Auditor's Report on Annual Financial Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To

The Board of Directors
Educomp Solutions Limited

1. We have audited the accompanying statement of annual standalone financial results of Educomp Solutions Limited ('the Company') for the year ended March 31, 2015, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Management. These annual standalone financial results are the responsibility of the Company's management and have been approved by the Board of Directors. These annual standalone financial results have been prepared on the basis of the annual standalone financial statements. Our responsibility is to express an opinion on these annual standalone financial results based on our audit of such annual standalone financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual standalone financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual standalone financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us these annual standalone financial results:

   (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and

   (ii) give a true and fair view of the net loss and other financial information for the year ended March 31, 2015.

4. We draw attention to Note 2 to the annual standalone financial results with regard to the following matters:-

   a) Note 2(a) regarding managerial remuneration paid to one of the whole time director of the Company during the current and previous financial year, in non-compliance with the requirements of Section 197 and Section 198 read with schedule V to the Companies Act, 2013 and Section 198 and Section 269 read with Schedule XIII to the Companies Act, 1956 respectively, for which Central Government's approval has not been obtained.

   b) Note 2(b) with respect to Management's assessment of recoverability of investment in 6 of its subsidiary companies namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelprop Ventures Pte Ltd., in a Trust- India Education Fund and in one of its associate, Greycells18 Media Limited.

   c) Note 2(c) wherein the Company has not considered impairment of trade receivable and investment in Edu Smart Services Private Limited (ESSPL) in the intervening period, in view of proposed merger of ESSPL with the Company.

   d) Note 2(d) wherein, in the opinion of the management, despite incurring substantial losses during the current financial year and erosion of net worth as at 31 March 2015, the financial statements have been prepared on a going concern basis in view of matters more fully explained in the said note.

Our report is not modified in respect of these matters.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Raj Kumar Agarwal

Partner

Membership No. 074715

Place : Gurgaon

Date : May 28, 2015

EDUCOMP SOLUTIONS LIMITED

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

Standalone Statement of Assets & Liabilites CIN:L74999DL1994PLC061353

(Rupees in Lacs)

Particulars	As at 31-03-15 Audited	As at 31-03-14 Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	2,449.34	2,448.82
(c) Reserves and Surplus	46,475.69	165,203.93
(c) Money received against share warrants	-	-
Sub-total-Shareholder's funds	48,925.03	167,652.75
2 Share application money pending allotment	-	-
3 Non-current liabilities		
(a) Long-term borrowings	215,333.39	173,155.83
(b) Trade payables	-	240.37
(c) Deferred tax liabilities (net)	-	-
(d) Other long term liabilities	1,840.31	1,049.74
(e) Long-term provisions	7,254.16	719.02
Sub-total - Non-current liabilities	224,427.86	175,164.96
4 Current liabilities		
(a) Short-term borrowings	21,070.08	19,658.26
(b) Trade payables	8,923.49	15,651.56
(c) Other current liabilities	30,986.61	20,607.68
(d) Short-term provisions	5,421.91	133.51
Sub-total - Current liabilities	66,402.09	56,051.01
TOTAL - EQUITY AND LIABILITIES	**339,754.98**	**398,868.72**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	8,766.83	11,410.74
(b) Non-current investments	169,383.88	169,383.88
(c) Deferred tax assets (net)	-	-
(d) Long-term loans and advances	3,560.68	7,405.22
(e) Other non-current assets	136.39	175.99
Sub-total - Non - current assets	181,847.78	188,375.83
2 Current assets		
(a) Current investments	-	-
(b) Inventories	2,536.28	5,662.79
(c) Trade receivables	135,685.24	184,683.11
(d) Cash and cash equivalents	5,696.47	1,891.94
(e) Short-term loans and advances	13,899.26	18,017.92
(f) Other current assets	89.95	237.13
Sub-total - Current assets	157,907.20	210,492.89
TOTAL - ASSETS	**339,754.98**	**398,868.72**

SOLUTIONS LIMITED NEW DELHI

EDUCOMP SOLUTIONS LIMITED CIN:L74999DL1994PLC061353

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

PART 1

(Rupees in lacs)

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015

S.NO	Particulars	Quarter ended			Year ended	
		Audited	Unaudited	Audited	Audited	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
1	**Income from operations**					
(a)	Net sales/income from operations	3,684.23	4,352.17	4,731.66	19,817.45	28,229.46
(b)	Other operating income	-	-	-	-	-
	Total Income from operations (net)	**3,684.23**	**4,352.17**	**4,731.66**	**19,817.45**	**28,229.46**
2	**Expenses**					
(a)	Purchases of stock-in-trade	61.30	330.86	847.77	1,895.90	10,769.24
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	447.34	199.60	1,407.14	440.55	996.52
(c)	Employee benefit expenses	3,285.80	3,080.34	2,801.78	12,885.74	14,241.67
(d)	Depreciation and amortisation expenses	1,242.63	964.02	1,312.20	4,783.26	5,408.15
(e)	Other expenses	2,269.92	1,735.17	1,582.44	7,159.54	6,014.20
(f)	Provision for doubtful trade receivables/advances (refer note 3)	433.75	-	304.62	1,178.77	4,654.32
(g)	Foreign exchange fluctuation (Net)	212.45	627.93	91.31	1,731.95	1,957.60
	Total Expenses	**7,953.19**	**6,937.92**	**8,347.26**	**30,075.71**	**44,041.70**
3	**Loss from operations before other income , finance costs and exceptional items (1-2)**	**(4,268.96)**	**(2,585.75)**	**(3,615.60)**	**(10,258.26)**	**(15,812.24)**
4	Other income	1,049.48	1,706.82	1,756.47	3,402.59	3,488.17
5	**Loss from ordinary activities before finance costs and exceptional items (3+4)**	**(3,219.48)**	**(878.93)**	**(1,859.13)**	**(6,855.67)**	**(12,324.07)**
6	Finance costs	5,391.58	5,994.12	3,218.13	22,954.43	13,816.76
7	**Loss from ordinary activities after finance costs but before exceptional items (5-6)**	**(8,611.06)**	**(6,873.05)**	**(5,077.26)**	**(29,810.10)**	**(26,140.83)**
8	Exceptional Items/Prior period items (refer note 3)	374.81	31,465.05	6,118.00	86,733.77	7,052.08
9	**(Loss) /Profit from ordinary activities before tax (7-8)**	**(8,985.87)**	**(38,338.10)**	**(11,195.26)**	**(116,543.87)**	**(33,192.91)**
10	Tax Expense					
	- Current tax including for earlier years (net)	-	-	(3,286.04)	-	(3,286.04)
	- MAT Credit Entitlement / Reversal	-	-	-	-	-
	- Deferred tax (credit) / charge	-	-	3,018.52	-	1,316.15
11	**Net Loss from Ordinary activities after tax (9-10)**	**(8,985.87)**	**(38,338.10)**	**(10,927.74)**	**(116,543.87)**	**(31,223.02)**
12	Extraordinary Item (net of tax expense)	-	-	-	-	-
13	**Net Loss for the period (11-12)**	**(8,985.87)**	**(38,338.10)**	**(10,927.74)**	**(116,543.87)**	**(31,223.02)**
14	Paid up Equity share capital (Face Value Rs 2/- each)	2,449.34	2,449.34	2,448.82	2,449.34	2,448.82
15	Reserve excluding revaluation reserves	-	-	-	46,475.69	165,203.93
16	**(Loss)/ Earning Per Share (EPS) (not annualized)**					
	(a) Basic	(7.34)	(31.30)	(8.92)	(95.17)	(25.50)
	(b) Diluted	(7.34)	(31.30)	(8.92)	(95.17)	(25.50)
17	Debt Equity Ratio	-	-	1.18	5.14	1.18
18	Debt Service Coverage Ratio	-	-	-	(0.29)	(0.52)
19	Interest Service Coverage Ratio	-	-	-	(0.52)	(0.81)

