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What Learning Can Be

January 23, 2018

National Securities Depository Limited Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.	Central Depository Services (India) Limited Marathon Futurex, A- Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai 400013

Subject: Update on the Audited Standalone Financial Results, of the Company, for the year ended on March 31, 2017.

Dear Sir,

On May 16, 2017, the company had filed a petition before the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ("NCLT"), to initiate Corporate Insolvency Resolution Process ("CIRP") under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("Code") and NCLT vide its order dated May 30, 2017, admitted the petition and appointed Mr. Sanjiv Agarwal, as an Interim Resolution Professional ("IRP").

The IRP carried out his duties from May 30, 2017 till Mahender Khandelwal (IP Registration No. IBBI/IPA-001/IP-P00033/2016-17/1086) took over the management of the affairs of the company, who was appointed as Resolution Professional ("RP") vide the order of NCLT dated September 12, 2017.

We would like bring to you notice that as per Section 17 and Section 18 of the Code, from the date of commencement of CIRP, the powers of the Board of Directors stand suspended and such powers as well as management of the affairs of the company vest in the IRP, until replaced by the RP. Therefore, as per Section 23(2) of the Code, the Resolution Professional shall exercise powers and perform duties as are vested or conferred on the Interim Resolution Professional under this chapter of the Code.

Due to suspension the board, the standalone financial results of the company for the year March 31, 2017 was duly signed, under the authorization from the Resolution Professional, on January 23, 2017. In this regard, please find attached herewith the complete audited standalone financial results of the company, for the year ended on March 31, 2017 duly approved and signed.

You are requested to please take the same on record.

Yours Sincerely,

Mahender Kumar Khandelwal
Resolution Professional for Educomp Solutions Limited
Registration No. IBBI/IPA-001/IP-P00033/2016-17/1086

Encl: Complete Audited Standalone Financial Results for year ended on March 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of Educomp Solutions Limited

Report on the Standalone Ind AS Financial Statements

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, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter collectively referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and ensuring their operating effectiveness and 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.

In view of the pendency of corporate insolvency resolution process ("CIRP"), pursuant to the order passed by National Company Law Tribunal ("NCLT") dated May 30, 2017, the management of the affairs of the Company and powers of board of directors of the Company are now vested with Mr. Mahender Khandelwal as Resolution Professional ("RP"), who is appointed by the Committee of Creditors ("CoC"). These Standalone Ind AS Financial Statements have been prepared by the management of the Company and certified by Mr. Shantanu Prakash, Chairman and Director and Mr. Ashish Mittal, Chief Financial Officer and approved by the RP (refer note 1 (a) of the Standalone Ind AS Financial Statements and para "(a)" under Emphasis of Matter paragraph).

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors/management/RP (refer note 1 (a) of the Standalone Ind AS Financial Statements and para "(a)" under Emphasis of Matter paragraph), as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Standalone Ind AS Financial Statements.

Basis for Adverse Opinion

a. The Company has evaluated impairment of investments aggregating Rs. 14,307.90 million in 4 of its subsidiaries companies namely, Educomp Infrastructure & School Management Limited, Little Millenium Education Private Limited, Edumatics Corporation Inc and Educomp Professional Education Limited. The Company has evaluated the carrying value of these investments using business valuations performed by its own assessment, according to which the management is of the opinion that no provision for impairment is considered necessary in respect of these investments. However, in the absence of appropriate audit evidence including basis of critical assumptions and supporting for future projections considered in business valuation workings, we are unable to comment on the appropriateness of such business valuations and consequently, we are unable to comment upon appropriateness of carrying amount of these investments and possible impact of the same on the loss for the year ended March 31, 2017 and investments as on that date.

