018 including vote of Chhattisgarh State Electricity Board (“**CSEB**”) whose vote was received subsequently due to a technical glitch. Pursuant thereto, the Resolution Professional submitted Ebix's Resolution Plan for the approval of the Adjudicating Authority by way of an application under Section 30(6) and 31 of the Code (CA 195 of 2018) (“**Plan Approval Application**”).

Around July 2019, while the Plan Approval Application was pending adjudication before the Adjudicating Authority, Ebix filed its first application seeking withdrawal of the Resolution Plan on account of the purported inordinate delay in approval of resolution plan by the Adjudicating Authority, and ongoing investigations into the affairs of the Corporate Debtor. The said application was dismissed by the Adjudicating Authority. Thereafter, Ebix filed another withdrawal application in August 2019 on the similar cause of action. The second application was also dismissed by the Adjudicating Authority. However, the third withdrawal application filed by Ebix (IA 1816 of 2019) after having been heard at length on 25th November 2019 was allowed by the Adjudicating Authority vide its order dated 02nd January 2020 (‘Order dated 02 January 2020’). Thereby Ebix was permitted to withdraw its plan despite the same having been approved by the Committee of Creditors of Educomp (“**CoC**”). The Adjudicating Authority also imposed a cost of Rs. 1 lakh on Ebix and extended the CIRP of the Corporate Debtor by 90 days to begin from 16th November 2019. The Adjudicating Authority directed the Resolution Professional to expedite the possibility of achieving the resolution of the stressed assets within such extended period.

As a consequence of the Order dated 02 January 2020 passed by the Adjudicating Authority in third withdrawal application filed by Ebix (IA 1816 of 2019), the Adjudicating Authority dismissed the Plan Approval Application filed by the Resolution Professional vide its another order dated 3rd January 2020 (“**Order dated 03 January 2020**”).



Thereafter, the Committee of Creditors of Educomp (“**CoC**”) challenged the order dated 02 January 2020 passed by the Adjudicating Authority allowing the withdrawal before the Hon'ble National Company Law Appellate Tribunal (“**NCLAT**”) on 28 January 2020 by way of an Appeal bearing number Company Appeal (AT) (Insolvency) No. 203 of 2020 (“**First Appeal**”). The First Appeal was listed for consideration before the NCLAT on 03 February 2020 wherein, the Appellate Tribunal was pleased to issue notice in the appeal and further stayed the operation of the order dated 2nd January 2020.

On 22nd June 2020, the CoC filed another Appeal i.e. Company Appeal (AT)(Ins) No. 587 of 2020 (“**Second Appeal**”) before the NCLAT against the Order dated 3rd January 2020 passed by the Adjudicating Authority thereby dismissing the application of the RP seeking approval of the Resolution Plan filed by Ebix. It may be noted that the CoC gained knowledge of the order dated 3rd January 2020 only during the hearing in the First Appeal and therefore, could not challenge the same at an earlier date.

The NCLAT allowed the First Appeal filed by the CoC vide its judgment dated 29th July 2020 and set aside the order dated 2nd January 2020 passed by the Adjudicating Authority inter alia holding that the Adjudicating Authority did not have the power to allow Ebix (RA) to withdraw its resolution plan after it was approved by the CoC.

Thereafter Ebix filed a Civil Appeal No. 3224 of 2020 (“**Ebix Appeal/Appeal**”) before the Hon'ble Supreme Court of India (“**Hon'ble Supreme Court**”) challenging the NCLAT Judgment dated 29 July 2020 passed in the First Appeal on the ground that (a) Ebix is not bound by the Resolution Plan until the same is approved by the Adjudicating Authority; (b) inordinate delay in the approval of the application under Section 31 and (c) pending SFIO and CBI investigations into the affairs of Educomp called for withdrawal.

The Hon'ble Supreme Court was pleased to issue notice in the Ebix Appeal on 07th October 2020 and vide the same order stayed the proceedings under Second Appeal before the NCLAT. The question of law involved in Ebix's Appeal was “Whether the withdrawal of Resolution Plan is permitted after it has been approved by the CoC”.

The Hon'ble Supreme Court after hearing the parties vide its judgment dated 13th September 2021 dismissed the Appeal on the ground that “The existing insolvency framework in India provides no scope for effecting further modifications or withdrawals of CoC-approved Resolution Plans, at the behest of the Successful Resolution Applicant, once the plan has been submitted to the Adjudicating Authority. The Hon'ble Court further held that “A submitted Resolution Plan is binding and irrevocable as between the CoC and the successful Resolution Applicant in terms of the provisions of the IBC and the CIRP Regulations.”

Accordingly, the Hon'ble Supreme Court dismissed Ebix's Appeal.

Consequent to the Supreme Court's order the NCLAT allowed the Second appeal, on 12th November 2021, dated against the NCLT Order dated 3rd January 2020, and immediately thereafter the certified copy of NCLAT order dated 12th November 2021 along with the certified copy of Hon'ble Supreme Court order were filed with the Registry of the NCLT. However, despite filing the said orders with the NCLT, the NCLT did not list the matter in time. Therefore, to escalate the matter an application for restoration was (RA 39 of 2021) filed. Finally, the RA 39 of 2021 came up before the NCLT on 3rd December 2021, where the Hon'ble NCLT remarked that 'it's a shame that this matter couldn't be taken up on its own' and vide its order dated 03rd December 2021 it was said that there was no requirement of filing restoration application, nevertheless this application has been filed in the deference of the Hon'ble Supreme Court and NCLT Order. The NCLT thereafter listed the Plan Approval Application for hearing on 22nd December 2021.

On 22nd December 2021, the matter was listed for hearing and part argument took place. The matter was then adjourned to 25th January 2022. However, before the matter could be taken up on the said adjourned date i.e., 25th January 2022, an application (IA 187 of 2022) Ex-Director's Application was filed by the Ex-Director- Mr Shantanu Prakash, also the promoter of Corporate Debtor, seeking direction from the NCLT to direct Resolution Professional to take action w.r.t the transaction which concerns the insolvency of Corporate Debtor's subsidiary based out of Singapore. The NCLT has not issued any notice in this application so far.

Thereafter, the application for plan approval was listed for 25th January 2022, but was simpliciter adjourned to 15th March 2022. Meanwhile, the Resolution Applicant filed another application IA 397/2022, which came up for hearing on 27th January 2022, and in the said application the Resolution Applicant sought certain information from the Resolution Professional regarding the annual returns, financial statement and status of affairs of the Corporate Debtor. RP's Counsel opposed IA 397 of 2022 and also filed a reply to IA 397 of 2022.

On 14th February 2022, IA 397/2022 was listed before the NCLT, however, the reply filed by RP was not available on record. The NCLT on that date granted liberty to RA to file Rejoinder to IA 397 of 2022 and adjourned it to 28th February 2022. On 28th February 2022, IA 397 of 2022 got listed before the Special Bench, therefore, again it was adjourned to 08th March 2022 for it to be heard by the Regular Bench, the matter was adjourned to 8th March 2022. The IA 397 of 2022 was finally taken up on 8th March 2022, where the RP Counsel opposed the application extensively and the same was dismissed on the ground of being premature.

On 11th April 2022, fresh application IA 1611 of 2022 was filed by the Resolution Applicant seeking issuance of a direction to the Resolution Professional to take steps to protect the assets owned by Corporate Debtor's Wholly Owned Subsidiary ("EPEL") attached by the Enforcement Directorate which was dismissed by the Adjudicating Authority the same day since the attached asset(s) were owned by EPEL and not the Corporate Debtor. The Adjudicating Authority adjourned the Plan Approval Application for hearing on 19 April 2022.

On 19th April 2022, the Adjudicating Authority directed the Resolution Professional to file the soft copy of the complete order sheets along with the list of dates of events in the form of an Additional Affidavit along with the soft copy of the Order(s) dated 02 January 2020 and 03rd January 2020 as also the judgments passed by the Hon'ble Supreme Court and Hon'ble NCLAT dated 12 November 2021. Thereafter, the matter was adjourned to 06 May 2022 for further hearing.

On 06 May 2022, the NCLAT heard the Co. Appeal (Ins.) No. 507 of 2022 filed by the Resolution Applicant challenging the order dated 08 March 2022 passed by the NCLT dismissing IA 397 of 2022. The NCLAT dismissed the appeal on the direction to RP that on the approval of the Resolution Plan, all of the required information which is available with the Resolution Professional shall be provided to the Resolution Applicant.

On 06 May 2022, the Plan Approval Application was also listed before the Adjudicating Authority for hearing, however, the same could not be taken up due to non-availability of Technical Member constituting the Bench hearing the matter. The matter was adjourned to 24.05.2022 accordingly.

Thereafter on 19 May 2022, Co. Appeal (Ins.) No. 550 of 2022 preferred by Resolution Applicant against order dated 11.04.2022 passed by the Adjudicating Authority n IA 1611 of 2022 was listed. The Hon'ble NCLAT pursuant to the submissions made by respective parties disposed of the appeal by directing the Resolution Professional to share the Provisional Attachment Order passed by Directorate of Enforcement with the Resolution Applicant.

On 24 May 2022, the Plan Approval Application was again listed for hearing before the Adjudicating Authority however, the matter could not be taken up due to non-availability of the Bench to hear the matter post the lunch hours. Accordingly, matter was adjourned to 01 June 2022.

On 01 June 2022, when the Plan Approval Application was taken up, the Judicial Member stated that since both him and the technical member constituting the present Bench are retiring in June 2022, all pending matters would only now be heard in the month of July. Accordingly, a short date of 08 July 2022 was given by the Registry for listing the Plan Approval Application.

On 05 September 2022, the following applications were listed- C.A No. 195(PB) of 2018 – Plan Approval Application, I.A No. 187 of 2022 – Application by Mr. Shantanu Prakash seeking directions and I.A. No. 3112 of 2022- Application filed by Sri Guru trust claiming to be an Operational Creditor. However, the matter could not be taken up since the Judicial Member had to sit in another Bench post-lunch and the matter was adjourned to **29 September 2022**.

In order to ensure hearing of the Plan Approval Application on 29.09.2022, I.A 4377 of 2022 (listed on 14 September 2022) was filed by the Resolution Professional, seeking listing of the Plan Approval Application high on board on the scheduled date of listing i.e. 29 September 2022 or to have the matter set down for a fixed time on that date for expeditious disposal. The Bench acknowledged the request and disposed of the application directing the Registry to list the Plan Approval Application at the top of the Board for the matters listed on 29 September 2022, after the supplementary and admission matters.

On 29 September 2022, the matter comprising the pending applications before the Adjudicating Authority were listed before a Special Bench rather than the usual Bench to which the matter is assigned. The Bench stated that since the Regular Bench was not available, the Bench adjourned the matter to 03 October 2022.

On 03 October 2022, the Senior Counsel representing the Resolution Professional submitted before the Bench that apart from the Plan Approval Application, there are two applications pending, one filed by the ex -promoter and the second by an operational creditor, both of which do not have any bearing on the Plan Approval Application. Further, a request was also made to the Bench to decide the Plan Approval Application. The Bench noted the submissions but expressed its inability to take up the matter as the Judicial Member had to take up the matters of another Bench after lunch hours and accordingly adjourned the matter to 09 November 2022.

On 09 November 2022, the Bench again expressed its inability to take up the matter as the Judicial Member had to take up the matters of another Bench and accordingly adjourned the matter to 06 December 2022.

On 06 December 2022, the Bench considered the Plan Approval Application at length and heard the submissions made by Senior Counsel representing Resolution Professional up till 2 pm. Thereafter, the Bench adjourned the matter to 07 December 2022 (the next day) for the resumption of arguments on the Plan Approval Application.

On 07 December 2022, the Bench directed the Resolution Professional's Counsel to resume arguments on the Plan Approval Application. The Senior Counsel representing RP presented submissions on the contents of the Resolution Plan while simultaneously taking the Bench through the relevant clauses of the Plan. On this date, the Bench for its understanding and reference directed the RP to file the Compliance Certificate dated 26.09.2018 in the form of FORM-H. The matter was accordingly adjourned to 14 December 2022 for the purpose of bringing Form H on record.

On 14 December 2022, in compliance with the order dated 07 December 2022, Form H was filed by the Resolution Professional by way of an Additional Affidavit. However, the Bench stated that since the Ld. Technical Member has to preside in another Bench after lunch and the Additional Affidavit so filed is also not yet reflecting on the DMS (online portal) of the NCLT, the matter (all the pending applications) was accordingly adjourned to **03.01.2023**.

On 03 January 2023, the following applications were listed:

- I. I.A No. 195 of 2018 – Plan Approval Application by RP
- II. I. A No 20 of 2023 – Application to file Revised Form H by RP
- III. I.A No. 3112 of 2022- Sri Guru Trust Application
- IV. I.A No. 187 of 2022- Ex- Director Application

At first, the Bench took up (**I.A. 20 of 2023**) filed by the Resolution Professional to bring on record the revised Form H to bring out greater clarity in respect of certain issues/ provisions under the Resolution Plan. The NCLT allowed I. A 20 of 2023 and took the revised Form H on record.

Thereafter, the Bench called out **I.A 3112 of 2022** (Sri Guru Trust Application). The Bench took a brief overview of the Sri Guru Trust Application filed by Sri Guru Trust claiming to be an Operational Creditor of the Corporate Debtor. The Senior Counsel appearing for the Resolution Professional vehemently denied the maintainability of the present application. The Bench then noted that they will take up the application after hearing the Plan Approval application.

Thereafter, the Bench took up **I.A. 187 of 2022** (Ex-Directors Application) and enquired about the issue involved in the Application. After much elucidation on the Application by the Counsels representing respective parties, the NCLT directed the Applicant and the RP Counsels to file a detailed chart of the entities involved and the transaction under the Ex-Directors' Application for its understanding. Thereafter, all applications including the Plan Approval Application were adjourned to 06 February 2022.

On 06 February 2023, the Bench took I.A 187 of 2022. The counsel appearing on behalf of Mr. Shantanu Prakash gave background about the application filed by Mr. Shantanu Prakash and issues involved. In response, the counsel appearing on behalf of the RP inter alia challenged the maintainability of the application filed by Mr. Shantanu Prakash under Section 45 and 47 of the Code. After hearing the submissions, the Hon'ble Bench determined six questions and directed all parties to file short written synopsis. All the applications were directed to be listed on 01 March 2023 including I.A 195 of 2018 (Plan Approval Application) and I.A No. 3112 of 2022 (Sri Guru Trust Application).

Thereafter, all the three applications were listed on 01 March 2023. When the matter was called out, the Bench took I.A 187 of 2022. The Bench enquired about the status of the written synopsis as directed by the Bench by its order dated 06 February 2023. The counsel appearing on behalf of the RP, Mr. Shantanu Prakash and SBI Singapore informed the Bench that they have filed the written synopsis. The counsel appearing on behalf of the COC informed that they could not e-file the written synopsis because of a technical fault in the filing system. Meanwhile, Mr. Saurabh Kirpal, Senior Advocate appearing on behalf of Mr. Shantanu Prakash in IA No. 187/2022 joined the hearing via video conference. The bench was not inclined to hear Mr. Kirpal on video conference and directed him to appear in person. Mr. Kirpal sought accommodation to appear and make submissions in IA No. 187/2022 after a week. After hearing the brief submissions of all parties, the Bench listed IA No. 187 on 22 March 2023.

The Bench then took I.A No. 3112 of 2022. The counsel appearing on behalf of Shri Guru Trust gave a background of the application. The counsel informed the Bench that the RP has admitted and acknowledged to pay INR 31,26,000 to the Applicant. Counsel appearing on behalf of the RP in response submitted that no claim form was filed by the Applicant during the corporate insolvency resolution process and secondly no bifurcation is provided by the Applicant to show which part of the claim belongs to post-CIRP and pre-CIRP period. The counsel also submitted that any dues for post-CIRP period will become part of the CIRP and the dues pertaining to pre-CIRP period cannot be accepted by the RP at this stage as the resolution plan is already pending approval before the bench. After hearing the submissions, the Bench directed that upon the Applicant furnishing a break-up of its claim INR 31,26,000, the RP would examine and verifying the same in accordance with the provisions of the Code.

Thereafter, C.A 195 (Plan approval application) was mentioned by Mr. P Nagesh. He submitted that there is great urgency in the matter as also the long wait through which the lenders have been put through on account of the delay. He also traced the background of the matter and prayed that the application be taken up and disposed of at the earliest. Pursuant to his request, the Bench listed CA 195 along with IA No. 187/2022 on 22 March 2023.

Thereafter, the matter was listed on 22 March 2023. However, due to paucity of time, the two remaining applications i.e., IA No. 187/2022 and C.A 195 (Plan approval application) were adjourned to 24 April 2023.

On 24 April 2023, both the applications were listed. When the matter was called out, the Bench took IA No. 187/2022. During the hearing, the counsel appearing on behalf of Mr. Shantanu Prakash sought for a pass over since Mr. Saurabh Kirpal, Senior Advocate leading them in the matter was held up in a constitution bench matter before the Supreme Court. The Bench expressed its inability to pass over the matter and intended to give a short date. The counsel appearing on behalf of the COC and the RP pressed listing of CA 195 (Plan Approval Application). Upon the request, the Bench have a short date and now listed the matter on 08 May 2023.

On 08 May 2023, the Bench first called out I.A 187/2022. The counsel appearing on behalf of Mr. Shantanu

Prakash sought for a pass over on the ground that Mr. Saurabh Kirpal was on his legs before another court. The Bench expressed its inability to pass over the matter and requested Mr. P Nagesh to proceed with his submissions on C.A No. 195 (PB) of 2018. The Bench accordingly took C.A No. 195 (PB) of 2018. Mr. P Nagesh, appearing on behalf of the RP took the Bench through Form H and explained the amount payable to various creditors under the Resolution Plan along with relevant clauses. Mr. P Nagesh also took the Bench through various compliances of the Resolution Plan with the provisions of Code and CIRP Regulations. During the hearing, the Bench enquired about fair value, Section 29A affidavit by the Successful Resolution Applicant, performance bank guarantee etc. In response, Mr. P Nagesh submitted that the concept of fair value was inserted by IBBI by its notification dated 06.02.2018 and therefore, the same was not applicable. Further, P Nagesh referred to the referred to the undertaking dated 28.11.2017 by the Successful Resolution Applicant giving its declaration cum undertaking that there is no violation of Section 29A. The Bench on observing the multiplicity of pleadings that have been filed in C.A No. 195 (PB) of 2018, directed the RP and the COC to comply with the following directions, within 1 (One) week:

- (i) Filing of the Resolution Plan along with all the annexures and addendums;
- (ii) Since the proposed Resolution Plan did not contain any provision for the Performance Bank Guarantee ("PBG"), the RP was directed to place the same on record. The Bench also stated that in case the same has not been deposited, then the Successful Resolution Applicant must take steps to file the PBG;
- (iii) Filing of a detailed table indicating the size of the plan and distribution of funds; The RP and COC were directed to file this as a joint affidavit with reconciled figures, dates, pages etc.
- (iv) To point out source of funds and implementation of the Resolution Plan duly approved by the COC

Mr. P Nagesh, on the direction of the Bench with respect to submission of PBG point, submitted that the RP cannot place on record the PBG. Mr. P Nagesh referred to Regulation 36B of the CIRP Regulations and submitted that the requirement of submitting a PBG in terms of Section 36B of CIRP Regulations came into effect only on 24.01.2019, whereas the plan was approved on 22.02.2018. The Bench noted the observations of Mr. Nagesh and stated that they will look into this issue on the next date of hearing.

Thereafter, I.A 187 was once taken up by the Bench. The counsel appearing on behalf of Mr. Shantanu Prakash informed the Bench that Mr. Saurabh Kirpal is still on his legs and will be unable to appear before the Bench today and accordingly requested for a date. In response, the Bench noted that an adjournment is being sought for the second time on the ground of unavailability of Mr. Saurabh Kirpal and stated that they are of the opinion that the Application by ex-director should be dismissed on the grounds of non-prosecution. The counsel appearing on behalf of Mr. Shantanu Prakash requested for a last opportunity. The Bench allowed the request with the remark that last opportunity is given to the ex-director to make submissions in support of his application, failing which the application of the ex-director will be dismissed on grounds of non-prosecution on the next date of hearing. After hearing the submissions, the Bench posted the matter on 25.05.2023.

In compliance of the directions given by the Bench, the RP filed its affidavit on 23.05.2023. On the next date of the hearing i.e., 25.05.2023, both the applications were listed i.e., I.A 187/2022 and C.A 195 (PB)/2019. The Bench took I.A 187/2022 first. Mr. Saurabh Kirpal, Senior Advocate appearing on behalf of Mr. Shantanu Prakash proceeded with his arguments. Mr. Saurabh Kirpal inter alia submitted that: -

- actual valuation of the shares that have been sold amounts to USD 250 Million and that it has been sold at a highly undervalued price and in a non-transparent way.
- exception under explanation to Section 18 (i.e. assets of the Corporate Debtor shall not include assets of its Indian or foreign subsidiary) has no bearing on the moratorium imposed under Section 14 of the IBC and that the value of the shares of Educomp Asia Pacific (Pte) Ltd. should have been protected by the RP in light of Section 20 of IBC.

Thereafter, Mr. P Nagesh inter alia made the following submissions: -

- shares of Educomp Asia could not have been part of the CIRP of the Corporate Debtor first because they are not owned by the Corporate Debtor and second in light of the exception under Section 18 of the IBC.
- shares have been sold under the liquidation proceedings pursuant to order of the High Court of Singapore and that no such issue was raised by the ex-director before the liquidator of Educomp Asia Pacific (Pte) Ltd.
- there are various judicial precedents on this position of the NCLT and the NCLAT that the assets of the subsidiary cannot be made part of the CIRP proceedings of the holding company.

The counsel appearing on behalf of SBI Singapore, and COC supplemented and supported the submissions of Mr. P Nagesh. In response, the Bench enquired about the difference and definition of asset and property. In response, the counsel for SBI Singapore submitted that property has been defined under Section 3(27) of the IBC. The counsel for SBI Singapore by way of relying on the provisions of the Income Tax Act and stated that property forms part of asset, which is a bigger genus, and both the definitions cannot be distinguished and read independently in IBC.

The Bench after hearing the submissions, reserved the orders in I.A 187/2022 with the direction to the counsel of Mr. Shantanu Prakash, to file a written synopsis regarding the alleged valuation of the shares on 03.09.2021(date on which the shares of Educomp Asia were sold). The Bench also directed the counsel of SBI Singapore to file a written synopsis regarding the valuation of the shares of the Educomp Asia (Pte) Ltd. The Bench also directed the counsel for SBI Singapore and ex-Director to submit the details regarding all the valuation of shares carried out by both parties. RP was also directed to file compilation of judgements distinguishing definition of asset and property under the law. After hearing the submissions, the Bench posted the matter on 08 June 2023.

On 08 June 2023, a special bench comprising of Sh. Mahendra Khandelwal (J) and Sh. L.N. Gupta (T) presided in Court No. 2. P. Nagesh appearing on behalf of the RP apprised the special bench that IA 195/2019 is already part heard before the Regular Bench comprising of Shri Ashok Bhardwaj (J) and Sh. L.N. Gupta (T) and therefore requested that IA 195/2019 be immediately posted after the vacations. The counsel appearing on behalf of the Resolution Applicant also requested the Special Bench that the matter be posted on the top of the board on the next date of hearing.

Thereafter, the Plan Approval Application - CA 195(PB) of 2018 filed by the Resolution Professional was listed on 05 July 2023. On that date, the matter could not be heard and the same was posted for 10 July 2023. On the next date i.e., 10 July 2023, due to torrential rains, the basement of the NCLT building was waterlogged and was inspected by CPWD for civil and electric faults. Accordingly, the NCLT officials informed that the Bench would preside at 12 Noon to hear the matters through video conference. However, at 12 Noon, the NCLT issued another notice informing that the hearing for all the matters listed on 10.07.2023 stands suspended.

The Plan Approval Application - CA 195(PB) of 2018 was then listed on 31 July 2023. During the hearing, Mr. Abhishek Sharma informed and submitted to the Bench that in compliance of the order dated 08 May 2023, an affidavit has already been filed by the RP responding to the queries raised by the Bench. However, it was informed by the court master that the same is not showing on record (DMS). In response, Mr. Abhishek Sharma informed the Bench that we had checked with the registry and noted that the affidavit was showing on the DMS and is on record. However, since the court master could not locate the affidavit filed by the RP, the Bench directed the counsel of the RP to ensure that the same is showing on the DMS (on record) and listed the matter at a short date on 07 August 2023.

On the next date i.e., 07 August 2023, Mr. P Nagesh Senior Advocate appearing on behalf of the RP made the following submissions:

- In terms of the order dated 08 May 2023, the Bench raised certain queries with respect to the Resolution Plan and directed the RP to respond to the queries by way of an affidavit. In compliance of the order, an affidavit was filed by the RP on 23 May 2023.

- Mr. P Nagesh took the Bench through the queries and the responses. First, he referred to query no. 1 and submitted that a copy of the entire Resolution Plan has been annexed as Annexure- 2 to the affidavit.
- He referred to query no. 2 with respect to non-submission of performance bank guarantee by Resolution Applicant and submitted that Regulation 36B (4A) of the CIRP Regulations which requires the successful resolution applicant to submit the performance bank guarantee came into force on 24.01.2019. However, the request for resolution plan and the resolution plan was approved by the Committee of Creditors prior to the amendment i.e., in the year 2017 and 2018. Therefore, Regulation 36B (4A) was not applicable.
- He further submitted that the NCLT, Chandigarh Bench in Phoenix ARC Pvt. Ltd. v. Sarbat Cotfab Private Limited having similar facts as in our case, approved the resolution plan.

The counsel appearing on behalf of the Resolution Applicant by referring to the order dated 13 September 2021 submitted that that in terms of the RFRP, SRA/Resolution Applicant was required to replace its EMD with a PBG equivalent to 10% of the Resolution Plan value, if it were to be declared as the successful resolution applicant which is also recorded in the said order. Accordingly, the counsel submitted that the RP did not seek any PBG from the Resolution Applicant. On an inquiry by the Bench as to what remedies are available in case the Resolution Applicant fails to implement the Resolution Plan, Mr. P Nagesh informed that a recourse is available under Section 74 of the Code. The Bench noted the same, however, insisted that it is necessary to get the PBG from the Resolution Applicant to secure implementation of the Resolution Plan as the Resolution Applicant had filed three applications in the past for withdrawal of the Resolution Plan. Thereafter, the counsel appearing on behalf of the Resolution Applicant submitted the other objections to the Resolution Plan. The counsel submitted that the RP has unilaterally modified the Resolution Plan by inserting Para No. 19 in the Plan Approval Application. The Bench enquired whether such modification was placed before the COC for their approval and consideration. In response, Mr. P Nagesh submitted that there is no modification in the Resolution Plan and Para No. 19 stated in the Plan Approval Application is nothing but a clarification in terms of the addendum dated 21 February 2018 issued by the Resolution Applicant. Mr. P Nagesh further took the Bench through various key dates and submitted that after the addendum was received from the Resolution Applicant, the RP re-opened the e-voting and accordingly the Resolution Plan along with the addendum was approved by the COC. Since, Para No. 19 was inserted only for clarification, Mr. P Nagesh submitted that the same is not pressed by the RP and may be disregarded in order to avoid confusion. The Bench allowed the request of Mr. P Nagesh and considered the final Resolution Plan dated 19 February 2018 along with addendum dated 21 February 2018.

Thereafter, the counsel appearing on behalf of the Resolution Applicant referred and submitted other objections including but not limited to going concern issue, financial statements not being prepared etc. In response, Mr. P Nagesh submitted that all these issues have already been dealt by the Hon'ble Supreme in its order dated 13 September 2021. The Hon'ble Bench took note of the same.

After hearing the submissions, the Bench directed the Resolution Applicant to submit the PBG within 4 weeks. Further, the Bench directed the RP to be present on the next date of hearing. Mr. P Nagesh and counsel of the COC submitted that 4 weeks will further delay the adjudication of the Plan Approval Application and accordingly requested for a short time period. In response, the Bench granted 3 weeks' period to the Resolution Applicant to submit the PBG. The Bench also noted the submissions and undertaking of the Resolution Applicant that the Resolution Applicant will not withdraw the Resolution Plan for any reason related to PBG and accordingly listed the matter on 29 August 2023.

Meanwhile, the application filed by the RP before the Hon'ble Supreme Court seeking expeditious disposal of the Plan Approval Application was listed on 18 August 2023. Mr. Abhishek Sharma appeared on behalf of the RP and made submissions. After hearing the submissions, the Hon'ble Supreme Court by its order dated 18.08.2023 directed the NCLT to dispose of the Plan Approval Application as expeditiously as possible or within 2 months from the date of the order.

Meanwhile, on 25.08.2023, the Hon'ble Bench passed the final order in I.A 187 and directed as follows: -

- RP to approach IBBI within one week for appointment of registered valuers to conduct the valuation of shares of Learning Internet Inc. owned by Educomp Asia and pledged with SBI, Singapore as on 03.09.2021 subject to payment of fees by Mr. Shantanu Prakash.
- Valuers to submit the report within one month of their appointment in accordance with internationally accepted valuation standards.
- If the valuation is found more than the value of USD 7.1 million for which the shares were sold on 03.09.2021, the claim of SBI Singapore against the Corporate Debtor would stand reduced to the equal or that extent.
- The CIRP qua the Corporate Debtor would continue unhindered and uninfluenced by the aforementioned direction. The secured financial claim of the State Bank of India (Singapore) qua the Corporate Debtor would be subject to the outcome of the valuation result/report.

On 29.08.2023, Mr. Abhishek Sharma appearing on behalf of the RP made the following submissions: -

- In terms of the last order, SRA was required to submit PBG within a period of 3 weeks, however, the SRA has till date not complied with the said directions.
- Referred to the affidavit filed by the RP and took the bench through various queries raised by the Bench and RP's response to the said queries.
- SRA is eligible under Section 29A of the Code and in this an undertaking has also been submitted by the SRA. Further, a letter has also been issued by the RP to the COC confirming the eligibility of SRA under Section 29A of the Code.
- Referred and took the Hon'ble Bench to various clauses of the Resolution Plan such as terms, implementation, distribution, waiver etc.

During the hearing, the counsel appearing on behalf of the SRA reiterated its objections to the Plan Approval Application which were submitted on the last date of the hearing. In response, Mr. Abhishek Sharma submitted that the issues regarding erosion of commercial substratum of the Corporate Debtor were already argued by the SRA before the Supreme Court. In addition to the same he had also filed an application bearing IA 397/2022 praying for similar reliefs which was dismissed by the Bench vide its Order dated 08.03.2022 and subsequently reaffirmed by the NCLAT vide its Order dated 06.05.2022.

The Hon'ble Bench after hearing the submissions of the parties reserved the matter for orders and permitted SRA/RP/COC to file brief written synopsis.

Ebix Singapore Pte Limited thereafter filed IA 4845 of 2023 before the NCLT, New Delhi inter alia stating that Educomp Solutions Ltd. is not a going concern and also seeking issuance of appropriate directions against the RP for making false statements and also direct that there is no requirement to furnish Performance Bank Guarantee by Ebix in terms of order dated 07.08.2023 and 29.08.2023.

The captioned application was listed on 15.09.2023 before the NCLT New Delhi Bench, when the Link Legal team along with Mr. Neeraj Malhotra, Senior Advocate appeared on behalf of the RP and Mr. Arvind Nayar, Senior Advocate appeared on behalf of Ebix Singapore Pte. Ltd.. Mr. Arvind Nayar started his arguments by referring to the audit report for the FY 2020-2021 of the Corporate Debtor and submitted that the auditor in its report has stated that the Corporate Debtor is not a going concern. The Bench expressed its inability to hear the arguments further and accordingly listed the application 19.09.2023 after considering the availability of both the senior counsels.

On 19.09.2023, the application was listed for hearing. During the hearing, the following submissions were made by Mr. Arvind Nayar, appearing on behalf of Ebix: -



- By referring to the Independent Audit Report for the FY 31 March 2021 of the Corporate Debtor, it was submitted that the RP/Corporate Debtor did not take steps to recover the receivables.
- In the FY 2021-2022, the revenue from operations have substantially been reduced/decreased.
- RP has failed to keep the Corporate Debtor as a going concern as the auditor has itself stated in the report that there is substantial doubt about the Company's ability to continue as a going concern.
- Various statutory proceedings have been initiated against the RP before the Delhi High Court and other forums.

In response, Mr. Neeraj Malhotra appearing on behalf of the RP made the following submissions: -

- The independent report referred by Ebix's counsel pertains to FY 2021-2022.
- The revenue in the FY 2020-2021 and 2021-2022 decreased/reduced on account of Covid-19 which impacted the business operations of the Corporate Debtor. It was submitted that the Corporate Debtor's product is an offline product which were again in demand in the FY 2022-2023.
- Corporate Debtor has generated revenue of 40 Million in the FY 2023-2023.
- Referred to the order dated 08.03.2022 passed by the NCLT and order dated 06.05.2022 passed by the NCLAT and submitted that the NCLAT upheld the decision of the NCLT to state that all the necessary documents/information to be provided after approval of the resolution plan by this Hon'ble Bench.
- One of the associate companies of Ebix i.e., Ebix Smart Class Services Pvt. Ltd. has purchased approximately 9 thousand licenses during FY 2023.
- All the points have been argued before by Ebix and this is the 4th attempt to re-agitate the same issues.
- Ebix doesn't want to implement the resolution plan and therefore, such application has been filed. Till date, Ebix has not submitted the PBG in terms of the order dated 07.08.2023 and 29.08.2023.

After hearing the submissions, the Bench reserved the order in the captioned application and further directed the RP to file a short affidavit stating the revenue of the Corporate Debtor in the FY 2022-2023 and whether the Corporate Debtor is a going concern. The short affidavit was duly filed by the RP in compliance of the said order.

On 21.09.2023, Company Appeal (AT)(INS) No. 1351/2023 was filed by the State Bank of India, Singapore as the Appellant assailing the order dated 25.08.2023 passed by the NCLT, New Delhi whereby inter alia directions were provided for the appointment of registered valuers for the conducting the valuation of shares of The Learning Internet Inc.

On 09.10.2023 the NCLT, New Delhi vide a detailed order approved the Resolution Plan of Ebix Singapore Pte Ltd. and also dismissed the IA 4845 of 2023 filed by Ebix Singapore Pte Ltd.

The erstwhile RP thereafter filed the following applications:

- (i) Contempt Petition 55/2023 against the Ebix and its personnel for non-compliance of the Order dated 07.08.2023 and 29.08.2023 of the NCLT, New Delhi by Ebix with respect to furnishing of PBG;
- (ii) IA 5355/ 2023 for seeking directions to Greycells 18 Media Pvt. Ltd.

The aforesaid applications were listed for hearing on 11.10.2023. Mr. Abhishek Sharma appeared on behalf of the RP. The NCLT was pleased to issue notice to Ebix in the Cont. Pet 55 of 2023. However, with respect to IA 5355/2023 the Bench observed that the erstwhile RP has no locus filing this application as the plan stands approved vide Order dated 09.10.2023. Mr. Abhishek Sharma submitted on behalf of the erstwhile RP that the present application can be kept in abeyance so that subsequently the Monitoring Agency can pursue the said Application. However, the Bench was not inclined to do so. As a result of the aforesaid, Mr. Abhishek Sharma withdrew the said Application.

IA 5640 of 2023 was filed by the erstwhile COC seeking directions for constitution of the Monitoring Agency. The IA was listed for hearing on 20.10.2023. Ms. Misha, appeared on behalf of the erstwhile COC, Mr. Abhishek Sharma also appeared on behalf of the erstwhile RP. The NCLT, New Delhi issued notice in the said IA. Ebix was also directed to file a Reply to the said Application. The NCLT also directed that in the meantime all concerned would discharge their duties with due reference to the provisions of IBC.

On 18.10.2023, the NCLAT in Company Appeal (AT)(INS) No. 1351/2023 issued notice and directions issued in Paragraph 27(a) and (b) of the Impugned Order dated 25.08.2023 of the NCLT in I.A. No. 187 of 2022 were stayed.

On 30.10.2023, a reply was filed on behalf of the IBBI in I.A. No. 187 of 2022 filed by Mr. Shantanu Prakash in compliance with the order dated 25.08.2023 passed by the NCLT, New Delhi. It has been asserted in their reply that while the Impugned Order directs the IBBI to appoint registered valuers to do the valuation of shares, it is not in the domain of the IBBI in terms of the applicable CIRP Regulations and the IBBI (Liquidation Process) Regulations 2016, to appoint registered valuers. Accordingly, it has been submitted that the Hon'ble Tribunal may pass appropriate considering the reply submitted on behalf of IBBI.

The Application by the erstwhile COC i.e. IA 5640 of 2023 was again listed on 01.11.2023. However, due to paucity of time the said Application was not taken up and was renotified on 06.11.2023.

On 06.11.2023, the Bench could not take up the matter i.e. IA 5640 of 2023 filed by the erstwhile COC due to paucity of time. The counsel for the erstwhile COC and the erstwhile RP mentioned the matter and submitted before the Bench that the Monitoring Agency has not been constituted by Ebix till date and the erstwhile RP is facing difficulty in carrying out the day-to-day activities of the Corporate Debtor such as payment of salaries etc. The Bench posted the matter for the next date of hearing i.e. on 08.11.2023.

On 08.11.2023, the Cont. Pet 55 of 2023 and IA 5640 of 2023 were listed for hearing. When the matter was called for hearing, the counsel on behalf of the erstwhile RP informed the Bench that no reply has been received by the SRA in the Contempt Petition. The Bench observed that even on the last date of hearing, a similar request was made. The Bench directed Ebix and its officials to file the Reply in one week of time granted subject to payment of cost of Rs 50,000/- to be deposited in the Prime Minister's Relief Fund. In respect to IA 5640 of 2023, the NCLT noticed that the Reply filed by the SRA is not reflected on the DMS. The Court directed Ebix to ensure that its reply is uploaded on the DMS within three days. The matter was next posted for hearing on 23.11.2023.

On 23.11.2023 the Cont. Pett 55/2023 and IA 5640 of 2023 were listed for hearing before NCLT, New Delhi. The counsels for all the parties were present. When the matter was called for hearing, Abhishek Sharma, counsel on behalf of the erstwhile RP apprised the Bench that on the last date of hearing cost was imposed on Ebix in the Cont. Pett 55/2023. Mr. Rajiv Ranjan, Sr. Adv. Appearing on behalf of Ebix informed the Bench that Ebix has filed an appeal against the plan approval order by filing an appeal on 03.11.2023 before the NCLAT. Therefore, he seeks an adjournment by two weeks. Whilst Abhishek Sharma, counsel on behalf of the erstwhile RP informed the Bench that no such appeal has been served on them and neither any filing particulars have been made available to them. The Bench after hearing submission of the parties directed the matter to be listed on 03.01.2024. However, upon a joint request made by the counsel of the erstwhile RP and the counsel of the erstwhile COC that the management of the Corporate Debtor has come to a standstill, and there is no one to look after the said Company. In the circumstance, NCLT, directed that the RP would act as a caretaker qua the Corporate Debtor and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP. The Bench also held that the cost of caretaker RP would be borne by Ebix. The Counsel of the erstwhile COC and the RP was directed to inform the eRP about the same as well.

The matter was next listed for hearing on 03.01.2024. The matter could not be taken up due to paucity of time. The next date of hearing in the matter is on 24.01.2024. The matter again could not be taken up due to paucity of time on 24.01.2024 and got listed on 06.02.2024. The matter again could not be taken up due to paucity of time on 06.02.2024 and now got listed on 06.03.2024.

On 18.12.2023, the Link Legal Team appeared on behalf of the RP in Company Appeal (AT)(Ins) 1351 of 2023 whereby the Appellant, SBI Singapore, was allowed two weeks' time to file Rejoinder Affidavit. An impleadment application was also preferred. The appeal along with the Impleadment Application have now been listed on 17.01.2024, for further consideration.

The matter was next listed for hearing on 03.01.2024. The matter could not be taken up due to paucity of time. The next date of hearing in the matter is on 24.01.2024. The matter again could not be taken up due to paucity of time on 24.01.2024. The next date of hearing in the matter is on 06.02.2024.

On 17.01.2024, the Link Legal Team appeared on behalf of the RP in Company Appeal (AT) (INS) 1351 of 2023 before the National Company Law Appellate Tribunal. The matter was mentioned in the morning by the counsel for the Appellant who sought time to file their Rejoinder. At this stage, the Link legal team on behalf of the RP also sought time to bring on record their Reply in the captioned matter. Accordingly, two weeks' time was granted to the Appellant to file the Rejoinder and the RP to file his Reply. The Reply of the RP was filed and defects cleared to bring the same on record on the very next day, i.e. 18.01.2024. On 18.01.2024, The matter was mentioned by the counsel for the Appellants at around 10:30 AM in the morning as the Bench sat for hearing, seeking further time to file their Rejoinder. At this stage, the Link Legal Team on behalf of the Erstwhile Resolution Professional sought to file their Reply and that a copy of the same has already been E-filed on 16.01.2024. Upon hearing the submissions of the parties, the Bench was pleased to provide further time to the Appellants to file their rejoinder and granted 2 weeks' time to the Erstwhile Resolution Professional to bring on record his reply in the captioned matter and listed the matter on 05.02.2024. On 05.02.2024, the matter was taken up at around 1 PM. The Link Legal Team appeared on behalf of the ERP and apprised the court that the Reply has been filed. The Bench, considering the paucity of time, was pleased to list the matter for arguments on 06.03.2024, for arguments.

In the meantime, the appeal filed by the SRA against the plan approval order dated 09.10.2023 of the Hon'ble NCLT got listed before the Hon'ble NCLAT on 24.01.2024 as Item No. 18 in the supplementary list. Mr. Abhishek Sharma along with the Link Legal Team appeared on behalf of the ERP. Siddhant Kant along with SAM's team was present for the COC. Senior Advocate Ramji Srinivasan appeared on behalf of the Appellant / Ebix Singapore Private Limited. It was submitted by the counsel for COC that despite having filed a caveat, they had not been served with a copy of the Appeal. Accordingly directions were given by NCLAT impleading COC as one of the Respondents in the Appeal. NCLAT also directed that an Amended Memo be filed within three days i.e., by 29.01.2024. Abhishek Sharma on behalf of the ERP objected to the application filed by Ebix Singapore for condonation of delay in re-filing the appeal (after defects were raised). Senior Advocate Ramji Srinivasan stated that the delay has been on account of the change in counsel and voluminous records in the matter. Upon hearing the parties in the matter, NCLAT permitted the application filed by Ebix Singapore seeking condonation of re-filing delay and listed the matter on 31.01.2024.

On 31.01.2024, the matter was called and the counsel for SRA has made their submission and then due to the paucity of time the Hon'ble NCLAT listed the matter on 05.02.2024 as part-heard. On 05.02.2024, during the course of the hearing, Ramji Srinivasan, Senior Advocate made submissions on behalf of Ebix Singapore arguing that the Plan approval order passed by NCLT was erroneous and lacked judicial application of mind. The Link Legal Team on behalf of the ERP and the ECOC supported the Plan Approval Order passed by NCLT and placed reliance on the judgment of the Supreme Court dated 13.09.2021 to state that similar arguments have already been raised and considered by the Hon'ble Supreme Court and hence, the present appeal is not maintainable. After hearing the parties, judgment was reserved in the matter.

The members are further apprised that in terms of the provisions of Regulation 15(2A) & (2B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR Regulations or Listing Regulations 2015"), provisions of Regulation 17,18,19,20 and 21 are not applicable to the Company during insolvency

resolution process period. Further, this Corporate Governance Report has been prepared by the Erstwhile Resolution Professional and who, in terms of the directors of Hon'ble NCLT, act as caretaker qua the Corporate Debtor and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP. Further, the erstwhile Resolution Professional is acting as on the best efforts basis based on whatever information available and provided to him since the Company is under IBC and most of the employees has left the organization.

**3. SIZE AND COMPOSITION OF THE BOARD**

On the Application by the Company on May 12, 2017 under Section 10 of the Insolvency and Bankruptcy Code, 2016 (“the Code”), Hon'ble National Company Law Tribunal, Delhi (“Adjudicating Authority”), vide its order dated May 30, 2017, had ordered the commencement of the Corporate Insolvency Resolution Process (“CIRP”) in respect of your Company and Since from the initiation of the CIRP, under the provisions of Code and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Resolution Professional, Dr. Sanjeev Aggarwal who was appointed as interim resolution professional of the Company. The IRP carried out his duties from May 30, 2017 till Mr. Mahender Khandelwal who 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.

Further as stated above that, the Hon'ble National Company Law Tribunal, Delhi (“Adjudicating Authority”), vide its order dated October 09, 2023, had approved the Resolution Plan of the Company and consequently, in terms of the applicable provisions of the IBC, the CIRP of the Company was ended w.e.f. October 09, 2023. Further, the Hon'ble National Company Law Tribunal, Delhi (“Adjudicating Authority”), on 23.11.2023 in IA 5640 of 2023, upon a joint request made by the counsel of the erstwhile RP and the counsel of the erstwhile COC that the management of the Corporate Debtor has come to a standstill, and there is no one to look after the said Company. In the circumstance, NCLT, directed that the RP would act as a caretaker qua the Corporate Debtor and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP.

As on March 31, 2023, the Board of Directors of your comprises no Director. The details of Directors appointed/ resigned during the financial year 2022-23, if any, are provided in the Directors Report, forming part of this Annual Report.

The provisions as specified in Regulation 17 of SEBI (LODR) Regulations, 2015 related to “Composition of Board of Directors” shall not be applicable during the Insolvency Resolution Process period in respect of a listed entity, which is undergoing Corporate Insolvency Resolution Process.

**A. The particulars regarding composition of the Board of Directors and its Meetings held during the year are given hereunder:-**

Name of Director	Category	Designation	Number of Board meetings during the year 2022-23		Whether attended last AGM held on November 07, 2023	Directorships in Other Indian Companies (other than Educomp Solutions Limited)*	Committees Position in Other Indian Companies (other than Educomp Solutions Limited)		Name of the Listed Entities where the directors are directors including the category of directorships (other than Educomp)
			Held	Attended			Member	Chairman	
-----The Company has no directors during the Financial Year 2022-23.....									

\*That includes the directorship held as on March 31, 2023 as obtained from the website of the Ministry of Corporate Affairs.

\*\*\*\*\* No Board Meeting was held during 2022-23, as Company was in CIRP and power of Board of Directors stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.

**B. Disclosure of relationship between Directors inter-se**

None of the Directors of the Company are related with the other Directors in any manner as per the provisions of Companies Act, 2013 and SEBI LODR Regulations.

**C. Number of Shares & Convertible instruments held by Non-Executive Directors**

Mr. Shantanu Prakash whose term as Managing Director expired on July 31, 2017 and due to non-re-appointment he automatically become the non-executive director. Further, in the Annual General Meeting of the Company held on November 08, 2021, the resolution for the reappointment of Mr. Shantanu Prakash was not approved by the shareholders. Accordingly, as on March 31, 2023, there is no director on the board of the Company.

Furthermore, upto November 08, 2021 Mr. Shantanu Prakash, being the non-executive director of the company, he holds 4,43,15,205 shares in the Company. Further, none of the other Non-Executive Directors holds any Shares and Convertible instruments, in the company, during the year under review.