PART II

SELECT INFORMATION FOR THE FINANCIAL RESULTS AS AT MARCH 31, 2015

A	**PARTICULAR OF SHAREHOLDING**					
1	**Public shareholding:**					
	- Numbers of shares (Nos.)	67,628,923	67,628,923	67,602,823	67,628,923	67,602,823
	- Percentage of shareholding	55.22%	55.22%	55.21%	55.22%	55.21%
2	**Promoters and Promoter Group Shareholding**					
	a) Pledged / Encumbered					
	- Number of shares	47,553,645	47,553,645	28,990,855	47,553,645	28,990,855
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	86.72%	86.72%	52.87%	86.72%	52.87%
	Percentage of shares (as a % of the total share capital of the company)	38.83%	38.83%	23.68%	38.83%	23.68%
	b) Non – encumbered					
	- Number of shares	7,284,600	7,284,600	25,847,390	7,284,600	25,847,390
	-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	13.28%	13.28%	47.13%	13.28%	47.13%
	Percentage of shares (as a % of the total share capital of the company)	5.95%	5.95%	21.11%	5.95%	21.11%

	PARTICULARS	
B	INVESTORS COMPLAINTS	3 MONTHS ENDED MARCH 31, 2015
	Pending at the beginning of the quarter	5
	Received during the quarter	5
	Disposed of during the quarter	9
	Remaining unresolved at the end of the Quarter	1

Standalone Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

Particulars	Quarter ended			Year ended	
	Audited	Unaudited	Audited	Audited	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Segment Revenue					
Higher Learning Solutions	149.15	147.24	267.40	575.50	762.71
School Learning Solutions	3,481.79	4,183.63	3,840.88	19,059.49	20,335.98
K-12 Schools	-	-	1.25	-	70.76
Online Supplemental & Global	53.29	21.30	622.13	182.46	7,060.01
Total Net Sales/ Income from Operations	**3,684.23**	**4,352.17**	**4,731.66**	**19,817.45**	**28,229.46**
Segment Results ((Loss)/Profit before Interest and tax from each segments)					
Higher Learning Solutions	127.38	141.74	182.69	479.86	387.34
School Learning Solutions#	(2,065.18)	(32,837.70)	(9,911.82)	(90,073.68)	(16,986.26)
K-12 Schools	-	-	1.25	-	32.73
Online Supplemental & Global	10.75	5.63	(181.85)	(12.74)	(158.88)
	(1,927.05)	**(32,690.33)**	**(9,909.73)**	**(89,606.56)**	**(16,725.07)**
Less : Interest (Net)	5,391.58	5,994.12	2,336.13	22,954.43	13,816.76
: Other un-allocable expenses	2,716.72	1,360.47	705.87	7,385.47	6,139.25
Add : Un-allocable Income	1,049.48	1,706.82	1,756.47	3,402.59	3,488.17
Total (Loss)/Profit before Tax	**(8,985.87)**	**(38,338.10)**	**(11,195.26)**	**(116,543.87)**	**(33,192.91)**
Capital Employed					
(Segment Assets- Segment Liabilities)					
Higher Learning Solutions	(578.16)	(637.54)	(887.18)	(578.16)	(887.18)
School Learning Solutions	124,035.96	122,532.68	189,260.65	124,035.96	189,260.65
K-12 Schools	134.43	129.88	(1,503.19)	134.43	(1,503.19)
Online Supplemental & Global	(1,139.03)	(1,732.88)	(3,745.77)	(1,139.03)	(3,745.77)
Unallocated	(73,528.17)	(62,298.93)	(15,471.76)	(73,528.17)	(15,471.76)
Total	**48,925.03**	**57,993.21**	**167,652.75**	**48,925.03**	**167,652.75**

including impact of exceptional items as refer to note no. 3 to the audited standalone financial results.

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Notes to the standalone financial results of Educomp Solutions Limited

1. The above standalone financial results for the quarter and for the year ended March 31, 2015 have been reviewed by the Audit Committee and on the recommendation of the Audit Committee adopted and approved by the Board of Directors at their meeting held on May 28, 2015.

2. The auditors have drawn attention in their audit report on the standalone financial results of the Company for the year ended March 31, 2015 in respect of the following matters:

   a) Due to inadequacy of the profits, managerial remuneration paid, by the Company to one of its Whole Time Director during the year ended March 31, 2015, is in excess of limits prescribed under Section 197 and 198 read with schedule V to the Companies Act 2013.

   Similarly, managerial remuneration paid in 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 Company has submitted an application to the Central Government for waiver of managerial remuneration paid pertaining to year ended March 31, 2013.

   The management of the Company is in the process of making necessary applications to the Central Government to obtain its approval for the waiver/approval of the remuneration so paid in year ended March 31, 2014 and March 31, 2015 in due course.

   b) The Company has assessed the business projections of 6 of its subsidiary companies, namely Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Services Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelprop Ventures Pte Ltd., in a Trust- India Education Fund and one of its associates Greycells18 Media Limited, having a total investment of Rs. 151,167 lacs and concluded that their business is sustainable on a going concern basis. The Company evaluated the recoverability of its investments, using business valuations performed by independent experts/ its own assessment, according to which the decline in the value of these long term investments has been considered to be temporary. The said evaluation is based on the long term business plans of its subsidiaries, trust and associate and concluded that no adjustments to the carrying value of its long term investments is required to be recorded in these standalone financial results of the Company for the year ended March 31, 2015.

   c) 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 these customers. 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 13th January 2015. The impact for the amalgamation shall be given/recorded in the books of accounts upon obtaining approvals and implementation of the scheme.