   Further, the Company has not evaluated impairment of its investments aggregating Rs. 289.56 million in 6 of its subsidiaries (other than investments in Edu Smart Services Private Limited ("ESSPL"), which has been separately discussed in para 'd' herein below) and its associate. We have not been provided with any valuation reports/management assessment in relation to provision for diminution in such investments, if any. In absence of such details, 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, 2017 and investments as on that date.

b. Included in Schedule 6.1 to the financial statements are Investments in subsidiaries, other than investment in equity shares, amounting Rs. 697.17 million (March 31, 2016 Rs 697.17 million and April 01, 2015 Rs 79.86 million). These investments are measured at cost. However such investment should be fair valued in accordance with para 4.1.4 of Ind-AS 109 "Financial Instruments". In absence of fair value measurement of such investments, we are unable to

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comment upon any possible impact of the same on the loss for the year ended March 31, 2017 and March 31, 2016 and equity as on March 31, 2017, March 31, 2016 and April 01, 2015.

c. As on April 01, 2015, the Company had its investments in India Education Fund amounting Rs. 425 million. This investment is classified as "Fair Value through Profit and Loss" and the carrying value of this investment as at April 01, 2015 is considered as its fair value. During the year ended March 31, 2016, this investment was sold for a consideration of Rs. 150 million. Considering the subsequent realization and in the absence of any other audit evidence substantiating the fair value considered as on April 01, 2015, we are unable to comment on the appropriateness of fair value considered by the Company as at April 01, 2015 and its possible impact on the equity as at April 01, 2015 and the loss for the year ended March 31, 2016.

d. The Company i) has not recorded any provision against long outstanding trade receivables amounting Rs. 7,084.43 million (net of provision of Rs. 2,646.20 million) from ESSPL (including Rs. 163.40 million, referred in para "s" below), ii) has not considered diminution in value of its investments in ESSPL amounting Rs. 515.9 million, iii) has not recorded any provision against recoverable amounting Rs 223.82 million from ESSPL on account of corporate guarantee invoked by a bank against the Company (fully explained in para 'o' below). Considering the facts that ESSPL has been incurring losses resulting in erosion of its net worth and initiation of insolvency proceedings against it (subsequent to March 31, 2017), we are unable to comment on the recoverability of the said trade receivables, investment and amount recoverable due to invocation of bank guarantee and its resultant impact on the loss for the year ended March 31, 2017 and the equity as on that date

e. As regards trade receivable amounting Rs. 3,149.19 million (net of provision of Rs. 4,183.61 million), (excluding net amount recoverable from ESSPL Rs. 7,084.43 million, refer para "d" above) as on March 31, 2017, the management is of the view that the same is good and recoverable in due course and hence no further provision is required. Out of the above, Rs. 912.11 million has been subsequently realized by the Company till October 31, 2017. However, in the absence of appropriate audit evidence including balance confirmations, correspondences from parties, and details of subsequent realization post October 31, 2017, we are unable to comment on the recoverability of outstanding trade receivables and the possible impact on the loss for the year ended March 31, 2017 and the equity as on that date.

   As mentioned in Note 25 to the Standalone Ind AS Financial Statements, the Company is following Expected Credit loss (ECL) model for measuring impairment of its trade receivables. The ECL allowance or loss rate is computed based on a provision matrix which takes into account historical credit loss experience. The computed loss rate is mentioned in Note 25 to the Standalone Ind AS Financial Statements, however, we have not been provided with the workings of such loss rate computed by the Company.

   Further, the Company has not taken effect of aforesaid loss rate in computation of impairment provision, if any on trade receivable over and above the existing provision in the books of account. In absence of relevant workings and other details, we are unable to comment on the appropriateness of the loss rate and the possible impact of non-considering effect of the loss rate in impairment provision on trade receivables as on March 31, 2017, March 31, 2016 and March 31, 2015 and the loss for the years ended March 31, 2017 and March 31, 2016 and on the equity as on those dates.

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f. We have observed that two bank accounts with nominal balance as at March 31, 2017 are confirmed by the banks but are not recorded in the Standalone Ind AS Financial Statements. In absence of bank statements of these accounts or any other alternative audit evidence, we are unable to determine any possible impact thereof on the loss for the year ended March 31, 2017 and balance of cash and cash equivalents and equity as on such date.

g. We have not received direct confirmations and bank statements for balance in current account amounting Rs. 2.20 million and balance of margin money amounting Rs. 14.33 million, as at March 31, 2017. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and on the balance of cash and cash equivalent and equity as at March 31, 2017.