**D. Separate Meeting of Independent Director's & Familiarization Programme for Independent Directors**

During Financial Year 2022-23, no Separate Meeting of the Independent Directors of the Company was held as the company is under CIRP with w.e.f. May 30, 2017 and as per Section 17 of the Code the powers of the board has been suspended from the commencement of CIRP. Further, No Familiarization program has been carried out by the company during the period under review as the company is under CIRP with w.e.f. May 30, 2017. Details of the familiarization programme for the Independent Directors of the Company for enabling them to acquaint with the nature of business of the company are provided on the website of the Company <http://www.educomp.com/content/familiarisation-programme>.

**E. Details of Board Meetings held during the year**

During the financial year ended on March 31, 2023, Board Meetings were not held as the Company has been admitted to CIRP under Section 10 of the Code w.e.f. 30th May 2017. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.

**F. Confirmation with respect to the Independent Directors**

As Specified above that the Company has been admitted to CIRP under Section 10 of the Code w.e.f. 30th May 2017. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Moreover, as on March 31, 2023, there is no Independent director on the Board.

**G. Reasons for the Resignation of Independent Director**

During the Financial Year 2022-23 there were no resignation from the Independent Directors of the company.

**H. Key Board Skills, Expertise and Competencies**

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and Board effectiveness

<b>Name of the Director</b>	<b>Entrepreneur/Leadership</b>	<b>Financial Expertise</b>	<b>Global Exposure</b>	<b>Diversity</b>	<b>Board Service &amp; Governance</b>
Shantanu Prakash*	Yes	Yes	Yes	Yes	Yes

\* in the Annual General Meeting of the Company held on November 08, 2021, the resolution for the reappointment of Mr. Shantanu Prakash was not approved by the shareholders.

**Key Board Skills/ Expertise/ Competencies**

- Entrepreneur/Leadership :-** Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk Management. Demonstrated strengths in developing talent, planning succession, and driving change and long term-growth.
- Financial Expertise:-** Education and experience as an Auditor or Public Accountant or a principal financial officer, comptroller or principal accounting officer or holding a position involving performance of similar functions.
- Global Exposure:-** Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
- Diversity:-** Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.
- Board Service and Governance:-** Service on other public Company Boards, to develop insights about maintaining Board and Management accountability, protecting shareholder interests, and observing appropriate governance practices.

**1. COMMITTEES OF BOARD**

The provisions as specified in Regulations 18 (Audit Committee), Regulation 19 (Nomination and Remuneration Committee), Regulation 20 (Stakeholder's Relationship Committee) and Regulation 21 (Risk Management Committee) under SEBI (LODR) Regulations, 2015 shall not be applicable during the Insolvency Resolution Process in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency Code and subsequent to resignation of the Independent Directors as on March 28th, 2017 no committee meeting(s) were held during the financial year 2022-23.

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholder Relationship Committee
- D. Corporate Social responsibility Committee
- E. Finance Committee
- F. Debenture Committee

- G. Fund raising cum Allotment Committee
- H. Corporate Management Committee

**A. Audit Committee**

As on 30th May 2017 i.e. the day when the CIRP has been initiated with respect to the Company, Audit Committee comprised of three Directors, namely Mr. Vijay Kumar Choudhary, Mr. Vinod Kumar Dandona and Mr. Shantanu Prakash. The terms of the reference of Audit Committee include inter alia the following::

**Powers of Audit Committee**

- i. To investigate any activity within its terms of reference.
- ii. To seek information from any employee.
- iii. To obtain outside legal or other professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Key responsibilities of Audit Committee**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual/Quarterly financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
  - h. The quality and acceptability of:
    - i. the accounting policies and practices, including without limitation critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative treatments and the treatment preferred by the external auditors; and
    - ii. financial reporting disclosures and changes thereto, including a review of any material items of correspondence between the Company and the external auditors;
  - i. The extent to which the financial statements are affected by any unusual transactions or any off-balance sheet arrangements, including any disclosable guarantees, indemnification agreements or interests in unconsolidated special purpose entities, in the year and how they are disclosed;

- j. the policies and process for identifying and assessing business risks and the management of these risks;
  - k. material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;
  - l. possible impairments of the Group's assets;
  - m. compliance with financial reporting standards and relevant financial and governance reporting requirements;
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  8. Discussion with internal auditors any significant findings and follow up there on.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
  13. Mandatory review the following information:
    - i. Management discussion and analysis of financial condition and results of operations;
    - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - iv. Internal audit reports relating to internal control weaknesses; and
    - v. The appointment, removal and terms of remuneration of the Chief internal auditor
  14. Overseeing the relationships with the external auditors as follows:
    - i. To consider the appointment of the external auditors and provide the Board with its recommendation to the shareholders on the appointment, reappointment and removal of the external auditors, approve the audit engagement fees and terms and review annually their activities, findings, conclusions and recommendations. The external auditors shall report directly to the Audit Committee. The Audit Committee shall be responsible for ensuring the resolution of any disagreements between management and the external auditors regarding financial reporting;
    - ii. To discuss with the external auditors the nature and scope of the audit (including any significant ventures,



- investments or operations which are not subject to audit) and ensure co-ordination if more than one audit firm is involved;
- iii. To review and monitor the independence of the external auditors and the objectivity and the effectiveness of the audit process including reviewing and monitoring the external auditors' quality control procedures and steps taken by the external auditors to respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures;
  - iv. To pre-approve the scope and extent of audit and non-audit services provided to the Group by any third party in the case of audit services and by the external auditors in the case of audit and permitted non-audit services. The Audit Committee may delegate to the Chairman of the Audit Committee (and in his absence another member) the authority to pre-approve any audit or permitted non-audit service to be provided by the external auditors provided such approvals are presented to the Audit Committee at its next scheduled meeting;
  - v. To consider communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention, including a review of material items of correspondence between the Company and the external auditors; and
  - vi. To ensure that there are no restrictions on the scope of the statutory audit;
- 14A The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 14B Review and monitor the auditor's independence and performance and effectiveness of audit process;
- 14C Examination of the financial statement and the auditors' report thereon;
- 14D Approval or any subsequent modification of transactions of the company with related parties;
- 14E Scrutiny of inter-corporate loans and investments;
- 14F Valuation of undertakings or assets of the company, wherever it is necessary;
- 14G Evaluation of internal financial controls and risk management systems;
- 14H Monitoring the end use of funds raised through public offers and related matters.
- 14I Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 15 such other functions, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including listing agreement and the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force)

#### **Meetings & Attendance of the Committee**

The Board of Directors in their meeting held on 10th May, 2017 had duly reconstituted the Audit Committee. At the beginning of the Financial Year, the Audit Committee consists no Director as members. Accordingly, as on 31st March, 2023, the Audit Committee comprises of no director/ members.

No meeting of the audit committee was held during the year under review. As specified above that w.e.f 30th May 2017 the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.

#### **Internal Auditors**

During the FY 2022-23, the Company had not appointed the Internal Auditors of the Company.

**B. Nomination And Remuneration Committee**

The Board of Directors in their meeting held on 10th May, 2017 had duly reconstituted the Nomination and Remuneration Committee. At the beginning of the Financial Year, nomination and remuneration committee consists no Director as members. Accordingly, as on 31st March, 2023, the Nomination and Remuneration Committee comprises of no director/ members.

The Broad terms of reference of the Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. To review performance and recommend remuneration of Executive Directors' to the board;
6. To formulate ESOP plans and decide on future grants;
7. To formulate terms and conditions on followings under the present Employee Stock Option Schemes of the Company:
  - i. the quantum of options to be granted under ESOP scheme(s) per employee and in aggregate;
  - ii. The conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - iii. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - iv. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - v. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - vi. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - vii. The grant, vest and exercise of option in case of employees who are on long leave; and
  - viii. The procedure for cashless exercise of options.
  - ix. Any other matter, which may be relevant for administration of ESOP schemes from time to time.
8. such other functions, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including listing regulations and the companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force)

**Meetings and Attendance of Committee:**

No meeting of Nomination and remuneration Committee was held during the year under review. As specified above that w.e.f 30th May 2017 the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be

exercised by the Interim Resolution Professional until replaced by Resolution Professional.

#### **Performance Evaluation Criteria for the Independent Directors**

The Companies Act, 2013 and Listing Regulations, 2015 has enabled an evaluation mechanism to appraise the performance of the Independent Directors. In terms of that, the Nomination & Remuneration Committee of the Company has laid down the criteria for the evaluation of the Independent Directors of the Company. The performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated) and on the basis of evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

The criteria for evaluation of the Independent Directors maybe on the following parameters and further, the Committee/Board shall also be authorised to modify the criteria as it may deem fit and necessary:

#### **General Criteria:**

- Highest personal and professional ethics, integrity and values;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent Judgment;
- Self-confidence to contribute to board deliberations and stature such that other board members will respect his or her view;

#### **Remuneration to Directors**

##### **Nomination and Remuneration Policy**

The Company has a credible and transparent policy in determining, identifying and recommending the criteria for the appointment and remuneration of Director's, Key Managerial Personnel and Senior Management. The remuneration policy is aimed at attracting and retaining high caliber professionals/individuals. The broad objective and purpose of policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the education industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### **Appointment**

Nomination and remuneration committee determines the criteria of appointment to the director, Key Managerial Personnel and senior management level and is vested with the authority to identify candidates for appointment to the Board of Directors, Key Managerial Personnel and/or at senior management level. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, Key Managerial Personnel and/or at senior management level nomination and remuneration committee evaluates and takes into account apart from others, Board diversity, person's eligibility, qualification, expertise, track record, general understanding of the business, professional ethics, integrity, values and other fit and proper

criteria's.

**Remuneration**

The remuneration of Executive / Non-Executive Directors and KMPs will be determined by the committee which is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards and approved by nomination and remuneration committee in accordance of abovementioned policies. It is proposed by nomination and remuneration committee and subsequently approved by the Board.

**a) Remuneration of Executive Director/(s)**

Remuneration of Executive Directors is decided based upon their qualification, experience and contribution at the respective positions in the past and expected future benefits to the company and is consistent with the existing industry practice. Executive Directors are entitled for the remuneration as follows:

- (i) Salary and commission not to exceed limits prescribed under the Companies Act, 2013
- (ii) Revised from time to time depending upon the performance of the Company,
- (iii) No Sitting Fees is being paid to them
- (iv) Eligible for ESOP except Promoter Director

In the financial year 2022-23 the company had no Executive Directors.

No remuneration has been paid to the Executive Director during the period under review.

Details of Service Contract of Executive Director(s)

Name of Director	Tenure	Notice Period	Stock Options	Severance Fee
.....Nil .....				

**b) Remuneration to Non Executive Director/(s):**

Non- Executive Directors are entitled as follows:

- (i) Sitting fees not to exceed limits under the Act
- (ii) Commission not to exceed limits prescribed under the Act
- (iii) Eligible for ESOP except Independent Non Executive Director

The Company has not paid any remuneration to any Non-Executive Directors during the year.

**Details of the Pecuniary Relationship or Transactions of the Non- Executive Directors**

During the period under review there is no Pecuniary Relationship or Transactions of the Non- Executive Directors with the company.

**C. Stakeholder Relationship Committee**

As on 30th May 2017 i.e. the day when the CIRP process has been initiated with respect to the Company, the Stakeholder Relationship Committee (“the Committee”) consist of one Director, namely Mr. Shantanu Prakash, Promoter and Non-Executive Director.

At the beginning of the Financial Year, Stakeholder Relationship committee consists no Director as members. Accordingly, as on 31st March, 2023, the Stakeholder Relationship committee comprises of no director/ members.

The broad terms of reference of the Committee includes the following:

- Redressal of shareholder and investor complaints including, but not limiting itself to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc.;
- Overseeing and reviewing all matters connected with securities of the Company;
- Overseeing the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of Investor services;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares issued by the Company, and
- Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company or mentioned in the Listing Regulations 2015.

**Meetings and Attendance of Committee:**

No meeting of Stakeholder Relationship Committee was held during the year under review. As specified above that w.e.f 30th May 2017 the Company has been admitted to CIRP under Section 10 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.

**Compliance Officer**

As Specified above that the Company has been admitted to CIRP under Section 10 of the Code w.e.f. 30th May 2017. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, Mr. Mahender Khandelwal, deemed to be the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and was also responsible for complying with the requirements of Listing Regulations, 2015.

Further as stated above that, the Hon'ble National Company Law Tribunal, Delhi (“Adjudicating Authority”), vide its order dated October 09, 2023, had approved the Resolution Plan of the Company and consequently, in terms of the applicable provisions of the IBC, the CIRP of the Company was ended w.e.f. October 09, 2023. Further, the Hon'ble National Company Law Tribunal, Delhi (“Adjudicating Authority”), on 23.11.2023 in IA 5640 of 2023, upon a joint request made by the counsel of the erstwhile RP and the counsel of the erstwhile COC that the management of the Corporate Debtor has come to a standstill, and there is no one to look after the said Company. In the circumstance, NCLT, directed that the RP would act as a caretaker qua the Corporate Debtor and in such capacity, he would discharge all those functions as are required to be discharged by an IP as RP.

**Status of Investor complaints received by the Company during the year under review is as follows:**

Particulars	Pending as on April 1, 2022	Received during the Year	Disposed during the Year	Pending as on March 31, 2023
No of Complaints	0	0	0	0

**D. Corporate Social Responsibility Committee**

**Composition**

As on 30th May, 2017, i.e at the time of initiation of the CIRP, the Committee consisted of one Executive Directors i.e. Mr. Vinod Kumar Dandona; One non-executive Director i.e. Mr. Shantanu Prakash and one Independent Non-Executive Director Mr. Vijay Kumar Choudhary. The Chairman of the Committee is Mr. Shantanu Prakash.

At the beginning of the Financial Year, the Corporate Social Responsibility Committee consists of no Director as members. Accordingly, as on 31st March, 2023, the Corporate Social Responsibility Committee comprises of no director/ members.

**Meeting & Attendance during the year**

No meeting was held during the year under review,

**E. Other Committees of The Board**

The details of the meetings of the other committees of the board, held during the year 2022-23, are given herein below:-

**Finance Committee**

As on 30th May 2017 i.e. the day when the CIRP process has been initiated with respect to the company, Finance Committee consist of three Directors, namely Mr. Vijay Kumar Choudhary, Mr. Vinod Kumar Dandona and Mr. Shantanu Prakash.

At the beginning of the Financial Year, the Finance Committee consists of no Director as members. Accordingly, as on 31st March, 2023, the Finance Committee comprises of no director/ members.

During the year ended March 31, 2023, No meeting of the Finance Committee was held.

**Debenture Committee**

There was no meeting held of the Debenture Committee during the Financial Year 2022-23,

As on May 30, 2017, the Committee consisted of three directors namely Mr. Shantanu Prakash, Mr. Vijay Kumar Choudhary and Mr. Vinod Kumar Dandona.

At the beginning of the Financial Year, the Debenture Committee consists of no Director as members. Accordingly, as on 31st March, 2023, the Debenture Committee comprises of no director/ members.

**Fund Raising Cum Allotment Committee**

There was no meeting held of the Debenture Committee during the Financial Year 2022-23. As on May 30, 2017, the Committee consisted of three directors namely Mr. Shantanu Prakash, Mr. Vijay Kumar Choudhary and Mr. Vinod Kumar Dandona.

At the beginning of the Financial Year, the Fund Raising Cum Allotment Committee consists of no Director as members. Accordingly, as on 31st March, 2023, the Fund Raising Cum Allotment Committee comprises of no director/ members.

**Corporate Management Committee**

There was no meeting held of the Debenture Committee during the Financial Year 2022-23. As on May 30, 2017, the Committee consisted of three directors namely Mr. Shantanu Prakash, Mr. Vijay Kumar Choudhary and Mr. Vinod Kumar Dandona.

At the beginning of the Financial Year, the Corporate Management Committee consists of no Director as members. Accordingly, as on 31st March, 2023, the Corporate Management Committee comprises of no director/ members.

**5. General Body Meetings**

Details of the AGM/EGM held in the last three years along with special resolutions passed there at:

Financial Year	Date and Time	Venue	Particulars of special resolution passed
2018-19 (AGM)	25-08-2022 11:30 A.M	Held through Video conferencing / other Audio visual means	Nil
2019-20 (AGM)	27-03-2023 11:30 A.M.	Held through Video conferencing / other Audio visual means	Nil
2020-21 (AGM)	25-08-2023 11:30 A.M.	Held through Video conferencing / other Audio visual means	Nil
2021-22 (AGM)	07-11-2023 11:30 A.M.	Held through Video conferencing / other Audio visual means	Nil

**Extra Ordinary General Meeting**

Details of the Extra Ordinary General Meeting held in the last three years along with Special Resolutions passed there at:

Financial Year	Date and Time	Venue	Particulars of special resolution passed
2022-23 (AGM)	22-11-2022 11:30 A.M	Held through Video conferencing / other Audio visual means	Nil

**Postal Ballot**

No Special Resolution was passed by the Company during the year through Postal Ballot.

At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal Ballot.

Serial No.	Procedure
1.	After obtaining consent to act as Scrutinizer the Board of Directors appoints Scrutinizer to conduct Postal Ballot process in true, fair and transparent manner.
2.	Cut Off date is fixed for identifying shareholders entitled to receive notice of the postal ballot.
3.	Postal Ballot Notice along with explanatory statement and Postal Ballot form with instructions are dispatched to shareholders. As per requirements of Listing Agreement, e-voting facility was also provided to Shareholders of the Company
4	Company advertises dispatch of postal ballot in one English Newspaper and one Vernacular language.
5	The postal ballot form duly completed and signed should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the Business hours on specified date.
6	After due scrutiny of all the Postal Ballot forms received & considering the voting through electronic mode upto the close of working hours scrutinizer submitted his report to the company on the specified date
7	Result of the postal ballot is declared at the registered office of the company and the same is notified to stock exchanges as well as published on the website of the company.

**6. DISCLOSURES**

- I. The Company has the Related Party Transactions Policy of the Company as approved by the Board. The Policy Related Party Transactions has been uploaded on the website of the Company and can be accessed on <http://educomp.com/content/policies>. There is no materially significant related party transactions during the period under review which may have potential conflict with the interests of the listed entity at large.
- II. As specified earlier that 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 your 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 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. Since the inception of the CIRP, the majority of employees has left the Company due to which the company is unable to do various compliances, within the stipulated time, under various applicable laws. Such delay in making the compliances results in non-compliances, under various applicable laws, which leads to imposition of penalties on the companies.
- III. The Company has established and adopted a Vigil Mechanism/Whistle-Blower Policy which is uploaded on the website and can be access through the link: <http://educomp.com/content/policies>. Further, the company has affirmed that no personnel has been dined access to the Interim Resolution Professional/ Resolution Professional. (as specified above that w.e.f 30th May 2017 in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional.)
- IV. Company has 'Material non-listed Subsidiary Companies' during the accounting year under review in terms of the provisions of Regulation 16(1)(c) of the Listing Regulations, 2015. The Company formulated a policy for determining 'material' subsidiaries and such policy uploaded on the Company's website and & can be accessed through the link <http://educomp.com/content/policies>.
- V. As specified above that w.e.f 30th May 2017 in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, all the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are not being properly adhered to / complied with.
- VI. The Company has adopted a Code of Conduct applicable to all Directors and the Senior Management Personnel of the Company and the same is available on the website of the Company <http://educomp.com/content/code-conduct>.
- VII. A certificate from M/s P.C. Jain & Co., Practicing Company Secretaries, as stipulated Part C of Schedule V to the SEBI LODR Regulations for the period April 01, 2022 to March 31, 2023 is attached herewith with this report.
- VIII. The Company follows Indian accounting standards notified under the Act and applicable Accounting Standard as laid down by the Institute of Chartered Accountants of India (ICAI) in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- IX. Commodity price risk or Foreign exchange risks, if any, are tracked and managed within the Risk Management framework. The foreign exchange market is highly regulated and the Company ensures



compliance with all the regulations.

**7. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE**

As specified above that w.e.f 30th May 2017 in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, the Company is unable to make the compliance with regard to some of the mandatory requirements pertaining to Corporate Governance as stipulated under the Listing Regulations, 2015.

With reference to observations as provided by M/s P.C. Jain & Co., Practicing Company Secretaries, in the Corporate Governance Certificate, as stipulated Part C of Schedule V to the SEBI LODR Regulations, please note that the observations are related to the non-compliances pertaining to Corporate Governance under the SEBI regulations. As the members are aware that the Company is under CIRP and most of the officials of the company including the top management has left. The Company is making its best efforts to make all compliances under all applicable laws to the extent possible.

**8. CODE OF CONDUCT**

The Company has adopted a Code of Conduct applicable to all Directors and the Senior Management Personnel of the Company and the same is available on the website of the Company <http://educomp.com/content/code-conduct>.

As specified above that w.e.f 30th May, 2017 in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, the Company is unable to get the compliance Report for the year ended 31st March, 2023 from the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct.

**9. GENERAL SHAREHOLDER INFORMATION**

**I. Ensuing Annual General Meeting Date, Time and Venue:**

Location	Day and Date	Time
In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') and SEBI Circular No. Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 read with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May13, 2022 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting through video- conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. For details, please refer to the Notice this AGM.	15 day, March, 2024	11:30 A.M (IST)

II. **Financial Year:** 1st April 2022 to 31st March 2023

III. **Dividend Payment Date:-**The Company has not declared any dividend during the financial year under review.

IV. **Date of Book Closure :** N.A.

V. **Listing on Stock Exchanges:-**

Name of Exchange and Address	Securities	DEMAT ISIN NO	Stock/Script Code
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051	Equity	NSDL and CDSL INE216H01027	EDUCOMP
BSE Limited, PJ Towers, Dalal Street, Fort, Mumbai-400001	Equity	NSDL and CDSL INE216H01027	532696
BSE Limited, PJ Towers, Dalal Street, Fort, Mumbai-400001	Debentures	NSDL and CDSL INE216H07016	948029

VI. **Listing Fee :-** The listing fee for the financial year 2022-23 has not been paid to NSE and BSE.

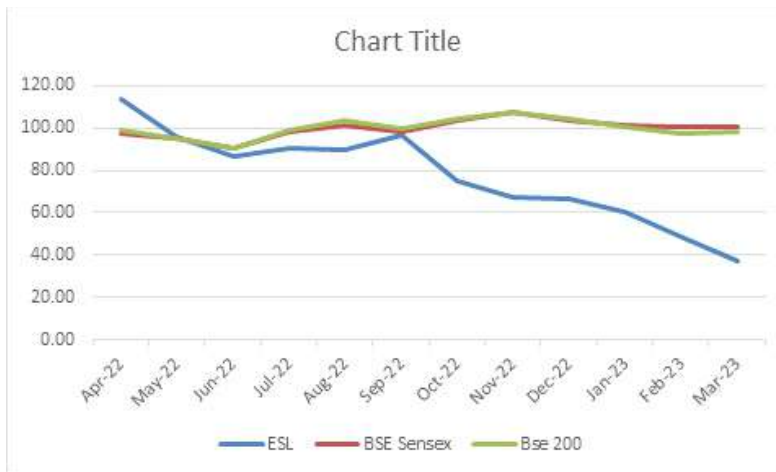
VII. **Stock Market Data:-**

The Market Price data- high, low during the month in last financial year are as under:-

Month	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr 2022	5.14	3.52	4.01	7,26,333	4.15	3.95	4	51,638
May 2022	4.15	3.27	3.37	5,59,108	3.4	3.25	3.4	16,245
June 2022	3.7	2.93	3.05	4,12,152	3.15	3	3.05	6,597
July 2022	3.88	2.96	3.2	2,98,561	3.2	3.05	3.15	34,267
Aug 2022	3.46	3.06	3.15	3,91,210	3.2	3.1	3.15	17,536
Sep 2022	3.95	3.02	3.4	4,91,460	3.5	3.5	3.5	11,613
Oct 2022	3.23	2.65	2.65	21,285	2.8	2.8	2.8	8,323
Nov 2022	2.84	2.29	2.37	6,52,501	2.4	2.25	2.35	30,590
Dec 2022	2.82	2.2	2.35	7,82,665	2.45	2.35	2.35	23,000
Jan 2023	2.43	2	2.13	3,60,460	2.15	2	2.1	12,006
Feb 2023	2.22	1.72	1.72	2,81,635	1.85	1.75	1.75	38,253
Mar 2023	1.78	1.28	1.3	6,12,305	1.4	1.3	1.3	58,402

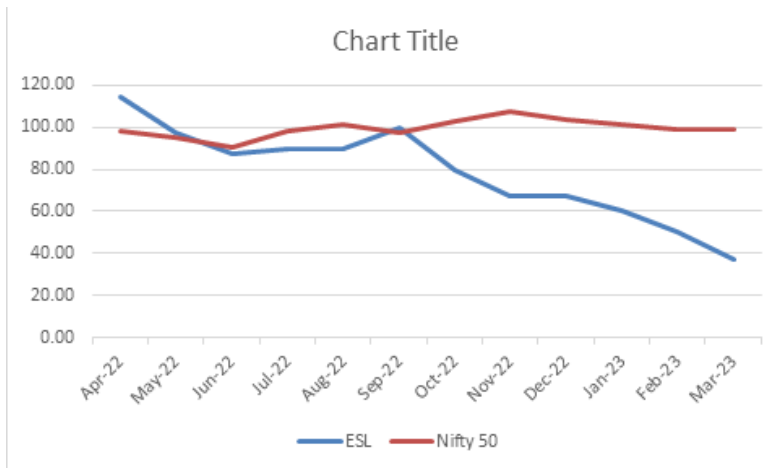
**VIII. Stock Performance chart in comparison to broad- based indices:-**

**BSE SENSEX**



	1 Year
EDUCOMP SOLUTIONS LIMITED	-67.58
BSE SENSEX	3.38
BSE 200	-1.29

**NSE**



	1 Year
EDUCOMP SOLUTIONS LIMITED	-67.50
Nifty 50	1.50

**IX. Details relating to Suspension of Securities and reasons thereof**

As specified above that w.e.f 30th May 2017 in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Due to the ongoing CIRP company is unable to make timely compliances of various clauses of SEBI Listing Regulation, 2015 which results into the trading suspension of the shareholding of the promoters.

**X. Registrar and Share Transfer Agents:**

The Company has appointed Link Intime India Private Limited having its office at Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 as Registrar and Transfer Agent for physical transfer.

**XI. Share Transfer System:**

Share Transfers are registered and returned within a period of fifteen (15) days from the date of receipt, if the documents are clear in all respects. The authority for transfer of shares has been delegated to the Managing Director for transfer of shares up to a fixed number beyond which the matters are placed before the shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

**XII. Distribution of shareholding as on 31st March 2023:**

a) Distribution of Shareholding as on 31st March 2023

SR.NO.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1 - 500	83927	83.1842	8390513	6.8512
2	501 - 1000	7477	7.4108	6254572	5.1071
3	1001 - 2000	4375	4.3363	6714384	5.4826
4	2001 - 3000	1603	1.5888	4141570	3.3818
5	3001 - 4000	783	0.7761	2809053	2.2937
6	4001 - 5000	810	0.8028	3865284	3.1562
7	5001 - 10000	1095	1.0853	8239877	6.7282
8	10001 - above	823	0.8157	82051915	66.9991
	<b>Total</b>	<b>100893</b>	<b>100</b>	<b>122467168</b>	<b>100</b>

**b) Categories of Equity Shareholding as on 31st March, 2023**

Category	No. of Shares held	%age of shareholding
Promoters	5,48,38,245	44.78 %
FII / Foreign Portfolio Investors/ Banks/NBFC & Insurance Companies	569545	0.46 %
Body Corporate/Foreign Companies	1898920	1.55 %
Others	6,51,60,458	53.21 %
<b>Total</b>	<b>12,24,67,168</b>	<b>100 %</b>

**XIII. Dematerialization of Shares and Liquidity**

About 99.99% of the Equity Shares of the Company have been dematerialized as on 31st March 2023. The Company's Shares are compulsorily traded in dematerialized form.

Relevant data for the monthly turnover for the period starting from 01st April, 2022 till 31st March, 2023 is provided in point VII above pertaining to Stock Market Data.

**XIV. Outstanding GDRs / ADRs / Warrants or any other Convertible instruments, conversion date and likely impact on equity:**

In Year 2012-13, the Company had raised US\$ 10 million, Zero Coupon Foreign Currency Convertible Bonds ("FCCB") for redemption of outstanding Zero Coupon Foreign Currency Convertible Bonds. The Bond holders, as per the agreement, have the option to convert these bonds into Equity Shares, at a price of Rs.188.62 per share within 5 years and 1 day from the date of disbursement. The FCCB are redeemable at a premium of 33.15 % on principal after 5 years and 1 day. The FCCB were raised for the purposes of redemption of earlier FCCB of the Company. As on March, 31, 2022 US\$ 10 million (previous year US\$ 10 million) FCCB were outstanding for conversion into equity shares of Rs. 2 each.

The Company was not able to redeem these FCCB and thus has defaulted on redemption. In this regard, please note that the Company is CIRP since May 30, 2017 and a moratorium period is in effect since 30th May 2017 wherein no judicial proceedings for recovery, enforcement of security interest, sale or transfer of assets, or termination of essential contracts can be instituted or continued against the Company.

Further, Details of outstanding Stock Options are being uploaded on the website of the Company and same can be accessed through web link: <http://www.educomp.com/content/investors-home>.

**XV. DISCLOSURE OF COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Commodity price risk or Foreign exchange risks, if any, are tracked and managed within the Risk Management framework. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations.

**XVI. OFFICES TILL MARCH 31, 2023: New Delhi, Gurgaon (Haryana)**

**Addresses of Major Business Offices till March 31, 2023:**

- Plot No 514, Udyog Vihar, Phase III, Gurgaon – 122 001.

**Address for Correspondence:**

**Investor Correspondence:** For transfer/ Dematerialization of Shares, Payment of dividend on shares, change of address, transmissions, and any other query relating to shares and debentures of the Company.

**For securities held in physical form:** Please contact Registrar & Transfer Agent at address given below.

**For securities held in Demat Form:** To the Depository Participant

**Any query on Annual Report:** To the Company address.

Company Address	Debenture Trustee Address	Registrar & transfer Agent Address
<b>Educomp Solutions Limited</b> Plot No 514, Udyog Vihar, Phase-III, Gurgaon-122001, (Haryana) Telephone: 0124-4529000 Fax: 0124 – 4529039 Email: investor.services@educomp.com	<b>Axis Trustee Services Limited,</b> Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra- 400025 Ph:-022-24255215/5216; email:-complaints@axistrustee.com debenturetrustee@axistrustee.com	<b>Link Intime India Private limited</b> Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Telephone: 011-41410592-94 Fax: 011-41410591 Email : delhi@linkintime.co.in

**10. MEANS OF COMMUNICATION**

The Annual Report for the F. Y. 2022-23 of the Company and the annual results of the Company are placed on the Company's website i.e. [www.educomp.com](http://www.educomp.com) and also on the website of NSE and BSE and can be downloaded. There is a separate dedicated section under "Investors Relations" on the Company's website which gives information on unclaimed dividends, quarterly compliance reports and other relevant information of interest to the investors / public.

As specified above that w.e.f May 30, 2017 the company is under CIRP and the powers of the board has been suspended and also most of the employees has left the company due to that company is unable to approve and adopt the quarterly results, as per SEBI Listing Regulations 2015, post the initiation of the CIRP.

However, the complete set of the financial results for the financial year ended March 31, 2023 are displayed on the website of the Company i.e. [www.educomp.com](http://www.educomp.com)

Further, the company has also approved and adopted the standalone quarterly financial results, for the first two quarters of Financial Year 2022-23, as per the format specified in SEBI (LODR), 2015 and the same were submitted with stock exchange and available on the website of the Company i.e. [www.educomp.com](http://www.educomp.com) and also on the website of NSE and BSE and can be downloaded.

**11. PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND PREVENTION OF INSIDER TRADING**

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading with a view to deal with Unpublished Price Sensitive Information and trading in securities by Directors, employees of the Company, Designated Employees and Connected Persons. The said Code is available on the website of the Company and can be access through the link <http://www.educomp.com/Data/Code-of-Fair-Practices-Procedures-V1.pdf>.

**12. DETAILS OF THE CREDIT RATINGS**

The details of the credit ratings are provided in the resolution professional's report on working & affairs of the company forming the part of Corporate Governance Report.

**13. MEANS OF COMMUNICATION****a. Quarterly Results and Newspaper wherein results normally published**

As specified earlier that 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 your 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 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. Since the inception of the CIRP, the majority of employees has left the Company due to which the company is unable to do various compliances, within the stipulated time, under various applicable laws including preparation and submission of quarterly results and newspaper publication of the same thereof.

Further, the company has also approved and adopted the standalone quarterly financial results, of first two quarters of the Financial Year 2022-23, as per the format specified in SEBI (LODR), 2015 and the same were submitted with stock exchange and available on the website of the Company i.e. [www.educomp.com](http://www.educomp.com) and also on the website of NSE and BSE and can be downloaded.

The standalone quarterly financial results, for the first two quarters of Financial Year 2022-23, as per the format specified in SEBI (LODR), 2015 were also published in Business Standard (English Edition) and also in Business Standard (Hindi Edition).

**b. Website details where Results; official News Releases and presentation made to Institutional Investors or to analyst, if any are displayed:- [www.educomp.com](http://www.educomp.com)****14. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):- Not Applicable****15. DETAILS WITH RESPECT TO THE CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY:-**

As specified earlier that 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 your Company under the provisions of Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended.

The Company has not received any written representation from any of the director of the company. In the absence of written representation received, we are unable to comment whether the director is disqualified from being appointed as a director in terms of section 164(2) of the Act. In the absence of such information the company is unable to obtain any certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**16. OTHER DISCLOSURES:-**

- (i) The Company and its Subsidiaries on a consolidated basis have paid Rs. 15,42,000/- to the Statutory Auditors and to all entities in their network firm.
- (ii) The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH'). For disclosure regarding the number of complaints filed, disposed of and pending, please refer to the Board's Report.

**17. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOAN AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT**

As specified earlier that 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 your Company under the provisions of Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended.

The Resolution Professional is not looking the day to day affairs of the subsidiaries of the company, accordingly, Resolution Professional is unable to access to the information as required.

**18. DETAILS OF NON-COMPLIANCE WITH REGARD TO CAPITAL MARKET**

During the Financial Year 2022-23 there were instances of non-compliances by the Company on various matter related to capital markets. However, please note the following:

- a) The Company has not appointed Woman Director after March 28, 2017 as required by the Companies Act, 2013 and SEBI LODR Regulations.
- b) Due to initiation of CIRP since 30th May 2017, the powers of the Board of Directors & committees thereof have been suspended.
- c) There were frequent resignations of Directors as well as Company Secretary & Chief Financial Officer. Further, since March 28, 2017 there is no proper composition of the Board. Most of the senior employees and other staff has also resigned.
- d) Since CIRP date, the Company is not complying with the various provisions of the Companies Act, 2013, Regulations of the SEBI (LODR), 2015 and BSE & NSE has imposed penalties under various Regulations which are still pending for payment. The Company is making efforts to comply with pending compliances.
- e) The Company along with Directors/Ex-Directors, Employees/Ex-Employees has been facing issues and investigations such as investigation by SFIO, CBI.

Note: The Company was undergoing CIRP and the powers of Board are suspended. Hence this report has been prepared on best efforts basis based on whatever information available and initialed by RP in order to meet the compliance.

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

Sd/-  
**Mahender Khandelwal**  
Caretaker Resolution Professional  
Taken on record

IBBI Reg. No IBBI/IPA-001/IP-P00033/2016-17/ 10086



**CORPORATE GOVERNANCE CERTIFICATE**

To,  
The Members  
**Educomp Solutions Limited**  
(Company under the Corporate Insolvency Resolution Process)  
(CIN: L74999DL1994PLC061353)  
1211, Padma Tower-I, 5, Rajendra Place, New Delhi-110008

Sir,

We have examined the compliance of conditions of applicable statutory provisions and the adherence to the good Corporate Governance practices by **Educomp Solutions Limited** ("the Company") on the basis of limited information and documents available, for the financial year ended March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Please take note that pursuant to an order passed by the Hon'ble National Company Law Tribunal, Principal Bench ("NCLT") on May 30, 2017 for the initiation of Corporate Insolvency Resolution Process ("CIRP) of the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"), NCLT vide its order dated September 12, 2017 appointed Mr. Mahender Khandelwal having IP Registration No IBBI/IPA-001/IP-P00033/2016-17/10086 as Resolution Professional ("RP") of the Company. As per the provision of the section 17 and 18 of the Code, the powers of the Board of Directors and the Management of the Company stands remain suspended from the date of initiation of the CIRP and vest with the RP.**

**Further, the Hon'ble National Company Law Tribunal, New Delhi Bench-II (NCLT) vide its order dated 09th October, 2023 approved the resolution plan submitted by the Resolution Applicant and the moratorium declared under Section 14 of IBC 2016 shall cease to have effect forthwith. Further the role of RP ceased to exist.**

**In the meantime, the Successful Resolution Applicant (SRA) did not carry out the order dated 09 October, 2023 issued by the National Company Law Tribunal, New Delhi Bench-II (NCLT) for the implementation of approved resolution plan and filed an appeal before the Hon'ble NCLAT against the order passed by the Hon'ble NCLT. Therefore in this circumstances, the Hon'ble NCLT vide its order dated 23rd November, 2023 directed RP to act as caretaker qua the CD and in such capacity, he would discharge all those functions' as are required to be discharged by an IP as RP.**

The compliance of conditions of Corporate Governance is the responsibility of the management / RP of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Further, since the Company is in CIRP, this certificate is being issued on the request of Resolution Professional and on the basis of very limited information/documents provided.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the company has not during the period covering the financial year ended on 31st March, 2023, properly complied with the statutory provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 listed hereunder, in the manner and subject to the reporting made hereinafter-

- i. As per sub-regulation 2A & 2B of Regulation 15 of SEBI (LODR) Regulations 2015, Regulation 17, 18, 19, 20 and 21 of the SEBI (LODR) 2015 were not applicable during the insolvency resolution process. The powers, role and responsibilities of Board of Directors and committees thereof remain suspended from the date of commencement of CIRP. The powers, role and responsibilities of the Board of Directors & Committees thereof specified in the respective regulations were fulfilled by the aforesaid Resolution Professional in respect of the *conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations except the following:*
  - (a) *The Company has not complied with the statutory requirements as stipulated in Regulation 17 (Board of Directors) read with Part A of Schedule-II and Clause C (2) of Schedule V of the SEBI (LODR) 2015 as the Company is under Corporate Insolvency Resolution Process pursuant to the provisions of Insolvency and*

*Bankruptcy Code, 2016.*

- (b) *The Company was not required to obtain the Compliance Certificate under the terms of Regulation 17(8) from the Chief Executive Officer and the Chief Financial Officer as specified in Part B of Schedule II of Listing Regulations as the Company is under Corporate Insolvency Resolution Process pursuant to the provisions of Insolvency and Bankruptcy Code, 2016.*
  - (c) *The performance of the Independent Director (s) for the financial year 2022-23 of the company were not evaluated by the Board of Directors of the Company as required under Regulation 17(10) of the Listing Regulations as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
  - (d) *The Company has not complied with the statutory requirements as stipulated in Regulation 18 (Audit Committee) read with Part C of Schedule-II and Clause C (3) of Schedule V of the SEBI (LODR) 2015 as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
  - (e) *The Resolution Professional was not required to exercise the power, role and responsibility under Regulation 19 (Nomination and Remuneration Committee) read with Part D (A) of Schedule II and clause (C) (4) of the Schedule V of the SEBI (LODR) 2015, as the role & responsibility towards Directors Nomination and Remuneration were suspended in CIRP Process.*
  - (f) *The company has not complied with the provision of Regulation 20 (Stakeholders Relationship Committee) read with Part D (B) of Schedule II and Clause (C) (5) of Schedule V of the SEBI (LODR) 2015 as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
  - (g) *The provision of Regulation 21 (Risk Management Committee) of the SEBI (LODR) Regulation, 2015 read with Part D (C) of Schedule II and Clause (C) (5A) of Schedule V is not applicable being the company does not fall under top 1000 listed entities as per market capitalization.*
- ii. *The company has **vigil mechanism / whistle blower policy** for directors and employees under regulation 22 of the SEBI (LODR) Regulation, 2015 and the same is hosted on the website of the company.*
  - iii. *We have not received any documents pertaining to the compliance of the Regulation 23 of the SEBI (LODR) Regulation, 2015 read with Clause (C) (10) (a) of Schedule V with respect to the disclosures on materially significant related party transaction. In the absence of any documents, we are unable to comment that whether the related parties transaction, under during the period under review, is in compliance of the Listing Regulations.*
  - iv. *The Company is not in proper compliance of the Regulation 24 of the Listing Regulation, which relates to the corporate governance requirements with respect to subsidiary of listed entity, as the company w.e.f. May 30, 2017 is in CIRP and in terms of the Section 17 of the Insolvency and Bankruptcy Code, 2016 the powers of the board, since from the initiation of CIRP has been suspended and the said powers are being exercised by the RP. As a result thereof, Committee of creditors was formed.*
  - v. *No meeting of the independent director(s) has been conducted during the period under review as stipulated under Regulation 25 of the Listing Regulations. The powers of the independent director(s) were also suspended and vested with RP under CIRP with effect from May 30, 2017.*
  - vi. *The company was unable to get the compliance report for the year ended 31st March 2023 from the Board members and senior management of the Company regarding the compliance of all the provisions of the Code of Conduct and also the copies of the affirmation (s) from the Board of Directors and senior management personnel for the compliance with code of conduct are not available as the company is under as per the provisions of Insolvency and Bankruptcy Code, 2016.*
  - vii. *We were unable to get the quarterly compliance report on corporate governance and proof of filing with the stock exchange as required under Regulation 27 (2) (a) of the SEBI (LODR) Regulation, 2015. Therefore, the company has not complied with the provision of Regulation 27 as stipulated in SEBI (LODR) Regulation, 2015*

- viii. *The web-site of the Company is not properly updated.*
- ix. *The company has not carried out Internal Audit for the period under Review.*
- x. *The company has not properly updated Statutory Registers during the period under review.*
- xi. *The Company has not convened the Annual General Meeting for the Financial Year as on 31/03/2022 on or before 30th September 2022. However the Annual General Meeting for the Financial Year as on 31/03/2022 was held on Tuesday, 07/11/2023.*
- xii. *The Company has not intimated to the Stock Exchanges regarding non-payment of interest on any of its borrowings (including External Commercial Borrowings) and repayment thereof [Regulation 51(2) read with Part B of Schedule III of Listing Regulations.*
- xiii. *The Company has not created Debenture Redemption Reserve in relation to the earlier issue of debentures since the company is in losses.*
- xiv. *As Regulation 50(1) of Listing Regulations, the listed entity shall give prior intimation to the stock exchange(s) at least eleven working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable and as per Regulation 10(1) of Listing Regulations, the listed entity shall file the reports, statements, documents, filings and any other information with recognized stock exchange(s) on the electronic platform as specified by Securities and Exchange Board of India or the recognized stock exchange(s); however, we have not received any information pertaining to the compliance of the said regulation.*
- xv. *The Company has finalized the Quarterly/Annual Results/ for the financial year ended on 31st March, 2023 as required under Regulation 33 of Listing Regulations and has filed delayed as per SEBI regulation.*
- xvi. *The company has not filed / filed delayed various disclosures, with the stock exchanges as required to be made in terms of various applicable Regulations of the SEBI (LODR) Regulations.*
- xvii. *The company has not complied with the provisions of SEBI (Prohibition of Insider Trading Regulations), 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review as the Company is under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016.*
- xviii. Without qualifying our report, we further report that the Company is currently under the investigations by Serious Fraud Investigation Office (“SFIO”) and Central Bureau of Investigation (“CBI”).**

#### **Other Matter**

Since the company is under Corporate Insolvency Resolution Process (“CIRP”) pursuant to the order issued by the Hon’ble National Company Law Tribunal, New Delhi (“Adjudicating Authority”), vide its order dated 30th May 2017 under IBC, 2016 and the Company has not complied with various provisions of Listing Regulations since that.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We further state that this certificate has been issued in order to meet the compliance based on whatever information has been provided by the Resolution Professional of the Company since most of the employees have left the Company.

For **P.C. Jain & Co.**  
Company Secretaries  
(FRN: P2016HR051300)

Sd/-  
**(P.C.Jain)**

Managing Partner  
M No: FCS 4103  
COP No: 3349

Place: Faridabad  
Date : 25-01-2024  
UDIN: F00 4103E003307590

**Independent Auditor's Report****To the Members of Educomp Solutions Limited****Report on the Audit of the Standalone Ind AS Financial Statements****Adverse Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of Educomp Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Ind AS Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the aforesaid Standalone Ind AS Financial Statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2023, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Adverse Opinion**

1. As mentioned in Note 3.1 to the Standalone Ind AS Financial Statements, the Management did not conduct physical verification of Property, plant and equipment during the year ended March 31, 2023. In absence of the same, we are unable to comment over existence, valuation, and the extent of the adjustment, if any, required in respect of these assets as at March 31, 2023 and the resultant possible impact of the same on the loss for the year ended on that date and on the equity as on that date.
2. As regards trade receivable amounting Rs. 1,186.28 million (net of accumulated loss allowance of Rs. 14,680.44 million) as on March 31, 2023, the management is of the view that the same are good and fully recoverable in due course and hence no further loss allowance is required. In absence of appropriate audit evidences including balance confirmations, correspondences from parties and details of subsequent realization post March 31, 2023, we are unable to comment on the recoverability of the outstanding trade receivables of Rs. 1,186.28 million and the possible impact of the same on the loss for the year ended March 31, 2023, and on the equity as on that date.
3. As mentioned in Note 12.4 to the Standalone Ind AS Financial Statements, the Company has not accrued interest on borrowing post May 30, 2017, being Corporate Insolvency Resolution Process ("CIRP") commencement date. The amount of such interest not accrued is estimated to be Rs.4,017.70 million for the reporting financial year and Rs.19,005.18 million till March 31, 2023. This has resulted in understatement of financial liabilities by Rs.19,005.18 million as at March 31, 2023; understatement of loss for the year by Rs. 4,017.70 million and overstatement of equity by Rs.19,005.18 million as on that date.
4. As disclosed in Note 14 to the Standalone Ind AS Financial Statements, the advance from customers includes amount received from non-corporate entities of Rs. 80.47 million 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 Standalone Ind AS Financial Statements is presently not ascertainable.
5. As mentioned in Note 24.2 to the Standalone Ind AS Financial Statements, the Company follows Expected Credit Loss (ECL) model for measuring impairment loss allowance of its trade receivables. The ECL allowance or loss rate is computed based on a provision matrix which takes into account historical credit loss experience. However, for the computed loss rate as mentioned in Note 24.2 to the Standalone Ind AS Financial Statements,

we have not been provided with any underlying workings of such loss rate computed by the Company.

Further, the Company has not taken effect of aforesaid loss rate in computation of impairment loss allowance, if any on trade receivables 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 loss allowance on the trade receivables balance as at March 31, 2023 and the loss for the year ended on that date and on the equity as on that date.