EDUCOMP SOLUTIONS LIMITED NEW DELHI

d) The Company has incurred substantial losses and its net worth has been significantly eroded. Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those falling due in financial year 2015-16 as per its CDR package executed with Company's lenders, the Company intends to monetize its identified investments, receivables and assets to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow, discharge its short-term and long term liabilities and recover & recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these 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.

3. **Exceptional items**

a) The Company as part of its regular recoverability evaluation process, has evaluated its outstanding trade receivables including dues from Government companies/agencies. Accordingly, the Company has recorded a provision of Rs. 65,023.48 lacs for doubtful trade receivables during the year ended March 31, 2015, which has been shown as exceptional item. The overall provision for doubtful trade receivables as at March 31, 2015 stands at Rs. 77,434.60 lacs. The exceptional items for the quarter ended March 31, 2015 includes reversal of provision of doubtful debts of Rs.2,181.66 lacs.

The Management is continuously monitoring the recoverability of its trade receivables, which have been classified as good for recovery and is regularly following up with them.

Refer Note 2(c) above in respect to recoverability of trade receivables from ESSPL.

b) Pursuant to approved CDR scheme, trade receivables were acquired from ESSPL along with obligations and rights associated, both present and future, with these trade receivables and customers. As per the trade receivables purchase agreement, all repairs and maintenance cost of hardware sold under these contracts during the remaining contract period is to be borne by the Company. Based on experience of actual cost incurred in servicing such hardware during the current financial year, the Company has estimated that the servicing costs under the remaining contract period is expected to be Rs. 15,110.30 lacs, which has been recorded as provision for warranty during the year ended March 31, 2015. The Company has shown this warranty provision along with expense of Rs. 1,646.22 lacs incurred during the year ended March 31, 2015 as an exceptional item.

The Company has recorded expense of Rs. 4,362.23 lacs as down time/pre-closure discount under contractual obligation during the year ended March 31, 2015, which has been disclosed under exceptional items. The down time allowance/pre-closure discount relating quarter ended March 31, 2015 is Rs. 2,037.73 lacs, which has been disclosed under the exceptional items for the quarter.

4. a) Effective April 1, 2014, the Company has revised the useful life of fixed assets in accordance with Part C of Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets, except for buildings which continue to be depreciated at rates prevailing in the previous financial year and some project related assets. In case of buildings, the Company has decided to carry out a technical assessment of building for identification of components with different useful lives, as required by schedule II to the Companies Act, 2013, which shall be completed in due course. The impact on the depreciation, if any after completion of the technical assessment shall be taken in the period, in which this exercise is completed. The following are the project related assets, which are depreciated over the project duration, which is lower than lives prescribed by Schedule II and which best represents useful lives of these assets as these assets are

project specific and their useful life for the Company is only till the end of the respective project, where these assets are deployed:

Class of Asset	Useful life
Furniture & Fittings	5 years
Networks & Servers	3-5 years
Office Equipments	3-5 years

b) The carrying amount of the assets (except buildings and project assets) as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets as per Schedule II to Companies Act 2013. Consequently, the depreciation for the quarter and year ended March 31, 2015 is higher and the loss before tax is higher to the extent of Rs 4.83 lacs and Rs. 284.52 lacs respectively. Further, an amount of Rs. 465.38 lacs representing the carrying amount of the assets having revised useful life as nil as at April 1, 2014, has been adjusted from the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.

5. The Company had issued 10 Zero Coupon Foreign Currency Convertible Bonds (FCCB) of $1000,000 each in year 2012-13. These FCCBs are convertible into equity shares based on the ratio calculated in accordance with the terms of offering circular dated July 13, 2012. The bonds are either convertible latest by July 24, 2017 at initial conversion price of Rs.188.62 for each equity share at the applicable exchange rate on the date of conversion or redeemable on maturity at 134.07% of par value.

   Futher based on the current market scenario, the management is of the view that the FCCB holder may opt for redemption, consequently the proportionate premium on redemption has been provided against the securities premium and classified under 'Other long term liabilities' in the standalone financial statements.

6. During the quarter ended on March 31, 2015, the Company has granted 7,054,650 stock options under Employee Stock Option Schemes of the Company.

   During the quarter ended on March 31, 2015, the Company has not allotted any equity Shares.

   Paid up capital of the Company as on date is Rs. 244,934,336 which consists of 122,467,168 Equity Shares of the face value of Rs. 2 each.

7. In respect of 350, 13.50% Secured Redeemable Non Convertible Debentures of Rs. 10,00,000 each aggregating Rs. 3,500 lacs, 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.

8. Interest Service Coverage Ratio (ISCR)= Earning before Interest and Tax/Interest Expense and Debt Service Coverage Ratio (DSCR)= Earning before Interest and Tax/(Interest + Principal Repayment)

9. The segment wise revenue, results and capital employed have been prepared in accordance with the Accounting Standard -17 "Segment Reporting" as notified in the Companies (Accounting Standards) Rules 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

   The basic and diluted earnings per share has been calculated in accordance with the Accounting Standard-20 "Earning Per Share" as notified in the Companies (Accounting Standards) Rules 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

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10. Figures for the quarters ended March 31, 2015 and 2014 represents the balancing figures between the audited figures for the full financial year and the published year to date figures upto the third quarter of the respective financial year.

11. The standalone financial results of the Company for the quarter and for the year ended on March 31, 2015 are also available on website of the Company (www.educomp.com), National Stock Exchange of India Limited (www.nseindia.com) and Bombay Stock Exchange Limited (www.bseindia.com).

12. Previous period/year figures have been regrouped and rearranged, wherever considered necessary to conform to the classification in current period.

By order of the Board of Directors

For Educomp Solutions Limited

Shantanu Prakash

Shantanu Prakash
(Managing Director)

EDUCOMP SOLUTIONS LIMITED
NEW DELHI

Place: Gurgaon
Date: May 28, 2015

HARIBHAKTI & CO. LLP
Chartered Accountants

Auditor's Report on Annual Financial Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors
Educomp Solutions Limited

1. We have audited the accompanying statement of annual consolidated financial results of Educomp Solutions Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), its associate and jointly controlled entity for the year ended March 31, 2015, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Management. These annual consolidated financial results is the responsibility of the Company's management and has been approved by the Board of Directors. These annual consolidated financial results have been prepared on the basis of the annual consolidated financial statements. Our responsibility is to express an opinion on these annual consolidated financial results based on our audit of such annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

3. We did not audit the financial statements of 44 subsidiaries included in annual consolidated financial results, whose financial statements reflects total assets of Rs. 1,22,807.04 lacs as at March 31, 2015 and total revenues of Rs. 30,890.36 lacs for the year ended on that date, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the annual consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. The annual consolidated financial results includes the financial statements of 3 subsidiaries and a jointly controlled entity as considered in consolidated financial statements, whose financial statements reflects total assets of Rs. 20,849.74 lacs as at March 31, 2015 and total revenues of Rs. 2,653.07 lacs for the year ended on that date. The annual consolidated financial results also includes Group's share of net loss of Rs. 100.32 lacs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the annual consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and an associate is based solely on such unaudited financial statements.