h. Balance in current account amounting Rs. 372.61 million (other than amount covered in para 'g' above) is subject to direct confirmation. Further, in case of current account with one of the bank (balance as at March 31, 2017 Rs. 343.65 million), an amount of Rs. 4.48 million being "cheques deposited but not cleared", is included in the said balance, and has been reversed subsequent to March 31, 2017. Considering that these cheques are not reflecting as dishonored cheques in the bank statement of subsequent months, we are of the opinion that these cheques should not have been accounted as on March 31, 2017 and accordingly the balance of cash and cash equivalent is overstated by said balance with a corresponding understatement of balance of trade receivables/overstatement of advances from customer as on March 31, 2017.

i. The Company has not computed and provided for penal interest on defaults under borrowings as per the contractual terms of the underlying agreements. We are unable to determine the possible impact thereof on the loss for the year and borrowings and equity as on such date.

j. We have neither got bank statements nor have been able to obtain direct confirmations for borrowings from banks and financial institutions amounting Rs. 6,458.54 million as at March 31, 2017. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and the balance of borrowings and equity as at March 31, 2017.

k. Balance in borrowings accounts amounting Rs. 4,457.88 million (other than amount covered in para 'j' above) as at March 31, 2017 is subject to direct confirmations. Further, in case of borrowings amounting Rs. 5,911.94 million wherein we have received confirmations and/or bank statements, there are differences amounting Rs. 85.19 million (excess in books of accounts) in amount reported in confirmation/statement from that of amount recorded in the Standalone Ind AS Financial Statements. In the absence of reconciliations and other alternative audit evidence, we are unable to comment on any possible impact thereof on the loss for the year and balance of such borrowings and equity as at March 31, 2017.

l. As explained in Note 46 to the Standalone Ind AS Financial Statements, as per the Insolvency and Bankruptcy Code, 2016 ("Insolvency Code"), the RP has to receive, collate and admit all the claims submitted by the creditors (Operational and Financial), employees and workmen of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by CoC. The RP is in the process of receiving, collating and verifying such claims, and shall subsequently admit verified claims as per the Insolvency Code. Therefore, the

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impact of such claims, if any, which may arise subsequently, has not been considered in the preparation of the Standalone Ind AS Financial Statements.

m. In contravention to the provisions of Micro Small and Medium Enterprises Development (MSMED) Act, 2006, the Company has not provided for interest amounting Rs. 5.62 million on account of late payment claimed by a MSMED supplier as at March 31, 2017.

   Further, in two cases of trade payable, we have not been provided with the appropriate reconciliation for the difference in amounts as reported in the said confirmations amounting to Rs. 5.31 million. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and balance of trade payables and equity as at March 31, 2017.

n. The Company had received advance of Rs. 323 million from its joint venture namely Educomp Raffles Higher Education Limited in the financial year 2007-08 pursuant to an agreement for content development. The Company was recognizing Rs 8.075 million as revenue per quarter till year ended March 31, 2015 by adjusting the said advance. The Company discontinued revenue recognition from financial year ended March 31, 2016 due to legal dispute with the joint venture. The remaining amount was disclosed as advance from joint venture and shown as liability till quarter ended December 31, 2016. During the last quarter of the current year, the Company has recognized revenue of Rs. 104.97 million by adjusting the balance advance; however, there is no evidence from recipient for services being provided during this period. This constitutes a departure from the Para 14 of Indian Accounting Standards (Ind AS) 18 "Revenue". In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and balance of advances and equity as at March 31, 2017.

o. The Company has provided corporate guarantee for loan amounting Rs. 750 million obtained by ESSPL from a bank ('Lender'). The lender vide its letter dated July 13, 2015, has invoked Corporate Guarantee amounting Rs 215.77 million (Principal Rs 192.72 million and interest Rs 23.05 million) as ESSPL has defaulted in repayment of principal and interest thereon. The Company has recorded a liability for this amount with a corresponding receivable from ESSPL. The letter further mandates that any further interest thereon with effect from July 01, 2015 at the given contractual rate will be compounded till payment/realization. The Company has recorded interest liability till March 31, 2016 amounting to Rs. 8.05 million; however, interest liability for the year ended March 31, 2017 has not been accounted by the Company. This has resulted into understatement of other financial liability with the corresponding receivable from ESSPL as at March 31, 2017.