6. We have neither got the direct confirmations nor provided with the statements for borrowings from banks and financial institutions amounting to Rs.11,970.00 million (net) as at March 31, 2023. Further, in case of bank borrowings amounting to Rs.6,189.16 million wherein we have received the confirmations or bank statements, the amount recorded in the Standalone Ind AS Financial Statements is short by Rs.2,186.46 million (net) in comparison to amounts reported in the confirmations or bank statements. In the absence of reconciliations and other alternative audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended 31st March 2023 and on balance of borrowings and equity as at March 31, 2023
7. Balance in borrowings other than bank borrowings mentioned in paragraph 6 above, amounting to Rs. 8,040.64 million as at March 31, 2023 are subject to confirmation. Borrowings other than bank borrowings amounting to Rs. 30 million wherein we have received the balance confirmation, the amount recorded in the Ind AS Financial Statements is short by Rs. 4.05 million. In the absence of any alternative audit evidence, we are unable to comment on any possible impact thereof on the loss for the year ended 31st March 2023 and on balance of borrowings and equity as at March 31, 2023.
8. As disclosed in Note 28 to the Standalone Ind AS Financial Statements, financial guarantees aggregating Rs. 13,346.06 million were issued to banks on behalf of its erstwhile 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 year. In absence of such measurement, we are unable to comment on the resultant impact thereof on the loss for the year ended March 31, 2023 and corresponding liability and equity as on that date.
9. 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 the year ended March 31, 2023 and on the balance of borrowings and equity as on that date.
10. As disclosed in Note 6.5 to the Standalone Ind AS Financial Statements, the balance with banks in current account amounting to Rs. 7.45 million 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 March 31, 2023 is overstated by said amount along with overstatement of equity for the equivalent amount on that date.
11. 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. 0.23 million. In the absence of any alternative evidence, we are unable to comment on any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance with banks as at March 31, 2023 and on equity as on that date.
12. As mentioned in Note 4(ii) to the Standalone Ind AS Financial Statements, the Company has fully amortized its intangible assets (knowledge based content) as per its accounting policy but the same continues to generate

revenue for the company. In absence of re-assessment of the useful life of the intangible assets, we are unable to comment on the resultant impact of amortization on the loss for the year ended on March 31, 2023, carrying value of intangible assets and on the equity as on that date.

13. 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. 701.73 million (net of provision for impairment of Rs. 2,581.30 million) has not been evaluated for any further impairment since financial year 2020-21. These subsidiary companies have not furnished their audited financial statements nor latest valuation reports of these companies have been made available. The latest audited financial statements of subsidiary companies are available for the financial year 2018-19. 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 year ended March 31, 2023 and equity as on that date.
14. As explained in Note 36 to the Standalone Ind AS Financial Statements 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 38 to the Standalone Ind AS Financial Statements, as per the Insolvency & Bankruptcy Code and Regulations issued there under, 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. 30,437.72 million as on May 30, 2017. These claims have been taken into cognizance by Committee of the Creditors (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 as at March 31, 2023 as per books of accounts has not been prepared and any impact thereof has not been considered in the preparation of these Standalone Ind AS Financial Statements as at and for the year ended March 31, 2023.

In absence of the above, we are unable to comment upon appropriateness of carrying value of such liabilities as at March 31, 2023 and any possible impact of the same on the loss for the year ended on that date and equity as at that date.

16. As disclosed in Note 39 to the Standalone Ind AS Financial Statements, 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 report. In absence of pending final outcome of the investigations, we are unable to comment on the consequential impact of these matters on these Standalone Ind AS Financial Statements as at and for the year ended March 31, 2023.
17. As disclosed in Note 40 to the Standalone Ind AS Financial Statements, the Company did not have any internal audit conducted during the year as required under section 138 of the Act. The impact of the non-compliance on the accompanying Standalone Ind AS Financial Statements is presently not ascertainable.
18. As disclosed in Note 41 to the Standalone Ind AS Financial Statements, these Standalone Ind AS Financial Statements are not authenticated by the Company Secretary of the Company which is not in compliance applicable provisions of the Act. Also, the impact of these non-compliances on the accompanying Standalone Ind AS Financial Statements is presently not ascertainable.
19. As disclosed in Note 42 to the Standalone Ind AS Financial Statements, these Standalone Ind AS Financial Statements are not approved by the Chief Financial Officer of the Company which is not in compliance with

section 134 (1) of the Act. The impact of this noncompliance on the accompanying Standalone Ind AS Financial Statements is presently not ascertainable.

20. As disclosed in Note 43 to the Standalone Ind AS Financial Statements, 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 and Services Tax Act, 2017. The financial or other impact of these non-compliances on these Standalone Ind AS Financial Statements is presently not ascertainable.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the Standalone Ind AS Financial Statements.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2A© to the Standalone Ind AS Financial Statements, which indicates that the Company has incurred substantial losses during the year, 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 Standalone Ind AS Financial Statements 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 this balance sheet and is also confident that the Company would have sufficient fund balance to continue as going concern as stated in the said note.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Adverse Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

#### **Emphasis of Matter**

We draw attention to the following matters in the notes to the Standalone Ind AS Financial Statements:

- (a) Note 2A(a) to the Standalone Ind AS Financial Statements, wherein it is stated that CIRP has been initiated in case of the Company vide an order of the principal bench of the NCLT dated May 30, 2017 under the provisions of the Insolvency Code. 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 Standalone Ind AS Financial Statements have been prepared and approved by the RP.
- (b) Note 28 and note 1© to the Standalone Ind AS Financial Statements, considering the moratorium period, status of Contingent liabilities disclosed has been updated till the date of admission of insolvency

application of the Company under the Insolvency & Bankruptcy Code, 2016 i.e., May 30, 2017. Further, claims aggregating Rs. 1,659.20 million have been admitted by the RP against guarantees issued on behalf of erstwhile subsidiaries companies but the same have not been recorded in the books of accounts and continues to be shown under contingent liabilities.

- © Note 12.2 & 33 on Trade Payable due to MSME where 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 MSMEs pertaining to the pre-CIRP period as these dues would be settled in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.
- (d) Note 6.1.3A to the Standalone Ind AS Financial Statements wherein it is stated that Edu Smart Services Private Limited was undergoing liquidation proceedings under the Insolvency and Bankruptcy Code, 2016. As on 31st March, 2023, the following balances are appearing in the name of Edu Smart Services Private Limited (ESSPL).

Particulars	Amount (in millions)
Investment in Preference Shares	515.90
Trade Receivable	9784.55
Receivable against Corporate Guarantee	258.19 *

The Company has fully provided for the above balances.

The Hon'ble NCLT, New Delhi vide its Order dated 25.04.2023 has approved a Revival Plan for ESSPL. Under the Revival Plan the Company has been allotted 0.01% Non-Cumulative, Redeemable, Non-Convertible Preference shares of ESSPL as stated below.

No. of Shares	Face Value of Share	Amount (in millions)	Remarks
10,000	Rs. 100	1.00	Allotted in lieu of Investment
9,77,17,495	Rs. 100	9,771.75	Allotted in lieu of Trade Receivable

There is no provision in the Revival Plan for settlement of Receivables against Corporate Guarantee.

Any adjustment required in the books pursuant to Approved Revival Plan would be made in the Financial Year 2023-24.

Our opinion is not modified in respect of these matters.

#### **Other Information**

In view of ongoing CIRP, the Resolution Professional (RP) is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, Report on Corporate Governance and Annexures to Board's Report, but does not include the Standalone Ind AS Financial Statements, Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Board's Report, Report on Corporate Governance and Annexures to Board's Report are not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Resolution Professional of the Company appointed by the Committee of Creditors ("CoC") pursuant to the order passed by the Hon'ble National Company Law Tribunal ("NCLT"), with whom the management of the affairs of the Company and the powers of the Board of Directors of the Company are now vested after the commencement of CIRP w.e.f. May 30, 2017 under the provisions of Insolvency and Bankruptcy Code, 2016 ("Insolvency Code"), is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Further, as per Section 134 of the Act, the Standalone Ind AS Financial Statements of a company is required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the pendency of CIRP, as per the Insolvency Code, and pursuant to the order passed by the Hon'ble NCLT, the powers of the Board of the Directors are now vested with the RP. Accordingly, these Standalone Ind AS Financial Statements are approved by the RP [refer note 2A(a) of the Standalone Ind AS Financial Statements and paragraph (a) under Emphasis of Matter].

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Ind AS Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Ind AS Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Directors/management/RP (refer note 2A(a) of the Standalone Ind AS Financial Statements and paragraph "(a)" under Emphasis of Matter paragraph).
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and except for the matters described in the Basis for Adverse Opinion section of our report, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. Except for the possible effects of the matters described in the Basis for Adverse Opinion section of our report, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

- d. Except for the possible effects of the matters described in the Basis for Adverse Opinion section of our report, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- e. The matters described under the Basis for Adverse Opinion and Material Uncertainty Related to Going Concern section of our report, in our opinion, may have an adverse effect on the functioning of the Company;
- f. We have not received written representation from the directors of the company as on March 31, 2023. In the absence of written representation received, we are unable to comment whether the director is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.
- g. The qualification/reservation/adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section of our report.
- h. With respect to the adequacy of the internal financial controls with reference to Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2". Our report expresses a Disclaimer of Opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements for the reasons stated therein;
- i. In accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year and accordingly the provisions of section 197 of the Act are not applicable.

Also refer our comment in paragraph 14 of the "Independent Auditors Report - Basis of adverse opinion" regarding managerial remuneration paid to one of the whole-time director of the Company during the quarter ended June 30, 2015, year ended March 31, 2015 and year ended March 31, 2014 for which Central Government's approval is yet to be obtained by the Company.

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Except for the matters described in the Basis for Adverse Opinion paragraph above, the Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 28 to the Standalone Ind AS Financial Statements. Also refer paragraph "(b)" under Emphasis of Matter paragraph on Contingent Liabilities;
  - ii. Except for the possible effects of matters described under Basis of Adverse Opinion paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts and derivative contracts if any;
  - iii. The company has not transferred an amount of Rs. 0.31 million on account of unpaid dividend pertaining to FY 2011-12 (declared on 30th May, 2012) which was required to be transferred to Investor Education and Protection Fund by 05th July, 2019;
  - iv. (a) The management has represented that to the best of its knowledge and belief as disclosed in Note 54(A), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other persons or entities,

including foreign entities ('intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that to the best of its knowledge and belief as disclosed in Note 54(B), no funds have been received by the company from any persons or entities including foreign entities ('the Funding Parties), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under clause (a) and (b) contain any material mis-statement.

- v. The Company has not declared or paid any dividend during the year. Accordingly, the provision of section 123 of the Act is not applicable to the company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11 (g) of Companies (Audit and Accounts) Rules 2014 is not applicable for the financial year ended March 31, 2023.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Place: New Delhi  
Date: 15-09-2023  
UDIN: 23524345BGZZVV1915

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Educomp Solutions Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2023]

- (i)
- a. (A)The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B)The Company has not maintained proper records showing full particulars of intangible assets.
  - b. During the year, the Property, Plant and Equipment of the Company have not been physically verified by the management and hence, we cannot comment on material discrepancies existing, if any.
  - c. According to the information and explanation given by the management the title deeds of the immovable properties, included in property, plant and equipment, have been given as security against borrowings from banks and the original title deeds are kept with the trustee appointed by the banks. On the basis of copy of title deeds of these immovable properties, we report that title deeds of the immovable properties, included in property, plant and equipment, are held in the name of the Company.
  - d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.
  - e. We have been informed that there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)
- a. The inventory has been physically verified by the management during the year. In our opinion, the coverage and procedures of such verification by the management is appropriate. As informed, no discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification carried out during the year.
  - b. The Company was in the earlier years sanctioned working capital limits in excess of five crore rupees on the basis of security of current assets. According to the information and explanation given to us, the Banks have classified such accounts as Non-Performing Assets on account of continuous defaults committed by the company and further the Company has not filed any quarterly returns or statements with the Banks and hence reporting under clause 3(ii)b of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii)a to 3(iii)f of the Order is not applicable.
- (iv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no loan granted, investment made or any guarantee or security given during the year falling under the provisions of section 185 & 186 of the Companies Act, 2013. However, based on audit reports of earlier years the Company has not complied with the provisions of section 185 and 186 of the Act in respect of the following:

Nature of non-compliance	Name of Company/party	Amount granted during the year	Balance as at March 31, 2022
Interest free Loan given*	Edu Smart Services Private Limited (ESSPL)	Nil	Rs. 258.19 million

\*Being amount recoverable from ESSPL on invocation of guarantee.

- (v) In our opinion, the Company has accepted deposits through advance from customers which are outstanding for more than 365 days without appropriating such advance with provision of services and thereby in violation of section 73 to 76 of the Act and the rules framed there under. However, we have been informed that these advances pertain to the pre CIRP period and cannot be repaid by the resolution professional and would be settled in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and regulations issued there under. We have been further informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter.

- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules there under. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it though there have been slight delays in few cases.

No undisputed statutory dues in respect of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable except the following: -

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Punjab Value Added Tax Act, 2005 (PVAT)	Works Contract Tax	0.83 million	2016-17	Various	Not paid
Assam VAT Act 2005	Assam-VAT	4.46 million	2013-14	15th July, 2017	Not paid

(b) The statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute are disclosed as under:

Name of the statute	Nature of the dues	Amount Disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
BVAT Act 2005	Bihar-VAT	Rs. 0.34 million	Rs. 0.07 million	2011-12	Asstt. Commissioner Trade Tax, Patna
DVAT Act 2004	Delhi-VAT	Rs. 0.07 million	NIL	2013-14	Appeal/objection filed before Objection Hearing Authority (SOHO) Delhi(DVAT)
DVAT Act 2004	Delhi-VAT	Rs. 4.57 million	NIL	2014-15	Appeal/objection filed before Objection Hearing Authority (SOHO) Delhi(DVAT)
DVAT Act 2004	Delhi-VAT	Rs. 1.46 million	NIL	2015-16	Appeal/objection filed before Objection Hearing Authority (SOHO) Delhi(DVAT)
DVAT Act 2004	Delhi-VAT	Rs. 19.56 million	NIL	2016-17	Appeal/objection filed before Objection Hearing Authority (SOHO) Delhi(DVAT)
DVAT Act 2004	Delhi-VAT	Rs. 2.91 million	NIL	2017-18	Appeal/objection filed before Objection Hearing Authority (SOHO) Delhi(DVAT)
MVAT Act 2002	Maharashtra-VAT	Rs. 8.14 million	NIL	2015-16	Rectification application filed before DC of State Tax(MVAT) Mumbai
MVAT Act 2002	Maharashtra-VAT	Rs. 0.71 million	NIL	2016-17	Rectification application filed before DC of State Tax(MVAT) Mumbai
PVAT Act, 2005 (UT Chandigarh)	Chandigarh-VAT	Rs. 0.17 million	NIL	2012-13	Appeal pending before DC Excise, Chandigarh
Finance Act 1994	Ahmedabad (Service Tax)	Service Tax-209.8 million Penalty-104.94 million (U/s 78) Penalty-0.010 million (U/s 77) Interest u/s 75	NIL	2014-15	Appeal Pending before Gujarat High Court at Ahmedabad. Recovery proceedings stayed by Hon'ble High Court of Gujarat Vide Order dated 06-01-2021
THE EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952	Provident Fund Contributions & other charges	8.78 million	NIL	March 2008 – February 2014	An Appeal Pending before Central Government Industrial Tribunal Cum Labour Court.
INCOME TAX ACT, 1961	Penalty u/s 271B	0.06 million	NIL	2021-2022	Appeal filed before CIT (Appeals)

(viii) We have been informed that the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) a. The Company has defaulted in repayment of loans or borrowings to financial institutions, banks, and dues to debenture holders as per details set out in Appendix "A" attached herewith. The amounts of defaults stated in the Appendix are as per contractual terms.
- b. According to the information and explanation given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful defaulter by any bank or financial institution or other lender.
- c. The Company has not taken any term loan during the year and the term loans outstanding at the beginning of the year were not pending for utilization and hence, reporting under clause 3(ix)c of the Order is not applicable.
- d. According to the information and explanation given to us and on the basis of our audit procedures, the Company has not raised any funds on short term basis during the current or previous financial year and hence reporting under clause 3(ix)d of the Order is not applicable.
- e. During the year, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. The Company has not raised loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence the requirement to report on clause (ix) f of the Order is not applicable to the Company.
- (x) a. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments). Hence, the requirement to report on clause on 3x(a) of the Order is not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, optionally convertible) during the year and hence, the requirement to report on clause on 3x(b) of the Order is not applicable to the Company.
- (xi) a. No fraud by the Company or no fraud on the Company has been noticed or reported during the year. However, we have been informed that 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 report.
- b. No report under sub section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year up to the date of report.
- c. The Company has not set up any whistle blower mechanism as required under SEBI (LODR) Regulations 2015. However, as represented to us by the management, no whistle blower complaints have been received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xii)a to 3(xii)c of the Order is not applicable to the Company.
- (xiii) The transactions with the related parties during the year were not approved by the Audit Committee as required under section 177 of the Act as the Company did not have an audit committee since suspension of board of directors after initiation of CIRP on May 30, 2017.

In our opinion and based on the information and explanations provided to us by the Management, the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.

- (xiv) As mentioned in Paragraph 17 of the Independent Auditors Report – Basis of Adverse Opinion, the Company did not have any internal audit system during the year. Accordingly, requirement to report on clause 3(xiv)a and 3(xiv)b of the Order is not applicable.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the requirement to report on clause (xvi) a is not applicable to the Company.
  - b. According to the information and explanation given to us the Company has not conducted any Non-Banking Financial or Housing Finance activities.
  - c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3 (xvi)c of the Order is not applicable to the Company.
  - d. According to the information and explanation given to us there are no Core Investment Companies within the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Hence, the requirement to report on clause 3(xvi)d of the Order is not applicable.
- (xvii) The Company has incurred cash loss during the year amounting to Rs. 48.86 million and in the immediately preceding financial year for Rs.58.02 million.
- (xviii) There has been no resignation of statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of financial ratios disclosed in Note 34 to the financial statements, ageing and expected date of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and as stated in the clause 3(ix)a above and in paragraph on 'Material Uncertainty Related to Going Concern' of our report, in our opinion material uncertainty exists on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. However, the Company, being under Corporate Insolvency Resolution Process, will discharge its liabilities in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.
- (xx) According to the information and explanation given to us, the Company does not attract provisions of section 135 of the Companies Act. Accordingly, requirement to report under clause (xx)a & (xx)b of the Order is not applicable to the Company.

For Kumar Vijay Gupta & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

Gopal Garg  
Partner  
Membership No.: 524345

Place: New Delhi  
Date: 15-09-2023  
UDIN : 23524345BGZZV1915



**Appendix A Details of Loan Defaults forming part of clause (iii) of CARO report of Educomp Solutions Limited for the year ended March 31, 2023**

**Default not rectified and existing at year end – Banks**

(Amount in Rs. millions)

Name of the Lender	Nature of Facility	Nature of Payment	Total amount of default as on March 31, 2023	Period of default	Remarks
Canara Bank	Term Loan	Principal	458.79	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	66.80		
	Cash Credit	Principal	32.13		
		Interest	0.67		
Central Bank of India	Term Loan	Principal	947.83	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	159.88		
ICICI Bank	Term Loan	Principal	725.79	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	99.44		
	Cash Credit	Principal	11.49		
		Interest	1.10		
IndusInd Bank	Term Loan	Principal	76.28	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	9.30		
State Bank of Bikaner and Jaipur (now State Bank of India)	Term Loan	Principal	304.51	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	33.8		
	Cash Credit	Principal	4.48		
		Interest	0.37		
Syndicate Bank (now Canara Bank)	Term Loan	Principal	369.61	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	54.47		
IDBI Bank	Term Loan	Principal	4,550.00	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	657.49		
J and K Bank	Term Loan	Principal	1,960.00	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	271.59		
Union Bank	Term Loan	Principal	1,171.16	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	168.9		
Axis Bank	Term Loan	Principal	3,237.70	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	461.39		
	Cash Credit	Principal	175.99		
		Interest	18.34		
Standard Chartered Bank	Term Loan	Principal	576.98	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	100.09		
	Cash Credit	Principal	117.08		
Yes bank	Term Loan	Principal	300.00	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	27.74		

State Bank of India	Term Loan	Principal	181.42	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	25.57		
	Cash Credit	Principal	52.49		
		Interest	8.28		
State bank of Patiala (now State Bank of India)	Term Loan	Principal	1,922.45	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	163.99		
	Cash Credit	Principal	799.16		
		Interest	53.64		
DBS Bank	Term Loan	Principal	359.8	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	45.6		

**Default not rectified and existing at year end - Financial Institutions**

(Amount in Rs. millions)

Name of the Lender	Nature of Facility	Nature of Payment	Total amount of default as on March 31, 2022	Period of default	Remarks
External Commercial Borrowings	Term Loan	Principal	5,747.90	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	1,215.17		
Foreign Currency Convertible Bonds	Term Loan	Principal	1,093.33	More than 5 years	To be paid in accordance with provisions of IBC
Reliance Capital Ltd	Unsecured Loan	Principal	12.00	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	2.69		
IBM Global Financing	Unsecured Loan	Principal	132.58	More than 5 years	To be paid in accordance with provisions of IBC
HP Financial Services (India) Pvt Ltd	Unsecured Loan	Principal	220.62	More than 5 years	To be paid in accordance with provisions of IBC
		Interest	52.99		

**Defaults not rectified and existing as on March 31, 2023 in respect of Debentures**

(Amount in Rs. millions)

Particulars	Total amount of default as on March 31, 2023	Period of default
Principal on Debentures	450.00	More than 5 year
Interest on Debentures	75.85	

**Defaults in respect of guarantees invoked and not rectified as at March 31, 2023**

(Amount in Rs. millions)

Particulars	Total amount of default as on March 31, 2023	Period of default
Corporate guarantee invoked - given on behalf of Edu Smart Services Private Limited	258.19	More than 5 year

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Educomp Solutions Limited on the standalone Ind AS financial statements for the year ended March 31, 2023]

### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls with reference to financial statements of **Educomp Solutions Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial controls with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2023.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company, and the disclaimer does not affect our opinion on the standalone Ind AS financial statements of the Company.

For **Kumar Vijay Gupta & Co.**

Chartered Accountants

ICAI Firm Registration No.: 007814N

**Gopal Garg**

Partner

Membership No.: 524345

Place: New Delhi

Date: 15-09-2023

UDIN: 23524345BGZZVV1915

**Balance sheet as at March 31, 2023**

(All Amount in Rs. Million)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	51.01	53.36
Other intangible assets	4	0.29	-
Capital work-in-progress	5	-	-
Financial assets			
i) Investments	6.1	813.21	813.21
ii) Loans	6.2	3.11	3.11
iii) Other financial Assets	6.3	0.73	-
Income tax assets		3.35	3.77
Other non-current assets	7	0.10	0.13
<b>Total</b>		<b>871.80</b>	<b>873.58</b>
<b>Current assets</b>			
Inventories	8	2.01	2.01
Financial assets			
i) Loans	6.2	25.96	25.76
ii) Trade receivables	6.4	1,186.28	1,189.21
iii) Cash and Cash equivalents	6.5	38.59	50.38
iv) Bank balances other than (iii) above	6.5 A	126.02	147.97
v) Other Financial Assets	6.3	2.78	8.27
Other current assets	9	52.27	77.47
<b>Total</b>		<b>1,433.91</b>	<b>1,501.07</b>
<b>Total Assets</b>		<b>2,305.71</b>	<b>2,374.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	10	244.93	244.93
b) Other equity	11		
i) Equity component of compound financial instruments		524.45	524.45
ii) Reserves and surplus		(31,039.68)	(30,237.33)
<b>Total Equity</b>		<b>(30,270.30)</b>	<b>(29,467.95)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	12.1	414.21	363.33
Provisions	13	2.33	1.98
<b>Total</b>		<b>416.54</b>	<b>365.31</b>

Contd.....

**Balance Sheet as at March 31, 2023**

(All Amount in Rs. Million)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	12.1	25,991.58	25,473.99
ii) Trade payables	12.2		
-due to micro and small enterprises		11.54	11.54
-due to others		1,463.43	1,384.01
iii) other financial liabilities	12.3	4,398.73	4,309.32
Provisions	13	0.08	0.09
Other current liabilities	14	294.11	298.34
<b>Total</b>		<b>32,159.47</b>	<b>31,477.29</b>
<b>Total liabilities</b>		<b>32,576.01</b>	<b>31,842.60</b>
<b>Total Equity and liabilities</b>		<b>2,305.71</b>	<b>2,374.65</b>

Summary of significant accounting policies 2

The accompanying notes form an integral part of these financial statements 1 to 57

As per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

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

Place : New Delhi  
Date : 15-09-2023  
UDIN: 23524345BGZZVV1915

Place : New Delhi  
Date : 15-09-2023

**Statement of Profit and loss for the year ended March 31, 2023**

(All Amount in Rs. Million)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	15	39.82	13.81
Other Income	16	11.07	26.35
<b>Total Income</b>		<b>50.89</b>	<b>40.16</b>
<b>Expenses</b>			
Purchase of stock-in-trade	17	-	-
Changes in inventories of stock-in-trade	18	0.01	0.44
Employee benefit expense	19	24.13	21.24
Finance cost	20	51.00	44.82
Depreciation and amortisation expense	3	3.11	4.17
Other expense	21	774.98	404.85
<b>Total expenses</b>		<b>853.23</b>	<b>475.52</b>
<b>Loss before exceptional items and tax</b>		<b>(802.34)</b>	<b>(435.36)</b>
Exceptional items		-	-
<b>Loss before tax</b>		<b>(802.34)</b>	<b>(435.36)</b>
<b>Tax expense</b>	22		
a) Current tax		-	-
b) Deferred tax		-	-
<b>Loss for the year</b>		<b>(802.34)</b>	<b>(435.36)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurment of the defined benefit plan		(0.01)	(0.15)
Income tax related to above item		-	-
<b>Total comprehensive income for the year</b>		<b>(0.01)</b>	<b>(0.15)</b>
<b>Total comprehensive loss for the year</b>		<b>(802.35)</b>	<b>(435.51)</b>
Earnings/(loss) per equity share (Nominal value Rs. 2 per share)			
a) Basic (in Rs.)	31	(6.55)	(3.55)
b) Diluted (in Rs.)		(6.55)	(3.55)
Summary of significant accounting policies	2		

The accompanying notes form an integral part of these financial statements 1 to 57

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Place : New Delhi  
Date : 15-09-2023  
UDIN: 23524345BGZZVV1915

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

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

Place : New Delhi  
Date : 15-09-2023

**Statement of Changes in equity for the year ended March 31, 2023**

**A.) Equity share capital (All amount in Rs. million)**

As at March 31, 2021	244.93
Changes in equity share capital	-
<b>As at March 31, 2022</b>	<b>244.93</b>
Changes in equity share capital	-
<b>As at March 31, 2023</b>	<b>244.93</b>

**(B.) Other equity**

Particulars	Reserves & Surplus						Other Reserve	Total
	Equity Component of Compounded financial instruments	Other Comprehensive income	Capital Reserve	Security premium reserve	General reserve	Retained earnings	FCMITDA	
<b>Balance as at April 01, 2022</b>	524.45	33.53	411.66	10,240.32	1,124.24	(42,047.08)	-	(29,712.88)
- Loss for the year	-	-	-	-	-	(802.34)	-	(802.34)
Opening difference/ adjustment	-	-	-	-	-	-	-	-
Other comprehensive income	-	(0.01)	-	-	-	-	-	(0.01)
<b>Total comprehensive loss during the year</b>	<b>-</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(802.34)</b>	<b>-</b>	<b>(802.35)</b>
Foreign currency monetary item translation difference created during the year (Gain)	-	-	-	-	-	-	-	-
Foreign currency monetary item translation difference amortised during the year	-	-	-	-	-	-	-	-
<b>Total Additions/(Deletions) during the year.</b>	<b>-</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(802.34)</b>	<b>-</b>	<b>(802.35)</b>
<b>Balance as at March 31, 2023</b>	<b>524.45</b>	<b>33.52</b>	<b>411.66</b>	<b>10,240.32</b>	<b>1,124.24</b>	<b>(42,849.42)</b>	<b>-</b>	<b>(30,515.23)</b>



**Statement of Changes in equity for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

Particulars	(B.) Other equity		Reserves & Surplus				Other Reserve	Total
	Equity Component of Compounded financial instruments	Other Comprehensive income	Capital Reserve	Security premium reserve	General reserve	Retained earnings	FCMITDA	
<b>Balance as at April 01, 2021</b>	<b>524.45</b>	<b>33.68</b>	<b>411.66</b>	<b>10,240.32</b>	<b>1,124.24</b>	<b>(41,611.72)</b>	-	<b>(29,277.37)</b>
Loss for the year	-	-	-	-	-	(435.36)	-	(435.36)
Opening difference/ adjustment	-	-	-	-	-	-	-	-
Other comprehensive income	-	(0.15)	-	-	-	-	-	(0.15)
<b>Total comprehensive loss during the year</b>	<b>-</b>	<b>(0.15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(435.36)</b>	<b>-</b>	<b>(435.51)</b>
Foreign currency monetary item translation difference created during the year (Gain)	-	-	-	-	-	-	-	-
Foreign currency monetary item translation difference amortised during the year	-	-	-	-	-	-	-	-
<b>Total Additions/(Deletions) during the year.</b>	<b>-</b>	<b>(0.15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(435.36)</b>	<b>-</b>	<b>(435.51)</b>
<b>Balance as at March 31, 2022</b>	<b>524.45</b>	<b>33.53</b>	<b>411.66</b>	<b>10,240.32</b>	<b>1,124.24</b>	<b>(42,047.08)</b>	-	<b>(29,712.88)</b>

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Place : New Delhi  
Date : 15-09-2023  
UDIN: 23524345BGZV1915

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

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

Place : New Delhi  
Date : 15-09-2023

**Statement of Cash Flows for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Loss before tax as per Statement of Profit and Loss	(802.34)	(435.36)
Adjustment for:		
Provision for bad and doubtful debts	-	26.35
Provision for sundry advances	15.36	-
Provision for Inventory	(0.11)	(1.46)
Liabilities/provision no longer required written back	(3.72)	-
Bad debts written off	3.42	2.33
Provisions for employee benefits	0.45	0.40
Depreciation and amortisation expense	3.11	4.17
Net foreign exchange effects	684.00	300.74
Interest income	(7.31)	(26.29)
Finance costs	51.00	44.82
	<b>(56.14)</b>	<b>(84.30)</b>
<b>Operating loss before working capital changes</b>		
Decrease in trade receivables, loans, other financial assets and other assets	19.76	5.59
Decrease/(Increase) in inventories	0.11	1.91
Decrease/(Increase) in bank balances other than cash and cash equivalents (restricted bank deposits)	21.95	32.97
Increase/(Decrease) in trade and other payables, other financial liabilities, other liabilities and provisions	(4.02)	(13.65)
	<b>(18.34)</b>	<b>(57.48)</b>
<b>Net Cash used in operations</b>		
Taxes (paid)/refund received, net	0.42	31.30
<b>Net cash used in operating activities (A)</b>	<b>(17.92)</b>	<b>(26.18)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1.05)	(2.11)
Interest received	7.18	26.19
<b>Net cash generated from investing activities (B)</b>	<b>6.13</b>	<b>24.08</b>
<b>Cash flows from financing activities</b>		
Payment of dividend (including dividend tax)	-	-
Interest on borrowings	-	-
Proceeds of current borrowings (net of repayment)	-	-
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(11.79)</b>	<b>(2.10)</b>
Opening cash and cash equivalents	50.38	52.48
<b>Closing cash and cash equivalents</b>	<b>38.59</b>	<b>50.38</b>

**Statement of Cash Flows for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Notes:</b>		
<b>Reconciliation of components of cash and cash equivalents</b>		
Balances with banks-on current accounts (Refer note 6.5)	18.20	19.81
Cash on hand (Refer note 6.5)	-	-
Term deposit with bank less than 3 months maturity (Refer note 6.5)	20.39	30.57
	<b>38.59</b>	<b>50.38</b>
<b>Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 Cash flows.</b>		
Net debt including interest accrued - Opening balance	29,523.93	29,212.50
Non cash adjustments	657.04	311.43
<b>Net debt including interest accrued - closing balance</b>	<b>30,180.97</b>	<b>29,523.93</b>

Note: Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

**Summary of significant accounting policies**

2

As per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Sd/-  
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Resolution Professional  
Regn. No IBBI/IPA-001/IP-P00033/2016-17/10086

Place : New Delhi  
Date : 15-09-2023  
UDIN: 23524345BGZZVV1915

Place : New Delhi  
Date : 15-09-2023

Educomp Solutions Limited

Notes to the Standalone Ind AS Financial Statements for the year ended March 31, 2023

1. Background

- (a) Educomp Solutions Limited (the Company) was founded in September, 1994. The Company is engaged in providing end-to-end solutions in the education technology domain through licensing of digital content, solutions for bridging the digital divide (a government initiative to enhance computer literacy), professional development and retail & consulting initiatives. The Company's business can be categorized into four strategic business units namely School Learning Solutions (comprising of Smart Class & Edureach (ICT) business), K-12 Schools (comprising preschools & high schools), Higher Learning Solutions (comprising of vocational, higher education and professional development) and Online, Supplemental & Global business (comprising of internet based educational services and coaching) spreading education ecosystem. The Company is listed on the BSE and the NSE Stock Exchanges.
- (b) 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 (for details refer note 2(a)). 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.

**(c) 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 period, 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.

**2A. Basis for preparation**

**(a) Statement of compliance**

The standalone Ind AS financial statements ("financial statements") of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2023 are the financial statements that are prepared in accordance with Ind AS.

A corporate insolvency resolution process (“CIRP”) has been initiated in case of the Company vide an Order of the Principal Bench of the National Company Law Tribunal (“NCLT”) dated May 30, 2017 under the provisions of the Insolvency Code. (for details refer note 1(b)). 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 Committee of Creditors (“CoC”). These standalone financial statements for the year ended March 31, 2023 have been prepared by the RP and his team. Accordingly, these standalone financial statements of the Company for the year ended March 31, 2023 have been approved by the RP on September 15, 2023.

**(b) Historical cost convention**

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

- (c) 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 IBC 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 till the date of this balance sheet and is also confident that the Company would have sufficient fund balance to continue as going concern. Further, the management is also confident to agree on a resolution plan/business revival plan for the Company during this ongoing CIRP process. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments 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.

**(d) Functional currency:**

The financial statements are presented in Indian Rupees (INR), which is also the functional currency of the Company as functional currency is the currency of the primary economic environment in which the entity operates.

**(e) Rounding off**

All the amounts have been rounded off to nearest millions or decimal thereof, unless otherwise indicated. The sign '0.00' in these financial statements indicates that the amounts involved are below INR ten thousand and the sign '-' indicates that amounts are nil.

**(f) Current/Non-current classification of assets/liabilities**

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**2B. Summary of significant accounting policies**

**a) Segment reporting**

**Identification of segments:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's operating businesses are organized and managed separately in according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The board of directors of the Company through RP assesses the financial performance and position of the Company, and makes strategic decisions. The RP been identified as being the chief operating decision maker.

**Intersegment transfers:**

The Company generally accounts for intersegment sales and transfers at cost.

**Allocation of common cost**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment and include interest expense and income tax.

**Segment accounting policy**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**b) Property, Plant and Equipment**

Freehold land is carried at historical cost. Other property, plant and equipment are stated at cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Where cost of a part of the asset is significant to the total cost of the asset and the useful life of the part is different from the remaining asset, then useful life of that part is determined separately and accounted as separate component.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Losses arising from the retirement of, and gain or losses arising from disposal of tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Statement of Profit and Loss.

**c) Intangible assets**

An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Cost of an internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss.

**d) Capital work-in-progress**

Capital work-in-progress represents expenditure incurred in respect of capital projects are carried at cost. Cost includes related acquisition expenses, development costs, borrowing costs (wherever applicable) and other direct expenditure.

**e) Depreciation and amortization methods, estimated useful lives and residual value**

Depreciation on all property, plant and equipment is charged to the statement of profit and loss on a straight line basis, except certain items of PPE which are depreciated using diminishing basis. The depreciation is charged upto 95% of the total cost of the asset over the useful life of assets as estimated by the management.

Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs, effective 1 April 2014, the management has reassessed and revised, wherever necessary, the useful lives of the assets, so as to align them with the ones prescribed under schedule II of the Companies Act, 2013. Management reviews the method and estimations of residual values at each financial yearend.

The useful lives estimated by the management are as follows:

Particulars	Useful life (years)
Building*	60
Furniture and fixtures	5-10
Office equipment	5
Vehicle	8
Computer equipment	3
Computer software	6

\*The Management has assessed the estimate of useful life of the Electrical and External work 24 year and 15 year respectively.

Depreciation on addition to PPE is provided on pro-rata basis from the date the assets are ready to use. Depreciation on sale / deduction from assets is provided for upto the date of sale, deduction, discernment as the case may be.

Cost of leasehold improvements depreciation on a straight line basis over the period of lease or useful life of the underlying assets, whichever is shorter.

Amortization on the intangible assets is provided on pro-rata basis on straight-line method based on management's estimate of useful life, i.e. 3 years for software and 4 years for knowledge-based content. Licensed intangible assets are amortised over the period of license or expected useful life, whichever is shorter.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**f) Revenue recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard requires apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five step model. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contract. The Company has adopted Ind AS 115 using the cumulative effect



method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018) and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and revenue can be reliably measured.

The Company derives its revenue from sale, supply and installation of educational products and rendering of educational services.

Revenue from sale of educational products including technology equipments are recognised as and when significant risk and rewards of the ownership of goods get transferred to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties, if any.

Revenue under Build, Own, Operate and Transfer (“BOOT model”) contracts is recognized on upfront basis in the statement of profit and loss on the initiation of the contracts. These contracts are considered and evaluated as per Appendix “C” to IND AS 17. Also, refer note 2B.I of the significant accounting policies.

Revenue from educational support services are recognised in the accounting period in which services are rendered.

#### **Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **g) Investment and other financial assets**

#### **g.1. Classification**

The Company classifies its financial assets in the following measurement categories:

- i. those to be measured at fair value (either through other comprehensive income, or through profit or loss),
- ii. those measured at amortized cost; and
- iii. Investment in equity of subsidiaries, joint ventures and associates are accounted and carried at cost less impairment in accordance with Ind AS 27.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**g.2. Initial Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

**g.3. Subsequent Measurement:****g.3.1 Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:**

Assets that are held for collection of contractual cash flows with specified dates and where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**g.3.2 Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

**Investments in subsidiaries/ joint ventures/associates**

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

#### **g.4. Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **g.5. Derecognition of financial asset**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **h) Financial Liabilities**

##### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

The fair value of the liability portion of optionally convertible bonds is determined using a market interest rate for equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings, where there is a change in the terms of the agreements whether monetary, non-monetary or both shall be accounted for as an modification or an extinguishment of the original financial liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in the statement of profit and loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the

effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the operating cycle of the business. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, if any.

#### **Financial Guarantee Contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of impairment loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **l) Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. Cost of inventories comprises all cost of purchases inclusive of custom duty (except the refundable component) and other incidental expenses incurred in bringing such inventories to their present location and condition. In determining the cost, moving weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

#### **j) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **k) Income taxes**

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized in 'Other comprehensive income' or directly in equity and Regulatory Assets, in which case the tax is recognized in 'Other comprehensive income' or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities arising on the temporary differences and to unused tax losses.

#### **Current tax**

Calculation of current tax is based on tax rates applicable for the respective years on the basis of tax law enacted or substantially enacted at the end of the reporting period. Current income tax assets and/or

liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/un-recovered at the reporting date. Current tax is payable on taxable profit, which differs from the profit or loss in the financial statements. Current tax is charged to statement of profit and loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

#### **Deferred taxes**

Deferred income taxes are calculated, without discounting using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities and their tax bases using the tax laws that have been enacted or substantively enacted by the reporting date. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses available to be carried forward and other income tax credits available to the entity are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax arising during the holiday period is not recognised to the extent that the management expects its reversal during holiday period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating income at each reporting date.

Deferred tax assets and liabilities are offset only when the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

#### **Minimum Alternative Tax (MAT)**

Minimum alternate tax credit entitlement paid in accordance with tax laws, which gives rise to future economic benefit in form of adjustment to future tax liability, is considered as an asset to the extent management estimates its recovery in future years.

### **I) Leases**

#### **Operating lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

#### **Where the Company is lessee:**

Lease rentals in respect of operating lease arrangements including assets taken on operating lease are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

#### **Where the Company is lessor:**

Lease income on an operating lease arrangement is recognized in the Statement of Profit and Loss on straight line basis over the lease term.

#### **Finance lease**

#### **Where the Company is lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant

rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset as determined by the management or the useful life envisaged in Schedule II to the Act, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**Where the Company is the lessor:**

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

**m) Foreign exchange transactions**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary item, which are measured in terms of historical cost denomination in a foreign currency, are reported using the exchange rate at the date of transaction. Except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Monetary assets and liabilities outstanding as at Balance Sheet date are restated at the rate of exchange ruling at the reporting date.

**Exchange difference**

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous Financial Statements (other than those relating to fixed assets and other long term monetary assets) are recognised as income or as expenses in the year in which they arise.

**n) Impairment of non-financial assets**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of

assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

**o) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**p) Share-based payment**

The Company operates equity-settled share-based remuneration plans for its employees, where persons are rewarded using share-based payments, the fair values of services rendered by employees and others are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model.

In the case of employees and others providing similar services, the fair value is measured at the grant date. In the case of franchisees, consultants and investors the fair value is determined as services are received, using average fair values during each year. The fair value excludes the impact of non-market vesting conditions.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in capital.

**q) Borrowing Cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**r) Contingent liabilities, contingent assets and provisions****Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

**Contingent Assets**

Possible inflows of economic benefits to the entity that do not yet meet the recognition criteria of an asset are considered contingent assets.

**Provisions**

A provision is recognized when the Company has a present obligation or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All repairs and maintenance cost of hardware sold under the contracts during the remaining contract period is borne by the Company on the basis of experience of actual cost incurred in servicing such hardware during the previous financial year. Provision are not recognised for future operating losses.

Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain and the amount of recovery can be measured reliably. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

**s) Equity and Reserves**

Share capital represents the nominal value of shares that have been issued.

Proceeds received in addition to the nominal value of the shares issued during the year have been included in "additional paid-in capital".

**t) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issued to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

**u) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are



shown within borrowings in current liabilities in the balance sheet.

v) **Employee benefits**

**Short term employee benefits**

Short term benefits comprise of employee costs such as salaries, bonuses, and accumulated absents are accrued in the year in which the associated services are rendered by employees of the Company and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long term employee benefits**

The liabilities for accumulated absents are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of Indian Government at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

**Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (b) defined contribution plans such as provident fund.

**Pension and gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

**Defined contribution plan**

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The entity has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution.

Contributions to Provident Fund, Labour Welfare Fund and Employee State Insurance are deposited with the appropriate authorities and charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

**w) Exceptional items**

Items of income or expense from ordinary activities which are of such size, nature or incidence that, their disclosure is relevant to explain the performance of the enterprises for the period, are disclosed separately in the Statement of Profit and Loss.

**x) Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

**y) Critical estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgments**

**The areas involving critical estimates or judgments are:**

- Estimated useful life of property, plant and equipment and intangible asset

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews, at the end of each reporting date, the useful life of property, plant and equipment and intangible asset and changes, if any, are adjusted prospectively, if appropriate

- Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

- Estimation of defined benefit obligation

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

- Recognition of deferred tax assets for carried forward tax losses and current tax expenses

The Company review carrying amount of deferred tax assets and Liabilities at the end of each reporting period. The policy for the same has been explained under Note No 2(k).

- Going concern

When preparing financial statements, management make an assessment of an entity's ability to continue as a going concern. Financial statements prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.

- Impairment of trade receivables

The Company review carrying amount of Trade receivable at the end of each reporting period and Provide for Expected Credit Loss. The policy for the same explained in the Note No.2 (g) (4).

- Fair value measurement

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Ind AS financial statements for the year ended March 31, 2023

**Note 3 Property plant and equipment**

Particular	Gross carrying amount				Current year					Net Carrying Amount Balance as at March 31, 2023
	Balance as at April 01, 2022	Additions	Disposals/ Adjustment	Balance as at March 31, 2023	(All amount in Rs. million, unless otherwise stated)					
					Accumulated depreciation					
	Balance as at April 01, 2022	Additions	Disposals/ Adjustment	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation for the year	Impairment Loss/ Assets written off	On disposals / Adjustment	Balance as at March 31, 2023	
Freehold land	8.93	-	-	8.93	-	-	-	-	-	8.93
Building	52.17	-	-	52.17	17.04	1.88	-	-	18.92	33.25
Leasehold improvements	0.77	-	-	0.77	0.77	-	-	-	0.77	-
Office equipment	19.59	0.49	-	20.08	15.85	0.53	-	-	16.38	3.70
Furniture and fixtures	11.07	-	-	11.07	8.45	0.12	-	-	8.57	2.50
Computers and equipment	22.89	0.16	-	23.05	20.16	0.47	-	-	20.63	2.42
Vehicles	0.51	-	-	0.51	0.30	-	-	-	0.30	0.21
<b>Sub total</b>	<b>115.93</b>	<b>0.65</b>	<b>-</b>	<b>116.58</b>	<b>62.57</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>65.57</b>	<b>51.01</b>

Particular	Gross carrying amount				Previous Year					Net Carrying Amount Balance as at March 31, 2022
	Balance as at April 01, 2021	Additions	Disposals	Balance as at March 31, 2022	(All amount in Rs. million, unless otherwise stated)					
					Accumulated depreciation					
	Balance as at April 01, 2021	Additions	Disposals	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation for the year	Impairment Loss/ Assets written off	On disposals / Adjustment	Balance as at March 31, 2022	
Freehold land	8.93	-	-	8.93	-	-	-	-	-	8.93
Building	52.17	-	-	52.17	15.05	1.99	-	-	17.04	35.13
Leasehold improvements	0.77	-	-	0.77	0.77	-	-	-	0.77	-
Office equipment	18.80	0.96	0.17	19.59	14.86	1.16	-	0.17	15.85	3.74
Furniture and fixtures	11.07	-	-	11.07	8.19	0.26	-	-	8.45	2.62
Computers and equipment	21.74	0.15	-	22.89	19.40	0.76	-	-	20.16	2.73
Vehicles	0.51	-	-	0.51	0.30	-	-	-	0.30	0.21
<b>Sub total</b>	<b>113.99</b>	<b>2.11</b>	<b>0.17</b>	<b>115.93</b>	<b>58.57</b>	<b>4.17</b>	<b>-</b>	<b>0.17</b>	<b>62.57</b>	<b>53.36</b>

3.1 No physical verification of fixed assets has been conducted during the year.

Notes to the Ind AS financial statements for the year ended March 31, 2023

**Note 4 Other intangible assets**

(All amount in Rs. million, unless otherwise stated)

Particular	Gross carrying amount				Accumulated depreciation					Net Carrying Amount
	Balance as at April 01, 2022	Additions	Disposals	Balance as at March 31, 2023	Balance as at April 01, 2022	Amortisation for the year	Impairment Loss/ Assets written off	On Disposals	Balance as at March 31, 2023	Balance as at March 31, 2023
										Balance as at March 31, 2023
Software	3.09	0.40	-	3.49	3.09	0.11	-	-	3.20	0.29
Knowledge-based content (refer note i & ii)	831.85	-	-	831.85	831.85	-	-	-	831.85	-
<b>Total</b>	<b>834.94</b>	<b>0.40</b>	<b>-</b>	<b>835.34</b>	<b>834.94</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>835.05</b>	<b>0.29</b>

Particular	Gross carrying amount				Accumulated depreciation					Net Carrying Amount
	Balance as at April 01, 2021	Additions	Disposals	Balance as at March 31, 2022	Balance as at April 01, 2021	Amortisation for the year	Impairment Loss/ Assets written off	On Disposals	Balance as at March 31, 2022	Balance as at March 31, 2022
										Balance as at March 31, 2022
Software	3.09	-	-	3.09	3.09	-	-	-	3.09	-
Knowledge-based content (refer note i & ii)	831.85	-	-	831.85	831.85	-	-	-	831.85	-
<b>Total</b>	<b>834.94</b>	<b>-</b>	<b>-</b>	<b>834.94</b>	<b>834.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>834.94</b>	<b>-</b>

**Note (i) Knowledge based content includes internally generated asset:**

Particular	Gross carrying amount				Accumulated depreciation					Net Carrying Amount
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortisation for the year	Impairment Loss/ Assets written off	On Disposals	Closing Balance	Closing balance
For the year ended March 31, 2023	447.31	-	-	447.31	447.31	-	-	-	447.31	-
For the year ended March 31, 2022	447.31	-	-	447.31	447.31	-	-	-	447.31	-

(ii) The intangible assets have been fully amortized during the year in accordance with the accounting policy of the company. However the intangible assets are still in use and continue to generate revenue.