5. *QUALIFICATION*

Our audit report on the consolidated financial statements for the year ended March 31, 2014, our limited review report on the unaudited consolidated financial results for the quarter ended June 30, 2014, quarter and half year ended September 30, 2014 and the quarter ended December 31, 2014 was qualified in respect of the matter stated below:

As per the terms of Master Restructuring Agreement (MRA) dated December 28, 2013 entered into pursuant to approved Corporate Debt Restructuring Scheme to restructure debt of Educomp Infrastructure and School Management Limited (EISML), a subsidiary of the Company, certain tangible fixed assets of EISML and EISML's subsidiaries have been identified for sale in a time bound manner. As per the valuation of such tangible assets as evaluated and disclosed in the approved Corporate Debt Restructuring Package, some of these assets are expected to have lower realizable value than their carrying values.

Such tangible assets having total carrying value of Rs. 32,075.33 lacs (Previous year Rs. 13,960.96 lacs) are included in the tangible assets in the annual consolidated financial results.

The Management has not carried out any evaluation of impairment of these assets on the Balance Sheet date and no provision for impairment has been recorded, as required by Accounting Standard 28 'Impairment of Assets'.

As we are unable to obtain sufficient appropriate audit evidence about the extent of recoverability of carrying value of these assets, we are unable to determine whether any adjustments to these amounts are necessary.

This qualification has not been addressed by the management of the Company in the consolidated financial results for the year ended March 31, 2015.

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, read with our comments in paragraph 4 and 5 above, *except for the matter described in the qualification paragraph*, these annual consolidated financial results:

   (i) includes the annual results of the following entities:

Sr. No.	Name of the Entity	Relationship
1.	Edumatics Corporation Inc.	Subsidiary
2.	Wheitstone Productions Private Limited	Subsidiary
3.	Educomp Learning Private Limited	Subsidiary
4.	Educomp Infrastructure & School Management Limited	Subsidiary
5.	Educomp School Management Limited	Subsidiary
6.	Educomp Professional Education Limited	Subsidiary
7.	Educomp Asia Pacific Pte Ltd.	Subsidiary
8.	Savvica Inc.	Subsidiary
9.	Educomp Child Care Private Limited	Subsidiary
10.	Educomp Intelliprop Ventures Pte Ltd.	Subsidiary
11.	Educomp Global FTZ	Subsidiary
12.	Educomp Online Supplemental Service Limited	Subsidiary

13.	Vidya Mandir Classes Limited	Subsidiary
14.	Educomp Investment Management Limited	Subsidiary
15.	Educomp Global Holding WLL	Subsidiary
16.	Educomp Infrastructure Services Private Limited	Step-Down Subsidiary
17.	Educomp APAC Services Limited	Step-Down Subsidiary
18.	Wiz learn Technologies Pte Ltd (earlier known as AsknLearn Pte Ltd)	Step-Down Subsidiary
19.	Wiz tech Pte Ltd.	Step-Down Subsidiary
20.	Pave Education Pte Ltd.	Step-Down Subsidiary
21.	Singapore Learning.Com Pte Ltd.	Step-Down Subsidiary
22.	The Learning Internet Inc	Step-Down Subsidiary
23.	Falcate Builders Private Limited	Step-Down Subsidiary
24.	Newzone Infrastructure Private Limited	Step-Down Subsidiary
25.	Rockstrong Infratech Private Limited	Step-Down Subsidiary
26.	Reverie Infratech Private Limited	Step-Down Subsidiary
27.	Herold Infra Private Limited	Step-Down Subsidiary
28.	Growzone Infrastructure Private Limited	Step-Down Subsidiary
29.	Hidream Constructions Private Limited	Step-Down Subsidiary
30.	Leading Edge Infratech Private Limited	Step-Down Subsidiary
31.	Strotech Infrastructure Private Limited	Step-Down Subsidiary
32.	Markus Infrastructure Private Limited	Step-Down Subsidiary
33.	Orlando Builders Private Limited	Step-Down Subsidiary
34.	Crosshome Developers Private Limited	Step-Down Subsidiary
35.	Good Luck Structure Private Limited	Step-Down Subsidiary
36.	Evergreen Realtech Private Limited	Step-Down Subsidiary
37.	Zeta Buildcon Private Limited	Step-Down Subsidiary
38.	Onega Infrastructure Private Limited	Step-Down Subsidiary
39.	Grider Infratech Private Limited	Step-Down Subsidiary
40.	Modzex Infrastructure Private Limited	Step-Down Subsidiary
41.	Virtual Buildtech Private Limited	Step-Down Subsidiary
42.	Laservision Estates Private Limited	Step-Down Subsidiary
43.	Educomp Learning Hour Private Limited	Step-Down Subsidiary
44.	Knowledge Vistas Limited	Step-Down Subsidiary

45.	Educomp Software Limited	Step-Down Subsidiary
46.	Gateforum Educational Services Private Limited	Step-Down Subsidiary
47.	Millennium InfraDevelopers Limited	Step-Down Subsidiary
48.	Boston Realtech Private Limited	Step-Down Subsidiary
49.	Educomp - Raffles Higher Education Limited	Joint-Venture
50.	Greycells18 Media Pvt. Limited	Associate

(ii) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and

(iii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2015.

7. We draw attention on the following matters:

   a. Note 3(a) to the statement of annual consolidated financial results regarding managerial remuneration paid to one of the whole time directors of the Company and one of its subsidiary company, Educomp Infrastructure and School Management Limited during the current and previous financial year, in non-compliance with the requirements of section 197 and section 198 read with schedule V to the Companies Act, 2013 and Section 198, Section 269 and Section 309 read with Schedule XIII to the Companies Act, 1956 respectively, for which Central Government's approval has not been obtained.

   b. Note 3(b) to the statement of annual consolidated financial results wherein a subsidiary company, Educomp Infrastructure and School Management Limited has considered its long outstanding Trade Receivables due from certain Trusts which are due for more than one year, as good and fully recoverable.

   c. Note 3(c) to the statement of annual consolidated financial results with respect to Management's assessment of recoverability of Group's share of net assets as regards investment in 6 of its subsidiary companies, namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelprop Ventures Pte Ltd., in a Trust- India Education Fund and in one of its associate, Greycells18 Media Limited.

d. Note 3(d) to the statement of annual consolidated financial results, which explains Management's view on recoverability of certain significant amount of capital advances given by the Group and which have been outstanding for a long period of time.