p. The Company has given an advance of Rs. 190 million to a party for selling a land and development of commercial space pursuant to the agreement dated July 5, 2012 and Rs. 150 million to another party for providing services relating to academic and business operations of the Company pursuant to the agreement dated July 05, 2012. During the current year, arbitration proceedings has been initiated by the concerned vendor against the Company, however the same has been put on hold due to ongoing CIRP process. Considering that these advances are pending for execution/settlement for a long period of time and other factors as mentioned above, we are unable to comment on the recoverability of such advances and any

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possible impact thereof on the loss for the year ended March 31, 2017 and equity as on that date.

q. The Company had entered into an exclusive license and distribution agreement on August 1, 2015 with Digital Learning Solutions SDN BHD (DLS) for exclusive distribution post customization of the Company's learning and education software known as smart class, in Malaysia. Digital Learning Solutions SDN BHD (the claimant) served a notice of arbitration on the Company in Kuala Lumpur Regional Center for Arbitration (KLRCA) stating the issues arising from the distribution agreement for non-providing of localize software for DLS's end users as per the contracted timelines. Under the aegis of KLCRA, a sole arbitrator was appointed by agreement of the parties. Sole arbitrator appointed by KLRCA has passed an award for damages on December 19, 2016 against the Company and accordingly the Company has recorded a liability of Rs. 407.73 million (USD 6 million) as "Judgment Debtors" and the same has been shown as an exceptional item in these Standalone Ind AS Financial Statements. As informed to us, the above mentioned liability is mutually agreed by the Company and the Claimant. However, we have not been provided with the details of claims made, responses filed by the Company and negotiations between the parties leading to the acceptance of claim amounting to USD 6 million. In the absence of these details, we are unable to comment on the appropriateness of the said liability recorded.

r. As mentioned in Note 29 to the Standalone Ind AS Financial Statements regarding financial guarantees aggregating Rs. 14,183.30 issued to banks on behalf of subsidiaries. As per Ind-AS 109 "Financial Instruments", the said financial guarantees should 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. In absence of measurement of financial guarantees at fair value and estimation of loss allowance in accordance with ECL method, we are unable to comment on the resultant impact thereof on the loss for the years ended March 31, 2017 and March 31, 2016 and corresponding liability and equity as at March 31, 2017; March 31, 2016 and April 01, 2015.

s. During the year ended March 31, 2017, pursuant to a negotiated settlement entered vide agreement dated July 22, 2016 between the Company, Educomp Learning Hour Private Limited (ELHPL), ESSPL, and others with ICICI Bank, the Company has agreed to divest its entire shareholding of Rs. 346.87 million in Vidya Mandir Classes Limited (VMCL) (being 67% shareholding in VMCL), a subsidiary of the Company, for a consideration of Rs. 905.65 million in 2 tranches as per the Share Purchase agreement dated July 25, 2016 entered with the buyer of VMCL investment. Till March 31, 2017, Rs. 163.40 million has been received by the Company which represents consideration for approximately 13.4% shareholding in VMCL (Tranche A consideration). The Company has recognized a profit of Rs. 94.49 million on sale of Tranche A shares. The Tranche A consideration is paid to ICICI Bank and the Company has considered this amount as recoverable from ESSPL.

Further, as detailed in note 22 to the Standalone Ind AS Financial Statements, the Company is of the view that it is holding balance investment in VMCL i.e. 53.6% (Tranche B shares) "in trust" and has accounted for sale of Trache B shares for Rs. 561.03 million (Tranche B consideration) thereby recognized a profit of Rs. 283.06 million (net of discounting for Tranche B consideration) during the year ended March 31, 2017. The amount of Tranche B consideration

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Rs. 602.43 million (including Rs. 41.40 million related to unwinding of Tranche B consideration) has been shown under Other Financial Asset as "Receivable against investment sold".

Pending receipt of consideration of Tranche B shares, the Tranche B shares of VMCL continues to be in the name of the Company. Based on clause 2.3 (including sub clause (i) & (ii)) of the Share Purchase agreement and other stipulations, the said clause gives the purchaser a right of call option and specific performance upto March 31, 2019, however until a call option or specific performance is exercised, the transaction is not complete, the purchaser has not exercised such right till March 31, 2017. Further, the clauses of the Share Purchase agreement do not appear to cast any duty or obligation on the purchaser to purchase the Tranche B shares, which is also been confirmed by the legal view taken through Resolution Professional shared with us. We also understand that, completion of sale of Tranche B shares is also dependent upon settlement of dues of ICICI Bank by the Company or by Educomp Learning Hour Private Limited (ELHPL). In view of above, we are unable to comment whether the sale of Rs. 561.03 million, profit on such sale of Rs. 283.06 million and interest income of Rs. 41.40 million relating to Tranche B shares should have been recognized by the Company.