**Note 5 Capital work in progress**

Particular	2022-23				2021-22				
	Balance as at April 01, 2022	Additions	Capitalised During the year/ Written Off	Balance as at March 31, 2023	Balance as at April 01, 2021	Additions	Impairment Loss/ Assets written off	Capitalised During the year/ Written Off	Balance as at March 31, 2022
Capital work-in-progress	49.15	-	-	49.15	49.15	-	-	-	49.15
Provision for Capital work-in-progress	(49.15)	-	-	(49.15)	(49.15)	-	-	-	(49.15)
<b>Net block</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**The capital work-in-progress ageing schedule for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

**Particular**

Amount in capital work-in-progress for a period of				Total
Less than 1 year	1-2 years	2-3 years	More than 3 years	
-	-	-	49.15	<b>49.15</b>
				<b>(49.15)</b>

Projects temporarily suspended

Provision for Capital work-in-progress

**The capital work-in-progress ageing schedule for the year ended March 31, 2022**

**Particular**

Amount in capital work-in-progress for a period of				Total
Less than 1 year	1-2 years	2-3 years	More than 3 years	
-	-	-	49.15	<b>49.15</b>
				<b>(49.15)</b>

Projects temporarily suspended

Provision for Capital work-in-progress

- 5.1 Capital work-in-progress represent expenditure incurred in respect of capital projects and carried at cost.
- 5.2 The balance amount of CWIP as of March 31, 2022, pertains to the work performed on the basis of a contract with the Chhattisgarh government. The Company has completed the work on certain schools but progress payment has not been received as per the Contract. The Company has initiated arbitration proceedings against the Directorate of Public Instruction, Government of Chhattisgarh, Raipur by appointing an Arbitrator invoking arbitration clause of Agreement dated January 27, 2011. The claim filed by the Company before the Arbitrator was to recover the due amount along with the revocation of Bank Guarantee. After completion of Arbitration proceedings, the award was passed in favour of the Company vide order dated March 21, 2017.

In order to execute the award, the Company has filed an execution case under section 36 of the Arbitration Act before a commercial court. The Directorate of Public Instruction, Government of Chhattisgarh, Raipur appeared before the court and is contesting the case. The Hon'ble Judge of the commercial court has held the mandate of the arbitral tribunal as null and void ab-initio and all the proceedings held by the arbitral tribunal have been quashed and consequently the company has fully provided the balance amount of CWIP. The Management of the Company has filed appeal against verdict of the commercial court before Chhattisgarh High Court. On January 09, 2023 matter was directed to be listed after two weeks but the same has not been listed since then.

**Note 6.1 Non-current investments**

(All amount in Rs. million, unless otherwise stated)

Particular	Number of shares/units as at		Face value	Proportion of the ownership interest		As on at	As on at
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

**Investments at cost (Un-quoted)**

**a) Investment in subsidiaries in equity instruments**

Wheatstone Productions Private Limited	85,899	85,899	Rs. 10	51.00%	51.00%	3.35	3.35
Less: Provision for impairment of investment						(3.35)	(3.35)
Savvica Inc., Canada	35,03,522	35,03,522	CAD 1	79.55%	79.55%	150.72	150.72
Less: Provision for impairment of investment						(150.72)	(150.72)
Edumatics Corporation Inc, United States of America							

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(refer note 6.1.2)	13,66,092	13,66,092	USD 1	100.00%	100.00%	62.09	62.09
Less: Provision for impairment of investment						(62.09)	(62.09)
Educomp Learning Private Limited (refer note 6.1.2)	53,550	53,550	Rs. 10	51.00%	51.00%	1.96	1.96
Educomp School Management Limited (refer note 6.1.2)	34,000	34,000	Rs. 10	68.00%	68.00%	50.00	50.00
Less: Provision for impairment of investment						(42.32)	(42.32)
Educomp Professional Education Limited (refer note 6.1.2)	42,84,095	42,84,095	Rs. 10	100.00%	100.00%	2,960.09	2,960.09
Less: Provision for impairment of investment						(2,385.81)	(2,385.81)
Educomp Intelliprop Ventures Pte Limited, Singapore (refer note 6.1.2)	11,98,755	11,98,755	SGD 1	100.00%	100.00%	39.30	39.30
Less: Provision for impairment of investment						(39.30)	(39.30)
Educomp Online Supplemental Services Limited (refer note 6.1.2)	9,04,056	9,04,056	Rs. 10	24.72%	24.72%	14.56	14.56
Less: Provision for impairment of investment						(14.56)	(14.56)
Educomp Online Supplemental Services Limited - ₹ 5 paid up	43,51,675	43,51,675	Rs. 10	59.49%	59.49%	502.62	502.62
Less: Provision for impairment of investment						(502.62)	(502.62)
Educomp Investment Management Limited (refer note 6.1.2)	6,89,045	6,89,045	Rs. 10	100.00%	100.00%	7.32	7.32
Less: Provision for impairment of investment						(7.32)	(7.32)
Educomp Global Holding W.L.L, Kingdom of Bahrain (refer note 6.1.2)	2,475	2,475	BHD 100	100.00%	100.00%	29.61	29.61
Less: Provision for impairment of investment						(29.61)	(29.61)
Educomp Global FZE, United Arab Emirates	1	1	AED 100,000	100.00%	100.00%	1.46	1.46
Less: Provision for impairment of investment						(1.46)	(1.46)
<b>b) Investment in associates in equity shares</b>							
Little Millenium Education Private Limited	1,61,10,239	1,61,10,239	Rs. 10	48.29%	48.29%	161.10	161.10
Less: Provision for impairment of investment						(49.62)	(49.62)
<b>c) Investment in others in equity shares</b>							
Vidya Mandir Classes Private Limited	39,088	39,088	Rs. 10	14.10%	14.10%	277.97	277.97
Less: Provision for impairment of investment						(277.97)	(277.97)
Educomp Asia pacific Pte Ltd., Singapore (refer note 6.1.2 and 6.1.5)	2,40,85,351	2,40,85,351	USD 1	100.00%	100.00%	1,220.51	1,220.51
Less: Provision for impairment of investment						(1,220.51)	(1,220.51)
Greycells 18 Media Limited(refer note 6.1.2)	29,99,749	29,99,749	Rs. 10	10.31%	10.31%	159.91	159.91
Less: Provision for impairment of investment						(159.91)	(159.91)
8% Cumulative Redeemable Non-convertible Preference Shares, in Edu Smart Services Private Limited (Equity component) (refer note 6.1.5 and 6.1.3A)	-	-	-	-	-	394.18	394.18
Less: Provision for impairment of investment						(394.18)	(394.18)
<b>d) Investment in subsidiaries in preference shares</b>							
0.10% Non Cumulative optionally convertible Preference shares							
Educomp Professional Education Limited	11,50,772	11,50,772	Rs. 10	100.00%	100.00%	269.98	269.98
Less: Provision for impairment of investment						(152.17)	(152.17)

**e) Investment in others in preference shares**

8% Cumulative Redeemable Non-convertible Preference Shares,

Edu Smart Services Private Limited (Financial Liability portion)

(refer note 6.1.5 and 6.1.3A)

	45,00,000	45,00,000	Rs. 100	-	121.72	121.72
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Less: Provision for impairment of investment

					(121.72)	(121.72)
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**Net value of investments (Unquoted Investments)**

					<b>813.21</b>	<b>813.21</b>
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**Aggregate value of provision for diminution in value of investments**

					<b>(5,615.24)</b>	<b>(5,615.24)</b>
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6.1.1 Aggregate amount of quoted investments at market and carrying value Rs. Nil (March 31, 2022 Rs. Nil)

6.1.2 Shares are earmarked as per terms of Master Restructuring Agreement (MRA) pursuant to CDR. (Refer note 12 (1)(e)(x)).

6.1.3 The Company had a controlling power on Edu Smart Services Private Limited by virtue of Ind AS 110. The difference between the coupon rate and the market rate has been considered as investment in equity and is being valued at cost by virtue of Ind AS 27. The Company has valued the debt component in the investments at amortised cost as per Ind AS 109. Also refer note 6.1.5.

6.1.3A Edu Smart Services Private Limited was undergoing liquidation proceedings under the Insolvency and Bankruptcy Code, 2016. As on 31st March, 2023, the following balances are appearing in the name of Edu Smart Services Private Limited (ESSPL).

Particulars	Amount (in million)
Investment in Preference Shares	515.90
Trade Receivable	9,784.55
Receivable against Corporate Guarantee	258.19

\* The Company has fully provided for the above balances.

The Hon'ble NCLT, New Delhi vide its Order dated 25.04.2023 has approved a Revival Plan for ESSPL. Under the Revival Plan the Company has been allotted 0.01% Non-Cumulative, Redeemable, Non-Convertible Preference shares of ESSPL as stated below.

No. of Shares	Face Value of Share	Amount (in million)	Remarks
10,000	Rs. 100	1.00	Allotted in lieu of Investment
9,77,17,495	Rs. 100	9,771.75	Allotted in lieu of Trade Receivable

There is no provision in the Revival Plan for settlement of Receivables against Corporate Guarantee.

Any adjustment required in the books pursuant to Approved Revival Plan would be made in the Financial Year 2023-24.

6.1.4 This investment is pledged against loan taken by the subsidiary company.

6.1.5 One of the subsidiary namely Educomp Asia Pacific Pte Limited. (EAPL) is under liquidation in Singapore and all the powers to direct the state of affairs of this company rests with the liquidator. Accordingly, the Company has lost its controlling power over this subsidiary and hence the same has been disclosed as an investment in others.



**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

**Note 6.2 Loans**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Security deposits				
Unsecured, considered good	3.11	9.74	3.11	9.72
Unsecured, considered doubtful	-	156.59	-	156.64
Less: Allowance for doubtful	-	(156.59)	-	(156.64)
Loans to employees				
Unsecured, considered good	-	0.66	-	0.62
Unsecured, considered doubtful*	-	18.71	-	18.57
Less: Allowance for doubtful	-	(3.33)	-	(3.33)
Earnest money deposit				
Unsecured, considered good	-	0.18	-	0.18
Unsecured, considered doubtful	-	10.47	-	10.47
Less: Allowance for doubtful	-	(10.47)	-	(10.47)
<b>Total</b>	<b>3.11</b>	<b>25.96</b>	<b>3.11</b>	<b>25.76</b>

For explanation on the companies credit risk management refer note 24.

\* The advance given to employees is adjustable against provision for expenses amounting to Rs. 15.24 million (March 31, 2022 Rs. 15.24 million) as appearing under the head trade payable in current liabilities.

**Note 6.3 Other financial assets**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Considered good</b>				
Margin money (refer (i) below)	-	-	-	-
Term deposit with bank more than 3 months maturity	-	-	-	-
Interest accrued but not due	0.73	1.02	-	1.64
Unbilled revenue	-	1.76	-	6.63
<b>Considered doubtful</b>				
Advances to related party (refer note (iii) below)	-	102.21	-	102.21
Receivable against corporate guarantee (refer note (ii) below and refer note 6.1.3A)	-	258.19	-	258.19
Less: Allowance for bad & doubtful advances	-	(360.40)	-	(360.40)
<b>Total</b>	<b>0.73</b>	<b>2.78</b>	<b>-</b>	<b>8.27</b>

- (i) Margin money deposit are given against borrowings, letter of credit and bank guarantees including to revenue authorities.
- (ii) This receivable is recognised against the corporate guarantee given on behalf of Edu Smart Services Private Limited to a bank. Simultaneously a payable to the bank for the same amount is recognised as a liability against the guarantee given by the company. (refer note 12.3)
- (iii) Advances to related parties comprise the following:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Advance call money to subsidiary</b>				
Educomp Online Supplemental Services Limited (EOSSL)	-	102.21	-	102.21
	-	<b>102.21</b>	-	<b>102.21</b>

(iv) For explanation on the Company's credit risk management, refer note 24.

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**Note 6.4 Trade receivables**

(All amount in Rs. million, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Unsecured Considered good		
- due from related parties - refer (i) below	-	-
- due from other	1,186.28	1,189.21
(ii) Trade Receivables unsecured considered doubtful		
- due from related parties - refer (i) below	17.44	17.45
- due from other (refer note 6.1.3A)	14,663.00	14,666.66
Less: allowance for doubtful	(14,680.44)	(14,684.11)
	<b>1,186.28</b>	<b>1,189.21</b>

**The trade receivables ageing schedule for the year ended March 31, 2023**

Particular	Outstanding for following period from the date of payment					Total
	Less Than 6 Month	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - Considered good	2.19	0.04	0.02	0.62	74.97	77.84
Undisputed trade receivables - Credit impaired	-	-	-	0.78	10,899.82	10,900.60
Disputed trade receivables - Considered good	-	-	-	-	1,108.44	1,108.44
Disputed trade receivables - Credit impaired	-	-	-	0.19	3,779.65	3,779.84
						<b>15,866.72</b>
Less: allowance for doubtful						14,680.44
<b>Total trade receivables</b>						<b>1,186.28</b>

**The trade receivables ageing schedule for the year ended March 31, 2022.**

Particular	Outstanding for following period from the date of payment					Total
	Less Than 6 Month	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - Considered good	0.55	-	0.62	4.84	71.44	77.45
Undisputed trade receivables - Credit impaired	-	-	0.81	4.60	10893.28	10,898.69
Disputed trade receivables - Considered good	-	-	-	3.19	1,108.57	1,111.76
Disputed trade receivables - Credit impaired	-	-	0.19	6.40	3,778.83	3,785.42
						<b>15,873.32</b>
Less: allowance for doubtful						14,684.11
<b>Total trade receivables</b>						<b>1,189.21</b>

**(i) Trade receivables from related parties comprise:**

**Trade Receivables unsecured doubtful**

**Receivables from subsidiaries**

	As at March 31, 2023	As at March 31, 2022
Savvica Inc.	6.63	6.64
Educomp School Management Limited	0.31	0.31
Educomp Learning Private Limited	0.14	0.14
Educomp Online Supplemental Services Limited	0.90	0.90
Educomp software Limited	0.01	0.01
Edu Smart Services Private Limited*	-	-

**Receivables from associates**

Little Millenium Education Private Limited	0.26	0.26
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**Other related parties**

Learning Leadership Foundation	0.14	0.14
League India Education Foundation	9.04	9.04
Siya Ram Educational Trust	0.01	0.01
<b>Total</b>	<b>17.44</b>	<b>17.45</b>

\* Due to the cessation as a subsidiary, the closing balances has not been disclosed as a related party balance at the year end.

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

- (ii) For terms and conditions of transactions with related party refer note 27.
- (iii) For explanation on the companies credit risk management refer note 24
- (iv) The Company has initiated proceedings for recovery of outstanding amount from certain trade receivables amounting to Rs. 4,838.77 million ( March 31, 2022 Rs. 4,848.14 million), in respect of which the Company has created a provision of Rs. 3,610.14 million (March 31, 2022 Rs. 3,615.82 million), which in the opinion of the management is adequate to mitigate the risk of any possible non recovery from such receivables.

**Note 6.5 Cash and cash equivalents**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balance with banks		
- current account*	18.20	19.81
Cash on hand	-	-
Term deposit with bank less than 3 months maturity	20.39	30.57
<b>Total</b>	<b>38.59</b>	<b>50.38</b>

\* In the above balance with banks in current account of Rs. 7.45 million is not reflected in the bank statement as the bank has adjusted the same in October 2017 against Term Loan during CIRP period. The bank was not supposed to recover any amount during the moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016. Since the company has taken up the matter with the concerned bank, the amount is shown in balance with banks in current account.

**Note 6.5 A Bank balances other than cash & cash equivalents**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Margin money (refer (i) below)	16.03	14.76
Term deposit with bank	109.68	132.90
Unpaid dividend	0.31	0.31
<b>Total</b>	<b>126.02</b>	<b>147.97</b>

(i) Margin money deposit given against borrowings, letter of credit and bank guarantees including to revenue authorities.

**Note 7 Other non-current assets**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Others</b>		
Balance with government authorities	19.88	19.88
Less: Provisions on balance with government authorities	(19.88)	(19.88)
Prepaid expenses	0.10	0.13
<b>Total</b>	<b>0.10</b>	<b>0.13</b>

**Note 8 Inventories (valued at lower of cost and net realisable value)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Stock in trade</b>		
Technology equipment	102.07	102.18
Less: Provision for obsolescence	(100.06)	(100.17)
<b>Total</b>	<b>2.01</b>	<b>2.01</b>

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**Note 9 Other current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good, unless stated otherwise</b>		
<b>(i) Advances other than capital advances</b>		
Advance to suppliers		
- considered good	23.02	23.21
- considered doubtful (Refer note 9.1)	268.99	253.63
- allowance for doubtful advances	(268.99)	(253.63)
Advance to others		
- considered good	-	-
- considered doubtful (Refer note 9.1)	2.05	2.05
- allowance for doubtful advances	(2.05)	(2.05)
<b>(ii) Others</b>		
Prepaid expenses	0.29	0.27
Balance with government authorities	28.96	53.99
<b>Total</b>	<b>52.27</b>	<b>77.47</b>

**Note 9.1 Includes advances to related parties as follows:**

**Subsidiaries**

**Advance to suppliers**

Educomp Investment Management Limited	0.91	0.91
Educomp Software Limited	0.86	0.86
<b>Total</b>	<b>1.77</b>	<b>1.77</b>

**Advance to Others**

Educomp Learning Private Limited	1.95	1.95
India Education Fund	0.10	0.10
<b>Total</b>	<b>2.05</b>	<b>2.05</b>

9.2 During the year in the course of proceedings under GST, input credit of GST availed by the Company in the earlier years of Rs. 21.48 million was reversed on account of non deposit of GST by 3 vendors. The Company has debited the aforesaid amounts to the respective vendors along with interest and penalty paid to the respective vendors account. The Company has initiated legal proceedings against the vendors for recovery of aforesaid amount and the matter has now been referred before the arbitrator and statement of claim has been filed by the Company before the Ld. Arbitrator. Arbitration Proceedings are pending as on date.

**Note 10 Equity share capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Authorized shares</b>		
200,000,000 (March 31, 2022: 200,000,000) equity shares of Rs. 2 each	400.00	400.00
<b>b) Issued, subscribed and fully paid-up shares</b>		
122,467,168 (March 31, 2022: 122,467,168) equity shares of Rs. 2 each fully paid up.	244.93	244.93
<b>Total</b>	<b>244.93</b>	<b>244.93</b>

**c) Movement in equity share capital**

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	12,24,67,168	244.93	12,24,67,168	244.93
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>12,24,67,168</b>	<b>244.93</b>	<b>12,24,67,168</b>	<b>244.93</b>

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**d) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except where interim dividend is distributed.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e) Details of shareholders holding more than 5% equity shares in the Company**

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity shares of Rs. 2 each fully paid-up</b>				
Mr. Shantanu Prakash	4,43,15,205	36.19%	4,43,15,205	36.19%
A.P Eduvision Private Limited	72,84,600	5.95%	72,84,600	5.95%

**f) Details of the shares held by promoters in the Company as on March 31, 2023**

Promoter Name	No. of Shares	% of total shares	% change during the year
<b>Equity shares of Rs. 2 each fully paid-up</b>			
Mr. Shantanu Prakash	4,43,15,205	36.19%	-
Mrs. Anjlee Prakash	32,38,440	2.64%	-
A.P Eduvision Private Limited	72,84,600	5.95%	-
<b>Total</b>	<b>5,48,38,245</b>	<b>44.78%</b>	<b>-</b>

**Details of the shares held by promoters in the Company as on March 31, 2022**

Promoter Name	No. of Shares	% of total shares	% change during the year
<b>Equity shares of Rs. 2 each fully paid-up</b>			
Mr. Shantanu Prakash	4,43,15,205	36.19%	-
Mrs. Anjlee Prakash	32,38,440	2.64%	-
A.P Eduvision Private Limited	72,84,600	5.95%	-
<b>Total</b>	<b>5,48,38,245</b>	<b>44.78%</b>	<b>-</b>

**g) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

No equity shares has been issued by way of bonus shares during the period.

No equity shares fully paid up has been issued pursuant to contract(s) without payment being received in cash during the period.

No equity shares bought back pursuant to Section 68, 69 and 70 of the Act during the period.

**h) Share reserved for issue under option/contracts**

For details of shares reserved for issue on conversion of Zero Coupon Foreign Currency Convertible Bonds (refer note 12.1)

For details of shares reserved for issue on employee stock option, (refer note 30)

For details of shares reserved for issue to lender banks as per CDR scheme, (refer note 12.1 (e))

Notes to the Ind AS financial statements for the year ended March 31, 2023

**Note 11 Other Equity**

**(a) Equity component of compound financial instruments**

(All amount in Rs. million, unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Equity component of compound financial instruments (Refer note (i) & (ii) below)	524.45	524.45
<b>Total</b>	<b>524.45</b>	<b>524.45</b>

**(b) Reserves & Surplus (refer note 2 below)**

**Particulars**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Security premium reserves	10,240.32	10,240.32
General reserves	1,124.24	1,124.24
Capital reserves	411.66	411.66
Retained earnings	(42,849.42)	(42,047.08)
Other comprehensive income	33.52	33.53
<b>Total</b>	<b>(31,039.68)</b>	<b>(30,237.33)</b>

**(i) Movement of Other Equity**

**1. Equity component of compound financial instruments**

**Particulars**

<b>Particulars</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Opening Balance	524.45	524.45
Add: Additions During the year (refer note 12.1(c) & 12.1(d))	-	-
<b>Total</b>	<b>524.45</b>	<b>524.45</b>

**(ii) Equity component of compound financial instruments**

These are balance portion of the compound financial instruments that evidence a residual interest in the assets of the Company after deducting financial liability component.

**2. Reserves & Surplus**

**(i) Securities Premium**

<b>Particulars</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Opening Balance	10,240.32	10,240.32
Closing Balance	10,240.32	10,240.32

**(ii) General reserve**

<b>Particulars</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Opening Balance	1,124.24	1,124.24
Add: Employee stock compensation cost reversal on forfeiture	-	-
Closing Balance	1,124.24	1,124.24

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**(iii) Capital Reserve**

**Particulars**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	411.66	411.66
<b>Closing Balance</b>	<b>411.66</b>	<b>411.66</b>

**(iv) Retained Earnings**

**Particulars**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	42,047.08	(41,611.72)
Add: Loss for the year	(802.34)	(435.36)
<b>Closing Balance</b>	<b>(42,849.42)</b>	<b>(42,047.08)</b>

**(vi) Other comprehensive income**

**Particulars**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	33.53	33.68
Add: Addition during the year	(0.01)	(0.15)
<b>Closing Balance</b>	<b>33.52</b>	<b>33.53</b>

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Employee stock option outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under different Employee stock option plans issued by the company. The company did not have any outstanding share options as at March 31, 2023. (refer note 30)

**Capital Reserve**

The Company on July 26, 2012 had allotted 11,479,096 warrants to Promoter Group Entity at an issue price of Rs. 193.74 per warrant, as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009, convertible into equal number of equity shares of the face value of Rs. 2/- each convertible within a period of 18 months from the date of allotment. The Company on January 22, 2013 had allotted 2,979,939 equity shares of face value of Rs. 2/- each at a premium of Rs. 191.74/- per share on conversion of warrants issued under provisions of Chapter VII Of SEBI (ICDR) Regulations, 2009. During the year 2013-14 the Company had forfeited 8,499,157 warrants amounting to Rs. 411.66 million, due to non receipt of balance 75% of the issue price in the stipulated period of 18 months from the date of issuance of these warrants. The forfeited amount is disclosed as 'Capital Reserve' under the 'Reserve & Surplus'.

**General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

Notes to the Ind AS financial statements for the year ended March 31, 2023

**Note 12.1 Borrowings**

(All amount in Rs. million, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Non-current borrowings</b>		
<b>(i) Secured**</b>		
<b>Bonds and debentures</b>		
13.25%, 100 Non Convertible Debentures of Rs. 1,000,000 each	100.00	100.00
13.50%, 350 Non Convertible Debentures of Rs. 1,000,000 each	350.00	350.00
10 Zero Coupon Foreign Currency Convertible Bonds of \$ 1,000,000 each (refer note (c ) below)	1,093.33	1,010.61
<b>Term loans</b>		
from banks	17,142.55	17,142.55
from others-External Commercial Borrowings	5,747.90	5,313.03
<b>(ii) Unsecured</b>		
Loan from related parties (refer note (d) below)	414.21	363.33
Loan from other parties	353.20	353.20
Less: Current maturities of long term borrowings	(24,786.98)	(24,269.39)
<b>Total</b>	<b>414.21</b>	<b>363.33</b>

\*Refer note 27 for terms and conditions of transaction with related parties

\*\*Refer note 12.1 (e) for details of security & terms of long term borrowings.

**(b) Current borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(i) Borrowings repayable on demand</b>		
-- Working capital loans from banks -secured	1,192.60	1,192.60
<b>(ii) Other Loans</b>		
-- Loans from other parties- unsecured	12.00	12.00
	<b>1,204.60</b>	<b>1,204.60</b>
<b>(iii) Current maturities of long term borrowings</b>		
-- External Commercial Borrowings (refer note 12.1(a))	5,747.90	5,313.03
-- Foreign Currency Convertible Bonds (refer note 12.1(a))	1,093.33	1,010.61
-- Term Loans from banks (refer note 12.1(a))	17,142.55	17,142.55
-- Non- Convertible Debentures (refer note 12.1(a))	450.00	450.00
-- from other parties (refer note 12.1(a))	353.20	353.20
<b>Total</b>	<b>25,991.58</b>	<b>25,473.99</b>

Refer note 12.1 (e) for details of security & terms of long term borrowings.

**Liability component of compounded financial instruments**



**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

**(c) Foreign Currency Convertible Bond (FCCB)**

The Company had issued 10, zero coupon foreign currency convertible bonds of \$ 1,000,000 each. These FCCB were convertible into equity shares based on the ratio calculated in accordance with the terms of offering circular dated July 13, 2012. The bonds were convertible latest by July 24, 2017 at initial conversion price of Rs. 188.62 for each equity share at the applicable exchange rate (fixed). As on March 31, 2023 USD 10 million (March 31, 2022 USD 10 million) FCCB remained outstanding for conversion into equity shares of Rs. 2 each, as the Company has filed for corporate insolvency and resolution process on May 30, 2017.

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Equity portion as at balance sheet date	50.03	50.03
Financial liability portion as on date (including 33.15% premium component)	1,093.33	1,010.61
	<b>1,143.36</b>	<b>1060.64</b>

**(d) Promoters contribution**

The Promoters of the Company has provided interest free loans amounting Rs. 614.65 million to the Company which has been fair valued at amortised cost and the balance portion due to the control of the promoter over the company has been considered to be equity and has been valued at cost.

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Equity component as on date	474.42	474.42
Financial liability component as on date	414.21	363.33
	<b>888.63</b>	<b>837.75</b>

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**Note 12 (1)(e) Particulars of security, interest and terms of repayment of Loans**

(All amount in Rs. million, unless otherwise stated)

Particulars	Amount Outstanding as at		Terms of repayment	Security
	March 31, 2023	March 31, 2022		
<b>Loan from Bank - CDR - Secured</b>				
Term loan (a)	102.40	102.40	Repayment in 10 quarterly equal installments of Rs. 10.25 million commencing from quarter ended December 31, 2015 and ending in quarter ending 31 March 2018	- First pari passu charge on all fixed assets (movable and immovable) of the company, both present and future.
Term loan (b)	216.39	216.39	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2023.	- First pari passu charge on all the, intangible assets including without limitation computer software and knowledge based content, current assets, other non current assets and other receivables and unencumbered receivables of ESSPL, both present and future.
Term loan (c)	309.85	309.85		
Term loan (d)	204.07	204.07	installments Amount per Inst.	- First charge on the borrower's bank accounts, including but not limited to Trust & Retention Account.
Term loan (e)	62.72	62.72		
Working capital term loan	2,837.33	2,837.33	1-2 93.29	- Pledge of all unencumbered shares held by the Promoters Group in company.
Funded interest term loan - FITL	910.34	910.34	3-14 139.94 15-30 174.92	- Pledge of all unencumbered shares held by company in various companies.
Term loan (f)	2,813.00	2,813.00	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2023.	- Pledge of all unencumbered shares of subsidiaries of the borrower held by Mr. Shantanu Prakash in the share capital of such subsidiaries.
Term loan (g)	4,550.00	4,550.00	installments Amount per Inst.	- Unconditional & irrevocable Personal Guarantees from Mr. Shantanu Prakash & Mr. Jagdish Prakash and Corporate Guarantee of ESSPL.
Term loan (h)	397.65	397.65		
Term loan (i)	1,960.00	1,960.00	1-2 357.85	- First pari-passu charge by way of mortgage of personal property of Mr. Shantanu Prakash situated at Residential Plot No. P-63, Sector 56, Gurgaon, Haryana.
Term loan (j)	1,171.16	1,171.16	3-14 536.77	
Term loan (k)	947.83	947.83	15-30 298.21	
Working capital facility	1,192.60	1,192.60	Payable on demand	
Term loan (l)	300.00	300.00	Balance repayable up to quarter ending September 30, 2017.	- Sub-servient charge on the current assets of the Company. - Subservient charge on all current assets of Educomp Infrastructure & School Management Limited (EISML). - Personal guarantee of Mr. Shantanu Prakash
Term loan (m)	359.80	359.80	Repayable in 14 unequal quarterly installments commencing from quarter ended December 31, 2015 and ended in quarter ending March 31, 2019.	- First ranking pari passu charge on the entire current assets of the Company. - Second pari-passu charge over the fixed assets of the Company. - Personal guarantee of the Mr. Shantanu Prakash and Mr. Jagdish Prakash and equitable mortgage on one of the personal property of Mr. Shantanu Prakash.
<b>Loan from Other - Secured</b>				
Non Convertible Debentures	450.00	450.00	NCD aggregating Rs. 350.00 million and Rs. 100.00 million were issued on May 24, 2012 and July 20, 2012 respectively and are repayable at par on May 24, 2019 and July 20, 2019 respectively. Further, the investors have put option on May 24, 2017 and July 24, 2017, five years from their respective dates of issue.	- Pari-passu charge with the CDR lenders, without any preference or priority to one over the other or others. (The Company has created partial security on the assets of the Company and is taking necessary steps to create security in respect of these debentures.)
Foreign Currency Convertible Bonds (FCCB)- Debt component of compounded financial instrument	Refer note 12.1(c) above	Refer note 12.1(c) above	Refer note 12.1(c) above	Second charge on following assets - 51% of the fully paid up equity shares of EISML held by the Company.
External Commercial Borrowings (ECB)	5,747.90	5,313.03	Repayable in 11 half yearly equal installments of USD 6.36 million starting from January 15, 2016 and ending January 15, 2021..	First charge on following assets - 51% of the fully paid up equity shares of the EISML held by the Company.
<b>Loan from others-unsecured</b>				
From others - unsecured (a)	353.20	353.20	There are two loans to repayable in 26 & 45 unequal monthly installments as per their repayment schedules.	Not applicable
From others - unsecured (b)	12.00	12.00	Rs. 12.00 million is over due as on Balance Sheet date.	Pledge of shares of the Company held by Mr. Shantanu Prakash.
From others - unsecured (c)	Refer note 12.1(d) above	Refer note 12.1(d) above	Interest free loan repayable after final settlement date as per CDR MRA.	Not applicable

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

Note:

- (I) Term loan (a) to (k), working capital term loan, funded interest term loan, working capital facility are at interest rate ranging from 10% to 13% p.a (March 31, 2022 10% to 13% p.a.)
- (ii) Term loan (l) to (m) are at varying rate of interest ranging from 9% to 11% p.a. (March 31, 2022 9% to 11% p.a.)
- (iii) Loans from other unsecured (a) and (b) are at varying rate of interest ranging from 12.50% to 18% p.a. (March 31, 2022 12.50% to 18% p.a.)
- (iv) FCCB are zero coupon bonds and do not carry interest.
- (v) ECB are at interest rate of 4.5% p.a.+LIBOR (March 31, 2022 4.5% p.a.+LIBOR)
- (vi) Non Convertible Debentures are at interest rate ranging from 13.25% to 13.50% p.a. (March 31, 2022 13.25% to 13.50% p.a.)
- (vii) Aggregate of loan amount guaranteed by promoter Mr. Shantanu Prakash and Mr. Jagdish Prakash Rs. 18,335.14 million (March 31, 2022 Rs. 18,335.14 million)
- (viii) Aggregate of loan amount guaranteed by Edu Smart Services Pvt. Ltd. Rs. 17,675.34 million (March 31, 2022 Rs. 17,675.34 million)
- (ix) Working capital facility and loan from others unsecured (b) constitute short term borrowings.

**(x) Corporate debt restructuring scheme**

The Company executed the Master Restructuring Agreement (MRA)/other definitive documents on March 26, 2014 with the majority of its lenders banks, consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme"). As a part of the CDR Scheme, the promoters were required to contribute funds in accordance with letter of approval. As a consequence, the Company has received a contribution from its promoter amounting to Rs. 614.65 million as at March 31, 2022 (As at March 31, 2021 Rs. 614.65 million). The same has been received as interest free unsecured loan. Refer above loan from others - unsecured (c).

The MRA has been signed by all the lender banks and the Company has complied with all necessary conditions precedent. From April 01, 2013 (the "cut-off date"), the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR scheme on the balances as appearing in the books of account pending confirmations from various lenders. Accordingly, the interest payable to these banks has been recalculated in accordance with the CDR scheme. Considering the MRA have been signed by all the lender banks, the Company had accounted for CDR scheme (reclassifications and interest calculations) in the books during the year ended March 31, 2016 and March 31, 2015 as follows:

- (i) The rate of interest was changed and reduced to 11% with effect from April 01, 2013. The interest due with effect from April 01, 2013 till March 31, 2016 at revised rates amounting to Rs. 919.62 million in March 31, 2016 and Rs. 886.60 million in April 01, 2015 was converted into Funded Interest Term Loan (FITL (a) ).
- (ii) The moratorium period for principle amount after restructure shall be 30 months from the cut off date of April 01, 2013.
- (iii) The CDR scheme envisages monetization of certain assets of the Company and its subsidiaries.
- (iv) The revised charge in favour of lenders as per the terms of MRA, is pending registration.

Pursuant to approved CDR scheme and in terms of Master Restructuring Agreement, the Company had acquired trade receivable of Edu Smart Services Private Limited (ESSPL). To acquire these receivables the Company had been granted loan by the CDR lenders. These receivables accrue to Edu Smart Services Private Limited under Tripartite agreement between, the Company, ESSPL and Schools/trust wherein in substance, the Company was key service provider. Towards settlement of rest of the consideration, the Company has adjusted its receivable from ESSPL. The Company took over these receivables to improve the recoverability and to provide uninterrupted services to these schools in future.

Pursuant to implementation of approved Corporate Debt Restructuring Scheme (CDR scheme), certain lenders have disbursed fresh corporate loans to the Company and corresponding trade receivables were bought from Edu Smart Services Private Limited (ESSPL) together with future business relating to this customers, as explained above. Due to this restructuring, the remaining receivables in ESSPL may not yield adequate surplus to discharge its liability towards the Company for trade receivables and redemption of redeemable non convertible preference shares. However, the approved CDR Scheme has mandated merger of ESSPL with the company and accordingly, the company has initiated the process and has taken the approval of Board of Directors in the board meeting held on January 13, 2015.

Pursuant to MRA, the Company had committed default in payment or repayment of installments of principal amounts of the Restructured Loans, Corporate loans and/or the Additional Rupee Loan or interest thereon or any combination thereof, accordingly CDR Lenders, Corporate loan lenders and/or the Additional Rupee Lenders, at their discretion, have the right to convert at their option the whole of the outstanding amount or part of the defaulted amount into fully paid-up equity shares of the Company, but the lenders have not exercised the rights as at balance sheet date.

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

(xi). Details of continuing default in repayment of loan or interest as at March 31, 2023 is given below:

a) Details of defaults of principal and interest for loans payable during the year.

Particulars	FY 2022-23			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	-
Interest	-	-	-	-
	-	-	-	-

Particulars	FY 2021-22			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	-
Interest	-	-	-	-
	-	-	-	-

b) Details of carrying amount of loans payable in defaults (including interest due) at the end of the year.

Particulars	FY 2022-23			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	25,991.58
Interest	-	-	-	3,775.18
	-	-	-	<b>29,766.76</b>

Particulars	FY 2021-22			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	25,473.99
Interest	-	-	-	3,686.61
	-	-	-	<b>29,160.60</b>

c) The above defaults are not remediated before the financial statements were approved.

**Note 12.2 Trade Payables**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Sundry creditors</b>		
Trade Payables		
-due to micro and small enterprises (refer note 34)	11.54	11.54
-due to others	1,393.77	1,314.35
Trade Payables to Related Party*	69.66	69.66
<b>Total</b>	<b>1,474.97</b>	<b>1,395.55</b>
<b>Other related parties</b>		
Unnati Educational Trust	69.66	69.66
	<b>69.66</b>	<b>69.66</b>

\*Refer note 27 for terms and conditions of transactions with related parties

Trade payables are generally due in 30-90 days and are non interest bearing. Accordingly, the carrying value of the same is considered as fair value.

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**Tarde Payables ageing schedule for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

Particular	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstnading dues to MSME	-	-	0.18	0.30	11.06	11.54
Others	67.12	6.62	3.11	0.02	1,386.56	1,463.43
<b>Total</b>	<b>67.12</b>	<b>6.62</b>	<b>3.29</b>	<b>0.32</b>	<b>1,397.62</b>	<b>1,474.97</b>

**Tarde Payables ageing schedule for the year ended March 31, 2022**

Particular	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstnading dues to MSME	-	0.18	0.30	0.18	10.88	11.54
Others	59.69	6.31	0.35	3.74	1,313.92	1,384.01
<b>Total</b>	<b>59.69</b>	<b>6.49</b>	<b>0.65</b>	<b>3.92</b>	<b>1,324.80</b>	<b>1,395.55</b>

**Note 12.3 Other financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Payables against corporate guarantee (refer note 6.3)	258.19	258.19
Interest accrued and due (Refer foot note 12.4 and 12.5)	3,775.18	3,686.61
Interest accrued and due to micro and small enterprises	5.95	5.85
Employee related payables	338.10	337.36
Security deposits	20.00	20.00
Unpaid dividend	0.31	0.31
Retention money	1.00	1.00
<b>Total</b>	<b>4,398.73</b>	<b>4,309.32</b>

**Note 12.4:** The Company has not accrued interest on borrowing post May 30, 2017, being Corporate Insolvency Resolution Process ("CIRP") commencement date. The amount of such interest not accrued is estimated to be Rs. 4,017.70 Million for the year (for the year ended March 31, 2022 Rs. 3,643.95 Million). The cumulative amount of interest not accrued as at March 31, 2023 is estimated to be Rs. 19,005.18 million (March 31, 2022: Rs. 14,987.48 Million)

**Note 12.5.** The Company has not determined the provision for penal interest for defaults on borrowings as per the contractual terms of the underlying agreements.

**Note 13 Provisions**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current	Current	Non current	Current
<b>Provisions for employee benefits</b>				
Provisions for gratuity (refer note 13.1 below)	2.09	0.07	1.78	0.08
Provisions for leave encashment (refer note 13.1 below)	0.24	0.01	0.20	0.01
<b>Total</b>	<b>2.33</b>	<b>0.08</b>	<b>1.98</b>	<b>0.09</b>

**Note 13.1 Post employment benefits**

**(i) Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Under its gratuity plan, every employee who has completed at least one year of service is entitled to gratuity on departure at 15 days of last drawn salary for each completed year of service.

**(ii) Leave encashment**

The employees are entitled for 18 days leave during the calendar year, which can be accumulated and 10 leave carried forward to next year. Privileged leaves can not be encashed during in service but encashed only at the time of departure.

Notes to the Ind AS financial statements for the year ended March 31, 2023

a) Net employee benefit expense recognised

(All amount in Rs. million, unless otherwise stated)

Particulars	Gratuity- Unfunded	Leave benefit - Unfunded	Gratuity- Unfunded	Leave benefit - Unfunded
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Current service cost	0.31	0.09	0.28	0.07
Net interest cost	0.13	0.02	0.11	0.01
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>0.44</b>	<b>0.11</b>	<b>0.39</b>	<b>0.08</b>
Remeasurement actuarial (gain) / loss from changes in financial assumptions	(0.04)	(0.01)	0.06	0.01
Remeasurement actuarial (gain) / loss from changes in demographic assumptions	-	-	(0.11)	(0.02)
Remeasurement actuarial (gain) / loss on arising from Experience Adjustment	0.05	(0.04)	0.21	(0.10)
<b>Total amount recognised in the Other comprehensive income</b>	<b>0.01</b>	<b>(0.05)</b>	<b>0.15</b>	<b>(0.11)</b>

Expected contribution for the next annual reporting period:

Particulars	March 31, 2023 Gratuity	March 31, 2023 Leave benefit	March 31, 2022 Gratuity	March 31, 2022 Leave benefit
	Service Cost	0.37	0.08	0.31
Net interest cost	0.16	0.02	0.13	0.02
<b>Expected expense</b>	<b>0.53</b>	<b>0.10</b>	<b>0.44</b>	<b>0.08</b>

b) Reconciliation of opening and closing balance of defined benefit obligation.

Particulars	Gratuity- Unfunded Year Ended	Leave benefit - Unfunded Year Ended	Gratuity- Unfunded Year Ended	Leave benefit - Unfunded Year Ended
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Present value of obligation as at the beginning of the year	1.86	0.21	1.65	0.24
Interest cost	0.13	0.02	0.11	0.01
Current service cost	0.31	0.09	0.28	0.07
Benefit paid	(0.16)	(0.02)	(0.34)	-
Actuarial (gain)/loss	0.02	(0.05)	0.16	(0.11)
<b>Present value of obligation as at the end of the year</b>	<b>2.16</b>	<b>0.25</b>	<b>1.86</b>	<b>0.21</b>
Current	0.07	0.01	0.08	0.01
Non current	2.09	0.24	1.78	0.20

Maturity Profile of Defined Benefit Obligation	March 31, 2023		March 31, 2022	
	Gratuity	Leave obligation	Gratuity	Leave obligation
a) April 2020- March 2023	-	-	0.08	0.01
b) April 2021- March 2024	0.07	0.01	0.06	0.01
c) April 2022- March 2025	0.04	0.01	0.04	0.01
d) April 2023- March 2026	0.04	0.01	0.04	0.01
e) April 2024- March 2027	0.04	0.01	0.04	0.00
f) April 2025- March 2028	0.05	0.01	0.04	0.00
g) April 2028 onwards	1.92	0.20	1.56	0.17
	<b>2.16</b>	<b>0.25</b>	<b>1.86</b>	<b>0.21</b>

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**c) Principal actuarial assumptions at the Balance Sheet date:**

Particulars	March 31, 2023	March 31, 2022
<b>Discounting rate</b>	7.36%	7.18%
	Salary increase for FY 2022-23 @9.50% & there after it will be expected to increase by 5%	salary increase for FY 2022-23 @9.50% & there after it will be expected to increase by 5%
<b>Expected rate of increase in salary</b>		
<b>Demographic assumptions</b>		
i) Retirement age (Years)	58	58
ii) Mortality table	IALM (2012-14) Withdrawal Rate (%)	IALM (2012-14) Withdrawal Rate (%)
iii) Ages		
Up to 30 Years	14	14
From 31 to 44 years	5	5
Above 44 years	1	1

d) The discount rate is based upon the market yields available on Government bonds at the accounting date for remaining life of employees.

e) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

**f) Sensitivity analysis**

	Gratuity-Unfunded For the year ended March 31, 2023	Leave benefit -Unfunded For the year ended March 31, 2023
Changes in the significant actuarial assumptions		
Discount rate	<b>Increase to</b> 0.5%	<b>Decrease to</b> 0.5%
Increase (decrease) in defined benefit liability	(0.10)	0.01
Salary growth rate	<b>Increase to</b> 0.5%	<b>Decrease to</b> 0.5%
Increase (decrease) in defined benefit liability	0.10	(0.01)

The present value of the defined benefit obligation calculated with the same method (project unit credit) as the defined benefit obligation recognised in the statement of financial position. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**Note 14 Other current liabilities**

(All amount in Rs. million, unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advances from customers (refer note (i) and (ii) below)	279.55	284.94
Statutory dues payable	14.56	13.40
	<b>294.11</b>	<b>298.34</b>

(i) The Company had received advances from customers, which are outstanding for more than one year and still lying in the books as on March 31, 2023. These advances mainly pertain to the pre CIRP period and includes amount of Rs. 80.47 million (March 31, 2022 Rs. 80.47 million) received from non corporate entites. The advances cannot be repaid after intiation of CIRP and the same will be settled, if any, in accordance with the provision of the Insolvency and Bankruptcy Code 2016 and reguations issued there under.