e. Note 3(e) to the statement of annual consolidated financial results, which explains Management's view on recoverability of, certain loans advanced to Jai Radha Raman Education Society (the society) by Educomp Raffles Higher Education Limited, a joint venture (JV), and trade receivables due to JV's subsidiary Millennium Infra Developers Limited from the society under contractual obligations.

f. Note 3(f) to the statement of annual consolidated financial results, regarding non-consolidation of financial results of one Company.

g. Note 3(g) to the statement of annual consolidated financial results, with respect to Management's assessment, based on valuation performed by an independent expert, of recoverability of intangible assets in form of brand 'Universal' in one of its step down subsidiary named Educomp APAC Services Limited. The recoverability of the intangible assets is significantly dependent on the step down subsidiary's ability to achieve long term futuristic growth plan envisaged in the related assumptions used for the purpose of valuation.

h. Note 3(h) to the statement of annual consolidated financial results, wherein the Company has not considered impairment of trade receivable and investment in Edu Smart Services Private Limited (ESSPL) in the intervening period, in view of proposed merger of ESSPL with the Company.

i. Note 3(i) to the statement of annual consolidated financial results in respect of the Company, in the opinion of the management, despite incurring net losses during the current financial year and erosion of net worth as at March 31, 2015, the standalone financial statements of the Company have been prepared on a going concern basis in view of matters more fully explained in the said note.

j. Note 3(j) to the statement of annual consolidated financial results in respect of one of Company's subsidiary, Educomp Infrastructure & School Management Limited, in the opinion of the management, despite incurring losses during the current financial year and non-payment of the Funded Interest Term Loan post Balance Sheet date, the standalone financial Statements have been prepared on a going concern basis in view of matters more fully explained in the said note.

k. Note 3(k) to the statement of annual consolidated financial results in respect of one of Company's step down subsidiary, Knowledge Vistas Limited, which indicates that the company has suspended its operation and is waiting for favorable business opportunities. These conditions, along with other matters in the said note indicates the existence of a material uncertainty regarding the company's ability to continue as a going concern.

Our report and audit reports of respective subsidiaries are not modified in respect of these matters.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Raj Kumar Agarwal
Partner
Membership No. 074715

Date : May 28, 2015
Place : Gurgaon

EDUCOMP SOLUTIONS LIMITED
Regd. Office: 1211, Padma Tower I, Rajendra Place, New Delhi-110008

Consolidated Statement of Assets & Liabilites CIN:L74999DL1994PLC061353

(Rupees in Lacs)

Particulars	As at 31-03-15 Audited	As at 31-03-14 Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	2,449.34	2,448.82
(c) Reserves and Surplus	55,322.44	220,070.52
(c) Money received against share warrants	-	-
Sub-total-Shareholder's funds	57,771.78	222,519.34
2 Share application money pending allotment	-	-
3 Minority Interest	18,925.69	24,624.48
4 Non-current liabilities		
(a) Long-term borrowings	304,130.40	294,938.79
(b) Trade payables	-	240.37
(c) Deferred tax liabilities (net)	-	528.04
(d) Other long term liabilities	3,113.57	1,209.16
(e) Long-term provisions	7,416.47	874.01
Sub-total - Non-current liabilities	314,660.44	297,790.37
5 Current liabilities		
(a) Short-term borrowings	21,514.00	19,308.59
(b) Trade payables	9,838.43	16,268.32
(c) Other current liabilities	84,485.31	33,112.33
(d) Short-term provisions	5,502.42	186.21
Sub-total - Current liabilities	121,340.16	68,875.45
TOTAL - EQUITY AND LIABILITIES	**512,698.07**	**613,809.64**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	143,939.47	162,782.43
(b) Goodwill on consolidation	106,637.55	108,056.99
(c) Non-current investments	17,790.91	10,794.36
(d) Deferred tax assets (net)	10.23	22.40
(e) Long-term loans and advances	35,389.16	74,374.83
(f) Other non-current assets	4,664.34	3,874.97
Sub-total - Non -current assets	308,431.66	359,905.98
2 Current assets		
(a) Current investments	-	-
(b) Inventories	3,603.51	6,574.59
(c) Trade receivables	164,295.29	218,896.41
(d) Cash and cash equivalents	16,003.67	10,471.52
(e) Short-term loans and advances	17,711.08	16,060.06
(f) Other current assets	2,652.86	1,901.08
Sub-total - Current assets	204,266.41	253,903.66
TOTAL - ASSETS	**512,698.07**	**613,809.64**

NEW DELHI

EDUCOMP SOLUTIONS LIMITED

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

CIN:L74999DL1994PLC061353

PART 1 (Rupees in lacs)

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015

S.No.	Particulars	Quarter ended			Year ended	
		Audited	Unaudited	Audited	Audited	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
1	**Income from operations**					
(a)	Net sales/income from operations	11,941.95	12,457.01	8,771.49	51,820.23	63,482.35
(b)	Other operating income	-	-		-	-
	Total Income from operations (net)	**11,941.95**	**12,457.01**	**8,771.49**	**51,820.23**	**63,482.35**
2	**Expenses**					
(a)	Purchases of stock-in-trade	438.08	704.25	780.82	3,154.07	11,483.12
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	738.55	(303.37)	1,536.50	100.50	950.25
(c)	Employee benefit expenses	6,550.02	5,945.65	6,043.71	24,990.85	27,177.89
(d)	Depreciation and amortisation expenses	2,341.41	2,095.39	2,672.33	9,491.35	10,835.16
(e)	Other expenses	5,265.02	5,334.66	6,914.25	23,888.38	25,655.17
(f)	Foreign exchange fluctuation (Net)	1,610.72	1,117.74	37.49	4,566.89	1,252.37
	Total expenses	**16,943.80**	**14,894.32**	**17,985.10**	**66,192.04**	**77,353.96**
3	**Loss from operations before other income, finance costs and exceptional items (1-2)**	**(5,001.85)**	**(2,437.31)**	**(9,213.61)**	**(14,371.81)**	**(13,871.61)**
4	Other income	2,144.85	3,010.85	2,268.87	7,599.45	8,987.34
5	**(Loss) /Profit from ordinary activities before finance costs and exceptional items (3+4)**	**(2,857.00)**	**573.54**	**(6,944.74)**	**(6,772.36)**	**(4,884.27)**
6	Finance costs	8,917.69	9,461.35	4,225.70	36,704.10	25,244.52
7	**(Loss) /Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**(11,774.69)**	**(8,887.81)**	**(11,170.44)**	**(43,476.46)**	**(30,128.79)**
8	Exceptional Items/Prior period items (net) (refer note 3(d)(g) & 4)	4,562.52	50,112.29	14,061.04	126,504.04	16,040.83
9	**(Loss) /Profit from ordinary activities before tax (7-8)**	**(16,337.21)**	**(59,000.10)**	**(25,231.48)**	**(169,980.50)**	**(46,169.62)**
10	Tax expense					
	- Current tax including for earlier years (net)	(391.59)	144.68	(3,376.03)	362.56	(2,692.61)
	- MAT Credit Entitlement / Reversal	294.85	(2.81)	(511.32)	-	(829.64)
	- Deferred tax (credit) / charge	41.23	18.21	(2,368.04)	(474.46)	(4,059.29)
11	**Net (Loss) /Profit from ordinary activities after tax (9-10)**	**(16,281.70)**	**(59,160.18)**	**(18,976.09)**	**(169,868.60)**	**(38,588.08)**
12	Extraordinary Item (net of tax expense)	-	-	-		
13	**Net (Loss) /Profit for the period (11-12)**	**(16,281.70)**	**(59,160.18)**	**(18,976.09)**	**(169,868.60)**	**(38,588.08)**
14	Share of (Loss) / profit of Associates	(20.55)	(26.19)	(35.69)	(100.30)	(31.32)
15	Minority Share in (Loss)/profit	(1,002.72)	(1,376.32)	(2,190.43)	(5,753.41)	(2,543.78)
16	Pre-Acquisition Loss/(profits)	-	-	-	-	-
17	**Net (Loss) / Profit after taxes, minority Interest and share of profit/ (loss) of associates (13+14-15-16)**	**(15,299.53)**	**(57,810.05)**	**(16,821.35)**	**(164,215.49)**	**(36,075.62)**
18	Paid up Equity share capital (Face Value Rs.2/- each)	2,449.34	2,449.34	2,448.82	2,449.34	2,448.82
19	Reserve excluding revaluation reserves (As per Balance Sheet of previous accounting year)	-	-	-	55,322.44	220,070.52
20	**(Loss)/ Earning Per Share (EPS) (not annualized)**					
	(a) Basic	(12.49)	(47.20)	(13.74)	(134.10)	(29.46)
	(b) Diluted	(12.49)	(47.20)	(13.74)	(134.10)	(29.46)