Further, in the absence of any contractual agreement with ESSPL regarding recovery of Tranche A consideration paid by the Company to ICICI Bank, the Company should have written off as an expense amount of Rs. 163.40 million considered due from ESSPL and accordingly its loss for the year ended March 31, 2017 is understated by this amount and its trade receivable as on March 31, 2017 is overstated by this amount.

Pursuant to settlement agreement entered with ICICI bank, the Company has restated its corporate guarantee given to ICICI bank for loan obtained by ELHPL, refer note 29 to the Standalone Ind AS Financial Statements. Considering the terms of settlement agreement entered with ICICI Bank, we are of the view that the Company should accrue its liability for the balance amount of negotiated amount which is not yet paid to ICICI bank i.e. Rs. 776.16 million. Accordingly, the loss for the year ended March 31, 2017 and the balance of other financial liabilities as on March 31, 2017 is understated by said amount.

t. As explained in Note 44 regarding managerial remuneration paid to one of the whole time directors of the Company during the quarter ended June 30, 2015 and 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 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 Central Government's approval is yet to be obtained.

u. In regard to Note 28 to the Standalone Ind AS Financial Statements, following trusts are not considered as related party by the Company (hereinafter referred as Trusts). The Company is of the view that the Chairman and Managing Director (C&MD) of the Company, being considered as related party as per paragraph 9 of Ind AS 24 Related Party Disclosures (Ind AS 24), is not having control or significant influence on these Trusts in "substance" as required under para 10 of Ind AS 24 nor to be considered as a key management person of these Trusts. A legal opinion has also been obtained regarding the same. Considering the fact that the C&MD of the Company was the managing and life time Trustees of the these Trusts, had affirmative vote in majority of the key matters of these Trusts and also had veto power to various significant transactions of these Trusts till March 31, 2016, however, the current status of his official

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position in the said Trusts is not available. In the absence of relevant details or audit evidence made available to us, we are unable to comment whether these Trusts are to be considered as related party of the Company in accordance with paragraph 9 of Ind AS 24 and consequently, we are unable to comment on the completeness of the disclosures made in the accompanying Standalone Ind AS financial statements as required under Ind AS 24.

Name of Trusts: Learning Links Foundation; Learning Leadership Foundation; Education Quality Foundation of India; Richmond Educational Society; Unnati Educational Trust; League India Education Foundation; Shri Hare Educational Trust; Siya Ram Educational Trust; Sri Vasudev Educational Trust; Vigyan Education Trust; Naveen Shiksha Educational Trust

Adverse Opinion

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the aforesaid Standalone Ind AS Financial Statements do not give the information required by 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 Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, its loss (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the standalone Ind AS Financial Statements:

a) Note 1(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 RP, who is appointed by the CoC. These Standalone Ind AS Financial Statements have been prepared by the management of the Company and certified by Mr. Shantanu Prakash, Chairman and Director and Mr. Ashish Mittal, Chief Financial Officer and approved by RP.

b) Note 1(c) to the Standalone Ind AS Financial Statements, which indicates that the Company, has incurred substantial losses, its net worth has been completely eroded, has defaulted in repayment of its loans and related interest, and has negative working capital. Further, subsequent to March 31, 2017, CIRP has been initiated in case of the Company which is under process. These conditions indicate the existence of material uncertainty 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 for the reasons stated in the said note.

c) Note 29 and note 1(d) to the Standalone Ind AS Financial Statements, considering the moratorium period, status of Contingent liabilities has been updated till the date of approval of insolvency application of the Company under the Code i.e. till May 30, 2017.

Our opinion is not modified in respect of these matters.