**(ii) Includes advances from related parties**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Educomp Global Holding W.L.L	42.52	42.52
Edumatics Corporation Inc.	16.21	16.21
Shri Hare Educational trust	0.37	0.37
Vigyan Education Trust	0.60	0.60
	<b>59.70</b>	<b>59.70</b>

\* for terms and conditions for transaction with related party refer note 27

**Note 15 Revenue from operation**

<b>Particulars</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Sale of education products and technology equipment	0.08	0.55
Education and other services	39.74	13.26
	<b>39.82</b>	<b>13.81</b>

**Note 16 Other income**

<b>Particulars</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Interest income		
- on Fixed deposits	7.16	8.43
-on financial instruments measured at amortised cost	0.02	0.13
- other interest	0.13	17.73
Liabilities/provision no longer required written back	3.72	-
Other non-operating income	0.04	0.06
	<b>11.07</b>	<b>26.35</b>



**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**Note 17 Purchase of stock-in-trade**

(All amount in Rs. million, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Technology equipments & accessories	-	-
Educational products	-	-
	-	-

**Note 18 Changes in inventories of stock-in-trade**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening -stock-in-trade (A)</b>		
Technology Equipments	2.02	2.46
Less: transfer to FA/Repair	-	-
	<b>2.02</b>	<b>2.46</b>
<b>Closing -stock-in-trade (B)</b>		
Technological Equipments	20.1	2.02
	<b>2.01</b>	<b>2.02</b>
<b>Change in inventory (A-B)</b>	<b>0.01</b>	<b>0.44</b>

**Note 19 Employee benefit expenses**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Employee benefit expenses</b>		
Salaries wages and bonus	22.42	19.71
Contribution to provident and other funds*	0.88	0.83
Gratuity expenses	0.45	0.40
Staff welfare expenses	0.38	0.30
	<b>24.13</b>	<b>21.24</b>

\* Contribution to provident and other funds comprise:

**Defined contribution plan**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employer's contribution to provident fund (including admin charges)	0.77	0.71
Employer's contribution to employee state insurance	0.07	0.08
Employer's contribution to employee deposit linked insurance fund	0.03	0.03
Employer's contribution to labour welfare fund	0.01	0.01
	<b>0.88</b>	<b>0.83</b>

**Note 20 Finance cost**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest expense on financial instruments measured at amortised cost	50.90	44.74
Interest expense (Refer note 12.4)	-	-
Interest on delay in payment of income taxes	-	0.01
Other borrowing costs	0.10	0.07
	<b>51.00</b>	<b>44.82</b>



Notes to the Ind AS financial statements for the year ended March 31, 2023

**Note 23 Fair valuation measurements**

(All amount in Rs. million, unless otherwise stated)

S. No.	Particular	As at March 31, 2023			As at March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
	<b><u>Financial assets</u></b>						
1	Investments	111.48	-	-	111.48	-	-
2	Loans	-	-	29.07	-	-	28.87
3	Trade receivables	-	-	1,186.28	-	-	1,189.21
4	Other financial assets	-	-	3.51	-	-	8.27
5	Cash & Cash Equivalents	-	-	38.59	-	-	50.38
6	Bank balances other than cash & cash equivalents	-	-	126.02	-	-	147.97
	<b>Total Financial Assets</b>	<b>111.48</b>	<b>-</b>	<b>1,383.47</b>	<b>111.48</b>	<b>-</b>	<b>1,424.70</b>
	<b>Financial Liability</b>						
1	Borrowings (including current maturities & interest accrued)	-	-	30,180.97	-	-	29,523.93
2	Trade & Other Payables	-	-	1,474.97	-	-	1,395.55
3	Other financial Liabilities	-	-	623.55	-	-	622.71
	<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>32,279.49</b>	<b>-</b>	<b>-</b>	<b>31,542.19</b>

- (a) The carrying amounts of trade and other payables, working capital borrowings, current loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- (b) The carrying amounts of trade receivables, loans, security deposits and investment in preference shares were calculated based on contractual cash flows, discounted using a current lending rate and the amortised values are considered to be the same as their fair values, as their is no change in the current and the previous year lending rates. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- (c) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- (d) As all the financial instruments has been fair valued using amortised cost accounting considering the unobservable inputs as explained in the note b) and c) above therefore all the financial assets and financial liabilities would fall into level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk, own credit risk, contractual cash flows and lending rates.

**Note 23A** The company has valued the following investments in subsidiaries, associates and joint ventures at cost (less provision for diminution in value of investment), as per Ind AS 27.

	As at March 31, 2023	As at March 31, 2022
Investment in Equity shares (including equity component of compounded financial instruments)	695.40	695.40
Investment in Preference shares	117.81	117.81

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**Note 24 FINANCIAL RISK MANAGEMENT**

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 24. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its board of directors through RP, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to, are described below:

**24.1 Market risk**

Market risk is the risk that changes in market prices will have an effect on Company's income or value of the financial assets and liabilities. The Company is exposed to various types of market risks which result from its operating and investing activities. The most significant financial risks to which the Company is exposed are described below:

**24.1(a) Foreign currency risk**

The Company is exposed to exchange rate fluctuations as it undertakes transaction in various currencies. Various operating and investing activities during the year, in currencies other than functional currency of the Company, resulted in foreign currency financial assets and liabilities as on each reporting date.

As the company is currently undergoing CIRP process (refer note 1(a)), Accordingly, a moratorium has been declared under section 14 of the Code.

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at March 31, 2023 and March 31, 2022

Particulars	Foreign currency	As at March 31, 2023		As at March 31, 2022	
		Foreign currency	Amount	Foreign currency	Amount
Trade payable	US\$	12.87	1,056.54	12.87	976.60
	Euro	0.01	0.89	0.01	0.84
Trade receivable	US\$	0.35	28.33	0.35	26.19
	Canadian \$ (CAD)	0.11	6.63	0.11	6.64
Loans payable	US\$	80.00	6,841.23	80.00	6,323.64
Interest accrued and due	US\$	14.94	1,215.17	14.94	1,126.60

To mitigate the Company's exposure to foreign exchange risk, cash flows in foreign currencies are monitored and net cash flows are managed in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

The following table gives the volatility in exchange rates for the respective reporting years for major currencies:

Currencies	Year Ended March 31, 2023	Year Ended March 31, 2022
INR/USD	5%	5%
INR/EURO	9%	6%
INR/CAD	8%	7%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date.

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**Sensitivity analysis for entities with foreign currency balances in INR**

The following tables illustrate the sensitivity of profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective functional currencies' against INR, assuming 'all other things being equal'.

If the respective functional currencies had strengthened/weakened against the INR by the afore mentioned percentage of market volatility, then this would have had the following impact on profit/loss:

March 31, 2023	Profit and loss			Other Components of equity	
	Movement	Strengthening	Weakening	Strengthening	Weakening
USD Sensitivity	5%	112.17	(112.17)	342.06	(342.06)
EURO Sensitivity	9%	0.08	(0.08)	-	-
CAD Sensitivity	8%	0.53	(0.53)	-	-

March 31, 2022	Profit and loss			Other Components of equity	
	Movement	Strengthening	Weakening	Strengthening	Weakening
USD Sensitivity	5%	103.85	(103.85)	316.18	(316.18)
EURO Sensitivity	6%	0.05	(0.05)	-	-
CAD Sensitivity	7%	0.47	(0.47)	-	-

**24.1(b) Price risk sensitivity**

The Company does not have any financial asset or liability exposed to price risk as at reporting date.

**24.1(c) Interest rate sensitivity**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's policy is to minimise interest rate cash flow risk exposure on long-term financing. At March 31, 2023, the Company is exposed to changes in market interest rates majorly through ECB borrowings and borrowings restructured under MRA (refer note 12.1).

As the company is currently undergoing CIRP process (refer note 1(a)), Accordingly, a moratorium has been declared under section 14 of the Code. The debt liabilities have been crystallised as on May 30, 2017. Accordingly, there is no interest rate risk on the debt liabilities till the completion of CIRP.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	As at March 31, 2023	As at March 31, 2022
Fixed-rate borrowings (Refer note below)	3577.04	3,494.33
Floating rate borrowings (Refer note below)	23,029.18	22,594.31
<b>Total borrowings</b>	<b>26,606.22</b>	<b>26,088.64</b>

Note: The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

The following table illustrates the sensitivity of profit or loss and other components of equity to a reasonably possible change in interest rates of +/- 1% (March 31, 2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the LIBOR rate for each year, and the financial instruments held as at end of reporting year that are sensitive to changes in interest rates, all other variables held constant.

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

	Impact on profit and loss after tax			
	Year ended March 31, 2023		Year ended March 31, 2022	
	Favourable change of 100 bp	Unfavourable change of 100 bp	Favourable change of 100 bp	Unfavourable change of 100 bp
<b>Loan amount</b>	<b>23,029.18</b>		<b>22,594.31</b>	
Effect on profit and loss after tax	230.29	(230.29)	225.94	(225.94)

#### 24.2 CREDIT RISK

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at different reporting dates.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

In respect of trade and other receivables, the Company follows simplified approach that does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. However, the Company records full credit loss on the receivables for which the Company had filed litigation.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date.

	0-180 days	180-365 days	more than 360 days
<b>Default rate</b>	6%	9%	38%

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Company.

Reconciliation of loss allowance provision – Trade receivables

<b>Particulars</b>	<b>Amount</b>
Loss allowance on 1 April 2021	14657.76
Changes in loss allowance	26.35
Loss allowance on 1 April 2022	14,684.11
Changes in loss allowance	(3.67)
Loss allowance on 31 March 2023	14,680.44

#### Significant estimates and judgements

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

**24.3 Liquidity risk**

Liquidity risk is the risk that the Company might not be able to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

As the company is currently undergoing CIRP (refer note 1(a)), the current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the company.

As at end of reporting year, the Company's financial liabilities have contractual maturities\* as summarised below :

	March 31, 2023				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings	25,991.57	614.65	-	-	26,606.22
Trade payables	1,474.97	-	-	-	1,474.97
Other financial liabilities	4,398.73	-	-	-	4,398.73
<b>Total</b>	<b>31,865.27</b>	<b>614.65</b>	<b>-</b>	<b>-</b>	<b>32,479.92</b>

	March 31, 2022				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings	25,473.99	-	614.65	-	26,088.64
Trade payables	1,395.55	-	-	-	1,395.55
Other financial liabilities	4,309.32	-	-	-	4,309.32
<b>Total</b>	<b>31,178.86</b>	<b>-</b>	<b>614.65</b>	<b>-</b>	<b>31,793.51</b>

\*The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Further Current maturities of long term loans have been reclassified from other financial liabilities to borrowings to reflect the maturity profile of borrowings in a better manner. Pursuant to delays in repayment of loan/interest payments and ongoing CIRP (refer note 1(a)), the future contractual interest payments has not been considered in above table.

The Company did not have access to any undrawn borrowing facilities at the end of the reporting period.

**Note 25 Capital management**

**(a) Risk Management**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

In determining its capital structure, Company considers the robustness of future cash flows and to maintain an optimal structure to reduce the cost of capital.

The Company monitors gearing ratio i.e. Net debt in proportion to its overall financing structure, i.e. equity and debt. Equity comprises of all the components of equity (i.e. share capital, additional paid in capital, retained earnings etc.). Net debt comprises of total borrowings less cash and cash equivalents of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount by issue of new shares or sell assets to reduce the debt. However, in view of certain adverse factors and liquidity problems faced by the Company, the net worth of the Company has been fully eroded and the Company is under going Corporate Insolvency Resolution Process (CIRP) and continues to operate as a going concern.

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt	26,367.20	25,786.94
Equity	(30,270.30)	(29,467.95)
Net Debt to equity ratio	(0.87)	(0.88)

**(i) Loan covenants**

Under the terms of the master restructuring agreement, the Company is required to comply with the following financial covenants:

-- Without the prior approval of CDR Lenders/Monitoring Institutions the Company shall not issue any debentures, raise any loans, deposits from public, issue equity or preference capital, change its capital structure or charge on its assets including its cashflow or give any guarantees save and except Permitted indebtedness.

– Without the prior approval of CDR Lenders/Monitoring Institutions the Company shall not recognise or register any transfer of shares in the borrowers' capital made or to be made by Promoter, their friends or associates except as may be specified by the CDR Lenders.

As during the FY 2022-23, no such new debt or equity instruments were issued and holding % of promoter Mr. Shantanu Prakash is same as at March 31, 2022 and March 31, 2023 i.e. 36.19%.

The promoter has given interest free loan to the Company for smooth functioning of its day to day operation which as per the terms of MRA will be payable only after the payment of CDR loans. For details of defaults in payment of principal and interest, refer note 12.3

**(b) Dividend**

The Company has not proposed any dividend for the current and previous year due to losses.

**Note 26 Segment Reporting**

(i) The powers of board of directors of the Company stand suspended due to CIRP and such powers now vest with the RP who assesses the financial performance and position of the Company, and makes strategic decisions. The RP has been identified as being the chief operating decision maker.

The Management has determined followings :-

- a) Higher Learning Solutions (HLS) comprising of vocational, higher education and professional development.
- b) School Learning Solutions (SLS) comprising of Smart Class & Edureach (ICT) business.
- c) K-12 Schools comprising preschools & high schools.
- d) Online, Supplemental & Global business (OSG) comprising of internet based educational services and coaching.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses, which are not attributable or allocable to segments, have been disclosed under the head "unallocable"

Assets and liabilities that are directly attributable to segments are disclosed under respective reportable segment. All other assets and liabilities are disclosed under the head "unallocable".

The chief operating decision maker primarily uses revenue to assess the performance of the operating segments. However, the chief operating decision maker also receives information about the segment assets on a monthly basis.

**a) Business segment information**

	For the March 31, 2023	For the March 31, 2022
<b>(i) Segment Capital Expenditure</b>		
HLS	-	-
SLS	-	1.05
K-12	-	-
OSG	-	-
Unallocated	1.05	1.06
	<b>1.05</b>	<b>2.11</b>



## EDUCOMP SOLUTIONS LIMITED

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**(ii) Segment depreciation**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
HLS	-	-
SLS	0.28	1.32
K-12	-	-
OSG	-	-
Unallocated	2.83	2.85
	<b>3.11</b>	<b>4.17</b>

**(iii) Material Non-Cash Items**

	As at March 31, 2023	As at March 31, 2022
HLS	-	-
SLS	3.42	28.69
K-12	-	-
OSG	-	-
Unallocable	15.87	0.37
	<b>19.29</b>	<b>29.06</b>

**(iv) Segment Revenue & Expenses (External)**

	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Revenue	Expenses	Results	Revenue	Expenses	Results
HLS	-	-	-	-	-	-
SLS	39.82	22.51	17.31	13.81	47.40	(33.59)
K-12	-	-	-	-	-	-
OSG	-	-	-	-	-	-
	<b>39.82</b>	<b>22.51</b>	<b>17.31</b>	<b>13.81</b>	<b>47.40</b>	<b>(33.59)</b>
Less: Unallocable Expenditure			779.72			383.30
Less: Finance cost			51.00			44.82
Operating loss			<b>(813.41)</b>			<b>(461.71)</b>
Other Income			11.07			26.35
Exceptional Items			-			-
Loss before tax			<b>(802.34)</b>			<b>(435.36)</b>
Less: Tax expense			-			-
Net Profit/ (Loss)			<b>802.34</b>			<b>(435.36)</b>

**(v) Segment assets**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

	As at March 31, 2023	As at March 31, 2022
<b>Segment assets</b>		
HLS	0.03	0.03
SLS	1,223.06	1,254.85
K-12	-	-
OSG	37.22	37.22
<b>Total Segment assets</b>	<b>1,260.31</b>	<b>1,292.10</b>
Unallocated corporate assets	232.19	269.34
Investments	813.21	813.21
<b>Total assets as per the balance sheet</b>	<b>2,305.71</b>	<b>2,374.65</b>

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**(vi) Segment liabilities**

(All amount in Rs. million, unless otherwise stated)

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operation of the segment.

	As at March 31, 2023	As at March 31, 2022
HLS	0.01	0.01
SLS	1,247.20	1,220.77
K-12	110.95	110.95
OSG	43.74	43.74
<b>Total Segment liabilities</b>	<b>1,401.90</b>	<b>1,375.47</b>
Unallocated corporate liabilities	4,768.32	4,629.81
Current Borrowings	25,991.58	25,473.99
Non-Current Borrowings	414.21	363.33
<b>Total liabilities as per the balance sheet</b>	<b>32,576.01</b>	<b>31,842.60</b>

**(b) Geographical Segments**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Revenue</b>		
India	39.82	13.81
Outside India	-	-
	<b>39.82</b>	<b>13.81</b>

**Capital Expenditure**

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
India	1.05	2.11
Outside India	-	-
	<b>1.05</b>	<b>2.11</b>

**Non-current Assets**

	As at March 31, 2023	As at March 31, 2022
India	54.75	57.26
Outside India	-	-
	<b>54.75</b>	<b>57.26</b>

**Note 27 Related party transactions**

**(a) List of related parties and relationships:**

**Subsidiary Companies (Direct and Indirect Holding)**

**S. No. Name of Related Party**

**Direct Subsidiary**

- |   |   |
|---|---|
| 1 | Wheatstone Productions Private Limited                      |
| 2 | Edumatics Corporation Inc., USA                             |
| 3 | Educomp Learning Private Limited.                           |
| 4 | Educomp Infrastructure & School Management Limited (EISML)* |

- 5 Educomp School Management Limited.
- 6 Educomp Asia Pacific Pte. Ltd., Singapore (EAPL)\*\*
- 7 Vidya Mandir Classes Limited\*\*\*\*
- 8 Educomp Global Holding WLL
- 9 Educomp Global FZE.
- 10 Edu Smart Services Private Limited\*\*\*
- 11 Savvica Inc.Canada
- 12 Educomp Online Supplemental Service Limited (EOSSL)
- 13 Educomp Intelliprop Ventures Pte. Ltd., Singapore
- 14 Educomp Investment Management Limited
- 15 Educomp Professional Education Limited

**Indirect Subsidiary**

**Subsidiary of EISML**

- 16 Educomp Infrastructure Services Private Limited\*
- 17 Educomp APAC Services Ltd., BVI\*
- 18 Falcate Builders Private Limited\*
- 19 Newzone Infrastructure Private Limited\*
- 20 Rockstrong Infratech Private Limited\*
- 21 Reverie Infratech Private Limited\*
- 22 Herold Infra Private Limited\*
- 23 Growzone Infrastructure Private Limited\*
- 24 Hidream Constructions Private Limited\*
- 25 Leading Edge Infratech Private Limited\*
- 26 Strotech Infrastruture Private Limited\*
- 27 Markus Infrastructure Private Limited\*
- 28 Orlando Builders Private Limited\*
- 29 Crosshome Developers Private Limited\*
- 30 Good Luck Structure Private Limited\*
- 31 Evergreen Realtech Private Limited\*
- 32 Zeta Buildcon Private Limited\*
- 33 Onega Infrastructure Private Limited\*
- 34 Grider Infratech Private Limited\*
- 35 Boston Realtech Private Limited\*
- 36 Modzex Infrastructure Private Limited\*
- 37 Virtual Buildtech Private Limited\*
- 38 Laservision Estates Private Limited\*
- 39 Knowledge Vistas Limited\*
- 40 Learning Internet Inc., U.S.A. (Subsidiary of EAPL)\*

41 Educomp Learning Hour Private Limited (Subsidiary of EOSSL)\*

42 Educomp Software Limited (Subsidiary of EOSSL)

\* ceased to be a subsidiary due to loss of control as per Ind AS 110.

\*\* ceased to be a subsidiary due to loss of control as per Ind AS 110. Also refer note 6.1.5

\*\*\* ceased to be a subsidiary due to loss of control as per Ind AS 110. Also refer note 6.1.3A

\*\*\*\* ceased to be a subsidiary w.e.f September 12, 2018.

**Associates**

**S. No. Name of Related Party**

1 Greycells18 Media Limited - (ceased to be a associates w.e.f FY 19)

2 Little Millenium Education Private Limited

**Joint Venture of Direct Subsidiary**

**S. No. Name of Related Party**

1 Educomp Raffles Higher Education Limited\*

\* ceased to be joint venture due to loss of control as per Ind AS 110

**Key Managerial Personnel (KMP) with whom transactions incurred during the year**

**S. No. Name of Related Party**

1 Mr. Shantanu Prakash

2 Mr. V. K. Dandona

**Resolution Professional (RP)**

**S. No. Name of Related Party**

1 Mr. Mahender Kumar Khandelwal (w.e.f. September 12, 2017)

**Enterprises owned or significantly influenced by KMP or their relatives with whom transactions incurred during the year**

**S. No. Name of Related Party**

1 Learning Leadership Foundation

2 India Education fund

3 Unnati Educational Trust

4 League India Education Foundation

5 Shri Hare Educational trust

6 Siya Ram Educational trust

7 Sri Vasudev Educational Trust

8 Vigyan Education Trust

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Notes to the Ind AS financial statements for the year ended March 31, 2023

'b ) Transactions with related parties during the year:

(All amount in Rs. million, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>(i) Subsidiaries</b>		
Revenues [net of (sales return)]	-	-
Provision for doubtful debts	-	-
	<u>-</u>	<u>-</u>

	Year ended March 31, 2023	Year ended March 31, 2022
--	------------------------------	------------------------------

<b>(ii) Associates</b>		
Provision for doubtful debts	-	-
	<u>-</u>	<u>-</u>

	Year ended March 31, 2023	Year ended March 31, 2022
--	------------------------------	------------------------------

<b>(iii) Key Management Personnel</b>		
Professional fees paid to RP	3.60	3.60
	<u>3.60</u>	<u>3.60</u>

	Year ended March 31, 2023	Year ended March 31, 2022
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<b>(iv) Parties having significant Influence</b>		
Provision for doubtful debts	-	-
	<u>-</u>	<u>-</u>

**c) Details of balances outstanding with related parties at the year end:**

	As at March 31, 2023	As at March 31, 2022
--	-------------------------	-------------------------

<b>(i) Subsidiaries</b>		
Investment (including debt and equity portions of compounded financial instruments) (refer foot note 1)	701.73	701.73
Trade receivables (refer foot note 2)	-	-
Loans and advances and other current assets (refer foot note 3&4)	-	-
Advance received from Customers	58.73	58.73
Corporate guarantees (refer note 29)	13,346.06	13,215.60
	<u>14,106.52</u>	<u>13,976.06</u>

1 net of provision for impairment	3,391.33	3,391.33
2 net of provision for expected credit loss	7.99	8.00
3 net of provision for impairment	102.21	102.21
4 net of provision for impairment	3.72	3.72

## EDUCOMP SOLUTIONS LIMITED

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

### (ii) Associates

	As at March 31, 2023	As at March 31, 2022
Investment (including debt and equity portions of compounded financial instruments) (refer foot note 1)	111.48	111.48
Trade receivables (refer foot note 2)	-	-
	<u>111.48</u>	<u>111.48</u>
1 net of provision for impairment	49.62	49.62
2 net of provision for expected credit loss	0.26	0.26

### (iii) Key Management Personnel

	As at March 31, 2023	As at March 31, 2022
Unsecured Loan (including debt and equity portion of compounded financial instruments)	888.63	837.75
	<u>888.63</u>	<u>837.75</u>

### (iv) Parties having significant Influence

	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer foot note 1)	-	-
Advance received from Customers	0.97	0.97
Trade and other payables	69.66	69.66
Other current assets (refer foot note 4)	-	-
	<u>70.63</u>	<u>70.63</u>
1 net of provision for expected credit loss	9.19	9.19
4 net of provision for impairment	0.10	0.10

### (d) Terms and conditions

(i) All outstanding balances are unsecured and repayable/ recoverable on demand.

(ii) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than disclosed.

### 28 Contingent Liabilities

**28.1** The below mentioned details is based on the status till the date of commencement of CIRP under Insolvency and Bankruptcy Code 2016, i.e. May 30, 2017. Consequently, NCLT has declared the moratorium period as per the provision of section 13 (1) (a) of the Code which is further extended to February 24, 2018 via CoC meeting dated November 2, 2017. 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. Refer Note 1(c) for further details.

**28.2** The Company has contingent Liabilities at March 31, 2023 in respect of:

	As at March 31, 2023	As at March 31, 2022
(i) Guarantees excluding financial guarantees (refer note 28.3 below)		
a) Corporate guarantee given to bank for secured loan and debenture on behalf of erstwhile subsidiaries		
(a-i) Educomp Infrastructure & School Management Limited	9,371.69	9,371.69
(a-ii) Edu Smart Services Private Limited*	2,250.00	2,250.00
(a-iii) Educomp Asia Pacific Pte Ltd. - Singapore**	1,724.37	1,593.91
	<u>13,346.06</u>	<u>13,215.60</u>
* Includes Rs. 530.96 million for which claims have been admitted by the RP but not recorded in the books of the company.		
** Includes Rs. 1128.24 million for which claims have been admitted by the RP but not recorded in the books of the company.		
(ii) The Company is subject to legal proceedings and claims, estimated contingent liability in relation to these Legal cases is as under:		
- Civil Cases	59.78	60.08
- Consumer/labour related cases	34.35	43.21
	<u>94.13</u>	<u>103.29</u>

28.3 The timing of future outflows in respect of the above will depend on crystallization and demand made by bank.

Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

**Note 29 Commitments**

**Capital commitments**

Capital expenditure contracted but remaining to be executed at the end of the reporting period is as follows :

	As at March 31, 2023	As at March 31, 2022
Uncalled Liability on partly paid shares of Educomp Online Supplemental Services Limited (net of advances)	400.41	400.41
<b>Total</b>	<b>400.41</b>	<b>400.41</b>

**Note30. Share based payment**

**Employee option plan**

The Company has certain stock option schemes which provide equity shares to employees and directors (excluding promoter director) of the Company. All the cost including the cost relating to the options granted to employees of subsidiary companies are borne by the Company. Employee stock options are convertible into equity shares in accordance with the respective employees' stock option scheme. The option vesting period is maximum ten years from the date of grant of option to employees at an exercise price approved by the remuneration committee. The exercise period is one year from the end of last vesting date of respective grants. There are no conditions for vesting other than continued employment/ directorship with the Company or its subsidiaries. There has been no cancellation or modification to any of the schemes during the year.

**Employee Stock Option Scheme 2006**

Pursuant to shareholder's resolution dated August 24, 2006, the Company had introduced "Educomp Employees Stock Option Scheme 2006" which provides for the issue of 3,125,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employee Stock Option Scheme 2007**

Pursuant to shareholder's resolution dated September 13, 2007, the Company had introduced "Educomp Employees Stock Option Scheme 2007" which provides for the issue of 1,000,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employee Stock Option Scheme 2008**

Pursuant to shareholder's resolution dated November 25, 2008, the Company had introduced "Educomp Employees Stock Option Scheme 2008" which provides for the issue of 1,250,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employees Stock Option Scheme 2010**

Pursuant to shareholder's resolution dated 18 March 2010, the Company had introduced "Educomp Employees Stock Option Scheme 2010" which provides for the issue of 1,000,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employees Stock Option Scheme 2011**

Pursuant to shareholder's resolution dated July 26, 2011, the Company had introduced "Educomp Employees Stock Option Scheme 2011" which provides for the issue of 1,000,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employees Stock Option Scheme 2012**

Pursuant to shareholder's resolution dated July 16, 2012, the Company had introduced "Educomp Employees Stock Option Scheme 2012" which provides for the issue of 3,500,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 10 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.-

**Employees Stock Option Scheme 2014**

Pursuant to shareholder's resolution dated August 11, 2014, the Company had introduced "Educomp Employees Stock Option Scheme 2014" which provides for the issue of 5,000,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 10 years from the date of respective grants. As at March 31, 2023 the Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Note 31 Loss per share (EPS)**

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Net loss attributable to equity shareholders</b>	<b>(802.34)</b>	<b>(435.36)</b>
Loss after tax (before other comprehensive income)		
Nominal value of equity share (Rs.)	2	2
No of shares as at end of the year	12,24,67,168	12,24,67,168
No. of weighted average equity shares	12,24,67,168	12,24,67,168
Loss per share Basic/ diluted	(6.55)	(3.55)

\*The Company is having potential equity shares as mentioned in note 10.g . However, since these are anti- dilutive, the same are not considered for calculation of dilutive EPS. Consequently, the basic and diluted EPS of the Company remain the same.

**Note 32. Leases**

**Operating lease (the Company as a lessee)**

**Assets taken on lease**

- i) -General description of lease terms:
  - Assets are taken on lease over a period of one to five years.
  - Lease rentals are charged on the basis of agreed terms over the lease term.
  - There are no restrictions imposed by the lessor.
  - There are scheduled escalations.
  
- ii). The Company has taken office space and technology equipment under non-cancellable operating lease. The lease rental expense recognized in the Statement of Profit and Loss for the year in respect of such leases is Rs. 2.82 million (March 31, 2022 Rs. 3.28 million). The future minimum lease rent payable (minimum lease payments) under non-cancellable operating leases are as follows:



Notes to the Ind AS financial statements for the year ended March 31, 2023

(All amount in Rs. million, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 33 Amounts due to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in trade payables and other current financial liabilities*</b>		
Principal amount due to micro, small and medium enterprises	11.54	11.54
Interest due on above	5.95	5.85
The amount of interest paid by the buyer in terms of Section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.95	5.85
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under Section 23 of the MSMED Act 2006.	-	-

\* Interest liability on unpaid amount of suppliers registered under MSMED Act, 2006 pertaining to the pre-CIRP period has been provided till the date of initiation of CIRP i.e. May 30, 2017 as these dues will be paid/settled in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

**Note 34. Ratios**

The ratios for the year ended March 31, 2023 and March 31, 2022 as follows:

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance (in %)	Reason for change
Current ratio	Current Assets	Current Liabilities	0.04	0.05	(6.50)	
Debt - Equity ratio	Total Debts	Shareholder's equity	(0.87)	(0.88)	(0.51)	
Debt service coverage ratio	EBIDT + Non cash expenses	Interest + Principle repayment	(0.89)	(1.27)	(29.86)	Due to reduction in loss
Return on equity ratio	Net profit after tax	Average shareholder's equity	2.69%	1.49%	80.54	Due to increase in loss
Inventory turnover ratio	Sale	Average inventory	0.04	0.25	-	
Trade receivable turnover ratio	Revenue	Average trade receivable	0.03	0.01	194.19	Due to higher revenue
Trade Payable turnover ratio	Purchase of Services and other expenses	Average trade payables		0.29	83.23	Due to higher expenses
Net Capital turnover ratio	Revenue	Average working capital	(0.00)	(0.00)	24.41	
Net profit ratio	Net profit	Revenue	-1576.62%	-1084.06%	45.44	Due to increase in losses for the year
Return on capital employed	Earning before interest and tax	Capital employed	2.52%	1.34%	88.06	Due to increase in loss
Return on investment	Income generated from investments	Time weighted average investments	-	-	-	

**Note 35. Transactions with struck off Companies**

The following table summarises the transactions with the companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck off company	Nature of transactions with struck off company	Balance Receivable/ (Payable) as at March 31, 2023	Balance Receivable/ (Payable) as at March 31, 2022	Relationship with the struck off company
Indair Carriers Private Limited	Sale of material/Services provided	0.04 #	0.04 #	External customer
Educomp Online Supplement Service Ltd.	Sale of material/Services provided	0.90 #	0.90 #	Subsidiary company
Dax Networks Limited	Material purchase	(0.03)	(0.03)	External vendor
Indev Logistics Private Limited	Services availed	(0.31)	(0.31)	External vendor
Office Depot Private Limited	Material purchase	(9.72)	(9.72)	External vendor
Mediakem Productions Private Limited	Services availed	(0.28)	(0.28)	External vendor
Sagacious Hospitality Private Limited	Services availed	(0.07)	(0.07)	External vendor
Educomp Online Supplement Service Ltd.	Advance call money	102.21 #	102.21 #	Subsidiary company
Educomp Online Supplement Service Ltd.	Investments in securities	517.18 #	517.18 #	Subsidiary company
Wheatstone Production Private Limited	Investments in securities	3.35 #	3.35 #	Subsidiary company

# 100% provision has been made for these balances.

**Note36.** 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.

**Note37.** The Company has filed a legal case against one former employee for recovery of certain damages amounting to Rs. 15 million arising from stealing of Company's intellectual property right. The Company is hopeful of favourable outcome of such proceedings/case. However, the amount likely to be realized on settlement of such proceedings/case is currently not ascertainable realistically. The Company does not expect any adverse impact on the financial position as a consequence of these proceedings/case. The Company has recorded all expenses pertaining to legal & professional charges in respect of all such proceedings/case.

**Note38.** 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:

	Claimed Amount	Admitted Amount	Not Admitted
Creditors (financial)	31,080.89	30,242.66	838.23
Creditors (operational)	219.84	164.13	55.71
Workmen and employees	77.40	30.93	46.47
	<b>31,378.13</b>	<b>30,437.72</b>	<b>940.41</b>

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

**Note39.** 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.

**Note40.** The Company has not carried out any internal audit during the year as required under sections 138 of the Act.

**Note41.** These standalone Ind AS Financial Statements are not authenticated by a full time company secretary of the Company, which is in non compliance with applicable provisions of the Companies Act, 2013.

**Note42.** These standalone Ind AS Financial Statements are not approved by a Chief Financial Officer (CFO) of the Company, which is in non compliance with section 134(1) of the Companies Act, 2013.

**Note43.** 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 and Service tax Act.

**Note44.** The title deeds of immovable properties are held in the name of the Company. However, the original title deeds have been given as security against borrowings from banks and the same are kept with the trustee of the banks.

- Note 45.** The Company has not revalued its Property, Plant & Equipments (including Right of use assets) or intangible assets during the current or previous year.
- Note 46.** No loans or Advances in the nature of loans have been granted to the promoters, directors, KMPs and the related parties either severally or jointly with any other person.
- Note 47.** There are no intangible assets under development.
- Note 48.** No proceedings have been initiated on or are pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- Note 49.** The Company is undergoing CIRP and all the borrowings from banks and financial institutions have been declared as NPA and the Company has not filed any quarterly returns or statement of current assets with the banks or financial institutions during the year.
- Note 50.** The Company has not been declared Wilful Defaulter by any bank or financial institution or other lenders.
- Note 51.** There are no Charges or satisfaction of charges required to be registered with the RoC during the year.
- Note 52.** The Company has complied with the number layers prescribed under the Companies Act, 2013
- Note 53.** (A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or ptherwise) that the Intermediary shall
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries);
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (B) The Company has not received any fund from any person or entities, including foreign entities, (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries);
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- Note 54.** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of accounts.
- Note 55.** The provisions of section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR) are not applicable to the Company since the average net profits of the Company in the preceding three financial years is negative.
- Note 56.** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- Note 57.** The previous year figures have been regrouped, rearranged or reclassified wherever necessary to conform to current year's classification.

As per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Place : New Delhi  
Date : 15-09-2023  
UDIN: 23524345BGZVV1915

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

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

Place : New Delhi  
Date : 15-09-2023

**Independent Auditor's Report****To the Members of Educomp Solutions Limited****Report on the Audit of the Consolidated Ind AS Financial Statements****Adverse Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Educomp Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us on separate Unaudited Ind AS financial statements and other financial information of the subsidiaries and associate, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the aforesaid Consolidated Ind AS financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated loss (including other comprehensive income), consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

**Basis for Adverse Opinion**

1. As fully explained in Note 49.1 of the Consolidated Ind AS Financial Statements, and as represented by the RP, the financial statements and other financial information for the year ended March 31, 2023 relating to 7 subsidiaries namely Whitestone Production Private Limited, Educomp Learning Private Limited, Educomp Online Supplemental Service Limited, Educomp School Management Limited, Educomp Professional Education Limited, Educomp Investment Management Limited and Educomp Software Limited are not available with the management/RP of the holding company. In absence of the same, the Consolidated Ind AS Financial Statements are prepared using the last available financial information with the RP. Accordingly, these consolidated financial statements have been prepared based on the unaudited financial statements for the year ended March 31, 2020 in respect of these subsidiaries, which is not in compliance with the requirements of Ind AS-110 "Consolidated Financial Statements". Therefore, in absence of availability of financial information for the year ended March 31, 2023 in respect of these subsidiaries, we are unable to comment on any possible impact of the same on the consolidated statement of Profit & Loss for the year ended March 31, 2023 and on the financial position and Equity, including various mandatory disclosures of the Group and its associates and jointly controlled entity as on that date.
2. As fully explained in Note 40A.2(ii) of the Consolidated Ind AS financial Statements, the Group Management, on the basis of their assessment, has concluded that the Group no longer controls 5 of the subsidiaries, incorporated outside India, namely Edumatics Corporation Inc. USA, Savicca Inc., Canada, Educomp Intelli Prop Ventures Pte Ltd, Educomp Global Holding WLL, Bahrain and Educomp Global FZE and accordingly, has not consolidated financial statements of these subsidiaries as at and for the year ended March 31, 2023. We have not however, been provided with the management's assessment of loss of control in respect of these subsidiaries. In absence of such assessment, we are unable to comment on the appropriateness of the assessment of loss of control and consequential impact of non-consolidation of financial statement of these 5 subsidiaries on the consolidated Ind AS Financial Statements, if any.
3. We draw attention to Note 40A.2 to the Consolidated Ind AS Financial Statements, which explains that as per Ind AS 110 "Consolidated Financial Statements", the Group was required to derecognize assets and liabilities of the

subsidiaries on the date when the control was lost. As represented by the management of the Holding Company, since the financial statements of above 5 subsidiaries as on the date of loss of control are not prepared/available with the management, loss of control accounting has been done on the basis of last available unaudited financial statements i.e. for the year ended March 31, 2016 in respect of 1 subsidiary namely Savicca Inc., Canada; and based on the last available audited financial information i.e. for the year ended March 31, 2017 in respect of 4 subsidiaries namely Edumatics Corporation Inc. USA, Educomp Intelli Prop Ventures Pte Ltd, Educomp Global Holding WLL-Bahrain and Educomp Global FZE. In absence of the financial statements on the date of loss of control, we are unable to comment upon any possible impact of the same on the consolidated statement of profit & loss for the year ended March 31, 2023 and on the consolidated financial position and the equity as on that date.

4. We did not audit the Ind AS financial statements of 7 subsidiaries (Including one step down subsidiary company), whose Ind AS financial statements reflects total assets of Rs. 949.55 million and net assets of Rs. 643.25 million as at March 31, 2023, total revenues of Rs. Nil and net cash outflow amounting to Rs. Nil million for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements for the year ended March 31, 2023. As disclosed in Note 49.1, the Consolidated Ind AS Financial Statements as at March 31, 2023 are prepared based on last unaudited and unapproved financial statements as at March 31, 2020, therefore, we are unable to comment on their correctness and completeness and whether any adjustment or disclosure is required in the Consolidated Ind AS Financial Statement. We also could not comment whether financial statements of these subsidiary companies (including one step down subsidiary) are in compliance with the Indian Accounting Standards as specified under section 133 of the Act read with relevant rules issued there under.
5. In the absence of availability of financial statement of subsidiary companies as stated in para 1 above, we are unable to obtain the sufficient appropriate audit evidence as required under SA 600 "Using the work of another Auditor" with respect to scope and timing of their work on financial information and their findings, if any; and also, not able to ensure compliance of SA 560 "Subsequent events". Therefore, we are unable to comment whether this may lead to any possible adjustment or disclosure in these consolidated Ind AS Financial Statements had this procedure been performed.
6. We draw attention to Note 3.1 to the Consolidated Ind AS Financial Statements, which states that the Directorate of Enforcement vide its order dated March 28, 2022 has provisionally attached the land of EPEL measuring 23 acres and 18 guntas situated at district Ranga Reddy, Andhra Pradesh under the Prevention of Money Laundering Act, 2002, along with rent of Rs. 0.19 million and Rs.2.12 million available in a Bank account and deposited with Delhi High Court respectively. The carrying value of the said land as at March 31, 2023 is Rs. 891.10 million after revaluation (Increase) by Rs. 659.90 million in the financial year 2019-20. No adjustment has been made in these Consolidated Ind AS Financial Statement in respect of this provisional attachment made by the Directorate of Enforcement. As the further investigation is still under progress, we are unable to comment on the consequential impact of the said attachment on these consolidated Ind AS financial statements as at and for the year ended March 31, 2023.
7. On review of the financial statements of the Educomp Software Limited, a step-down Subsidiary, as considered in these Consolidated Ind AS Financial Statements and enquiries with the Management of the Holding Company, we noted that the Subsidiary has a bank borrowing of Rs. 170.81 million outstanding for last several years, in respect of which the management of the Holding Company neither have any underlying documents like bank statement nor they provided any satisfactory explanation to us regarding completeness of this balance. In absence of that, we are unable to determine any possible impact thereof on these consolidated Ind AS financial statements as at for the year ended March 31, 2023 and on the loss for the year ended March 31, 2023 and on the balance of borrowings and equity as on that date.
8. We draw attention to Note 12.1, Inventories which include Rs. 17.80 million pertaining to Educomp School Management Ltd, in respect of which the management of the Holding Company neither has any underlying documents like physical verification report nor they provided any satisfactory explanation to us regarding completeness of this balance. In absence of that, we are unable to determine any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance of inventory and on the equity as on that date.

9. As disclosed in Note 59 to the Consolidated Ind AS Financial Statements, the Educomp Software Limited, a step-down subsidiary didn't have any director on board and rest of the subsidiary Companies didn't have requisite number of directors on the board resulting in non-compliance with section 149 of the Companies Act 2013. Further the subsidiary companies are in noncompliance with various other provisions of the Companies Act 2013 and other statutes. The financial or other impact of these non-compliances on these Consolidated Ind AS Financial Statements is presently not ascertainable.
10. As mentioned in Note 3.2 to the Consolidated Ind AS Financial Statements, the Management of the Holding Company did not conduct physical verification of property, plant and equipment during the year. In absence of the same, we are unable to comment over existence, valuation and the extent of the adjustment, if any, required in respect of these assets as at March 31, 2023 and the resultant possible impact of the same on the loss for the year ended on that date and on the equity as on that date.
11. We draw attention to trade receivable at Note 13 of Rs. 1,187.42 million (net of accumulated loss allowance of Rs. 14,693.89 million) as on March 31, 2023, the management of the Holding Company is of the view that the same are good and fully recoverable in due course and hence no further loss allowance is required. In absence of sufficient appropriate audit evidences including balance confirmations, correspondences from parties and details of subsequent realization post March 31, 2023, we are unable to comment on the recoverability of the outstanding trade receivables of Rs. 1,187.42 million and the possible impact of the same on the carrying value of trade receivables, loss for the year ended March 31, 2023 and, on the equity, as on that date.
12. As mentioned in Note 33.2 to the Consolidated Ind AS Financial Statements, the Group follows Expected Credit Loss (ECL) model for measuring impairment loss allowance of its trade receivables. The ECL allowance or loss rate is computed based on a provision matrix which takes into account historical credit loss experience. However, for the computed loss rate as mentioned in Note 33.2 to the Consolidated Ind AS Financial Statements, we have not been provided with any underlying workings of such loss rate computed.  
  
Further, the Group has not taken effect of aforesaid loss rate in computation of impairment loss allowance, if any on trade receivables 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 loss allowance on the trade receivables balance as at March 31, 2023 and the loss for the year ended on that date and on the equity as on that date.
13. We draw attention to Note 14.1 of Consolidated Ind AS Financial Statements, "Balance with banks in current accounts" includes Rs. 28.84 million pertaining to subsidiaries companies in which we have neither received bank confirmation nor bank statements. In absence of sufficient and appropriate audit evidence, we are unable to comment upon any possible impact thereof on these consolidated Ind AS financial statements as at for the year ended March 31, 2023 and of the same on the carrying value of the bank balance, loss for the year ended on that date and equity as at that date.
14. We have neither got any direct confirmations nor we been provided with the statements for borrowings from banks and financial institutions by the Holding Company amounting to Rs. 11,970.00 million (net) as at March 31, 2023. Further, in case of bank borrowings amounting to Rs. 6,189.16 million wherein we have received the confirmations or bank statement, the amount recorded in the Standalone Ind AS Financial Statements is short by Rs. 2,186.46 million (net) in comparison to amounts reported in the confirmations or bank statement. In the absence of reconciliation and other alternative audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance of borrowings and equity as at March 31, 2023.
15. Balance in borrowings other than bank borrowings mentioned in paragraph 14 above, amounting to Rs.8,040.64 million as at March 31, 2023 are subject to confirmation. Borrowings other than bank borrowings amounting to Rs. 30 million wherein we have received the balance confirmation, the amount recorded in the Ind AS Financial Statements is short by Rs. 4.05 million. In the absence of any alternative audit evidence, we are unable to comment

on any possible impact thereof on the loss for the year ended 31st March, 2023 and on balance of borrowings and equity as at March 31, 2023.

16. As mentioned in Note 20.1 to the Consolidated Ind AS Financial Statements, the Holding Company has not accrued interest on borrowing post May 30, 2017, being Corporate Insolvency Resolution Process ("CIRP") commencement date. The amount of such interest not accrued is estimated to be Rs. 4,017.70 million for the year ended and Rs. 19,005.18 million as at March 31, 2023. This has resulted in understatement of financial liabilities by Rs. 19,005.18 million as at March 31, 2023; understatement of loss for the year by Rs. 4,017.70 million and overstatement of equity by Rs. 19,005.18 million as on that date.
17. As disclosed in Note 14.1 to the Consolidated Ind AS Financial Statements, the balance with banks in current account amounting to Rs. 7.45 million 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 March 31, 2023 is overstated by said amount along with overstatement of equity for the equivalent amount on that date.
18. As mentioned in Note 6.2 to the Consolidated Ind AS Financial Statements, the Company has fully amortized its intangible assets (knowledge based content) as per its accounting policy but the same continues to generate revenue for the company. In absence of re-assessment of the useful life of the intangible assets, we are unable to comment on the resultant impact of amortization on the loss for the year ended on March 31, 2023, carrying value of intangible assets and on the equity as on that date.
19. 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 of the holding company with aggregate amount of Rs. 0.23 million. In the absence of any alternative evidence, we are unable to comment on any possible impact thereof on the loss for the year ended March 31, 2023 and on the balance with banks as at March 31, 2023.
20. The Holding 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 the year ended March 31, 2023 and on the balance of borrowings and equity as on that date.
21. As disclosed in Note 47 to the Consolidated Ind AS Financial Statements, as per the Insolvency and Bankruptcy Code, 2016 and Regulations issued there under, the RP of the holding Company has received, verified and admitted the claims submitted by the creditors (Operational and Financial), employees and workmen of the Company aggregating to Rs. 30,437.72 million as on May 30, 2017. These claims have been taken into cognizance by Committee of the Creditors ("CoC") in its 12th meeting held on February 17, 2018, while approving the Resolution Plan of the Holding Company. The details of such claims have been disclosed in the said note. As represented by the Management/RP of the Holding Company, a reconciliation of the admitted claims vis-à-vis liabilities outstanding as at March 31, 2023 as per books of accounts has not been prepared and any impact thereof has not been considered in the preparation of these Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2023.

In absence of the above, we are unable to comment on appropriateness of carrying value of such liabilities as at March 31, 2023 and any possible impact of the same on the loss for the year ended on that date and equity as at that date.

22. As disclosed in Note 37(ii) to the Consolidated Ind AS Financial Statements, financial guarantees aggregating Rs. 13,346.06 million were issued to banks on behalf of its erstwhile 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 year. In absence of such measurement, we are unable to comment on the resultant impact thereof on the loss for the year ended March 31, 2023 and on the corresponding liability and equity as on that date.

23. As disclosed in Note 22.1 to the Consolidated Ind AS Financial Statements, the advance from customers includes amount of Rs.80.47 million received from non-corporate entities 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 Consolidated Ind AS Financial Statements is presently not ascertainable.
24. The Holding Company has not performed any evaluation for impairment of goodwill on consolidation in respect of its investment in subsidiaries. In absence of such assessment, we are unable to comment upon the appropriateness of carrying amount of such goodwill as at March 31, 2023 and on the resultant impact of the same on the loss for the year ended on that date and equity as on that date.
25. As explained in Note 46 to the Consolidated Ind AS Financial Statements regarding managerial remuneration paid to one of the whole time directors of the Holding Company during the quarter ended June 30, 2015 and 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.
26. As disclosed in Note 53 to the Consolidated Ind AS Financial Statements, the Holding Company is currently subjected to the investigations by Serious Fraud Investigation Office (SFIO), the Central Bureau of Investigation (CBI) and SEBI. As explained by the Management of the Holding Company, certain information has been requested by them from the Holding Company and the investigations are currently underway. As explained further, the Management (the Resolution Professional) is yet to get any orders or directions in this respect from the said Authorities till the date of signing this report. In absence of pending final outcome of the investigations, we are unable to comment on the consequential impact of these matters on these consolidated Ind AS financial statements as at and for the year ended March 31, 2023.
27. As disclosed in Note 54 to the Consolidated Ind AS Financial Statements, the Holding Company did not have any internal audit conducted during the year as required under sections 138 of the Act. The impact of the non-compliance on the accompanying Consolidated Ind AS financial statements is presently not ascertainable.
28. As disclosed in Note 55 to the Consolidated Ind AS Financial Statements, these Consolidated Ind AS Financial Statements are not authenticated by the Company Secretary of the Company which is not in compliance applicable provisions of the Act. Also, the impact of this non-compliance on the accompanying Consolidated Ind AS financial statements is presently not ascertainable.
29. As disclosed in Note 56 to the Consolidated Ind AS Financial Statements, these Consolidated Ind AS Financial Statements are not approved by the Chief Financial Officer of the Company which is not in compliance with section 134 (1) of the Act. The impact of this non-compliance on the accompanying Consolidated Ind AS Financial Statements is presently not ascertainable.
30. As disclosed in Note 57 to the Consolidated Ind AS Financial Statements, the Holding 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 and Service Tax 2017. The financial or other impact of these non-compliances on these Consolidated Ind AS Financial Statements is presently not ascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial

statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

### **Material Uncertainty Related to Going Concern**

#### **In respect of Holding Company**

We draw attention to Note 2A(c) to the Consolidated Ind AS Financial Statements, which indicates that the Holding Company has incurred substantial losses during the year, 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 Holding Company is under the CIR process. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, these Consolidated Ind AS Financial Statements have been prepared on a going concern basis as the management is of the view that the Holding Company has been able to discharge its operational liabilities from its internal accrual of funds till the date of this balance sheet and is also confident that the Holding Company would have sufficient fund balance to continue as going concern as stated in the said note.