PART II

SELECT INFORMATION FOR THE FINANCIAL RESULTS AS AT MARCH 31, 2015

A	**PARTICULAR OF SHAREHOLDING**					
1	**Public shareholding:**					
	. - Numbers of shares (Nos.)	67,628,923	67,628,923	67,602,823	67,628,923	67,602,823
	. - Percentage of shareholding	55.22%	55.22%	55.21%	55.22%	55.21%
2	**Promoters and Promoter Group Shareholding**					
	a) Pledged / Encumbered					
	- Number of shares	47,553,645	47,553,645	28,990,855	47,553,645	28,990,855
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	86.72%	86.72%	52.87%	86.72%	52.87%
	- Percentage of shares (as a % of the total share capital of the company)	38.83%	38.83%	23.68%	38.83%	23.68%
	b) Non – encumbered					
	- Number of shares	7,284,600	7,284,600	25,847,390	7,284,600	25,847,390
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	13.28%	13.28%	47.13%	13.28%	47.13%
	- Percentage of shares (as a % of the total share capital of the company)	5.95%	5.95%	21.11%	5.95%	21.11%

EDUCOMP SOLUTIONS LIMITED NEW DELHI

Consolidated Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

Particulars	Quarter ended			Year ended	
	Audited	Unaudited	Audited	Audited	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Segment Revenue					
Higher Learning Solutions	157.43	329.93	423.23	1,174.84	1,824.11
School Learning Solutions	3,745.65	4,183.63	4,238.56	19,323.35	21,458.42
K-12 Schools	1,737.24	1,726.54	(2,325.64)	7,581.82	9,508.46
Online Supplemental and Global	6,301.63	6,216.91	6,435.34	23,740.22	30,691.36
Total Net Sales/ Income from Operations	**11,941.95**	**12,457.01**	**8,771.49**	**51,820.23**	**63,482.35**
Segment Results ((Loss)/Profit before Interest and tax from each segments)					
Higher Learning Solutions#	121.62	(11,354.43)	270.18	(22,302.94)	(231.57)
School Learning Solutions#	(2,425.48)	(32,838.40)	(10,007.44)	(90,509.12)	(17,032.39)
K-12 Schools#	(1,763.64)	(6,747.03)	(5,195.23)	(15,968.24)	2,898.47
Online Supplemental & Global	(2,780.14)	(249.29)	(575.25)	(4,710.07)	(418.96)
	(6,847.64)	**(51,189.15)**	**(15,507.74)**	**(133,490.37)**	**(14,784.45)**
Less : Interest (Net)	8,917.69	9,461.35	3,343.70	36,704.10	25,244.52
: Other un-allocable expenses	2,716.73	1,360.45	8,648.91	7,385.48	15,127.99
Add : Un-allocable Income	2,144.85	3,010.85	2,268.87	7,599.45	8,987.34
Total (Loss)/Profit before Tax	**(16,337.21)**	**(59,000.10)**	**(25,231.48)**	**(169,980.50)**	**(46,169.62)**
Capital Employed (including minorty interest)					
(Segment Assets- Segment Liabilities)					
Higher Learning Solutions	8,212.07	17,368.10	40,674.90	8,212.07	40,674.90
School Learning Solutions	125,178.30	124,035.35	190,731.44	125,178.30	190,731.44
K-12 Schools	173,757.28	176,439.83	197,751.15	173,757.28	197,751.15
Online Supplemental and Global	2,022.37	(1,950.86)	6,881.63	2,022.37	6,881.63
Unallocated	(232,472.55)	(224,955.59)	(188,895.30)	(232,472.55)	(188,895.30)
Total	**76,697.47**	**90,936.83**	**247,143.82**	**76,697.47**	**247,143.82**

including impact of exceptional items as refer to note no. 3(d)(g) & 4 to the audited consolidated financial results.

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Notes to the consolidated financial results of Educomp Solutions Limited

1. The above consolidated financial results for the quarter and for the year ended March 31, 2015 have been reviewed by the Audit Committee and on the recommendation of the Audit Committee adopted and approved by the Board of Directors at their meeting held on May 28, 2015.

2. **The auditors have qualified their audit report on the consolidated financial results of the Company for the year ended March 31, 2015 and also limited review report for the quarter ended December 31, 2014, for the quarter and half year ended September, 30 2014, for the quarter ended June 30, 2014, and audit report for the year ended March 31, 2014 was also qualified in respect of the following matter:**

   As per the terms of Master Restructuring Agreement and approved Corporate Debt Restructuring Scheme (CDR) of Educomp Infrastructure and School Management Limited (EISML), a subsidiary Company, there are certain assets amounting Rs. 32,075.33 lacs (at cost) which have been identified for sale in a time bound manner. The lead bank carried out a valuation of these assets which are indicative in nature. Market valuations have not been carried out by EISML and its step down subsidiaries, as some of these assets are not ready for sale due to pending regulatory approvals/permissions.

   Based on recent firm offers and latest valuation reports, the Management believes that the market value of these investments is higher than as considered under the indicative valuation reports and differences, if any, are temporary only. Therefore, no adjustment is required to the carrying value of these assets.

3. **The auditors have drawn attention in their audit report on the consolidated financial results of the Company for the year ended March 31, 2015 in respect of the following matters:**

   a) Due to inadequacy of the profits during the current quarter and year ended March 31, 2015, managerial remuneration paid/recorded, by the Company to one of its Whole Time Director and by one of its subsidiary Educomp Infrastructure and School Management Limited (EISML) to its whole-time director during the year ended March 31, 2015, is in excess of limits prescribed under Section 197 and Section 198 read with Schedule V to the Companies Act, 2013.

   Further, due to inadequacy of the profits in the previous financial year, managerial remuneration paid/recorded, by the Company to one of its Whole Time Director and by one of its subsidiary Educomp Infrastructure and School Management Limited (EISML) to its whole-time director/ Managing Directors during financial year ended March 31, 2014, was in excess of limits prescribed under Section 198, Section 269, Section 309 read with Schedule XIII of the Companies Act, 1956.

   The Company has submitted an application to the Central Government for waiver of managerial remuneration paid pertaining to year ended March 31, 2013. The management of the Company and EISML is in the process of making necessary applications to the Central Government to obtain its approval for the waiver/approval of the remuneration so paid/recorded in year ended March 31, 2014 and March 31, 2015 in due course.

   b) Due to longer than expected gestation period of schools, recoverability of trade receivables amounting to Rs. 23,475 lacs from trusts, due to the subsidiary Company Educomp Infrastructure and School Management Limited (EISML) has been slow. The Management of EISML, is regularly monitoring the growth in schools and their future projections, based on which, the Management believes that the trade receivables from the trusts are fully recoverable.

   c) Company has assessed the business projections of its 6 of its subsidiary companies, namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelprop Ventures Pte Ltd., in a Trust- India Education Fund and in one of its associate, Greycells18 Media Limited., for evaluating the recoverability of Group's share of net assets of Rs. 151,167 lacs and concluded that their business is sustainable on a going concern basis. The Company evaluated the recoverability of its share of net assets held through these Companies, using business valuations performed by independent experts/ its own assessment, according to which the decline in value of these long term investments is considered to be temporary. The said evaluation is based on the long term business plans of its subsidiaries/associate and concluded that no adjustments to the carrying value of its share in net assets is required to be recorded in the consolidated financial results of the Company for the quarter and year ended March 31, 2015.

d) During earlier years, EISML, a subsidiary of the Company had given capital advances amounting Rs 25,329 lacs to various parties for acquisition of fixed assets. The Management of EISML as part of its regular recoverability evaluation process had identified certain portions of capital advances which were doubtful of recovery or did not have recoverable value equivalent to the book value. Accordingly, on a prudent basis, the Management had recorded a total provision of Rs. 20,175.48 lacs in the books of accounts towards such capital advances or portions thereof, which were doubtful of recovery, out of which Rs 6,628 lacs is recorded during the year ended March 31, 2015 and Rs.1,440 lacs during the quarter ended March 31, 2015.

The Management is continuously monitoring the settlement of these balances and is regularly following up with respective parties for recovery of the said capital advances. The Management believes that other capital advances, which have not been provided for, although have been long outstanding but are fully recoverable and hence, existing provision recorded in books is sufficient to cover any possible future losses on account of non recovery of such capital advances.

e) During the year, the Company has reviewed business plan of its joint venture, Educomp Raffles Higher Education Limited which has advanced loans amounting Rs. 5,147 lacs to Jai Radha Raman Education Society (Society) and its subsidiary Millennium Infra Developers Limited which has trade receivables of Rs. 6,379 lacs from the same Society under contractual obligations. The Company has also considered the business plan of the Society and estimated market value of its net assets, based on which no adjustment is required in carrying value of its share of net assets in such joint venture. The Group's holding in the joint venture is 41.82%.

f) One Company falls under the definition of "subsidiary" as per the Companies Act, 2013 by virtue of the subsidiary's investment in the convertible preference shares of that Company. However, in conformity with definition of 'Subsidiary' in Accounting Standard - 21 on "Consolidated Financial Statements", the financial results of the same has not been included in the consolidated financial results for the year and quarter ended March 31, 2015.

g) The Company had evaluated the recoverability of intangible assets in form of Brand "Universal" in one of its step down subsidiary, by using valuations performed by an independent valuation expert. The said evaluation was based on long term business plans and underlying assumptions used for the purpose of valuation, which in view of the Management were realistic and achievable by the subsidiary. Based on recent business plans which entail scaling down the operation of Universal brand of schools, the management has during the year decided to record an impairment of Rs. 4,527 lacs to this asset and the same has been disclosed under exceptional items.

h) Pursuant to implementation of approved 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 these customers. 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 13th January 2015. The impact for the amalgamation shall be given/recorded in the books of accounts upon obtaining approvals and implementation of the scheme.

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i) The Company has incurred substantial losses and its net worth has been significantly eroded. Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those falling due in year 2015-16 as per its CDR package executed with Company's lenders, the Company intends to monetize its identified investments, receivables and assets to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow, discharge its short-term and long term liabilities and recover & recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these 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.

j) The Company's subsidiary, Educomp Infrastructure & School Management Limited has incurred losses during the year and the Company's debt related obligation in form of Funded Interest Term Loan is yet to be paid as envisaged under the Corporate Debt Restructuring Package(CDR Package). Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those falling due in year 2015-16 as per the CDR package executed with Company's lenders, the Company intends to monetize its assets identified for sale to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow to discharge its short-term and long term liabilities and recover & recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these 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.

k) The Company's step down subsidiary, Knowledge Vistas Limited has taken land from Lavasa Corporation Limited on lease vide lease agreement dated June 30, 2009 for a period of 999 years to construct an international residential school. Further this subsidiary has entered into a sub-lease agreement with Gyan Kunj Educational Trust (GKET) to sub lease the school building. As per the sub lease agreement, GKET shall be liable to pay lease rental to the Company from the year in which it has cash surplus. GKET has started its operation in Academic Session 2011-12 but due to environment matter, GKET decided to suspend its operation and waiting for favourable business opportunities.
On the basis of the valuation reports from an independent valuer, the carrying cost of the said subsidiary assets are not less that its net realisable value. Hence the management doesn't anticipate any asset impairment.

4. Exceptional items

a) The Company as part of its regular recoverability evaluation process, has evaluated its outstanding trade receivables including dues from Government companies/agencies. Accordingly, the Company has recorded a provision of Rs. 65,023.48 lacs for doubtful trade receivables during the year ended March 31, 2015, which has been shown as exceptional item. The overall provision for doubtful trade receivables as at March 31, 2015 stands at Rs. 77,434.60 lacs. The exceptional items for the quarter ended March 31, 2015 includes reversal of provision of doubtful debts of Rs.2,181.66 lacs.