Our opinion is not modified in respect of this matter.

#### **In respect of Subsidiary and Step-down subsidiary Companies**

We draw attention to Note 58 of the Consolidated Ind AS financial Statements of the Company wherein financial statements of these subsidiary companies (including one step down subsidiary company) are not available with the Group Management/ RP. Hence, in the absence of sufficient and appropriate audit evidence we could not comment on the subsidiary Companies (including one step down subsidiary company) ability to continue as going concern.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Adverse Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

#### **Emphasis of Matter**

##### **We draw attention to the following matters in respect of Holding Company:**

- (a) Note 2A(a) to Consolidated Ind AS Financial Statements, wherein it is stated that CIRP has been initiated in the name of the Holding company vide an order of the principal bench of the Hon'ble NCLT dated May 30, 2017 under the provision of Insolvency and Bankruptcy Code, 2016. Pursuant to the order, the management of the affairs of the Holding Company and powers of board of directors of the Holding Company are now vested with the Resolution Professional (RP), who is appointed by the CoC. Accordingly, these consolidated Ind AS financial statement have been prepared and approved by RP.
- (b) Note 37 and Note 1(b) to the consolidated Ind AS Financial Statements, considering the moratorium period, status of contingent liabilities has been disclosed till the date of admission of insolvency application of the Holding Company under the Insolvency and Bankruptcy Code, 2016 i.e., May 30, 2017. Further, claims aggregating to Rs. 1,659.20 million have been admitted by the RP against guarantees issued on behalf of erstwhile subsidiaries companies but the same have not been recorded in the books of accounts and continues to be shown under contingent liabilities.
- (c) Note 17.2 of the Consolidated Ind AS Financial Statements for investments written off pertaining to one of the subsidiary company Educomp School Management Ltd (ESML) which is holding investment in equity shares of

Educomp Infrastructure & School Management Ltd (EISML) for Rs.72.55 Million. The Investee company EISML has undergone CIRP and a resolution plan has already been approved by Hon'ble NCLT Chandigarh vide its order dated 14.12.2020 which has no provision for any distribution to shareholders. Consequently, the said investment of Rs. 72.55 million has got fully impaired but the same has not been duly recognized and accounted for in the financial statements of ESML. However, the same has been considered in the consolidated financial statements and said investment has been fully written off during the financial year 2019-20.

- (d) Note 19 & 50 on Trade Payable due to MSME where 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 MSMEs pertaining to the pre-CIRP period as these dues would be settled in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.
- (e) Note 7B.5 of the Consolidated Ind AS Financial Statements where it is stated that Edu Smart Services Private Limited was undergoing liquidation proceedings under the Insolvency and Bankruptcy Code, 2016. As on 31st March, 2023, the following balances are appearing in the name of Edu Smart Services Private Limited (ESSPL).

Particulars	Amount (in millions)
Investment in Preference Shares	515.90
Trade Receivable	9784.55
Receivable against Corporate Guarantee	258.19

\* The Company has fully provided for the above balances.

The Hon'ble NCLT, New Delhi vide its Order dated 25.04.2023 has approved a Revival Plan for ESSPL. Under the Revival Plan the Company has been allotted 0.01% Non-Cumulative, Redeemable, Non-Convertible Preference shares of ESSPL as stated below.

No. of Shares	Face Value of Share	Amount (in millions)	Remarks
10,000	Rs. 100	1.00	Allotted in lieu of Investment
9,77,17,495	Rs. 100	9,771.75	Allotted in lieu of Trade Receivable

There is no provision in the Revival Plan for settlement of Receivables against Corporate Guarantee.

Any adjustment required in the books pursuant to Approved Revival Plan would be made in the Financial Year 2023-24.

Our opinion is not modified in respect of the above matters (a) to (d).

#### Other Information

In view of ongoing CIRP, the Resolution Professional ("the RP") is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, Report on Corporate Governance and Annexures to Board's Report, but does not include the Standalone Ind AS Financial Statements, Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Board's Report, Report on Corporate Governance and Annexures to Board's Report are not made available to us as

at the date of this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Resolution Professional of the Holding Company appointed by the Committee of Creditors (CoC) pursuant to the order passed by the Hon'ble NCLT, with whom the management of the affairs of the Holding Company and the powers of the Board of Directors of the Holding Company are now vested after the commencement of Corporate Insolvency Resolution Process ("CIRP") w.e.f. May 30, 2017 under the provisions of Insolvency & Bankruptcy Code, 2016 ("Insolvency Code"), is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group and of its associate, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Further, as per section 134 of the Act, the Consolidated Ind AS Financial Statements of a company are required to be authenticated by the chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the pendency of CIRP, as per the Insolvency Code, and pursuant to the order passed by the Hon'ble NCLT, the powers of the Board of the Directors are now vested with the RP. Accordingly, these Consolidated Ind AS Financial Statements are approved by the RP [refer note 2A (a) of the Consolidated Ind AS Financial Statements and paragraph (a) under Emphasis of Matter].

In preparing the consolidated Ind AS financial statements, RP of the Holding Company and the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

#### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiaries and its associate, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors/management/RP (refer note 2A(a) of the Consolidated Ind AS Financial Statements and paragraph "(a)" under Emphasis of Matter paragraph).
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which are neither approved by their management nor audited by other auditors, management of holding company remain responsible for the preparation and consolidation of these financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) The consolidated Ind AS financial statements include Group's share of net profit of Rs. 2.51 million for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose Ind AS financial statement have not been audited by us. These Ind AS financial statements/financial information of the associate, have been audited by other auditors, whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the associate company is based solely on such reports of other auditor of the associate.

Our opinion on the consolidated Ind AS financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor on the associate company and the Ind AS financial statements/financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and, except for the matters described in the Basis for Adverse Opinion section of our report, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. Except for the matters described in the Basis for Adverse Opinion section of our report, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of these books and the reports of the other auditor in relation to associate company.;
- c. Except the matters described in the basis of opinion section of our report in our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, except for the matters described in the Basis for Adverse Opinion section of our report, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued there under;
- e. The matters described in the Material Uncertainty Related to Going Concern / Basis for Adverse Opinion section of our report, in our opinion, may have an adverse effect on the functioning of the Group including its associate;
- f. In respect of Holding Company, we have not received written representation from any of the directors of the holding company as on March 31, 2023. In the absence of written representation, we are unable to comment whether the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.

Further, we were not provided with approved and audited financial statements of 7 subsidiary companies (Including one step down subsidiary company). In absence of the auditor's report, we are unable to comment on the disqualification of directors of these subsidiary companies (including one step down subsidiary company) as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

- g. The qualification/ reservation/ adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section of our report;

- h. With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 1". Our report expresses a Disclaimer of Opinion on the Group's internal financial controls over financial reporting for the reasons stated therein;
- i. In accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us by the Holding Company, no remuneration has been paid to their directors during the year by the Holding Company and associate company and accordingly the provisions of section 197 of the Act are not applicable;

In relation to 7 subsidiary companies, audit report and director's report is not provided and hence we are unable to report under this clause;

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) Except for the matters described in the Basis of Adverse Opinion paragraph above, the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate— Refer Note 37.1 to the consolidated Ind AS financial statements; Also refer paragraph "(b)" under Emphasis of Matter paragraph on Contingent Liabilities;
- (ii) Except for the possible effects of the matters described in the Basis of Adverse Opinion paragraph, provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) In respect of Holding Company, an amount of Rs. 0.31 million on account of unpaid dividend pertaining to FY 2011-12 (declared on 30th May, 2012) has not been transferred to Investor Education fund which was required to be transferred to Investor Education and Protection Fund by 05th July, 2019.

In absence of auditor's report of its subsidiary companies (including one step down subsidiary company), we are unable to comment under this clause.

Further, in respect of Associate Company, no amount is required to be transferred to the Investor Education and Protection Fund.

- (iv) (a) The management of the Holding Company has represented that to the best of its knowledge and belief as disclosed in Note 69(A), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the holding company to or in any other persons or entities, including foreign entities ('intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management of the Holding Company has represented that to the best of its knowledge and belief as disclosed in Note 69(B), no funds have been received by the Holding Company from any persons or entities including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under clause (a) and (b) contain any material mis-statement. However, in absence of auditor's report of

the subsidiary companies (including a step-down subsidiary), we are unable to comment under this clause.

- (v) The Holding Company has not declared or paid any dividend during the year. Accordingly, the provision of section 123 of the Act is not applicable to the Holding Company.

We have not been provided with the Audited Financial Statements of the Subsidiary Companies (Including one Step Down Subsidiary). Hence, we cannot comment on section 123 applicability/ compliance on the Subsidiary Companies.

Further, the Audit Report of the Associate Company states that no dividend has been declared or paid during the year by the Associate Company. Accordingly, the provision of section 123 of the Act is not applicable to the Associate Company.

- k. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, to be included in Auditor's Report, and based on the CARO Report issued by us for the Holding Company, we report that there are no qualification or adverse remarks in these CARO reports except the following;

Name of the Company	CIN No.	Holding Company/ Subsidiary	Clause No. of the CARO Report
Educomp Solutions Limited	L74999DL1994PLC061353	Holding Company	Clause (i)(a), (i)(b), (iv), (v), (vii)(a), (vii)(b), (ix)(a), (xi)(a), (xi)(c), (xiii), (xiv) and (xvii).

In respect of Associate Company included in the Consolidated Financial Statements, there are no qualification/ Adverse Remarks given by the other Auditor in the CARO report.

Further in the absence of auditor's reports in respect of the subsidiary companies (including one step-down subsidiary) which are included in the Consolidated Financial Statements we cannot comment on the Qualification/ Adverse Remarks, if any, on these Subsidiary Companies.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 007814N

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Date: 30.09.2023  
Place: New Delhi  
UDIN : 23524345BGZZWA9543



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Educomp Solutions Limited on the consolidated Ind AS financial statements for the year ended March 31, 2023]

**Report on the Internal Financial Controls with reference to Financial Statements under clause(i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Educomp Solutions Limited ("Holding Company") as of and for the year ended March 31, 2023, we were engaged to audit the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to the financial statements of Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to financial statements of the Holding Company its subsidiary Companies and its associate companies, which are companies incorporated in India.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion****In respect of the Holding Company**

According to the information and explanation given to us and based on our audit, the Holding Company has not

established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023.

**In respect of Subsidiary and Associate Companies**

- I. In respect of 7 subsidiary companies (Including one step down subsidiary) which are the companies incorporated in India and whose financial statements have not been made available and in absence of any evidences provided by the management of the Holding Company with respect to establishment of an internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI, we are unable to comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting in respect of these subsidiary companies as at March 31, 2023.
- II. In respect of 1 associate company which is company incorporated in India, we considered the reporting of other auditor, which mention that section 143(3)(i) of the Companies Act 2013 is not applicable with respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls vide notification number G.S.R. 583 (E) dated 13th June 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Group and its associate, and resultant effect of it on our opinion on the consolidated Ind AS financial statements of the Group and its associates.

For **Kumar Vijay Gupta & Co.**

Chartered Accountants

ICAI Firm Registration No.: 007814N

Sd/-

**Gopal Garg**

Partner

Membership No.: 524345

Date: 30.09.2023

Place: New Delhi

UDIN : 23524345BGZZWA9543

**Consolidated Balance sheet as at March 31, 2023** (All amount in Rs. million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at April 01, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	943.24	945.59
Other Intangible assets	6	0.29	-
Capital work-in-progress	4	-	-
Goodwill	5	2.22	2.22
investments accounted using equity method	7A	170.94	168.43
<b>Financial assets</b>			
i) Investments	7B	-	-
ii) Loans	8	3.41	3.41
iii) Other financial Assets	9	0.93	0.20
Deferred tax assets (net)	31	0.25	0.25
Non-current tax assets (net)	10	3.48	3.90
Other non-current assets	11	0.10	0.13
<b>Total</b>		<b>1,124.86</b>	<b>1,124.13</b>
<b>Current assets</b>			
Inventories	12	19.82	19.82
<b>Financial assets</b>			
i) Trade receivables	13	1,187.42	1,190.35
ii) Cash and Cash equivalents	14.1	67.41	79.20
iii) Bank balances other than (ii) above	14.2	126.01	147.96
iv) Loans	8	25.96	25.76
v) Other Financial Assets	9	2.90	8.39
Current tax assets (net)	10	8.28	8.28
Other current assets	15	52.48	77.67
<b>Total</b>		<b>1,490.28</b>	<b>1,557.43</b>
<b>Total Assets</b>		<b>2,615.14</b>	<b>2,681.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	16	244.93	244.93
b) Other equity	17		
i) Equity component of compound financial instruments		524.45	524.45
ii) Reserves and surplus		(30,943.88)	(30,144.04)
		<b>(30,174.50)</b>	<b>(29,374.66)</b>
<b>Non controlling interest</b>	<b>40B</b>	<b>14.92</b>	<b>14.92</b>
<b>Total Equity</b>		<b>(30,159.58)</b>	<b>(29,359.74)</b>

Contd.....

**Consolidated Balance sheet as at March 31, 2023** (All amount in Rs. million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at April 01, 2022
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
I) Borrowings	18	414.21	363.32
Provisions	21	2.33	1.98
<b>Total</b>		<b>416.54</b>	<b>365.30</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	18	26,162.40	25,644.81
ii) Trade payables	19		
Due to micro and small enterprises		11.54	11.54
Due to others		1,469.41	1,389.99
iii) other financial liabilities	20	4,419.47	4,330.06
Provisions	21	0.08	0.09
Other current liabilities	22	295.28	299.51
<b>Total</b>		<b>32,358.18</b>	<b>31,676.00</b>
<b>Total liabilities</b>		<b>32,774.72</b>	<b>32,041.30</b>
<b>Total Equity and liabilities</b>		<b>2,615.14</b>	<b>2,681.56</b>

Summary of significant accounting policies

2

The accompanying notes form an integral part of these financial statements

1 to 73

As per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.:007814N

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

Sd/-

**Gopal Garg**

Partner

Membership No.: 524345

Sd/-

**Mahender Kumar Khandelwal**

Resolution Professional

Regn. No IBBI/IPA-001/IP-P00033/2016-17/10086

Place : New Delhi

Date : 30/09/2023

UDIN : 23524345BGZZWA9543

Place : New Delhi

Date : 30/09/2023

**Consolidated Statement of Profit and loss for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I. Revenue from operations	23	39.82	13.81
II. Other income	24	11.07	26.35
<b>III. Total Income (1 + II)</b>		<b>50.89</b>	<b>40.16</b>
<b>IV. Expenses</b>			
Purchase of stock-in-trade	25	-	-
Changes in inventories of work in progress and stock-in-trade	26	0.01	0.44
Employee benefit expense	27	24.13	21.24
Finance cost	28	51.00	44.82
Depreciation, amortisation and impairment expense	29	3.11	4.17
Other expense	30	774.98	404.85
<b>Total expenses (IV)</b>		<b>853.23</b>	<b>475.52</b>
<b>V. Loss before exceptional items, share of net loss of investment accounted for using equity method and tax (III - [V])</b>		<b>(802.34)</b>	<b>(435.36)</b>
VI. Share of profit/ (loss) of associates (net of tax)	42	2.44	(8.49)
<b>VII. Loss before exceptional items and tax (V - VI)</b>		<b>(799.90)</b>	<b>(443.85)</b>
VIII. Exceptional items	31	-	-
<b>IX. Loss before tax (VIII - IX)</b>		<b>(799.90)</b>	<b>(443.85)</b>
X. Tax expense	32		
a) Current tax		-	-
b) Deferred tax		-	-
<b>X1. Loss for the year (X - XI)</b>		<b>(799.90)</b>	<b>(443.85)</b>
<b>XIi. Other comprehensive income</b>			
i. Items that will not be reclassified to profit or loss			
Re-measurement of the defined benefit plan		(0.01)	(0.15)
Revaluation of Land		-	-
ii. Share of profit/ (loss) of associate (net of tax)	42	0.07	0.73
<b>XIII. Total comprehensive loss for the year (XI + XII)</b>		<b>(799.84)</b>	<b>(443.27)</b>
Loss attributable to :			
Owners of the company		(799.90)	(443.85)
Non-controlling interest		-	-
Other comprehensive income attributable to :			
Owners of the company		0.06	0.58
Non-controlling interest		-	-
Total comprehensive loss attributable to :			

**EDUCOMP SOLUTIONS LIMITED****Consolidated Statement of Profit and loss for the year ended March 31, 2023**

(All amount in Rs. million, unless otherwise stated)

<b>Particulars</b>	<b>Notes</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Owners of the company		(799.84)	(443.27)
Non-controlling interest		-	-
<b>Earnings per equity share</b> (Nominal value of Rs. 2 per share)	48		
a) Basic (in Rs.)		(6.53)	(3.62)
b) Diluted (in Rs.)		(6.53)	(3.62)
Summary of significant accounting policies	2		

The accompanying notes form an integral part of these financial statements 1 to 73

AS per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.:007814N

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

Date: 30.09.2023  
Place: New Delhi  
UDIN : 23524345BGZZWA9543

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

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

Place : New Delhi  
Date : 30.09.2023

**Consolidated Statement of Changes in equity for the year ended March 31, 2023**

A.) Equity share capital	(in Rs. millions)
As at April 01, 2021	244.93
Changes in equity share capital	-
As at March 31, 2022	244.93
Changes in equity share capital	-
As at March 31, 2023	244.93

(Rs. In millions unless otherwise stated)

B.) Other equity	Reserves & Surplus									Total attributable to owners of the company	Non controlling interest (Refer note 40B)	Total equity
	Equity Component of Compounded financial instruments	Other Comprehensive Income	Capital Reserve	Security premium reserve	Employee stock option outstanding account	General reserve	FCMITDA	Retained earnings	Foreign currency translation reserve			
Balance as at April 01, 2022	524.45	34.00	411.66	10,240.32	-	1,198.29	-	(42,028.31)	-	(29,619.59)	14.92	(29,604.67)
Loss for the year	-	-	-	-	-	-	-	(799.90)	-	(799.90)	-	(799.90)
Other comprehensive income for the year												
- Re-measurement of the defined benefit plan	-	0.06	-	-	-	-	-	-	-	0.06	-	0.06
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss during the year	-	0.06	-	-	-	-	-	(799.90)	-	(799.84)	-	(799.84)
On issue of shares (including shares issued under employee stock option schemes)	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation provided	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation reversed	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency monetary item translation difference created during the year	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency monetary item translation difference amortised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings on account of loss of control	-	-	-	-	-	-	-	-	-	-	-	-
Impact of loss of control	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation cost reversal on forfeiture	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Additions/(Deletions) during the year.</b>	-	<b>0.06</b>	-	-	-	-	-	<b>(799.90)</b>	-	<b>(799.84)</b>	-	<b>(799.84)</b>
<b>Balance as at March 31, 2023</b>	<b>524.45</b>	<b>34.06</b>	<b>411.66</b>	<b>10,240.32</b>	<b>-</b>	<b>1,198.29</b>	<b>-</b>	<b>(42,828.21)</b>	<b>-</b>	<b>(30,419.43)</b>	<b>14.92</b>	<b>(30,404.51)</b>

Contd.

**Consolidated Statement of Changes in equity for the year ended March 31, 2023**

(Rs. In millions unless otherwise stated)

Particulars	Reserves & Surplus									Total attributable to owners of the company	Non controlling interest (Refer note 40B)	Total equity
	Equity Component of Compounded financial instruments	Other Comprehensive Income	Capital Reserve	Security premium reserve	General reserve	FCMITDA	Retained earnings	Foreign currency translation reserve				
Balance as at April 01, 2021	524.45	33.42	411.66	10,240.32	-	1,198.29	-	(41,584.46)	-	(29,176.32)	14.92	(29,161.40)
Loss for the year	-	-	-	-	-	-	-	(443.85)	-	(443.85)	-	(443.85)
Other comprehensive income for the year												
- Re-measurement of the defined benefit plan	-	0.58	-	-	-	-	-	-	-	0.58	-	0.58
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss during the year	-	0.58	-	-	-	-	-	(443.85)	-	(443.27)	-	(443.27)
On issue of shares (including shares issued under employee stock option schemes)	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation provided	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation reversed	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency monetary item translation difference created during the year	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments												
Foreign currency monetary item translation difference amortised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings on account of loss of control	-	-	-	-	-	-	-	-	-	-	-	-
Impact of loss of control	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation cost reversal on forfeiture	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Additions/(Deletions) during the year.</b>	<b>-</b>	<b>0.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(443.85)</b>	<b>-</b>	<b>(443.27)</b>	<b>-</b>	<b>(443.27)</b>
<b>Balance as at March 31, 2022</b>	<b>524.45</b>	<b>34.00</b>	<b>411.66</b>	<b>10,240.32</b>	<b>-</b>	<b>1,198.29</b>	<b>-</b>	<b>(42,028.31)</b>	<b>-</b>	<b>(29,619.59)</b>	<b>14.92</b>	<b>(29,604.67)</b>

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.:007814N

Sd/-

**Gopal Garg**

Partner

Membership No.: 524345

Place : New Delhi

Date : 30-09-2023

UDIN : 23524345BGZZWA9543

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

Sd/-

**Mahender Kumar Khandelwal**

Resolution Professional

Regn. No IBBI/IPA-001/IP-P00033/2016-17/10086

Place : New Delhi

Date : 30-09-2023



## EDUCOMP SOLUTIONS LIMITED

Consolidated Statement of Cash Flows for the year ended March 31, 2023 (All amount in Rs. million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flows from operating activities</b>		
<b>Net (Loss) before taxation as per Statement of Profit and Loss</b>	<b>(799.90)</b>	<b>(443.85)</b>
Adjusted for :		
Share of loss/(profit) of associates	(2.44)	8.49
Loss allowance on trade receivable	-	26.35
Provision for Inventory	(0.11)	(1.46)
Provision for doubtful debts/ advances	15.36	-
Liabilities/provisions no longer required written back	(3.72)	-
Bad debts and advances written off	3.42	2.33
Depreciation, amortisation and impairment expense	3.11	4.17
Unrealised Foreign exchange loss (net)	684.00	300.74
Interest income	(7.31)	(26.29)
Finance cost	51.00	44.82
Provisions for employee benefits	0.45	0.40
<b>Operating loss before working capital changes</b>	<b>(56.14)</b>	<b>(84.30)</b>
Adjusted for :		
(Increase)/ decrease in trade receivables	5.31	17.82
(Increase) in loans	(0.22)	(0.29)
(Increase) in other financial assets	4.89	17.34
(Increase) in other assets	9.78	(29.29)
Increase/(decrease) in bank balances other than cash and cash equivalents (restricted bank deposits)	21.95	32.98
Increase in trade & other payables	(0.51)	8.24
Increase/(decrease) in financial liabilities	0.86	(0.18)
Increase/(decrease) in others liabilities	(4.23)	(21.36)
Increase/(decrease) in provisions	(0.13)	(0.36)
Increase/(decrease) in inventory	0.11	1.91
<b>Cash generated from/(used in) operations</b>	<b>(18.33)</b>	<b>(57.49)</b>
(Payment of Taxes)/ refunds, net	0.42	31.30
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(17.91)</b>	<b>(26.19)</b>
Cash flows from investing activities		
Purchase of property, plant & equipment (including capital work in progress)	(1.05)	(2.11)
Interest received	7.18	26.19
<b>Net cash generated from investing activities (B)</b>	<b>6.13</b>	<b>24.08</b>

## EDUCOMP SOLUTIONS LIMITED

**Consolidated Statement of Cash Flows for the year ended March 31, 2023** (All amount in Rs. million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Proceeds from current borrowings	-	-
Interest on borrowings	-	-
<b>Net cash generated from / (used) in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Effect of exchange rate changes (D)</b>	<b>-</b>	<b>-</b>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(11.78)	(2.11)
Opening cash and cash equivalents	79.20	81.31
Closing cash and cash equivalents	67.42	79.20

**Reconciliation of components of cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks-on current accounts		
Balances with banks-on current accounts (Refer note 14.1)	46.14	47.75
Cash on hand (Refer note 14.1)	20.38	30.56
Stamp in hand (Refer note 14.1)	0.89	0.89
	<b>67.41</b>	<b>79.20</b>

Notes:

Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".  
As per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.:007814N

Sd/-

**Gopal Garg**

Partner

Membership No.: 524345

Date: 30.09.2023

Place: New Delhi

UDIN : 23524345BGZZWA9543

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

Sd/-

**Mahender Kumar Khandelwal**

Resolution Professional

Regn. No IBBI/IPA-001/IP-P00033/2016-17/10086

Place : New Delhi

Date : 30.09.2023

Educomp Solutions Limited

Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2023

## 1. Background

- (a) Educomp Solutions Limited (the Holding Company) and its subsidiaries, associates and joint ventures (collectively referred to as “the Group” are engaged in providing end-to-end solutions in the education technology domain through licensing of digital content, solutions for bridging the digital divide (a government initiative to enhance computer literacy), professional development and retail & consulting initiatives. The Group's business can be categorised into four strategic business units namely School Learning Solutions (comprising of Smart Class & Edureach (ICT) business), K-12 Schools (comprising preschools & high schools), Higher Learning Solutions (comprising of vocational, higher education and professional development) and Online, Supplemental & Global business (comprising of internet based educational services and coaching) spreading education ecosystem. The Holding Company was incorporated in September 7, 1994 under the erstwhile companies Act, 1956. The Holding Company is domiciled in India having its registered office at 1211, Padma tower-1, 5, Rajendra place, New Delhi-110008.

The Holding Company is listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange) NSE in India.

The Group management, on the basis of their assessment, has concluded that the group no longer controls 5 of the subsidiaries, incorporated outside india, namely Edumatics corporation Inc. USA, Savvica Inc., Canada, Educomp Intelliprop Ventures Pte Ltd, Educomp Global Holding WLL, Bahrain and Educomp Global FZE and accordingly, has not consolidated financial statements of these subsidiaries as at and for the year ended March 31'2019.

### (b) In respect of the Holding Company:

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 (for details refer note 2(a)). 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 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.

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.

### **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 period 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.

## **2A. Basis for preparation**

### **(a) Statement of compliance**

These Consolidated Ind AS financial statements (“financial statements”) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act.

These financial statements for the year ended March 31, 2022 are the financial statements that are prepared in accordance with Ind AS.

A corporate insolvency resolution process (“CIRP”) has been initiated in case of the Holding Company vide an Order of the Principal Bench of the National Company Law Tribunal (“NCLT”) dated May 30, 2017 under the provisions of the Insolvency Code. (For details refer note 1(b)). Pursuant to the Order, the management of the affairs of the Holding Company and powers of board of directors of the Holding Company are now vested with the Resolution Professional (“RP”), who is appointed by the Committee of Creditors (“CoC”). These consolidated financial statements for the year ended March 31, 2022 have been prepared by the Holding Company, RP and his team. In view of the legal opinion received by the RP from a legal firm, the Consolidated Financial Statements have been approved by the RP and presented to the auditors for their report thereon. Accordingly, these consolidated financial statements of the Group for the year ended March 31, 2023 have been approved by the RP of the Holding Company on September 30, 2023.

### **(b) Historical cost convection**

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

### **(c) Going Concern**

#### **In respect of ESL, the Holding Company**

The Holding 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 IBC for CIRP. All these conditions has raised substantial doubt about the Holding Company's ability to continue as a going concern.

The management is of the view that the Holding Company has been able to fund its operational liabilities from its internal accrual of funds till the date of this balance sheet and is also confident that the Holding Company is having sufficient fund balance to continue as going concern till foreseeable future. Further, the management is also confident to agree on a resolution plan/business revival plan for the Holding Company during this ongoing CIRP process. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments 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.

**(d) Principles of consolidation**

**Subsidiaries**

The Holding Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and unrealized profits in full. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. Even if this results in the non-controlling interests having a deficit balance.

**Joint Venture**

Interests in joint ventures are accounted for using the equity method after initially being recognize at cost in the consolidated balance sheet.

**Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, mentioned below, after initially being recognized at cost.

**Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Company's share of loss in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other shareholder(s).

Unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also estimated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amounts of investments in associates are reduced to recognized impairment, if any, when there is objective evidence of impairment.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Companies separate financial statements.

#### **Loss of control**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transaction with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

#### **(e) Functional currency:**

The consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency of the Holding Company as Functional currency is the currency of the primary economic environment in which the entity operates.

#### **(f) Rounding off**

All the amounts have been rounded off to nearest millions or decimal thereof, unless otherwise indicated. The sign '0.00' in these consolidated financial statements indicates that the amounts involved are below INR ten thousand and the sign '-' indicates that amounts are nil.

#### **(g) Current/Non-current classification of assets/liabilities**

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to The Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for

the purpose of current/non-current classification of assets and liabilities. However, operating cycle for the business activities of the Group covers the duration of the specific project/contract/product line/service and extends up to the realisation of receivables within the agreed credit period normally applicable to the respective lines of business.

## **2B. Summary of significant accounting policies**

### **a) Segment reporting**

#### **Identification of segments:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's operating businesses are organized and managed separately in according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The board of directors of the Holding Company through Resolution Professional assesses the financial performance and position of the Group, and makes strategic decisions. They together have been identified as being the chief operating decision maker.

#### **Intersegment transfers:**

The Group generally accounts for inter-segment sales and transfers at cost.

#### **Allocation of common cost**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### **Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment and include interest expense and income tax.

#### **Segment accounting policy**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

### **b) Property, Plant and Equipment**

Freehold land is carried at historical cost. Other property, plant and equipment are stated at cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Where cost of a part of the asset is significant to the total cost of the asset and the useful life of the part is different from the remaining asset, then useful life of that part is determined separately and accounted as separate component.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are



charged to the statement of profit and loss during the reporting period in which they are incurred.

Losses arising from the retirement of, and gain or losses arising from disposal of tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

**c) Intangible assets**

An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Cost of an internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss.

**d) Capital work-in-progress**

Capital work-in-progress represents expenditure incurred in respect of capital projects are carried at cost. Cost includes related acquisition expenses, development costs, borrowing costs (wherever applicable) and other direct expenditure.

**e) Depreciation and amortization methods, estimated useful lives and residual value**

Depreciation on all property, plant and equipment is charged to the statement of profit and loss on a straight line basis, except certain items of PPE which are depreciated using diminishing basis. The depreciation is charged upto 95% of the total cost of the asset over the useful life of assets as estimated by the management.

Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs, effective 1 April 2014, the management has reassessed and revised wherever necessary the useful lives of the assets, so as to align them with the ones prescribed under schedule II of the Companies Act, 2013. Management reviews the method and estimations of residual values at each financial year end.

The useful lives estimated by the management are as follows:

<b>Particulars</b>	<b>Useful life (years)</b>
Building*	60
Building on Leasehold Land (In case of ELPL)	15
Furniture and fixtures	5-10
Office equipment	5
Vehicle	8
Computer equipment	3
Computer software	6

\*The Management has assessed the estimate of useful life of the Electrical and External work as 24 years and 15 years respectively.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready to use. Depreciation on sale / deduction of fixed assets is provided for upto the date of sale, deduction, discernment as the case may be.

Cost of leasehold improvements is charged to income on a straight line basis over the period of lease and the useful life of leasehold improvements, whichever is shorter.

Amortization on the intangible assets is provided on pro-rata basis on the straight-line method based on management's estimate of useful life, i.e. 3 years for software and 4 years for knowledge-based content. Licensed intangible assets are amortised over the period of license or expected useful life, whichever is shorter.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**f) Revenue recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard requires apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five step model. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contract. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018) and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

Refer note 2B(f) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the group and revenue can be reliably measured.

The Group derives its revenue from sale, supply and installation of educational products & rendering of educational services and leasing out infrastructure facilities.

Revenue from sale of educational products including technology equipments are recognised as and when significant risk and rewards of the ownership of goods gets transferred to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties, if any.

Revenue under Build, Own, Operate and Transfer (“BOOT model”) contracts is recognized on upfront basis in the statement of profit and loss on the initiation of the contracts. These contracts are considered and evaluated as per Appendix “C” to IND AS 17. Also, refer note 2B.I of the significant accounting policies.

Revenue from educational support services are recognised in the accounting period in which services are rendered.

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

## **g) Investment and other financial assets**

### **g.1. Classification**

The Group classifies its financial assets in the following measurement categories:

- i. those to be measured at fair value (either through other comprehensive income, or through profit or loss),
- ii. those measured at amortized cost; and
- iii. Investment in equity of subsidiaries, joint ventures and associates are accounted and carried at cost less impairment in accordance with Ind AS 27.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### **g.2. Initial Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit and loss.

### **g.3. Subsequent Measurement:**

#### **g.3.1 Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

#### **Amortised cost:**

Assets that are held for collection of contractual cash flows with specified dates and where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is

included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the consolidated statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit and loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through consolidated statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the consolidated statement of profit and loss and presented net in the consolidated statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### **g.3.2 Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

Investments in joint ventures/associates

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

### **g.4. Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carries at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the

receivables. The Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### g.5. Derecognition of financial asset

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### h) Financial Liabilities

#### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

The fair value of the liability portion of optionally convertible bonds is determined using a market interest rate for equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings, where there is a change in the terms of the agreements whether monetary, non-monetary or both shall be accounted for as an modification or an extinguishment of the original financial liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in the consolidated statement of profit and loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the operating

cycle of the business. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, if any.

#### **Financial Guarantee Contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of impairment loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

#### **l) Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. Cost of inventories comprises all cost of purchases inclusive of duties (except the refundable component) and other incidental expenses incurred in bringing such inventories to their present location and condition. In determining the cost, moving weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

#### **j) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **k) Income taxes**

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognized in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized in 'Other comprehensive income' or directly in equity, in which case the tax is recognized in 'Other comprehensive income' or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities arising on the temporary differences and to unused tax losses.

#### **Current tax**

Calculation of current tax is based on tax rates applicable for the respective years on the basis of tax law enacted or substantially enacted at the end of the reporting period. Current income tax assets and/or

liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/un-recovered at the reporting date. Current tax is payable on taxable profit, which differs from the profit or loss in the financial statements. Current tax is charged to consolidated statement of profit and loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

#### **Deferred taxes**

Deferred income taxes are calculated, without discounting using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities and their tax bases using the tax laws that have been enacted or substantively enacted by the reporting date. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses available to be carried forward and other income tax credits available to the entity are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax arising during the holiday period is not recognised to the extent that the management expects its reversal during holiday period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating income at each reporting date.

Deferred tax assets and liabilities are offset only when the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

#### **Minimum Alternative Tax (MAT)**

Minimum alternate tax credit entitlement paid in accordance with tax laws, which gives rise to future economic benefit in form of adjustment to future tax liability, is considered as an asset to the extent management estimates its recovery in future years.

### **I) Leases**

#### **Operating lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

#### **Where the Group is lessee:**

Lease rentals in respect of operating lease arrangements including assets taken on operating lease are recognized as an expense in the Consolidated Statement of Profit and Loss on straight line basis over the **lease term**.

#### **Where the Group is lessor:**

Lease income on an operating lease arrangement is recognized in the Consolidated Statement of Profit and Loss on straight line basis over the lease term.

#### **Finance lease**

#### **Where the Group is lessee**

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental

to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Consolidated Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset as determined by the management or the useful life envisaged in Schedule II to the Act, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

**Where the Group is the lessor:**

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Consolidated Statement of Profit and Loss.

**m) Foreign exchange transactions**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary item, which are measured in terms of historical cost denomination in a foreign currency, are reported using the exchange rate at the date of transaction. Except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Monetary assets and liabilities outstanding as at Balance Sheet date are restated at the rate of exchange ruling at the reporting date.

**Exchange difference**

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year or reported in previous Financial Statements (other than those relating to fixed assets and other long term monetary assets) are recognised as income or as expenses in the year in which they arise.

**n) Impairment of non-financial assets**



Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Consolidated Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

**o) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**p) Share-based payment**

The Group operates equity-settled share-based remuneration plans for its employees, where persons are rewarded using share-based payments, the fair values of services rendered by employees and others are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model.

In the case of employees and others providing similar services, the fair value is measured at the grant date. In the case of franchisees, consultants and investors the fair value is determined as services are received, using average fair values during each year. The fair value excludes the impact of non-market vesting conditions.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to

become exercisable.

Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in capital.

**q) Borrowing Cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**r) Contingent liabilities, contingent assets and provisions**

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

**Contingent Assets**

Possible inflows of economic benefits to the entity that do not yet meet the recognition criteria of an asset are considered contingent assets.

**Provisions**

A provision is recognized when the Group has a present obligation or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All repairs and maintenance cost of hardware sold under the contracts during the remaining contract period is borne by the Group on the basis of experience of actual cost incurred in servicing such hardware during the previous financial year. Provision are not recognised for future operating losses.

Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain and the amount of recovery can be measured reliably. The expense relating to any provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

**s) Equity and Reserves**

Share capital represents the nominal value of shares that have been issued.

Proceeds received in addition to the nominal value of the shares issued during the year have been included in "additional paid-in capital".

**t) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issued to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

**u) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**v) Employee benefits****Short term employee benefits**

Short term benefits comprise of employee costs such as salaries, bonuses, and accumulated absences are accrued in the year in which the associated services are rendered by employees of the Group and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long term employee benefits**

The liabilities for accumulated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of Indian Government at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit and loss.

**Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, pension, post-employment medical plans; and
- (b) defined contribution plans such as provident fund.

**Pension and gratuity obligations**

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

#### **Defined contribution plan**

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The entity has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution.

Contributions to Provident Fund, Labour Welfare Fund and Employee State Insurance are deposited with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss on accrual basis. The Group has no further obligations under these plans beyond its monthly contributions.

#### **w) Exceptional items**

Items of income or expense from ordinary activities which are of such size, nature or incidence that, their disclosure is relevant to explain the performance of the enterprises for the period, are disclosed separately in the Consolidated Statement of Profit and Loss.

#### **x) Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS,

including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these consolidated financial statements is included in the respective notes.

**y) Critical estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgments**

The areas involving critical estimates or judgments are:

- **Estimated useful life of property, plant and equipment and intangible asset**  
 The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.  
 The Group reviews, at the end of each reporting date, the useful life of property, plant and equipment and intangible asset and changes, if any, are adjusted prospectively, if appropriate
- **Recoverable amount of property, plant and equipment**  
 The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.
- **Estimation of defined benefit obligation**  
 Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Recognition of deferred tax assets for carried forward tax losses and current tax expenses**  
 The Group review carrying amount of deferred tax assets and Liabilities at the end of each reporting

period. The policy for the same has been explained under Note No 2(k).

- Provision for warranty

Provision for warranty-related costs are recognised when the product is sold or services provided to the customers. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

- Going concern

When preparing consolidated financial statements, management make an assessment of an entity's ability to continue as a going concern. Financial statements prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.

- Impairment of trade receivables

The Group review carrying amount of Trade receivable at the end of each reporting period and Provide for Expected Credit Loss. The policy for the same explained in the Note No.2 (g) (4).

- Fair value measurement

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

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**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

(Rs. In millions unless otherwise stated)

Note 3 Property plant and equipment Current year	Gross block				Accumulated depreciation					Net block	
	Balance as at April 01, 2022	Additions	Disposals	Adjustments	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation for the year	On disposals /Adjustments	Impairment loss /Assets written off (Refer note 3.3 & 3.8)	Balance as at March 31, 2023	Balance as at March 31, 2023
Freehold land (refer note 3.1)	914.69	-	-	-	914.69	14.65	-	-	-	14.65	900.04
Building	57.74	-	-	-	57.74	22.11	1.88	-	-	23.99	35.75
Leasehold improvements	2.19	-	-	-	2.19	2.10	-	-	-	2.10	0.09
Office equipment	20.35	0.49	-	-	20.84	16.43	0.53	-	-	16.96	3.88
Vehicles	0.51	-	-	-	0.51	0.30	-	-	-	0.30	0.21
Furniture and fixtures	12.67	-	-	-	12.67	9.77	0.12	-	-	9.89	2.78
Computers and equipment	23.60	0.16	-	-	23.76	20.80	0.47	-	-	21.27	2.49
<b>Total</b>	<b>1,029.81</b>	<b>0.65</b>	<b>-</b>	<b>-</b>	<b>1,032.40</b>	<b>86.16</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>89.16</b>	<b>943.24</b>

Property plant and equipment	Gross block				Accumulated depreciation					Net block	
	Balance as at April 01, 2021	Additions	Disposals	Adjustments	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation for the year	On disposals /Adjustments	Impairment loss /Assets written off (Refer note 3.3 & 3.8)	Balance as at March 31, 2022	Balance as at March 31, 2022
Freehold land (refer note 3.1)	914.69	-	-	-	914.69	14.65	-	-	-	14.65	900.04
Building	57.74	-	-	-	57.74	20.12	1.99	-	-	22.11	35.63
Leasehold improvements	2.19	-	-	-	2.19	2.10	-	-	-	2.10	0.09
Office equipment	19.56	0.96	0.17	-	20.35	15.44	1.16	0.17	-	16.43	3.92
Vehicles	0.51	-	-	-	0.51	0.30	-	-	-	0.30	0.21
Furniture and fixtures	12.67	-	-	-	12.67	9.51	0.26	-	-	9.77	2.90
Computers and equipment	22.45	1.15	-	-	23.60	20.04	0.76	-	-	20.80	2.80
<b>Total</b>	<b>1,029.81</b>	<b>2.11</b>	<b>0.17</b>	<b>-</b>	<b>1,031.75</b>	<b>82.16</b>	<b>4.17</b>	<b>0.17</b>	<b>-</b>	<b>86.17</b>	<b>945.59</b>

**Note:**

**3.1** The Directorate of Enforcement vide its order dated March 28, 2022 has provisionally attached the land of EPEL, measuring 23 acres and 18 guntas situated at district Ranga Reddy, Andhra Pradesh under the Prevention of Money Laundering Act, 2002 along-with rent of Rs. 0.19 Million and Rs. 2.12 million available in a Bank account and deposited with Delhi High Court respectively. The gross value of the land as at March 31, 2022 was Rs. 891.10 Million (carrying value : Rs. 891.1 million as at March 31,2021). The further investigation is in progress and the Group Management is yet to get any directions in this respect from the said Authorities. This being a provisional Order, the Consolidated IndAS Financial Statement have not been adjusted in respect of this matter.

**3.2** No physical verification of fixed assets has been conducted during the year.

**Note 4 Capital work in progress**

	2022-23				2021-22					
	Balance as at April 01, 2022	Additions	Capitalised during the year	Adjustment (Refer note 4.2) at March 31, 2023	Balance as at March 31, 2023	Balance as at April 01, 2021	Additions	Capitalised during the year	Adjustment	Balance as at March 31, 2022
Capital work in progress	49.15	-	-	-	49.15	49.15	-	-	-	49.15
Provision for Capital work in progress	(49.15)	-	-	-	(49.15)	(49.15)	-	-	-	(49.15)
<b>Net block</b>	-	-	-	-	-	-	-	-	-	-

**The capital work-in-progress ageing schedule for the year ended March 31, 2023**

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	3-4 years	More than 3 years	
Projects temporarily suspended	-	-	-	49.15	49.15
Provision for Capital work-in-progress				(49.15)	(49.15)

**The capital work-in-progress ageing schedule for the year ended March 31, 2022**

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	3-4 years	More than 3 years	
Projects temporarily suspended	-	-	-	49.15	49.15
Provision for Capital work-in-progress				(49.15)	(49.15)

Note

**Note 4.1** Capital work-in-progress (CWIP) represents expenditure incurred in respect of capital projects and are carried at cost.

**4.2** The balance amount of CWIP as of March 31, 2022, pertains to the work performed on the basis of a contract with the Chhattisgarh government. The Company has completed the work on certain schools but progress payment has not been received as per the Contract. The Company has initiated arbitration proceedings against the Directorate of Public Instruction, Government of Chhattisgarh, Raipur by appointing an Arbitrator invoking arbitration clause of Agreement dated January 27, 2011. The claim filed by the Company before the Arbitrator was to recover the due amount along with the revocation of Bank Guarantee. After completion of Arbitration proceedings, the award was passed in favour of the Company vide order dated March 21, 2017.

In order to execute the award, the Company has filed an execution case under section 36 of the Arbitration Act before a commercial court. The Directorate of Public Instruction, Government of Chhattisgarh, Raipur appeared before the court and is contesting the case. The Hon'ble Judge of the commercial court has held the mandate of the arbitral tribunal as null and void ab-initio and all the proceedings held by the arbitral tribunal have been quashed and consequently the company has fully provided the balance amount of CWIP. The Management of the Company has filed appeal against verdict of the commercial court before Chhattisgarh High Court. On January 09, 2023 the matter was directed to be listed after two weeks but the same has not been listed since then.



## EDUCOMP SOLUTIONS LIMITED

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

### Note 5 Goodwill

	As at March 31, 2023		As at March 31, 2022	
	Goodwill on Consolidation	Goodwill on Purchase	Goodwill on Consolidation	Goodwill on Purchase
Opening Balance	2.22	-	2.22	-
	<b>2.22</b>	<b>-</b>	<b>2.22</b>	<b>-</b>

### Note 6 Other Intangible Assets

#### Current Year

	Gross block				Accumulated Amortization					Net block	
	Balance as at April 01, 2022	Additions	Disposals	Other adjustments	Balance as at March 31, 2023	Balance as at April 01, 2022	Amortization for the year	On Disposals	Other adjustments	Balance as at March 31, 2022	Balance as at March 31, 2023
Software	3.09	0.40	-	-	3.49	3.09	0.11	-	-	3.20	0.29
Knowledge-based content (refer note 6.1 & 6.3)	831.85	-	-	-	831.85	831.86	-	-	-	831.86	-
<b>Total</b>	<b>834.94</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>835.34</b>	<b>834.95</b>	<b>0.11</b>	<b>-</b>	<b>-</b>	<b>835.06</b>	<b>0.29</b>

#### Previous Year

	Gross block				Accumulated Amortization					Net block	
	Balance as at April 01, 2021	Additions	Disposals	Other adjustments	Balance as at March 31, 2022	Balance as at April 01, 2021	Amortization for the year	On Disposals	Other adjustments	Balance as at March 31, 2021	Balance as at March 31, 2022
Software	3.09	-	-	-	3.09	3.09	-	-	-	3.09	-
Knowledge-based content (refer note 6.1 & 6.3)	831.85	-	-	-	831.85	831.86	-	-	-	831.86	-
<b>Total</b>	<b>834.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>834.94</b>	<b>834.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>834.95</b>	<b>-</b>

### Note 6.1 Knowledge Based Contant includes internelly generated asset

	Gross block				Accumulated depreciation					Net block	
	Opening Balance	Additions	Disposals	Other adjustments (Refer note 6.4)	Closing Balance	Opening Balance	Amortization During the year	On disposals	Other adjustments (Refer note 6.4)	Closing Balance	Closing Balance
For the year ended March 31, 2023	447.31	-	-	-	447.31	447.31	-	-	-	447.31	-
For the year ended March 31, 2022	447.31	-	-	-	447.31	447.31	-	-	-	447.31	-

6.2 The intangible assets have been fully amortized till the previous year 2020-21 in accordance with the accounting policy of the company. However the intangible assets are still in use and continue to generate revenue.