The Management is continuously monitoring the recoverability of its trade receivables, which have been classified as good for recovery and is regularly following up with them.

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Refer Note 3(h) above in respect to recoverability of trade receivables from ESSPL.

b) Pursuant to approved CDR scheme, trade receivables were acquired from ESSPL) along with obligations and rights associated, both present and future, with these trade receivables and customers. As per the trade receivables purchase agreement, all repairs and maintenance cost of hardware sold under these contracts during the remaining contract period is to be borne by the Company. Based on experience of actual cost incurred in servicing such hardware in the first nine months of this financial year, the Company has estimated that the servicing costs under the remaining contract period is expected to be Rs. 15,110.30 lacs, which has been recorded as provision for warranty during the year ended March 31, 2015. The Company has shown this warranty provision along with expense of Rs. 1,646.21 lacs lacs incurred during the year ended March 31, 2015 as an exceptional item.

The Company has recorded expense of Rs. 4,362.23 lacs as down time/pre-closure discount under contractual obligation during the year ended March 31, 2015, which has been disclosed under exceptional items. The down time allowance/pre-closure discount relating quarter ended March 31, 2015 is Rs. 2,037.73 lacs, which has been disclosed under the exceptional items for the quarter.

b) Pursuant to approved CDR scheme, certain land parcels of the group are identified for monetization and to execute the same, some of the respective group companies have carried out valuation by an independent valuer. Based on available offers from prospective buyers, the group has recorded a provision for impairment of assets of Rs. 2,864.51 lacs during the year ended March 31, 2015. The consolidated financial results include this provision against group's tangible fixed assets and the same has been disclosed under exceptional items.

c) Subsequent to the half year end, the Company has entered into an agreement to sell one of its land at Dasna, Ghaziabad which was held for sale as at September 30, 2014. The book value of the land parcel is Rs 4,580.83 lacs and the price under agreement to sell is Rs 1,330 lacs. Accordingly, on a prudent basis, the expected loss on the sale of the said land parcel amounting Rs 3,250.83 lacs has been recorded in the unaudited financial results for the six months period ended September 30, 2014.

d) During earlier years, Educomp Professional Education Limited (EPEL), a subsidiary of Company had given capital advances amounting Rs 22,378 lacs to various parties for acquisition of fixed assets. The Management of EPEL as part of its regular recoverability evaluation process had identified certain portions of capital advances which were doubtful of recovery or did not have recoverable value equivalent to the book value. The Company had provided for some part of these advances in previous periods and during year ended March 31, 2015, on a prudent basis, the management has recorded a provision of Rs. 22,378 lacs in the books of account of such doubtful capital advances, which has been shown as exceptional item.

e) Subsequent to the half year end, the Company has entered into an agreement to sell one of its land at Dasna, Ghaziabad which was held for sale as at September 30, 2014. The book value of the land parcel is Rs 4,580.83 lacs and the price under agreement to sell is Rs 1,330 lacs. Accordingly, on a prudent basis, the expected loss on the sale of the said land parcel amounting Rs 3,250.83 lacs has been recorded in the unaudited financial results for the six months period ended September 30, 2014.

5. a) The consolidated financial results have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

b) Consolidation of financial results has been done in accordance with the Accounting Standard-21 "Consolidated Financial Statements", Accounting Standard-23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard-27 "Financial Reporting of Interests in Joint Ventures" as notified in the Companies (Accounting Standards) Rules 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

c) The segment wise revenue, results and capital employed have been prepared in accordance with the Accounting Standard-17 "Segment Reporting" as notified in the Companies (Accounting Standards) Rules 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

d) The basic and diluted earning per share has been calculated in accordance with the Accounting Standard-20 "Earning Per Share" as notified in the Companies (Accounting Standards) Rules 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.

6. Effective April 1, 2014, the Company has revised the useful life of fixed assets in accordance with Part C of Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets, except for buildings which continue to be depreciated at rates prevailing in the previous financial year and some project related assets. In case of buildings, the Company has decided to carry out a technical assessment of building for identification of components with different useful lives, as required by schedule II to the Companies Act, 2013, which shall be completed in due course. The impact on the depreciation, if any after completion of the technical assessment shall be taken in the period, in which this exercise is completed. The following are the project related assets, which are depreciated over the project duration, which is lower than lives prescribed by Schedule II and which best represents useful lives of these assets as these assets are project specific and their useful life for the Company is only till the end of the respective project, where these assets are deployed:

Class of Asset	Useful life
Furniture & Fittings	5 years
Networks & Servers	3-5 years
Office Equipments	3-5 years

7. The carrying amount of the assets (except buildings and project assets) as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the quarter and year ended March 31, 2015 is higher and the loss before tax is higher to the extent of Rs. 114.59 lacs and Rs. 844.19 lacs respectively. Further, an amount of Rs. 568.06 lacs representing the carrying amount of the assets with revised useful life as nil, has been adjusted from the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.

8. The Company had issued 10 Zero Coupon Foreign Currency Convertible Bonds (FCCB) of $1000,000 each in year 2012-13. These FCCBs are convertible into equity shares based on the ratio calculated in accordance with the terms of offering circular dated July 13, 2012. The bonds are either convertible latest by July 24, 2017 at initial conversion price of Rs.188.62 for each equity share at the applicable exchange rate on the date of conversion or redeemable on maturity at 134.07% of par value.

Futher based on the current market scenario, the management is of the view that the FCCB holder may opt for redemption, consequently the proportionate premium on redemption has been provided against the securities premium and classified under 'Other long term liabilities' in the standalone financial statements.

9. During the quarter ended on March 31, 2015, the Company has granted 7,054,650 stock options under Employee Stock Option Schemes of the Company.

During the quarter ended on March 31, 2015, the Company has not allotted any equity Shares.

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

10. In respect of 350, 13.50% Secured Redeemable Non Convertible Debentures of Rs. 10,00,000 each aggregating Rs. 3,500 lacs, 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.

11. The consolidated financial results of the Company for the quarter and year ended on March 31, 2015 are also available on website of the Company (www.educomp.com), National Stock Exchange of India Limited (www.nseindia.com) and Bombay Stock Exchange Limited (www.bseindia.com).

12. Previous period/year figures have been regrouped and /or rearranged, wherever considered necessary to conform to the classification in current period.

By order of the Board of Directors
For Educomp Solutions Limited

EDUCOMP SOLUTIONS LIMITED NEW DELHI

Shantanu Prakash

Place: Gurgaon
Date: May 28, 2015

Shantanu Prakash
(Managing Director)