## EDUCOMP SOLUTIONS LIMITED

### Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

#### Note 7A Investments accounted using equity method

##### Particulars

Unquoted

Associate companies (Refer note 42)

	Number of shares/units as at		Face value	Proportion of the ownership interest		Amount as at March 31, 2023	Amount as at March 31, 2022
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022		
Little Millenium Education Private Limited (refer note 7A.1)	1,61,10,239	1,61,10,239	Rs. 10	48.29%	48.29%	170.94	168.43
Net carrying value of Investment						170.94	168.43

**7A.1** Shares are earmarked as per terms of Master Restructuring Agreement (MRA) pursuant to CDR (Refer note 18.5).

#### Note 7B Investments - Non-Current

##### Particulars

a) Investment in others in equity instruments

Unquoted

	Number of shares/units as at		Face value	Amount as at March 31, 2023	Amount as at March 31, 2022
	March 31, 2023	March 31, 2022			
Educomp Asia Pacific Pte Ltd., Singapore (Refer note 7B.1 & 7B.3)	2,40,85,351	2,40,85,351	USD 1	1,220.51	1,220.51
Less : Provision for impairment of investment				(1,220.51)	(1,220.51)
8% Cumulative Redeemable Non-convertible Preference Shares in Edu Smart Services Private Limited (Equity component) (Refer note 7B.3)	-	-	-	394.18	394.18
Less : Provision for impairment of investment				(394.18)	(394.18)
Savvica Inc., Canada (Refer note 7B.3)	35,03,522	35,03,522.00	CAD 1	150.72	150.72
Less: Provision for impairment of investment				(150.72)	(150.72)
Edumatics Corporation Inc, USA (Refer note 7B.1 & 7B.3)	13,66,092	13,66,092.00	USD 1	62.09	62.09
Less: Provision for impairment of investment				(62.09)	(62.09)
Educomp Intelliprop Ventures Pte Limited, Singapore (Refer note 7B.3 & 7B.5)	11,98,755	11,98,755.00	SGD 1	39.30	39.30
Less: Provision for impairment of investment				(39.30)	(39.30)
Educomp Global Holding W.L.L, Kingdom of Bahrain (Refer note 7B.1 & 7B.3)	2,475	2,475.00	BHD 100	29.61	29.61
Less: Provision for impairment of investment				(29.61)	(29.61)
Educomp Global FZE, United Arab Emirates (Refer note 7B.1 & 7B.3)	1	1	AED 100,000	1.46	1.46
Less: Provision for impairment of investment				(1.46)	(1.46)
Vidyamandir Classes Limited	39,088	39,088	Rs. 10	277.97	277.97
Less: Provision for impairment in value of Investment				(277.97)	(277.97)
Greycells 18 Media Limited (refer note 7A.1 & 7B.2)	29,99,749	29,99,749	Rs. 10	159.91	159.91
Less: Provision for impairment in value of Investment				(159.91)	(159.91)

**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

Particulars	Number of shares/units as at			(Rs. In millions unless otherwise stated)	
	March 31, 2023	March 31, 2022	Face value	Amount as at March 31, 2023	Amount as at March 31, 2022
<b>(b) Investments in others in preference shares</b>					
Unquoted					
8% Cumulative Redeemable Non-convertible Preference Shares,					
Edu Smart Services Private Limited (Financial Liability portion) (Refer note 7B.4)	45,00,000	45,00,000	Rs. 100	121.72	121.72
Less: Provision for impairment of investment				(121.72)	(121.72)
<b>Net value of Investment (Unquoted)</b>					
<b>Aggregate carrying amount of quoted investments and market value thereof</b>				<b>2,297.56</b>	<b>2,297.56</b>
<b>Aggregate value of provision for impairment in value of investments</b>				<b>(2,297.56)</b>	<b>(2,297.56)</b>

7B.1 Shares are earmarked as per terms of Master Restructuring Agreement (MRA) pursuant to CDR. (Refer note 18).

7B.2 51% shares are pledged to FCCB & ECB lenders and balance shares earmarked to CDR lenders of EISML. (Refer note 18.5).

7B.3 These investments are pledged against loan taken by the subsidiary companies.

7B.4 The Company is undergoing liquidation proceedings under the Insolvency and Bankruptcy Code, 2016 vide order dated March 23, 2021 passed by Hon'ble NCLT New Delhi.

Particulars	Amount (in million)
Investment in Preference Shares	515.90
Trade Receivable	9,784.55
Receivable against Corporate Guarantee	258.19

\* The Company has fully provided for the above balances.

The Hon'ble NCLT, New Delhi vide its Order dated 25.04.2023 has approved a Revival Plan for ESSPL. Under the Revival Plan the Company has been allotted 0.01% Non-Cumulative, Redeemable, Non-Convertible Preference shares of ESSPL as stated below.

No. of Shares	Face Value of Share	Amount (in million)	Remarks
10,000	Rs. 100	1.00	Allotted in lieu of Investment
9,77,17,495	Rs. 100	9,771.75	Allotted in lieu of Trade Receivable

There is no provision in the Revival Plan for settlement of Receivables against Corporate Guarantee.

Any adjustment required in the books pursuant to Approved Revival Plan would be made in the Financial Year 2023-24.

**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

**Note 8 Loans**

(Rs. In millions unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current	Current	Non current	Current
Security deposits				
Unsecured, considered good	3.41	9.74	3.41	9.72
Security deposits considered doubtful	-	156.59	-	156.64
Less: Allowance for doubtful	-	(156.59)	-	(156.64)
Earnest money deposits				
Unsecured, considered good	-	0.18	-	0.18
Unsecured, considered doubtful	-	10.47	-	10.47
Less: Allowance for doubtful	-	(10.47)	-	(10.47)
Loans to employees				
Unsecured, considered good	-	0.66	-	0.62
Unsecured, considered doubtful*	-	18.84	-	18.70
Less: Allowance for doubtful	-	(3.46)	-	(3.46)
Loans to others				
Unsecured, considered doubtful		137.59		137.59
Less: Allowance for doubtful	-	(137.59)	-	(137.59)
<b>Total</b>	<b>3.41</b>	<b>25.96</b>	<b>3.41</b>	<b>25.76</b>

For explanation on the group's credit risk management, please refer note 33.2.

\* The advance given to employees is adjustable against provision for expenses amounting to Rs. 15.24 million (March 31, 2022 Rs. 15.24 million) as appearing under the head trade payable in current liabilities.

**Note 9 Other financial assets**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current	Current	Non current	Current
(Unsecured, considered good, unless stated otherwise)				
Considered good				
Margin money (refer note 9.1 below)	-	-	-	-
Interest accrued but not due on loans				
Unsecured, considered good	0.73	1.14	-	1.76
Unbilled revenue	-	1.76	-	6.63
Deposits with more than 12 months maturity	0.20	-	0.20	-
<b>Considered Doubtful</b>				
Receivable against corporate guarantee (refer note 9.2 below)	-	258.19	-	258.19
Less: Allowance for doubtful	-	(258.19)	-	(258.19)
<b>Total</b>	<b>0.93</b>	<b>2.90</b>	<b>0.20</b>	<b>8.39</b>

**Note 9.1** Margin money deposits are given against borrowings, letter of credit and bank guarantees including to revenue authorities.

**9.2** This receivable is recognised against the corporate guarantee given on behalf of Edu Smart Services Private Limited to a bank. Simultaneously a payable to the bank for the same amount is recognised as a liability against the guarantee given by the Holding Company (Refer note 20).

**9.3** For explanation on the companies credit risk management please refer note 33.2.

## EDUCOMP SOLUTIONS LIMITED

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

### Note 10 Tax assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non current	Current	Non current	Current
Advance income tax (net of provision for tax)	3.48	8.28	3.90	8.28
	<b>3.48</b>	<b>8.28</b>	<b>3.90</b>	<b>8.28</b>

### Note 11 Other non-current assets

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2023		As at March 31, 2022	
<b>Considered good</b>				
Prepaid expenses		0.10		0.13
Considered Doubtful				
Capital advances-Unsecured		2,187.84		2,187.84
Less: Allowance for doubtful		(2,187.84)		(2,187.84)
Balance with government authorities		19.88		19.88
Less: Allowance for doubtful		(19.88)		(19.88)
		<b>0.10</b>		<b>0.13</b>

### Note 12 Inventories (valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023		As at March 31, 2022	
Work-in-progress		11.23		11.23
Less: Provision for obsolescence (Refer note 12.2)		(11.23)		(11.23)
(A)		-		-
Stock in trade (Refer note 12.1)				
- Technology equipment		119.88		119.98
- Educational products		-		-
		<b>119.88</b>		<b>119.98</b>
Less: Provision for obsolescence (Refer note 12.2)		(100.06)		(100.16)
(B)		<b>19.82</b>		<b>19.82</b>
<b>Total (A+B)</b>		<b>19.82</b>		<b>19.82</b>

12.1 Stock in trade includes inventory of Rs 17.80 million which pertains to Educomp School Management Limited (ESML), a subsidiary of Holding Company, and comprises educational books. Such inventory is outstanding for more than three years.

The ESML has not made any provision for obsolescence as these are curriculum books and the management of ESML estimates its net realisable value more than its cost.

12.2 Provision for obsolescence of Rs,100.16 Million pertains to holding co. & Rs.11.23 Million related to Educomp Learning Private limited.

### Note 13 Trade receivables

Particulars	As at March 31, 2023		As at March 31, 2022	
<b>Unsecured, Considered good</b>				
- due from related parties (Refer note 13.1)		-		-
- due from others		1,187.42		1,190.35
		<b>1,187.42</b>		<b>1,190.35</b>
<b>Unsecured, Considered doubtful</b>				
- due from related parties (Refer note 13.1)		16.09		16.10
- due from others		14,677.80		14,681.47
Less: Allowance for doubtful (Refer note 13.5)		(14,693.89)		14,697.57
		<b>1,187.42</b>		<b>1,190.35</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

The trade receivables ageing schedule for the year ended March 31, 2023

Particulars	Outstanding for followings periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - Consided good	2.19	0.04	0.02	0.62	76.11	78.98
Undisputed trade receivables - Credit impaired	-	-	-	0.78	10,913.27	10,914.05
Disputed trade receivables - Consided good	-	-	-	-	1,108.44	1,108.44
Disputed trade receivables - Credit impaired	-	-	-	0.19	3,779.65	3,779.84
						15,881.31
Less: allowance for doubtful						14,693.89
<b>Total trade receivables</b>						<b>1,187.42</b>

The trade receivables ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for followings periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - Consided good	7.41	-	7.44	17.28	81.47	113.60
Undisputed trade receivables - Credit impaired	2.21	-	1.84	1.38	10,871.72	10,877.15
Disputed trade receivables - Consided good	-	-	-	3.19	1,110.78	1,113.97
Disputed trade receivables - Credit impaired	-	-	0.19	6.40	3,776.61	3,783.20
						15,887.92
Less: allowance for doubtful						14,697.57
<b>Total trade receivables</b>						<b>1,190.35</b>

13.1 Trade receivable from related parties comprise:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables which have significant increase in credit risk</b>		
<b>Receivable from associate</b>		
Little Millenium Education Private Limited	0.26	0.26
<b>Other related parties</b>		
Savvica Inc.	-	-
Learning Leadership Foundation	0.14	0.14
League India Education Foundation	9.04	9.04
Siya Ram Educational Trust	0.01	0.01
<b>Total</b>	<b>9.45</b>	<b>9.45</b>

13.2 For terms and conditions of transactions with related parties refer note 37.

13.3 No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or from any firms or private companies in which any director is a partner, a director or a member. 13.4 For explanation on the company's credit risk management, please refer note 34.

13.5 The Holding Company has initiated proceedings for recovery of outstanding amount from certain trade receivables amounting to Rs. 4,838.77 million ( March 31, 2022 Rs. 4,848.14 million), in respect of which the Company has created a provision of Rs. 3,610.14 million (March 31, 2022 Rs. 3,615.82 million), which in the opinion of the management is adequate to mitigate the risk of any possible non recovery from such receivables.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**14.1 Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts*	46.14	47.75
Stamp-in-hand	0.89	0.89
Cash on hand	20.38	30.56
	<b>67.41</b>	<b>79.20</b>

\*It includes bank balance of subsidiaries companies amounting to Rs.28.84 Million.

\*In the above balance with banks in current account of Rs. 7.45 million is not reflected in the bank statement as the bank has adjusted the same in October 2017 against Term Loan during CIRP period. The bank was not supposed to recover any amount during the moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016. Since the company has taken up the matter with the concerned bank, the amount is shown in balance with banks in current account.

**Note 14.2 Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money deposit (refer note 14.2.1)	16.02	14.75
Deposit with original maturity of more than three months but less than twelve months	109.68	132.90
Unpaid dividend	0.31	0.31
	<b>126.01</b>	<b>147.96</b>

**14.2.1** Margin Money Deposits are given against borrowings, letter of credit and bank guarantees including to revenue authorities.

**Note 15 Other current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured considered good, unless stated otherwise</b>		
<b>(I) Advances other than capital advances</b>		
Advance to suppliers		
- considered good	23.21	23.21
- considered doubtful	268.99	253.63
Less: Allowance for doubtful	(268.99)	(253.63)
Advance to others (Refer note 15.1 below)		
- considered good	-	-
- considered doubtful	0.10	0.10
Less: Allowance for doubtful	(0.10)	(0.10)
<b>(ii) Others</b>		
Prepaid expenses	0.29	0.27
Balance with government authorities	29.18	54.19
<b>Total</b>	<b>52.48</b>	<b>77.67</b>
15.1 Includes advances to related parties as follows:		
India Education Fund	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>

**15.2 For explanation on the company's credit risk management, please refer note 34.2.**

**15.3** During the year in the course of proceedings under GST, input credit of GST availed by the Company in the earlier years of Rs. 21.48 million was reversed on account of non deposit of GST by 3 vendors. The Company has debited the aforesaid amounts to the respective vendors along with interest and penalty paid to the respective vendors account. The Company has initiated legal proceedings against the vendors for recovery of aforesaid amount and the matter has now been referred before the arbitrator and statement of claim has been filed by the Company before the Ld. Arbitrator. Arbitration Proceedings are pending as on date.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Note 16 Equity share capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Authorized shares</b>		
200,000,000 (March 31, 2022: 200,000,000) equity shares of Rs. 2 each	400.00	400.00
<b>b) Issued, subscribed and fully paid-up shares</b>		
122,467,168 (March 31, 2022: 122,467,168) equity shares of Rs. 2 each fully paid up	244.93	244.93
	<b>244.93</b>	<b>244.93</b>

**c) Movement in equity share capital**

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	12,24,67,168	244.93	12,24,67,168	244.93
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	12,24,67,168	244.93	12,24,67,168	244.93

**d) Terms/ rights attached to equity shares**

The Holding Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except where interim dividend is distributed.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e) Details of shareholders holding more than 5% equity shares in the Holding Company**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Equity shares of Rs. 2 each fully paid-up</b>				
Mr. Shantanu Prakash	4,43,15,205	36.19%	4,43,15,205	36.19%
A.P Eduvision Private Limited	72,84,600	5.95%	72,84,600	5.95%

**f) Details of the shares held by promoters in the Company as on March 31, 2023**

Promoter Name	No. of Shares	% of total shares	% change during the year
Equity shares of Rs. 2 each fully paid-up			
Mr. Shantanu Prakash	4,43,15,205	36.19%	-
Mrs. Anjlee Prakash	32,38,440	2.64%	-
A.P Eduvision Private Limited	72,84,600	5.95%	-
<b>Total</b>	<b>5,48,38,245</b>	<b>44.78%</b>	<b>-</b>



Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

Details of the shares held by promoters in the Company as on March 31, 2023

Promoter Name	No. of Shares	% of total shares	% change during the year
Equity shares of Rs. 2 each fully paid-up			
Mr. Shantanu Prakash	4,43,15,205	36.19%	-
Mrs. Anjlee Prakash	32,38,440	2.64%	-
A.P Eduvission Private Limited	72,84,600	5.95%	-
<b>Total</b>	<b>5,48,38,245</b>	<b>44.78%</b>	<b>-</b>

**g) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

No equity shares has been issued by way of bonus shares during the said period.

No equity shares fully paid up has been issued pursuant to contract(s) without payment being received in cash during the period.

No equity shares bought back pursuant to section 68, 69 and 70 of the Act during the period.

**h) Share reserved for issue under option/contracts**

For details of shares reserved for issue on conversion of Zero Coupon Foreign Currency Convertible Bonds (refer note 18.3)

For details of shares reserved for issue on employee stock option, (refer note 39)

For details of shares reserved for issue to lender banks as per CDR scheme (refer note 18.5)

**Note 17 Other Equity**

**(A) Equity component of compound financial instruments**

Particulars	As at March 31, 2023	As at March 31, 2022
Equity component of compound financial instruments (Refer note 17.1)	524.45	524.45
<b>Total</b>	<b>524.45</b>	<b>524.45</b>

**(B) Reserves & Surplus (Refer note 17.2)**

Particulars	As at March 31, 2023	As at March 31, 2022
Security premium reserves	10,240.32	10,240.32
General reserves	1,198.29	1,198.29
Employee stock option outstanding account ( Refer note 39)	-	-
Capital reserves	411.66	411.66
Retained earnings	(42,828.21)	(42,028.31)
Foreign currency monetary items translation difference account	-	-
Other comprehensive income	34.06	34.00
<b>Total</b>	<b>(30,943.88)</b>	<b>(30,144.04)</b>

**Notes 17.1 Movement of Other Equity**

**Equity component of compound financial instruments**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	524.45	524.45
<b>Closing Balance</b>	<b>524.45</b>	<b>524.45</b>

The above balance represents portion of the compound financial instruments that evidence a residual interest in the assets of the Company after deducting financial liability component.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**17.2 Reserves & Surplus**

**(i) Securities premium reserves**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	10,240.32	10,240.32
<b>Closing Balance</b>	<b>10,240.32</b>	<b>10,240.32</b>

**(ii) General reserve**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	1,198.29	1,198.29
<b>Closing Balance</b>	<b>1198.29</b>	<b>1,198.29</b>

- \* It Includes investment written off pertaining to one of the subsidiary company Educomp School Management Ltd (ESML) which is holding investment in equity shares of Educomp Infrastructure & School Management Ltd (EISML) for Rs.72.55 Million. The Investee company EISML has undergone CIRP and a resolution plan has already been approved by Hon'ble NCLT Chandigarh vide its order dated 14.12.2020 which has no provision for any distribution to shareholders. Consequently the said investment of Rs. 72.55 Million has got fully impaired but the same has not been duly recognised and accounted for in the financial statements of ESML. However the same has been considered in the consolidated financial statements and said investment has been fully written off during the year.

**(iii) Employee stock option outstanding account**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	-	-
Add: Employee stock compensation provided	-	-
Less: Employee stock compensation reversed	-	-
Less: transfer to retained earnings due to loss of control in subsidiaries	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**(iii) Capital Reserve**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	411.66	411.66
<b>Closing Balance</b>	<b>411.66</b>	<b>411.66</b>

**(iv) Retained Earnings**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening balance	(42,028.31)	(41,584.46)
Add: Loss for the year	(799.90)	(443.85)
<b>Closing Balance</b>	<b>(42,828.21)</b>	<b>(42,028.31)</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**(v) Foreign currency monetary item translation difference account (FCMITDA)**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening balance	-	-
Add: Created during the year	-	-
Less: Amortisation during the year	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**(vi) Other comprehensive income**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening balance	34.00	33.42
Add: Profit( Loss) for the year	0.06	0.58
<b>Closing Balance</b>	<b>34.06</b>	<b>34.00</b>

**Securities Premium Reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Employee stock option outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under different Employee stock option plans issued by the company. (refer note 39)

**Capital Reserve**

The Holding Company on July 26, 2012 had allotted 11,479,096 warrants to Promoter Group Entity at an issue price of Rs. 193.74 per warrant, as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009, convertible into equal number of equity shares of the face value of Rs. 2/- each convertible within a period of 18 months from the date of allotment. The Holding Company on January 22, 2013 had allotted 2,979,939 equity shares of face value of Rs. 2/- each at a premium of Rs. 191.74/- per share on conversion of warrants issued under provisions of Chapter VII Of SEBI (ICDR) Regulations, 2009. During the year 2013-14 the Holding Company had forfeited 8,499,157 warrants amounting to Rs. 411.66 million, due to non receipt of balance 75% of the issue price in the stipulated period of 18 months from the date of issuance of these warrants. The forfeited amount is disclosed as 'Capital Reserve' under the 'Reserve & Surplus'.

**Foreign currency monetary item translation difference account (FCMITDA)**

The Group has a policy for the long-term foreign currency monetary items recognised in the financial statements on or before March 31, 2016 and the exchange difference on foreign currency loan (including FCCB) is accounted for by addition or deduction to the cost of the assets so far it relates to depreciable capital asset and in other cases by transfer to "Foreign Currency Monetary Items Translation Difference Account" (FCMITDA) to be amortized over the period of such foreign currency loans.

**General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

(Rs. In millions unless otherwise stated)

**Note 18 Borrowings**

**18.1 Non-current borrowings**

Particulars	As at March 31, 2023	As At March 31, 2022
<b>(i) Secured**</b>		
<b>Bonds and debentures</b>		
13.25%, 100 Non Convertible Debentures of Rs. 1,000,000 each	100.00	100.00
13.50%, 350 Non Convertible Debentures of Rs. 1,000,000 each	350.00	350.00
10 Zero Coupon Foreign Currency Convertible Bonds of \$ 1,000,000 each (refer note 18.3 below)	1093.33	1010.61
<b>Term loans</b>		
from banks	17,142.55	17,142.55
from others		
- External commercial borrowings	5,747.90	5,313.03
<b>(ii) Unsecured</b>		
Loan from related parties (refer note 18.4 below)*	414.21	363.33
Loan from other parties	353.20	353.20
Less: Current maturities of long term borrowings (refer note 20)	(24,786.98)	(24,269.40)
	<b>414.21</b>	<b>363.32</b>

**Notes:**

\* Refer note 37 for terms and conditions of transaction with related parties.

\*\* Refer note 18.5 for details of security & terms of long term borrowings.

**18.2 Current borrowings**

Particulars	As at March 31, 2023	As At March 31, 2022
<b>(i) Term loan</b>		
- from bank-secured	113.50	113.50
<b>(ii) Borrowing repayable on demand</b>		
-Working capital loans from Banks-secured	1,249.92	1,249.92
<b>(iii) Other loans</b>		
-Loans from other parties-unsecured	12.00	12.00
<b>Total</b>	<b>1,375.42</b>	<b>1,375.42</b>
<b>(iv) 'Current maturities of long term borrowings</b>		
Current maturities of long term debts - ECB*	5,747.90	5,313.03
Current maturities of long term debts - FCCB *	1,093.33	1,010.61
Current maturities of long term debts - Term Loans*	17,142.55	17,142.55
Current maturities of long term debts - Non- Convertible Debentures*	450.00	450.00
Current maturities of long term debts - from other parties*	353.20	353.20
	<b>26,162.40</b>	<b>25,644.81</b>

Refer note 18.5 for details of security & terms of current borrowings.

**Liability component of compounded financial instruments**

**18.3 Foreign Currency Convertible Bond (FCCB)**

The Holding Company had issued 10, zero coupon foreign currency convertible bonds of \$ 1,000,000 each. These FCCB were convertible into equity shares based on the ratio calculated in accordance with the terms of offering circular dated July 13, 2012. The bonds were convertible latest by July 24, 2017 at initial conversion price of Rs. 188.62 for each equity share at the applicable exchange rate (fixed). As on March 31, 2023 USD 10 million (March 31, 2022 USD 10 million) FCCB remained outstanding for conversion into equity shares of Rs. 2 each, as the Holding Company has filed for corporate insolvency and resolution process on May 30, 2017.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

Particulars	As at March 31, 2023	As At March 31, 2022
Equity portion as at balance sheet date	50.03	50.03
Financial liability portion as on date (including 33.15% premium component)	1,093.33	1,010.61
	<b>1,143.36</b>	<b>1,060.64</b>

**18.4 Promoters contribution**

The Promoters of the Group have provided interest free loans amounting Rs. 614.65 million to the Holding Company which has been fair valued at amortised cost and the balance portion due to the control of the promoter over the Holding Company has been considered to be equity and has been valued at cost.

Particulars	As at March 31, 2023	As At March 31, 2022
Equity component as on date	474.42	474.42
Financial liability component as on date	414.21	363.33
	<b>888.63</b>	<b>837.75</b>

## EDUCOMP SOLUTIONS LIMITED

Educomp Solutions Limited

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

Note 18.5 Particulars of security, interest and terms of repayment of Loans taken by the Group are as follows :

Particulars	Amount Outstanding as at		Terms of repayment		Security	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Bonds, Debentures &amp; External Commercial Borrowings</b>						
Non Convertible Debentures (NCD)	450.00	450.00	NCD aggregating Rs. 350.00 million and Rs. 100.00 million were issued on May 24, 2012 and July 20, 2012 respectively and are repayable at par on May 24, 2019 and July 20, 2019 respectively. Further, the investors have put option on May 24, 2017 and July 24, 2017, five years from their respective dates of issue.		- Pari-passu charge with the CDR lenders, without any preference or priority to one over the other or others. (The Company has created partial security on the assets of the Company and is taking necessary steps to create security in respect of these debentures.)	
Foreign Currency Convertible Bonds (FCCB)-Debt component of compounded financial instrument					Second charge on following assets - 51% of the fully paid up equity shares of EISML held by the Company.	
External Commercial Borrowings (ECB)	5,747.90	5,313.03	Repayable in 11 half yearly equal installments of USD 6.36 million starting from January 15, 2016 and ending January 15, 2021.		First charge on following assets - 51% of the fully paid up equity shares of the EISML held by the Company.	
<b>Term Loans &amp; Working Capital Loan from Banks - CDR (Secured)</b>						
Term loan (a)	102.40	102.40	Repayment in 10 quarterly equal installments of Rs. 10.25 million commencing from quarter ended December 31, 2015 and ending in quarter ending 31 March 2018.		- First pari passu charge on all fixed assets (movable and immovable) of the company, both present and future. - First pari passu charge on all the, intangible assets including without limitation computer software and knowledge based content, current assets, other non current assets and other receivables and unencumbered receivables of ESSPL, both present and future. - First charge on the borrower's bank accounts, including but not limited to Trust & Retention Account. - Pledge of all unencumbered shares held by the Promoters Group in company. - Pledge of all unencumbered shares held by company in various companies. - Pledge of all unencumbered shares of subsidiaries of the borrower held by Mr. Shantanu Prakash in the share capital of such subsidiaries. - Unconditional & irrevocable Personal Guarantees from Mr. Shantanu Prakash & Mr. Jagdish Prakash and Corporate Guarantee of ESSPL. - First pari-passu charge by way of mortgage of personal property of Mr. Shantanu Prakash situated at Residential Plot No. P-63, Sector 56, Gurgaon, Haryana.	
Term loan (b)	216.39	216.39	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ended			
Term loan (c)	309.85	309.85	December 31, 2015 and ending in quarter ending March 31, 2023.			
Term loan (d)	204.07	204.07	installments			
Term loan (e)	62.72	62.72	Amount per Inst.			
Working capital term loan	2,837.33	2,837.33	1-2 93.29			
Funded interest term loan - FITL	910.34	910.34	3-14 139.94			
			15-30 174.92			
Term loan (f)	2,813.00	2,813.00	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ended			
Term loan (g)	4,550.00	4,550.00	December 31, 2015 and ending in quarter ending March 31, 2023.			
Term loan (h)	397.65	397.65	installments			
Term loan (i)	1,960.00	1,960.00	Amount per Inst.			
Term loan (j)	1,171.16	1,171.16	1-2 357.85			
Term loan (k)	947.83	947.83	3-14 536.77			
			15-30 298.21			
Working capital facility (a) (Refer note ix)	1,192.83	1,192.83	Payable on demand			

## EDUCOMP SOLUTIONS LIMITED

Particulars	Amount Outstanding as at		Terms of repayment		Security	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Term Loans &amp; Working Capital Loan from Banks other than CDR (Secured)</b>						
Term loan (l)	300.00	300.00	Balance repayable upto quarter ending September 30, 2017		<ul style="list-style-type: none"> <li>- Sub-servient charge on the current assets of the Company.</li> <li>- Subservient charge on all current assets of Educomp Infrastructure &amp; School Management Limited (EISML).</li> <li>- Personal guarantee of Mr. Shantanu Prakash</li> </ul>	
Term loan (m)	359.80	359.80	Repayable in 14 unequal quarterly installments commencing from quarter ended December 31, 2015 and ended in quarter ending March 31, 2019.		<ul style="list-style-type: none"> <li>- First ranking pari passu charge on the entire current assets of the Company.</li> <li>- Second pari-passu charge over the fixed assets of the Company.</li> <li>- Personal guarantee of the Mr. Shantanu Prakash and Mr. Jagdish Prakash and equitable mortgage on one of the personal property of Mr. Shantanu Prakash.</li> </ul>	
Working capital facilities from bank (Taken by Educomp Software Ltd.) (b) (Refer note ix)	57.32	57.32	Repayable on demand		<ul style="list-style-type: none"> <li>- Exclusive charge on all present and future receivables of ICT Project from AMTRON/ Assam Government and designated receivables of ESSPL.</li> <li>- Exclusive charge on all present and future current assets of the borrower Group.</li> <li>- Subservient charge on all present and future movable fixed assets and exclusive charge on entire intangible assets of the Group.</li> <li>- Unconditional and irrevocable personal guarantee of promoter Mr. Shantanu Prakash</li> </ul>	
Loan From Bank (Loan Taken by Educomp Software Ltd.) (n) (Refer note ix)	113.50	113.50	Repayment in four equal quarterly installments starting from December, 2016.		<ul style="list-style-type: none"> <li>- First exclusive charge by way of assignment of specific ESSPL receivables (including arbitration awards) with a minimum receivable cover of 1.5x.</li> <li>- DSRA in the form of subsequent quarter's Principal + Interest obligation to keep upfront.</li> <li>- Personal guarantee of Shantanu Prakash.</li> </ul>	
<b>Loan from others-unsecured</b>						
From others - unsecured (a)	353.20	353.20	There are two loans to repayable in 26 & 45 unequal monthly installments as per their repayment schedules.		Not Applicable	
From others - unsecured (b) (Refer note ix)	12.00	12.00	Rs. 12.00 million is over due as on Balance Sheet date.		Pledge of shares of the Company held by Mr. Shantanu Prakash.	
From others - unsecured (c)	Refer note 18.4	Refer note 18.4	Interest free loan repayable after final settlement date as per CDR MRA.		Not Applicable	

**Notes:**

- (i) Term loan (a) to (k), working capital term loan, funded interest term loan, working capital facility are at interest rate of ranging 10% to 13% p.a. (March 31, 2022 10% to 13% p.a.)
- (ii) Term loan (l) to (m), are at varying rate of interest ranging from 9% to 11% p.a. (March 31, 2022 9% to 11% p.a.).
- (iii) FCCB are zero coupon bonds and do not carry interest.
- (iv) ECB are at interest rate of 4.5% p.a.+LIBOR (March 31, 2022 4.5% p.a.+LIBOR)
- (v) Non Convertible Debentures are at interest rate ranging from 13.25% to 13.50% p.a. (March 31, 2022 13.25% to 13.50% p.a.)
- (vi) Aggregate of loan amount guaranteed by promoter Mr. Shantanu Prakash and Mr. Jagdish Prakash Rs. 18,505.95 million (March 31, 2022 Rs. 18,505.95 million)
- (vii) Loans from other unsecured (a) and (b) are at varying rate of interest ranging from 12.50% to 18.00%p.a. (March 31, 2022 12.5% to 18.00%p.a.)
- (viii) Aggregate of loan amount guaranteed by Edu Smart Services Pvt.Ltd. Rs.17,674.21 Million ( March 31,2022 Rs.17,674.21 Million)
- (ix) Working capital facility (a) to (b), term loan (n) and loan from others unsecured (b) constitute short term borrowings.
- (x) Corporate debt restructuring scheme- ESLThe Company executed the Master Restructuring Agreement (MRA)/other definitive documents on March 26, 2014 with the majority of its lenders banks, consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms

(hereafter referred to as “the CDR Scheme”).As a part of the CDR Scheme, the promoters were required to contribute funds in accordance with letter of approval. As a consequence, the Company has received a contribution from its promoter amounting to Rs. 614.65 million as at March 31, 2023 (As at March 31, 2022 Rs. 614.65 million). The same has been received as interest free unsecured loan. Refer above loan from others - unsecured ©.

The MRA has been signed by all the lender banks and the Company has complied with all necessary conditions precedent. From April 01, 2013 (the "cut-off date"), the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR scheme on the balances as appearing in the books of account pending confirmations from various lenders. Accordingly, the interest payable to these banks has been recalculated in accordance with the CDR scheme. Considering the MRA have been signed by all the lender banks, the Company had accounted for CDR scheme (reclassifications and interest calculations) in the books for the year ended March 31, 2016 and March 31, 2015 as follows:

- (i) The rate of interest was changed and reduced to 11% with effect from April 01, 2013. The interest due with effect from April 01, 2013 till March 31, 2016 at revised rates amounting to Rs. 919.62 million in March 31, 2016 and Rs. 886.60 million in April 01, 2015 was converted into Funded Interest Term Loan (FITL (a)).
- (ii) The moratorium period for principle amount after restructure shall be 30 months from the cut off date of April 01, 2013.
- (iii) The CDR scheme envisages monetization of certain assets of the Company and its subsidiaries.
- (iv) The revised charge in favour of lenders as per the terms of MRA, is pending registration.

Note 18.5 Particulars of security, interest and terms of repayment of Loans taken by the Group are as follows :

Pursuant to implementation of approved Corporate Debt Restructuring Scheme (CDR scheme), certain lenders have disbursed fresh corporate loans to the Company and corresponding trade receivables were bought from Edu Smart Services Private Limited (ESSPL) together with future business relating to this customers, as explained above. Due to this restructuring, the remaining receivables in ESSPL may not yield adequate surplus to discharge its liability towards the Company for trade receivables and redemption of redeemable non convertible preference shares. However, the approved CDR Scheme has mandated merger of ESSPL with the company and accordingly, the company has initiated the process and has taken the approval of Board of Directors in the board meeting held on January 13, 2015. The impact for the amalgamation shall be given/recorded in the books of accounts upon obtaining approvals and implementation of the Scheme. Pursuant to MRA, the Company had committed default in payment or repayment of installments of principal amounts of the Restructured Loans, Corporate loans and/or the Additional Rupee Loan or interest thereon or any combination thereof, accordingly CDR Lenders, Corporate loan lenders and/or the Additional Rupee Lenders, at their discretion, have the right to convert at their option the whole of the outstanding amount or part of the defaulted amount into fully paid-up equity shares of the Company, but the lenders have not exercised the rights as at balance sheet date.

**Holding Company**

a) Details of defaults of principal and interest for loans payable during the year

Particulars	FY 2022-23			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	-
Interest	-	-	-	-
	-	-	-	-

Particulars	FY 2021-22			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	-
Interest	-	-	-	-
	-	-	-	-

b) Details of carrying amount of loans payable in defaults (including interest due) at the end of the year

Particulars	FY 2022-23			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	25,991.58
Interest	-	-	-	3,775.18
	-	-	-	<b>29,766.76</b>

Particulars	FY 2021-22			
	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	-	-	-	25,473.99
Interest	-	-	-	3,686.61
	-	-	-	<b>29,160.60</b>

c) The above defaults are not remedied before the financial statements were approved.

\*The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the borrowings at the reporting date.



**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

**Note 19 Trade Payables**

(Rs. In millions unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Payables</b>		
- due to micro and small enterprises( Refer Note 50)	11.54	11.54
- due to Others	1,399.75	1,320.33
- Other Related Party	69.66	69.66
<b>Total</b>	<b>1,480.95</b>	<b>1,401.53</b>
<b>Other related parties</b>		
Unnati Educational Trust	69.66	69.66
	<b>69.66</b>	<b>69.66</b>

**Tarde Payables ageing schedule for the year ended March 31, 2023**

Particulars	Outstanding for followings periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstnading dues to MSME	-	-	0.18	0.30	11.06	11.54
Others	67.12	6.62	3.11	0.02	1,392.54	1,469.41
<b>Total</b>	<b>67.12</b>	<b>6.62</b>	<b>3.29</b>	<b>0.32</b>	<b>1,403.60</b>	<b>1,480.95</b>

**Tarde Payables ageing schedule for the year ended March 31, 2022**

Particulars	Outstanding for followings periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstnading dues to MSME	-	0.18	0.30	0.18	10.88	11.54
Others	59.69	6.31	0.35	3.74	1,319.90	1,389.99
<b>Total</b>	<b>59.69</b>	<b>6.49</b>	<b>0.65</b>	<b>3.92</b>	<b>1,330.78</b>	<b>1,401.53</b>

Trade payables are generally due in 30-90 days and are non interest bearing. Accordingly, the carrying value of the same is considered as fair value.

**Note 20 Other current financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Payables against corporate guarantee (refer note 9.2)	258.19	258.19
Interest accrued and due (refer note 20.1,20.2 & 20.3 below)	3,784.11	3,695.54
Interest accrued and due to micro and small enterprises	5.95	5.85
Employee related payables	338.69	337.95
Security deposits	22.30	22.30
Unpaid dividend	0.31	0.31
Retention money	1.00	1.00
Expenses payable	8.92	8.92
<b>Total</b>	<b>4,419.47</b>	<b>4,330.06</b>

\* Refer note 18

**Note 20.1:** The Holding Company has not accrued interest on borrowing post May 30, 2017, being Corporate Insolvency Resolution Process ("CIRP") commencement date. The amount of such interest not accrued is estimated to be Rs. 4,017.70 Million for the year (for the year ended March 31, 2022 Rs. 3,643.95 Million). The cumulative amount of interest not accrued as at March 31, 2023 is estimated to be Rs. 19,005.18 million (March 31, 2022: Rs. 14,987.48 Million)

**Note 20.2:** The Holding Company has not determined the provision for penal interest for defaults on borrowings as per the contractual terms of the underlying agreements.

**Note 20.3:** it includes Rs.89.29 Million as interest by Educomp software limited.

## EDUCOMP SOLUTIONS LIMITED

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

### Note 21 Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Provisions for employee benefits</b>				
Provisions for gratuity (refer note 21.1 below)	2.09	0.07	1.78	0.08
Provisions for leave encashment (refer note 21.1 below)	0.24	0.01	0.20	0.01
<b>Total</b>	<b>2.33</b>	<b>0.08</b>	<b>1.98</b>	<b>0.09</b>

### Note 21.1 Post employment benefits

#### Gratuity

The Group, excluding foreign entities, provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Under its gratuity plan, every employee who has completed at least one year of service is entitled to gratuity on departure at 15 days of last drawn salary for each completed year of service.

#### a) Net employee benefit expense recognised

Particulars	Gratuity-Unfunded	
	March 31, 2023	March 31, 2022
Current service cost	0.31	0.28
Net interest cost	0.13	0.11
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>0.44</b>	<b>0.39</b>
Remeasurement actuarial (gain) / loss from changes in financial assumptions	(0.04)	0.06
Remeasurement actuarial (gain) / loss from changes in demographic assumptions	-	(0.11)
Remeasurement actuarial (gain) / loss arising from Experience Adjustment	0.05	0.21
Total amount recognised in the Other comprehensive income	<b>0.01</b>	<b>0.15</b>

#### b) Reconciliation of opening and closing balance of defined benefit obligation.

Particulars	Gratuity-Unfunded	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Present value of obligation as at the beginning of the year	1.86	1.65
Impact of transfer of holding		
Interest cost	0.13	0.11
Current service cost	0.31	0.28
Benefit paid	(0.16)	(0.34)
Actuarial (gain)/loss	0.02	0.16
<b>Present value of obligation as at the end of the year</b>	<b>2.16</b>	<b>1.86</b>
Current	0.07	0.08
Non current	2.09	1.78

#### c) Principal actuarial assumptions at the Balance Sheet date:

Particulars	March 31, 2023	March 31, 2022
Discount rate*	7.36%	7.18%
Expected rate of increase in salary**	Salary increase For FY 2022-23 @9.5% & There after it will be expected to increase by 5%	Salary increase For FY 2022-23 @9.5% & There after it will be expected to increase by 5%
Demographic assumptions		
i) Retirement age (Years)	58	58
ii) Mortality table	IALM (2012-14)	IALM (2012-14)
iii) Ages		Withdrawal Rate (%)
Up to 30 Years	14	14
From 31 to 44 years	5	5
Above 44 years	1	1

**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

(Rs. In millions unless otherwise stated)

\*The discount rate is based upon the market yields available on Government bonds at the accounting date for remaining life of employees.

\*\*The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

**Note 22 Other Current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers (refer note 22.1 and 22.2)	279.55	284.94
Statutory dues	15.73	14.57
<b>Total</b>	<b>295.28</b>	<b>299.51</b>

**22.1** The Company had received advances from customers, which are outstanding for more than one year and still lying in the books as on March 31, 2023. These advances mainly pertain to the pre CIRP period and includes amount of Rs.80.47 million ( March 31,2022 Rs.80.47 million ) received from non corporate entites. The advances could not be repaid to the customers after intiation of CIRP and the same will be settled in accordance with the provision of the Insolvency and Bankruptcy Code 2016 and regulations issued there under.

**22.2 Includes advances from related parties\***

Particulars	As at March 31, 2023	As at March 31, 2022
Educomp Global Holding W.L.L	42.52	42.52
Edumatics Corporation Inc.	16.21	16.21
Shri Hare Educational Trust	0.37	0.37
Vigyan Education Trust	0.60	0.60
	<b>59.70</b>	<b>59.70</b>

\* for terms and conditions for transaction with related party refer note 37

**Note 23 Revenue from operations**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of educational products and technology equipment	0.08	0.55
Education and other services	39.74	13.26
<b>Total</b>	<b>39.82</b>	<b>13.81</b>

**Note 24 Other income**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest income on		
- Fixed deposits	7.16	8.43
- Financial instruments measured at amortised cost	0.02	0.13
- Other Interest	0.13	17.73
Liabilities/Provisions no longer required written back	3.72	-
Other non operative Income	0.04	0.06
<b>Total</b>	<b>11.07</b>	<b>26.35</b>

**Note 25 Purchase of stock-in-trade**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Technology equipment & accessories	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Note 26 Change in inventories of work in progress and stock-in-trade**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening balances</b>		
Stock-in-trade		
- Technology equipment	19.82	20.26
	<b>19.82</b>	<b>20.26</b>
<b>Closing balances</b>		
Stock-in-trade		
- Technology equipment	19.81	19.82
	<b>19.81</b>	<b>19.82</b>
	<b>0.01</b>	<b>0.44</b>

**Note 27 Employee benefit expenses**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries wages and bonus	22.42	19.71
Contribution to provident and other funds*	0.88	0.83
Gratuity expenses (refer note 21.1)	0.45	0.40
Staff welfare expenses	0.38	0.30
<b>Total</b>	<b>24.13</b>	<b>21.24</b>

\* Contribution to provident and other funds comprise:

**Defined contribution plan**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employer's contribution to provident fund (including admin charges)	0.77	0.71
Employer's contribution to employee state insurance	0.07	0.08
Employer's contribution to employee deposit linked insurance fund	0.03	0.03
Employer's contribution to labour welfare fund	0.01	0.01
<b>Total</b>	<b>0.88</b>	<b>0.83</b>

**Note 28 Finance cost**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest expense on financial instruments measured at amortised cost	50.90	44.74
Interest on delay in payment of income tax	-	0.01
Other borrowing charges	0.10	0.07
<b>Total</b>	<b>51.00</b>	<b>44.82</b>

1 This pertains to interest on borrowing booked by Educomp Software Limited

**Note 29 Depreciation, amortisation and impairment expense**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 3)	3.00	4.17
Amortization on intangible assets (Refer note 6)	0.11	-
<b>Total</b>	<b>3.11</b>	<b>4.17</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Note 30 Other expenses**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Repair & Maintenance to		
- Buildings	2.49	2.36
- Machinery	0.41	0.55
- Others	4.43	3.97
Lease Rent (refer note 43.1)	2.82	3.28
Rates and taxes	5.86	3.08
Legal and professional fees	46.09	54.48
Payment to Auditors (refer note 30.1)	1.54	1.45
Travelling and conveyance	2.64	1.65
Communication	0.97	0.35
Advertisement, publicity and business promotion	0.37	0.26
Freight and forwarding	0.01	0.03
Printing and stationery	0.58	0.35
Bad debts and advances written off	3.42	2.33
Loss allowance on trade receivables	-	26.35
Foreign exchange loss (net)	684.00	300.74
Provision for doubtful debts/advances	15.36	-
Corporate Social Responsibility expenses		
Power & Fuel	3.56	3.24
Miscellaneous expenses	0.43	0.38
<b>Total</b>	<b>774.98</b>	<b>404.85</b>

**Note 30.1 Payment to Auditors as :**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
As Auditors		
-for Statutory audit	0.75	0.75
-for Consolidation	0.30	0.30
-For limited review	0.40	0.40
-For Reimbursement of Expenses	0.09	-
<b>Total</b>	<b>1.54</b>	<b>1.45</b>

**Note 31 Income tax expense**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>(a) Income tax expense</b>		
Current tax		
Current tax on the profits of the year	-	-
Tax relating to earlier years	-	-
<b>Total Current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax		
Decrease in deferred tax assets	-	-
<b>Total Deferred tax expense</b>	<b>-</b>	<b>-</b>
<b>Total Income tax expense</b>	<b>-</b>	<b>-</b>

**(b) Movement in deferred tax balances**

(Rs. In millions unless otherwise stated)

Current Year	As At March 31, 2022	Recognized in P&L	Recognized in OCI	Other Adjustments*	As At March 31, 2023
Deferred Tax Assets					
Carried forward losses and tax credits (MAT credit entitlement)	0.25	-	-	-	0.25
<b>Sub- Total (a)</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>
Deferred Tax Liabilities					
Property, plant and equipment and intangibles	-	-	-	-	-
<b>Sub- Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets (a)-(b)</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>
Previous Year	As At March 31, 2021	Recognized in P&L	Recognized in OCI	Other Adjustments*	As At March 31, 2022
Deferred Tax Assets					
Carried forward losses and tax credits (MAT credit entitlement)	0.25	-	-	-	0.25
<b>Sub- Total (a)</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>
Deferred Tax Liabilities					
Property, plant and equipment and intangibles	-	-	-	-	-
<b>Sub- Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets (a)-(b)</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.25</b>

**(c) Significant estimates**

The Holding company has not recognised any deferred tax asset on deductible temporary differences, unused tax losses and unused tax credits as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses and unused tax credits.

**Note 32 Fair valuation measurements**

S. No	Particulars	As at March 31, 2023			As at March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>							
1	Investments	170.94	-	-	168.43	-	-
2	Loans	-	-	29.37	-	-	29.17
3	Trade receivables	-	-	1,187.42	-	-	1190.35
4	Other financial assets	-	-	3.83	-	-	8.59
5	Cash & Cash Equivalents	-	-	67.41	-	-	79.20
6	Bank balances other than cash & cash equivalents	-	-	126.01	-	-	147.96
	<b>Total Financial Assets</b>	<b>170.94</b>	<b>-</b>	<b>1414.04</b>	<b>168.43</b>	<b>-</b>	<b>1455.27</b>
<b>Financial Liability</b>							
1	Borrowings (including current maturities & Interest Accrued)	-	-	30,360.71	-	-	29,703.67
2	Trade & Other Payables	-	-	1,480.95	-	-	1,401.53
3	Other financial Liabilities	-	-	635.36	-	-	634.52
	<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>32,477.02</b>	<b>-</b>	<b>-</b>	<b>31,739.72</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

- a) The carrying amounts of trade and other payables, working capital borrowings, current loans and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- b) The carrying amounts of trade receivables, loans, security deposits and investment in preference shares were calculated based on contractual cash flows, discounted using a current lending rate and the amortised values are considered to be the same as their fair values, as there is no change in the current and the previous year lending rates. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- c) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- d) As all the financial instruments have been fair valued using amortised cost accounting considering the unobservable inputs as explained in the note b) and c) above therefore all the financial assets and financial liabilities would fall into level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk, own credit risk, contractual cash flows and lending rates.

**Note 33 Financial Risk Management**

**Risk management objectives and policies**

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 33. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated by its board of directors through Resolution Professional, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to, are described below:

**33.1 Market risk**

Market risk is the risk that changes in market prices will have an effect on Group's income or value of the financial assets and liabilities. The Group is exposed to various types of market risks which result from its operating and investing activities. The most significant financial risks to which the Group is exposed are described below:

**a Foreign currency risk**

The Company is exposed to exchange rate fluctuations as it undertakes transaction in various currencies. Various operating and investing activities during the year, in currencies other than functional currency of the Company, resulted in foreign currency financial assets and liabilities as on each reporting date.

As the company is currently undergoing CIRP process (refer note 1(a)), Accordingly, a moratorium has been declared under section 14 of the Code.

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at March 31, 2023 and March 31, 2022 :

Particulars	Foreign Currency	As at March31, 2023		As at March31, 2022	
		Foreign Currency	Amount	Foreign Currency	Amount
Trade payable	US\$	12.87	1,056.54	12.87	976.60
	Euro	0.01	0.89	0.01	0.84
Trade receivable	US\$	0.35	28.33	0.35	26.19
	Canadian \$ (CAD)	0.11	6.63	0.11	6.64
Loans payable	US\$	80.00	6,841.23	80.00	6,323.64
Interest accrued and due	US\$	14.94	1,215.17	14.94	1,126.60

**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

(Rs. In millions unless otherwise stated)

To mitigate the Company's exposure to foreign exchange risk, cash flows in foreign currencies are monitored and net cash flows are managed in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

The following table gives the volatility in exchange rates for the respective reporting years for major currencies:

Currencies	Year ended March 31, 2023	Year ended March 31, 2022
INR/USD	5%	5%
INR/EURO	9%	6%
INR/CAD	8%	7%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date.

**Sensitivity analysis for entities with foreign currency balances in INR**

The following tables illustrate the sensitivity of profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective functional currencies' against INR, assuming 'all other things being equal'.

If the respective functional currencies had strengthened/weakened against the INR by the afore mentioned percentage of market

March 31, 2023	Movement	Profit and loss		Other Components of equity	
		Strengthening	Weakening	Strengthening	Weakening
USD Sensitivity	5%	112.17	(112.17)	342.06	(342.06)
EURO Sensitivity	9%	0.08	(0.08)	-	-
CAD Sensitivity	8%	0.53	(0.53)	-	-

March 31, 2022	Movement	Profit and loss		Other Components of equity	
		Strengthening	Weakening	Strengthening	Weakening
USD Sensitivity	5%	103.85	(103.85)	316.18	(316.18)
EURO Sensitivity	6%	0.05	(0.05)	-	-
CAD Sensitivity	7%	0.47	(0.47)	-	-

**(b) Price risk sensitivity**

The Group does not have any financial asset or liability exposed to price risk as at reporting date.

**(c) Interest rate sensitivity**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to minimise interest rate cash flow risk exposure on long-term financing.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

The following table provides a break-up of the Group's fixed and floating rate borrowings:



Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
	Fixed-rate borrowings (Refer note below)	3,577.04
Floating rate borrowings (Refer note below)	23,200.01	22,765.14
<b>Total borrowings</b>	<b>26,777.05</b>	<b>26,259.47</b>

Note: The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

The following table illustrates the sensitivity of profit or loss and other components of equity to a reasonably possible change in interest rates of +/- 1% (March 31, 2021: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the LIBOR rate for each year, and the financial instruments held as at end of reporting year that are sensitive to changes in interest rates, all other variables held constant.

	Impact on profit and loss after tax			
	Year ended March 31, 2023		Year ended March 31, 2022	
	Favourable change of 100 bp	Unfavourable change of 100 bp	Favourable change of 100 bp	Unfavourable change of 100 bp
Loan amount	23,200.01		22,765.14	
Effect on profit and loss after tax	232.00	(232.00)	227.65	(227.65)

### 34.2 CREDIT RISK

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial assets, for example, by granting loans and receivables to customers, placing deposits, loans etc. the group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at different reporting dates.

The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties only. In respect of trade and other receivables, the Group follows simplified approach which does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. However, the Group records full credit loss on the receivables for which the Group had filed litigation.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial asset.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date:

	0-180 days	180-365 days	more than 360 days
Default rate	6%	9%	38%

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Group.

**Reconciliation of loss allowance provision at consolidated level – Trade receivables**

(Rs. In millions unless otherwise stated)

Particulars	Amount
Loss allowance on 1 April 2021	(14,671.22)
Changes in loss allowance	<u>(26.35)</u>
Loss allowance on 31 March 2022	(14,697.57)
Changes in loss allowance	<u>3.68</u>
Loss allowance on 31 March 2023	<u><u>(14,693.89)</u></u>

**Significant estimates and judgements**

**Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**33.3 Liquidity risk**

Liquidity risk is the risk that the Group might not be able to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain sufficient cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. As the Holding Company is currently undergoing CIRP process (refer note 1(a)), the current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the Holding Company.

As at end of reporting year, the Group's financial liabilities have contractual maturities\* as summarised below :

March 31, 2023				
Particulars	Upto 1 year	1 to 3 years	Above 3 years	Total
Borrowings	26,777.05	614.65	-	27,391.70
Trade payables	1,480.95	-	-	1,480.95
Other financial liabilities	4,419.47	-	-	4,419.47
<b>Total</b>	<b>32,677.47</b>	<b>614.65</b>	<b>-</b>	<b>33,292.12</b>

March 31, 2022				
Particulars	Upto 1 year	1 to 3 years	Above 3 years	Total
Borrowings	25,644.82	-	614.65	26,259.47
Trade payables	1,401.53	-	-	1,401.53
Other financial liabilities	4,330.06	-	-	4,330.06
<b>Total</b>	<b>31,376.41</b>	<b>-</b>	<b>614.65</b>	<b>31,991.06</b>

\*The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Further Current maturities of long term loans have been reclassified from other financial liabilities to borrowings to reflect the maturity profile of borrowings in a better manner. Pursuant to delays in repayment of loan/interest payments and ongoing CIRP process of the Holding Company (refer note 1(a)), the future contractual interest payments in respect of Holding Company has not been considered in above table.

The Group did not have access to any undrawn borrowing facilities at the end of the reporting period.

### 34 Capital management

#### a) Risk Management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern as well as provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

In determining its capital structure, Group considers the robustness of future cash flows and to maintain an optimal structure to reduce the cost of capital.

The Group monitors gearing ratio i.e. Net debt in proportion to its overall financing structure, i.e. equity and debt. Equity comprises of all the components of equity (i.e. share capital, additional paid in capital, retained earnings etc.). Net debt comprises of total borrowings less cash and cash equivalents of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount by issue of new shares or sell assets to reduce the debt. However, in view of certain adverse factors and liquidity problems faced by the Holding Company, the net worth of the Holding Company has been fully eroded and the Holding Company is presently under CIRP process and however, continues to operate as a going concern.

	As at March 31, 2023	As at March 31, 2022
Net debt	26,509.20	25,928.92
Equity	(30,159.58)	(29,359.74)
Net Debt to equity ratio	(0.88)	(0.88)

#### (I) Loan covenants

Under the terms of the master restructuring agreement, the Group is required to comply with the following financial covenants:

- Without the prior approval of CDR Lenders/Monitoring Institutions the group shall not issue any debentures, raise any Loans, deposits from public, issue equity or preference capital, Change its capital structure or charge on its assets including its cashflow or give any guarantees save and except Permitted indebtedness.

- Without the prior approval of CDR Lenders/Monitoring Institutions the Group shall not recognise or register any transfer of shares in the borrowers' capital made or to be made by Promoter, their friends or associates except as may be specified by the CDR Lenders.

As during the FY 2022-23, no such new debt or equity instruments were issued and holding % of promoter Mr. Shantanu Prakash is same as at March 31, 2023 and March 31, 2022 i.e. 36.19%.

The promoter has given interest free loan to the Company for smooth functioning of its day to day operation which as per the terms of MRA will be payable only after the payment of CDR loans.

For details of defaults in payment of principal and interest, refer note 18 (5).

#### (b) Dividend

The Group has not proposed any dividend for the current and previous year.

**Note 35 Segment Reporting**

- (i) The board of directors of the Holding Company through Resolution Professional assesses the financial performance and position of the Group, and makes strategic decisions. The RP has been identified as being the chief operating decision maker.

The Group has followings segments namely :-

- a) Higher Learning Solutions (HLS) comprising of vocational, higher education and professional development.
- b) School Learning Solutions (SLS) comprising of Smart Class & Edureach (ICT) business.
- c) K-12 Schools comprising preschools & high schools.
- d) Online, Supplemental & Global business (OSG) comprising of internet based educational services and coaching. In accordance with the provision of Ind AS-108, "Operating Segment" the Group has identified business segment as primary segment. As its Secondary segment, the Group has only one geographical segment based on the geographical location of its customers.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses, which are not attributable or allocable to segments, have been disclosed under the head "unallocable". Assets and liabilities that are directly attributable to segments are disclosed under respective reportable segment. All other assets and liabilities are disclosed under the head "unallocable".

The chief operating decision maker primarily uses revenue to assess the performance of the operating segments. However, the chief operating decision maker also receives information about the segment assets on a monthly basis.

**a) Business segment information**

**(ii) Segment Capital Expenditure**

	For theYear ended March 31, 2023	For theYear ended March 31, 2022
HLS	-	-
SLS	-	1.05
K-12	-	-
OSG	-	-
Unallocated	1.05	1.06
	<b>1.05</b>	<b>2.11</b>

**(iii) Segment depreciation and amortisation**

	For theYear ended March 31, 2023	For theYear ended March 31, 2022
HLS	-	-
SLS	0.28	1.32
K-12	-	-
OSG	-	-
Unallocated	2.83	2.85
	<b>3.11</b>	<b>4.17</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

(iv) Segment Revenue & Expenses (External)	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Revenue	Expenses	Results	Revenue	Expenses	Results
HLS	-	-	-	-	-	-
SLS	39.82	22.51	17.31	13.81	47.40	(33.59)
K-12	-	-	-	-	-	-
OSG	-	-	-	-	-	-
	<b>39.82</b>	<b>22.51</b>	<b>17.31</b>	<b>13.81</b>	<b>47.40</b>	<b>(33.59)</b>
Less: Unallocable Expenditure			779.72			383.30
Less: Finance cost			51.00			44.82
Operating loss			(813.41)			(461.71)
Other Income			11.07			26.35
Loss before exceptional items, share of net loss of investments accounted for using equity method and tax			(802.34)			(435.36)
Share of Profit/( loss) in associates and joint venture			2.44			(8.49)
Loss before exceptional items and tax			(799.90)			(443.85)
Exceptional Items (refer note 31)			-			-
Loss before tax			(799.90)			(443.85)
Less: Tax expense						
a) Current tax			-			-
b) Deferred tax			-			-
Net Loss after tax			(799.90)			(443.85)

(v) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment assets	As at	As at
	March 31, 2023	March 31, 2022
HLS	893.78	893.78
SLS	1,232.39	1,264.18
K-12	22.52	22.52
OSG	63.35	63.35
<b>Total Segment assets</b>	<b>2,212.04</b>	<b>2,243.83</b>
Unallocated corporate assets	232.19	269.35
Investments	170.92	168.41
<b>Total assets as per the balance sheet</b>	<b>2,615.15</b>	<b>2,681.59</b>

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**(vi) Segment liabilities**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operation of the segment.

	As At March 31, 2023	As At March 31, 2022
HLS	3.13	3.13
SLS	1,251.97	1,225.54
K-12	111.43	111.43
OSG	63.21	63.21
<b>Total Segment liabilities</b>	<b>1,429.74</b>	<b>1,403.31</b>
Unallocated corporate liabilities	4,768.32	4,629.81
Current Borrowings	26,162.39	25,644.80
Non-Current Borrowings	414.21	363.33
<b>Total liabilities as per the balance sheet</b>	<b>32,774.66</b>	<b>32,041.25</b>

**(b) Geographical Segments**

**Revenue**

	For year ended March 31, 2023	For year ended March 31, 2022
India	39.82	13.81
Outside India	-	-
	<b>39.82</b>	<b>13.81</b>

**Capital Expenditure**

	For year ended March 31, 2023	For year ended March 31, 2022
India	1.05	2.11
Outside India	-	-
	<b>1.05</b>	<b>2.11</b>

**Non-current Assets\***

	As at March 31, 2023	As at March 31, 2022
India	953.92	955.70
Outside India	-	-
	<b>953.92</b>	<b>955.70</b>

\*Non-current assets are excluding financial instruments.

**Note 36 Related party transactions**

**(a) List of related parties and relationships:**

**Associates**

S. No.	Name of Related Party
1	Little Millennium Education Private Limited

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Key Managerial Personnel (KMP)**

**S. No. Name of Related Party**

- 1 Mr. Shantanu Prakash, Managing Director (Power suspended due to CIRP)
- 2 Mr. V. K. Dandona, Director(Power suspended due to CIRP)
- 3 Mr. Mahender Kumar Khandelwal, Resolution Professional (RP)

**Enterprises owned or significantly influenced by KMP or their relatives**

**S. No. Name of Related Party**

- 1 Learning Leadership Foundation
- 2 India Education Fund
- 3 Unnati Educational Trust
- 4 League India Education Foundation
- 5 Shri Hare Educational trust
- 6 Siya Ram Educational trust
- 7 Sri Vasudev Educational Trust
- 8 Vigyan Education Trust

**(b) Transactions with related parties:\***

Particulars	Associates	KMP	Others	Total
Remuneration paid (note d.2)	-	3.60	-	3.60
	-	(3.60)	-	(3.60)

\* Figures given in parenthesis represent previous year figures.

**(c) Balances with related parties:\***

Particulars	Subsidiaries	Associate (Little Millennium Education Private Limited)	KMP	Others	Total
Investment (Refer Note 7)		170.94	-	-	170.94
		(168.43)	-	-	(168.43)
Trade receivable (note d.2)	5.83	0.26	-	9.19	15.28
	(5.83)	(0.26)	-	(9.19)	(15.28)
Provision for trade receivable(note d.3)	5.83	0.26		9.19	15.28
	(5.83)	(0.26)		(9.19)	(15.28)
Trade and other payables (note d.4)		-	-	69.66	69.66
		-	-	(69.66)	(69.66)
Advance received from customers (note d.5)		-	-	59.70	59.70
		-	-	(59.70)	(59.70)
Unsecured Loan (including debt and equity portion of compounded financial instruments) (note d.8)		-	888.63	-	888.63
		-	(793.11)	-	(793.11)
Other Current Assets (note d.6)		-	-	0.10	0.10
		-	-	(0.10)	(0.10)
Provision for Other Current Assets (note d.7)		-	-	0.10	0.10
		-	-	(0.10)	(0.10)

\* Figures given in parenthesis represent previous year figures.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(d) Notes

(Rs. In millions unless otherwise stated)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
<b>1. Remuneration paid:</b>		
Mr. Mahender Kumar Khandelwal, RP	3.60	3.60
<b>2. Trade receivable</b>		
Learning Leadership Foundation	0.14	0.14
League India Education Foundation	9.04	9.04
Siya Ram Educational Trust	0.01	0.01
Little Millennium Education Private Limited	0.26	0.26
Savicca	6.36	6.36
	<b>15.81</b>	<b>15.81</b>
<b>3. Provision for Trade Receivable</b>		
Learning Leadership Foundation	0.14	0.14
League India Education Foundation	9.04	9.04
Siya Ram Educational Trust	0.01	0.01
Little Millennium Education Private Limited	0.26	0.26
Savicca	6.36	6.36
	<b>15.81</b>	<b>15.81</b>
<b>4. Trade and other payables</b>		
Unnati Educational Trust	69.66	69.66
<b>5. Advance received from customers</b>		
Educomp Global Holding W.L.L	42.52	42.52
Edumatics Corporation Inc.	16.21	16.21
Shri Hare Educational Trust	0.37	0.37
Vigyan Education Trust	0.60	0.60
	<b>59.70</b>	<b>59.70</b>
<b>6. Other Current Assets</b>		
India Education Fund	0.10	0.10
<b>7. Provision for Other Current Assets</b>		
India Education Fund	0.10	0.10
<b>8. Unsecured Loan taken</b>		
Mr. Shantanu Prakash	888.63	837.75

**Terms and conditions**

- (i) All outstanding balances are unsecured and repayable/ recoverable on demand.
- (ii) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than disclosed.

**Note 37 Contingent Liabilities**

The below mentioned details is based on the status provided by the Group till the date of approval of insolvency under the Code i.e. May 30, 2017. Consequently, NCLT has declared the moratorium period as per the provision of section 13 (1) (a) of the Code which is further extended to February 24, 2018 via CoC meeting dated November 2, 2017. 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. Refer Note 1(c) for further details.

The Group has contingent Liabilities at March 31, 2020 in respect of:



Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
i. Legal proceedings and claims, which have arisen in the ordinary course of business, the contingent liability estimated in relation to these Legal cases is as under:		
- Civil Cases :	59.78	60.08
- Consumer/labour related cases :	34.35	43.21
	<b>94.13</b>	<b>103.29</b>
ii. Corporate guarantee given to bank for secured loan and debenture on behalf of erstwhile subsidiaries		
- Edu Smart Services Private Limited*	2,250.00	2,250.00
- Educomp Infrastructure & School Management Limited	9,371.69	9,371.69
- Educomp Asia Pacific Pte Ltd. - Singapore**	1,724.37	1,593.91
	<b>13,346.06</b>	<b>13,215.60</b>

\* Includes Rs. 530.96 million for which claims have been admitted by the RP but not recorded in the books of the company.

\*\*Includes Rs. 1128.24 million for which claims have been admitted by the RP but not recorded in the books of the company.

**37 (a) The timing of future outflows in respect of the above will depend on crystallization and demand made by bank.**

**Note 38 Commitments**

**Capital commitments**

Capital expenditure contracted but remained to be executed at the end of the reporting period are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Uncalled liability on partly paid shares of Educomp Online Supplemental Services Limited (net of Advances)	400.41	400.41
<b>Total</b>	<b>400.41</b>	<b>400.41</b>

**Note 39 Share based payment**

**I) Educomp Solutions Limited**

The Holding Company has certain stock option schemes which provide equity shares to employees and directors (excluding promoter director) of the Holding Company. All the cost including the cost relating to the options granted to employees of subsidiary companies are borne by the Holding Company. Employee stock options are convertible into equity shares in accordance with the respective employees' stock option scheme. The option vesting period is maximum ten years from the date of grant of option to employees at an exercise price approved by the remuneration committee. The exercise period is one year from the end of last vesting date of respective grants. There are no conditions for vesting other than continued employment/ directorship with the Holding Company or its subsidiaries. There has been no cancellation or modification to any of the schemes during the year.

**Employee Stock Option Scheme 2006**

Pursuant to shareholder's resolution dated August 24, 2006, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2006" which provides for the issue of 3,125,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employee Stock Option Scheme 2007**

Pursuant to shareholder's resolution dated September 13, 2007, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2007" which provides for the issue of 1,000,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: NIL) number of shares outstanding for issue under the scheme.

**Employee Stock Option Scheme 2008**

Pursuant to shareholder's resolution dated November 25, 2008, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2008" which provides for the issue of 1,250,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employees Stock Option Scheme 2010**

Pursuant to shareholder's resolution dated 18 March 2010, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2010" which provides for the issue of 1,000,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employees Stock Option Scheme 2011**

Pursuant to shareholder's resolution dated July 26, 2011, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2011" which provides for the issue of 1,000,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 7 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: Nil) number of shares outstanding for issue under the scheme.

**Employees Stock Option Scheme 2012**

Pursuant to shareholder's resolution dated July 16, 2012, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2012" which provides for the issue of 3,500,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 10 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: NIL) number of shares outstanding for issue under the scheme.-

**Employees Stock Option Scheme 2014**

Pursuant to shareholder's resolution dated August 11, 2014, the Holding Company had introduced "Educomp Employees Stock Option Scheme 2014" which provides for the issue of 5,000,000 equity shares to employees of the Holding Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 10 years from the date of respective grants. As at March 31, 2023 the Holding Company had Nil (March 31, 2022: NIL) number of shares outstanding for issue under the scheme.

**EDUCOMP SOLUTIONS LIMITED**

Note 40A Particulars of Subsidiaries, Joint Venture and Associate considered in the Consolidated Financial Statements are:

(Rs. In millions unless otherwise stated)

Particulars	Principal Place of business	Extent of Control		Non Controlling Interest		Principal Activities
		As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021	
<b>(I) Subsidiaries</b>						
Directly held						
Wheatstone Productions Private Limited	India	51.00%	51.00%	49.00%	49.00%	Providing Internet based educational services and coaching
Educomp Learning Private Limited (ELPL)	India	51.00%	51.00%	49.00%	49.00%	Sale/development of Educational Contents
Educomp School Management Limited (ESML)	India	68.35%	68.35%	31.65%	31.65%	Licensing of Copyright Content, Intellectual Properties (IP)
Educomp Professional Education Limited (EPEL)	India	100.00%	100.00%	Nil	Nil	Vocational, higher education and professional development
Educomp Online Supplemental Service Limited (EOSSL)	India	95.15%	95.15%	4.85%	4.85%	Refer note 40A.1
Educomp Investment Management Limited (EIML)	India	100.00%	100.00%	Nil	Nil	Provision of Investment Consultancy Services to Venture Capital Funds in the Education
Indirectly Held						
Educomp Software Limited, Subsidiary of EOSSL( Refer Note 40A.1)	India	95.15%	95.15%	4.85%	4.85%	Refer note 40A.1
<b>(ii) Associates</b>						
Little Millenium Education Private Limited	India	48.29%	48.29%	Sale and supply of educational products and rendering of educational services comprising of Pre-School.		

**40A.1** These represents EOSSL and its subsidiaries. They are engaged in providing internet based educational services and coaching.

**40A.2 Loss of control:**

In absence of financial or other information from the overseas subsidiaries since beginning of CIRP period despite best efforts, it has been determined by the management of the holding company, that the Group has lost control over 5 overseas subsidiaries namely Edumatics Corporation Inc. USA, Savvica Inc., Canada, Educomp IntelProp Ventures Pte Limited, Educomp Global Holding FZE and Educomp Global WLL, during the financial year 2018-19.

Further, According to Ind AS 110 "Consolidated Financial Statements", the Group was required to derecognised assets and liabilities of the subsidiaries on the date when the control was lost. Since the financial statements of these subsidiaries as on the date of loss of control are not prepared/available with the management, loss of control accounting, has been done on the basis the unaudited financial statements for the year ended March 31, 2016 in respect of 1 subsidiary namely Savicca Inc., Canada, and based on the audited financial information for the year ended March 31, 2017 in respect of 4 subsidiaries namely Edumatics Corporation Inc. USA, Educomp IntelliProp Ventures Pte Ltd, Educomp Global Holding WLL- Bahrain and Educomp Global FZE and for the year ended March 31, 2018 in respect of EISML including its step-down subsidiaries.

**EDUCOMP SOLUTIONS LIMITED**

**40B Non- Controlling Interest (NCI)**

(a) Set out below is the summarised financial information for each subsidiary that has non- controlling interest in the Group. The amounts disclosed for each subsidiary are before inter- company eliminations.

**i) Summarised Balance Sheet**

**As at March 31, 2023**

Entity	Share of NCI	Current assets (A)	Current liabilities (B)	Net current assets/(liabilities) (C)= (A-B)	Non- current assets (D)	Non- current liabilities (E)	Net non- current assets/(liabilities) (F)=(D-E)	Net Assets/(liabilities) (G)=(C+F)	Accumulated NCI
Educomp Learning Private Limited	49.00%	7.40	6.86	0.53	1.28	-	1.28	1.81	0.89
Educomp School Management Limited	31.65%	20.88	0.80	20.08	72.65	-	72.65	92.73	29.35
Wheatstone Productions Private Limited	49.00%	0.02	1.79	(1.77)	-	-	-	(1.77)	(0.87)
Educomp Software limited	4.85%	14.08	174.15	(160.07)	0.05	32.27	(32.22)	(192.29)	(9.33)
Educomp Online Supplemental Service Limited	4.85%	11.50	117.08	(105.58)	0.11	-	0.11	(105.47)	(5.12)
<b>Total</b>		<b>53.89</b>	<b>300.69</b>	<b>(246.80)</b>	<b>74.09</b>	<b>32.27</b>	<b>41.82</b>	<b>(204.99)</b>	<b>14.92</b>

**As at March 31, 2022**

Entity	Share of NCI	Current assets (A)	Current liabilities (B)	Net current assets/(liabilities) (C)= (A-B)	Non- current assets (D)	Non- current liabilities (E)	Net non- current assets/(liabilities) (F)=(D-E)	Net Assets/(liabilities) (G)=(C+F)	Accumulated NCI
Educomp Learning Private Limited	49.00%	7.40	6.86	0.53	1.28	-	1.28	1.81	0.89
Educomp School Management Limited	31.65%	20.88	0.80	20.08	72.65	-	72.65	92.73	29.35
Wheatstone Productions Private Limited	49.00%	0.02	1.79	(1.77)	-	-	-	(1.77)	(0.87)
Educomp Software limited	4.85%	14.08	174.15	(160.07)	0.05	32.27	(32.22)	(192.29)	(9.33)
Educomp Online Supplemental Service Limited	4.85%	11.50	117.08	(105.58)	0.11	-	0.11	(105.47)	(5.12)
<b>Total</b>		<b>53.89</b>	<b>300.69</b>	<b>(246.80)</b>	<b>74.09</b>	<b>32.27</b>	<b>41.82</b>	<b>(204.99)</b>	<b>14.92</b>

**ii) Summarised statement of profit and loss**

**For the year ended March 31, 2023**

Entity	Revenue	Profit/(loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Total comprehensive income allocated to NCI	Dividend allocated to NCI
Educomp Learning Private Limited	-	-	-	-	-	-
Educomp School Management Limited	-	-	-	-	-	-
Wheatstone Productions Private Limited	-	-	-	-	-	-

**EDUCOMP SOLUTIONS LIMITED**

Educomp Solutions Limited  
Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2022  
(Rs. In millions)

Educomp Online Supplemental Service Limited	-	-	-	-	-	-
Educomp Software Limited	-	-	-	-	-	-
Total	-	-	-	-	-	-

**For the year ended March 31, 2022**

Entity	Revenue	Profit/(loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Total comprehensive income allocated to NCI	Dividend allocated to NCI
Educomp Learning Private Limited	-	-	-	-	-	-
Educomp School Management Limited	-	-	-	-	-	-
Wheatstone Productions Private Limited	-	-	-	-	-	-
Educomp Online Supplemental Service Limited	-	-	-	-	-	-
Educomp Software Limited	-	-	-	-	-	-
Total	-	-	-	-	-	-

**iii) Summarised Cash Flows**

**For the year ended March 31, 2023**

Entity	Cash flow from Operating activities	Cash flow from Investing activities	Cash flow from Financing activities	Net increase/ (decrease) in cash and cash equivalents
Educomp Learning Private Limited	-	-	-	-
Educomp School Management Limited	-	-	-	-
Wheatstone Productions Private Limited	-	-	-	-
Educomp Software Limited	-	-	-	-
Educomp Online Supplemental Service Limited	-	-	-	-

**For the year ended March 31, 2022**

Entity	Cash flow from Operating activities	Cash flow from Investing activities	Cash flow from Financing activities	Net increase/ (decrease) in cash and cash equivalents
Educomp Learning Private Limited	-	-	-	-
Educomp School Management Limited	-	-	-	-
Wheatstone Productions Private Limited	-	-	-	-
Educomp Software Limited	-	-	-	-
Educomp Online Supplemental Service Limited	-	-	-	-

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Note 41. Goodwill and Capital Reserve on consolidation as on the Balance Sheet date comprises the following:**

**a) Goodwill on consolidation**

	As at March 31, 2023	As at March 31, 2022
Educomp Learning Private Limited	0.66	0.66
Educomp School Management Limited	1.56	1.56
<b>Net Goodwill</b>	<b>2.22</b>	<b>2.22</b>

**Note 42 Interest in Associates & Joint Ventures accounted using Equity Method**

**(i) Details of carrying value of Associates**

Name of the entity	Place of Business/country of incorporation	Year	% of ownership interest	Carrying Amount
<b>Associate</b>				
Little Millennium Education Private Limited	India	As at March 31, 2023	48.29%	170.94
		As at March 31, 2022	48.29%	168.43

**Little Millennium Education Private Limited**

Little Millennium Education Private Limited is a Company incorporated in India. The Company is engaged in sale and supply of educational products and rendering of educational services comprising of Pre-School.

**(ii) Summarised financial information for Associates**

The tables below provide summarised financial information for the associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Educomp solutions Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method and modifications for differences in accounting policies, if any.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**a) Summarised balance sheet**

Particulars	Associates	
	Little Millennium	Education Limited
	As at March 31, 2023	As at March 31, 2022
Total current assets	193.72	185.51
Total non-current assets	231.88	155.75
Total assets	425.60	341.26
Total current liabilities	186.03	109.26
Total non-current liabilities	13.05	10.68
Total liabilities	199.08	119.94
Net assets	226.52	221.32

**b) Reconciliation to carrying amounts**

Particulars	Associates	
	Little Millennium	Education Limited
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening carrying value	168.43	176.19
Share of post acquisition profit/(loss)	2.44	(8.49)
Other comprehensive income/ (expense)	0.07	0.73
Carrying Cost of Investment	<b>170.94</b>	<b>168.43</b>
Less: Provision for Diminution in value of Investment	-	-
Closing carrying value	<b>170.94</b>	<b>168.43</b>

**c) Summarised statement of profit and loss**

Particulars	Associates	
	Little Millennium	Education Limited
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue	444.50	223.77
Other Income	14.42	8.17
Profit/ (loss) before tax	5.41	(17.06)
Profit/ (loss) after tax	5.05	(17.59)
Other comprehensive income/ (expense)	0.16	1.52
<b>Total comprehensive income</b>	<b>5.20</b>	<b>(16.07)</b>

No dividend has been distributed by the Associate during the year.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Note 43. Leases**

**43.1 Operating leases (the Group as a lessee)**

**(a) Assets taken on lease**

(i) General description of lease:

- Assets are taken on lease for a period of one to five years.
- Lease rentals are charged on the basis of agreed terms over the lease term.
- There are no restrictions imposed by the lessor.
- There are scheduled escalations.

(ii) The Company has taken office space and technology equipment under non-cancellable operating lease. The lease rental expense recognized in the Statement of Profit and Loss for the year in respect of such leases is Rs. 2.82 million (March 31, 2022 Rs. 3.28 million). The future minimum lease rent payable (minimum lease payments) under non-cancellable operating leases are as follows:

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Total</b>	-	-

**Note 44. Unhedged foreign currency exposures**

(i) Unhedged foreign currency exposure relating to financial instruments - refer note 34.

(ii) There is no unhedged foreign currency exposure relating to non-financial instruments.

**Note 45.** The Holding Company has filed a legal case against one former employee for recovery of certain damages amounting to Rs. 15 million arising from stealing of Holding Company's intellectual property right. The Management of Holding Company is hopeful of favourable outcome of such proceedings/case. However, the amount likely to be realized on settlement of such proceedings/case is currently not ascertainable realistically. The Holding Company does not expect any adverse impact on the financial position as a consequence of these proceedings/case. The Holding Company has recorded all expenses pertaining to legal & professional charges in respect of all such proceedings/case.

**Note 46. Managerial Remuneration:**

Due to inadequacy of the profits, managerial remuneration paid by the Holding 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 Holding 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 Holding Company has 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 Holding 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.



Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

**Note 47.** In accordance with the provisions of the Insolvency and Bankruptcy Code (Insolvency Code), public announcement has been made for submission of proof of claims against the Holding Company from financial creditors, operational creditors and employees and workmen. As per the Insolvency Code, the Resolution Professional (RP) has to receive, collate and admit all the claims submitted against the Holding 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 were filed against the Holding 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

	Claimed Amount	Admitted Amount	Not Admitted
Creditors (financial)	31,080.89	30,242.66	838.23
Creditors (operational)	219.84	164.13	55.71
Workmen and employees	77.40	30.93	46.47
	<b>31,378.13</b>	<b>30,437.72</b>	<b>940.41</b>

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

**Note 48 Loss per share (EPS)**

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Net loss attributable to equity shareholders of the parent	(799.90)	(443.41)
Nominal value of equity share (Rs.)	2	2
No of shares as at end of the year (No.'s)	12,24,67,168	12,24,67,168
No. of weighted average equity shares (No.'s)	12,24,67,168	12,24,67,168
Loss per share Basic/ diluted	(6.53)	(3.62)

\*The Company is having potential equity shares as mentioned in note 16(g). These are however, not considered for calculation of dilutive EPS, being anti-dilutive. Consequently, the basic and diluted EPS of the Group remain the same.

## EDUCOMP SOLUTIONS LIMITED

Educomp Solutions Limited

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions)

### 49. Statement of net assets and profit or loss attributable to owner and minority interest

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (in Rs)	As % of consolidated profit or (loss)	Amount (in Rs)	As % of Consolidated other comprehensive income	Amount (in Rs)	As % of total comprehensive income	Amount (in Rs)
<b>For the financial year ended on March 31, 2022</b>								
Educomp Solutions Limited	100.32%	(30,270.30)	100.31%	(802.34)	-16.67%	(0.01)	100.31%	(802.35)
<b>Indian Subsidiaries</b>								
Educomp Investment Management Limited	0.01%	(2.12)	-	-	-	-	-	-
Educomp Learning Private Limited	-0.01%	1.82	-	-	-	-	-	-
Educomp Online Supplemental Services Limited	0.35%	(105.48)	-	-	-	-	-	-
Educomp Professional Education Limited	-2.95%	890.63	-	-	-	-	-	-
Educomp School Management Limited	-0.31%	92.73	-	-	-	-	-	-
Educomp Software Limited	0.53%	(160.02)	-	-	-	-	-	-
Wheatstone Productions Private Limited	0.01%	(1.77)	-	-	-	-	-	-
<b>Investment as per equity method</b>								
<b>Associates - Indian</b>								
Little Millennium Education Pvt Ltd.	NA	NA	-0.31%	2.44	116.67%	0.07	-0.31%	2.51
<b>Non Controlling Interest</b>								
<b>Indian Subsidiaries</b>								
Educomp Learning Private Limited	0.00%	(0.89)	0.00%	-	-	-	-	-
Educomp School Management Limited	0.10%	(29.35)	0.00%	-	-	-	-	-
Educomp Online Supplemental Services Limited	-0.02%	5.12	0.00%	-	-	-	-	-
Educomp Software Limited	-0.03%	9.33	0.00%	-	-	-	-	-
Wheatstone Productions Private Limited	0.00%	0.87	0.00%	-	-	-	-	-
Total Eliminations	2.01%	(605.01)	0.00%	-	-	-	-	-
-	100%	(29,374.61)	100.00%	(799.88)	100.00%	0.06	100.00%	(799.84)

For the financial year ended on March 31, 2021

Educomp Solutions Limited	100.35%	(29,467.95)	98.09%	(435.36)	-25.86%	(0.15)	98.25%	(435.51)
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**EDUCOMP SOLUTIONS LIMITED**

Educomp Solutions Limited

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions)

49. Statement of net assets and profit or loss attributable to owner and minority interest

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (in Rs)	As % of consolidated profit or (loss)	Amount (in Rs)	As % of Consolidated other comprehensive income	Amount (in Rs)	As % of total comprehensive income	Amount (in Rs)
<b>Indian Subsidiaries</b>								
Educomp Investment Management Limited	0.01%	(2.12)	-	-	-	-	-	-
Educomp Learning Private Limited	-0.01%	1.82	-	-	-	-	-	-
Educomp Online Supplemental Services Limited	0.36%	(105.48)	-	-	-	-	-	-
Educomp Professional Education Limited	-3.08%	890.63	-	-	-	-	-	-
Educomp School Management Limited	-0.32%	92.73	-	-	-	-	-	-
Educomp Software Limited	0.55%	(160.02)	-	-	-	-	-	-
Wheatstone Productions Private Limited	0.01%	(1.77)	-	-	-	-	-	-
<b>Investment as per equity method</b>								
<b>Associates - Indian</b>								
Little Millennium Education Pvt Ltd.	NA	NA	1.91%	(8.49)	125.86%	0.73	1.75%	(7.76)
<b>Non Controlling Interest</b>								
<b>Indian Subsidiaries</b>								
Educomp Learning Private Limited	0.00%	(0.89)	-	-	-	-	-	-
Educomp School Management Limited	0.10%	(29.35)	-	-	-	-	-	-
Educomp Online Supplemental Services Limited	-0.02%	5.12	-	-	-	-	-	-
Educomp Software Limited	-0.03%	9.33	-	-	-	-	-	-
Wheatstone Productions Private Limited	0.00%	0.87	-	-	-	-	-	-
<b>Total Eliminations</b>	2.07%	(607.52)	-	-	-	-	-	-
	<b>100.00%</b>	<b>(29,374.61)</b>	<b>100%</b>	<b>(443.83)</b>	<b>100%</b>	<b>0.58</b>	<b>100.00%</b>	<b>443.27</b>

Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements

Educomp Solutions Limited

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions)

**49. Statement of net assets and profit or loss attributable to owner and minority interest**

Notes:

49.1 The financial statement as at March 31, 2023 and March 31, 2022, of Educomp Investment Management Limited, Educomp Learning Private Limited, Educomp Online Supplemental Services Limited, Educomp Professional Education Limited, Educomp School Management Limited, Educomp Software Limited, Wheatstone Productions Private Limited, are not available with the Group Management/RP. These consolidated financial statements are prepared based on last available unaudited financial statements for the year ended March 31, 2020 in respect of these subsidiaries. The below table represents the Group the balance sheet Total assets & Liabilities) and statement of profit and loss of above mentioned companies as at March 31, 2023 and March 31, 2022 are as under:

Particulars	Educomp Investment Management Limited		Educomp Learning Private Limited		Educomp Online Supplemental Services Limited		Educomp Professional Education Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Balance Sheet</b>								
Total assets	0.39	0.39	8.68	8.68	11.60	11.60	893.75	893.75
Total liabilities	2.51	2.51	6.86	6.86	117.08	117.08	3.12	3.12
Net assets	(2.12)	(2.12)	1.82	1.82	(105.48)	(105.48)	890.63	890.63

Particulars	Educomp School Management Limited		Educomp Software Limited		Wheatstone Productions Private Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Balance Sheet</b>						
Total assets	93.53	93.53	14.13	14.13	0.02	0.02
Total liabilities	0.80	0.80	174.15	174.15	1.79	1.79
Net assets	92.73	92.73	(160.02)	(160.02)	(1.77)	(1.77)

**EDUCOMP SOLUTIONS LIMITED**

Particulars	Educomp Investment Management Limited		Educomp Learning Private Limited		Educomp Online Supplemental Services Limited		Educomp Professional Education Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Statement of profit and loss</b>								
Revenue from operations	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Purchase of Stock-in-Trade	-	-	-	-	-	-	-	-
Employee benefit expense	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-
Depreciation/Amortization expenses	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-
Exceptional Items profit/(loss)	-	-	-	-	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	-	-	-	-	-	-
Net cash flow	-	-	-	-	-	-	-	-

Particulars	Educomp School Management Limited		Educomp Software Limited		Wheatstone Productions Private Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Statement of profit and loss</b>						
Revenue from operations	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Purchase of Stock-in-Trade	-	-	-	-	-	-
Employee benefit expense	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Depreciation/Amortization expenses	-	-	-	-	-	-
Other expense	-	-	-	-	-	-
Exceptional Items profit/(loss)	-	-	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	-	-	-	-
Net cash flow	-	-	-	-	-	-

## EDUCOMP SOLUTIONS LIMITED

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

(Rs. In millions unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>50. Amounts due to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:</b>		
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in trade payables and other current financial liabilities*</b>		
Principal amount due to micro, small and medium enterprises	11.54	11.54
Interest due on above	5.95	5.85
The amount of interest paid by the buyer in terms of Section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.95	5.85
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under Section 23 of the MSMED Act 2006.	-	-

\* Interest liability on unpaid amount of suppliers registered under MSMED Act, 2006 pertaining to the pre-CIRP period has been provided till the date of initiation of CIRP i.e. May 30, 2017 as these dues will be paid/settled in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

### Note 51. Ratios

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance (in %)	Reason for change
Current ratio	Current Assets	Current Liabilities	0.05	0.05	(6.33)	
Debt - Equity ratio	Total Debts	Shareholder's equity	(0.88)	(0.89)	(0.52)	
Debt service coverage ratio	EBIDT + Non cash expenses	Interest + Principle repayment	(0.89)	(1.27)	(29.86)	Due to reduction in loss
Return on equity ratio	Net profit after tax	Average shareholder's equity	2.69%	1.52%	76.45	Due to Increase in loss
Inventory turnover ratio	Sale	Average inventory	0.00	0.03	-	
Trade receivable turnover ratio	Revenue	Average trade receivable	0.03	0.01	194.19	Due to higher revenue
Trade Payable turnover ratio	Purchase of Services and other expenses	Average trade payables	0.54	0.29	83.27	Due to higher expenses
Net Capital turnover ratio	Revenue	Average working capital	(0.00)	(0.00)	24.42	
Net profit ratio	Net profit	Revenue	-1571.82%	-1105.20%	42.22	Due to increase in losses for the year
Return on capital employed	Earning before interest and tax	Capital employed	2.52%	1.38%	82.96	Due to increase in loss
Return on investment	Income generated from investments	Time weighted average investments	-	-	-	

Note 52. Transactions with struck off Companies

(Rs. In millions unless otherwise stated)

The following table summarises the transactions with the companies struck off under section 24B of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck off company	Nature of transactions with struck of company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off company
Indair Carriers Private Limited	Sale of material/Services	0.04 #	0.04	# External customer
Educomp Online Supplement Service Ltd.	Sale of provided material/Services	0.90 #	0.90	# Subsidiary company
Dax Networks Limited	Material purchase	(0.03)	(0.03)	External vendor
Indev Logistics Private Limited	Services availed	(0.31)	(0.31)	External vendor
Office Depot Private Limited	Material purchase	(9.72)	(9.72)	External vendor
Mediaken Productions Private Limited	Services availed	(0.28)	(0.28)	External vendor
Sagacious Hospitality Private Limited	Services availed	(0.07)	(0.07)	External vendor
Educomp Online Supplement Service Ltd.	Advance call money	102.21 #	102.21	# Subsidiary company
Educomp Online Supplement Service Ltd.	Investments in securities	517.18 #	517.18	# Subsidiary company
Wheatstone Production Private Limited	Investments in securities	3.35 #	3.35	# Subsidiary company

# subject to 100% provision

Note 53. The Holding Company is currently subjected to the investigations by Serious Fraud Investigation Office (SFIO), the Central Bureau of Investigation (CBI) and SEBI. Certain information have been requested by them from the Holding Company and the investigations are currently underway. The Holding Company is yet to get any orders or directions in this respect from the said Authorities till the date of signing these consolidated financial statements.

Note 54. The Holding Company has not carried out any internal audit during the year as required under sections 138 of the Act.

Note 55. These Ind AS Financial Statements are not authenticated by a full time company secretary of the Company, which is in non compliance with applicable provisions of the Companies Act, 2013.

Note 56. These Ind AS Financial Statements are not approved by a Chief Financial Officer (CFO) of the Company, which is in non compliance with section 134(1) of the Companies Act, 2013.

Note 57. The Holding 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 and Service Tax Act, 2017.

Note 58. The Financial statements as at 31st March 2023 of Subsidiary companies namely Educomp Investment Management Limited, Educomp Learning Private Limited, Educomp Online Supplemental Services Limited, Educomp Professional Education Limited, Educomp School Management Limited, Educomp Software Limited, Wheatstone Productions Private Limited are not available with group management/RP. These consolidated financial statements are prepared based on last available unaudited financial statements for the year ended March 31, 2020 in respect of these subsidiaries. further these are in non-compliance with various provisions of the Companies Act 2013 and other statutes.

Note 59. The step down subsidiary i.e Educomp software limited did not have any director on board. Further rest of subsidiary companies did not have minimum number of directors on board as required u/s 149(1) of companies Act'2013

Note 60. The title deeds of immovable properties are held in the name of the Company. However, the original title deeds have been given as security against borrowings from banks and the same are kept with the trustee of the banks.

Note 61. The Holding Company has not revalued its Property, Plant & Equipments (including Right of use assets) or intangible assets during the current or previous year.

Note 62. No loans or Advances in the nature of loans have been granted to the promoters, directors, KMPs and the related parties either severally or jointly with any other person by the holding company.

Note 63. There are no intangible assets under development in the Holding Company.

Note 64. No proceedings have been initiated on or are pending against the holding company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

Note 65. The Holding Company is undergoing CIRP and all the borrowings from banks and financial institutions have been declared

as NPA and the Company has not filed any quarterly returns or statement of current assets with the banks or financial institutions during the year.

Note 66. The Holding Company has not been declared Wilful Defaulter by any bank or financial institution or other lenders.

Note 67. There are no Charges or satisfaction of charges required to be registered with the RoC during the year.

Note 68. The Holding Company has complied with the number layers prescribed under the Companies Act, 2013

Note 69. (A) The Holding Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries);

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) The Holding Company has not received any fund from any person or entities, including foreign entities, (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries);

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Note 70. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of accounts.

Note 71. The provisions of section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR) are not applicable to the Holding Company since the average net profits of the Company in the preceding three financial years is negative.

Note 72. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note 73. The previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

AS per our report of even date.

For **Kumar Vijay Gupta & Co.**  
Chartered Accountants  
ICAI Firm Registration No.:007814N

For and on behalf of Board of Directors of  
**Educomp Solutions Limited**

Sd/-  
**Gopal Garg**  
Partner  
Membership No.: 524345

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

Place : New Delhi  
Date : 30-09-2023  
UDIN : 23524345BGZZWA9543

Place : New Delhi  
Date : 30-09-2023







# **Educomp Solutions Limited**