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Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 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 paragraph above, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. Except for the possible effects of the matters described in the Basis for Adverse Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity 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 paragraph, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards referred to in Section 133 of the Act with Rule 7 of the Companies (Accounts) Rules, 2014;

e. The matters described under the Basis for Adverse Opinion paragraph and matter described under para "(b)" of Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

f. We have not received written representation from a director of the company as on March 31, 2017. In respect of the aforesaid director, in the absence of written representation received, we are unable to comment whether the aforesaid director is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act. For the remaining directors, on the basis of the written representations received from the directors, as on March 31, 2017, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act. However, in the absence of appropriate audit evidence, we are unable to comment whether such representations were taken on record by the Board of Directors of the Company;

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 paragraph above;

h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2"; and

i. 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:

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(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 29 to the Standalone Ind AS Financial Statements. Also refer para "l" under Basis of Adverse Opinion paragraph and para "(c)" 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) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

(iv) The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

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Raj Kumar Agarwal

Partner

Membership No. 074715

Place: New Delhi

Date: January 23, 2018

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, 2017

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) During the year, the fixed assets of the Company have been physically verified by the management as per regular program. As informed, no material discrepancies were identified on such verification. Since the company has applied for resolution under the Insolvency Code, in our view the entire fixed assets of the company should have been physically verified, and thus the frequency of verification of fixed assets for the year, is not reasonable, having regard to the size, the nature of its assets and current status.

c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) According to the information and explanation given to us and read with our comment in para "o" of the "Independent Auditors Report - Basis of adverse opinion", in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, except for the details given below:

Nature of non-compliance	Name of Company/party	Amount granted during the year	Balance as at March 31, 2017
Interest free Loan given*	Edu Smart Services Private Limited (ESSPL)	Nil	Rs. 223.82 million

*Being amount recoverable from ESSPL on invocation of guarantee.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we 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 provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been delays in few cases in payment of tax deducted at source, service tax and value added tax.

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were

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NEW DELHI
CHARTERED ACCOUNTANTS

outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

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	Rs. 0.60 million	FY 16-17	Various	Not paid

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Bihar Value Added Tax Act, 2005 (BVAT)	Central Sales Tax	Rs. 0.34 million	Rs. 0.07 million	FY 11-12	Assistant Commissioner of Commercial taxes - BVAT

(viii) According to the information and explanations given to us, 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 Annexure "A" attached herewith. The amounts of defaults stated in the Annexure are as per contractual terms.

Refer our qualifications in "Independent Auditors Report - Basis of adverse opinion" Para "(j)" wherein we have not been able to obtain bank statement or direct confirmation, Para "(k)" wherein we have been able to get confirmations or borrowing accounts and there are reconciliation differences, Para "(l)" in regards to the claims received by the RP which are in process. In reference to the same we are unable to comment on the possible impact of such qualification on the defaults as reported under this clause.

(ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans during the year. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

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CHARTERED ACCOUNTANTS

(xi) According to the information and explanations given to us, no managerial remuneration has been paid / provided by the Company during the current year.
Also refer our comment in para "t" 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.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and as represented by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

HARIBHAKTI & CO. LLP * NEW DELHI * CHARTERED ACCOUNTANTS

Raj Kumar Agarwal

Partner

Membership No. 074715

Place: New Delhi

Date: January 23, 2018

HARIBHAKTI & CO. LLP
Chartered Accountants

Annexure A-Details of Loan Defaults forming part of clause (viii) of Annexure 1 to the Independent Auditor's Report

Default during the year and rectified during the year

(Amount in Rs. millions)

Particulars	Nature of Facility	Nature of Payment	Period of default		Total
			Less than 1 Year	More than 1 Year	
DBS Bank	Term Loan	Principal	57.50	-	57.50
State Bank of Bikaner and Jaipur	Term Loan	Principal	26.51	6.76	33.27
SCB Bank	Term Loan	Principal	-	74.70	74.70
State Bank of Patiala	Term Loan	Principal	40.05	-	40.05
Yes Bank	Term Loan	Principal	100.00		100.00
IBM Global Financing	Unsecured Loan	Principal	-	70.00	70.00

Default not rectified and existing at year end - Banks

(Amount in Rs. millions)

Particulars	Nature of Facility	Nature of Payment	Period of default		Total amount of default as on March 31, 2017
			Less than 1 Year	More than 1 Year	
Canara Bank	Term Loan	Principal	83.73	34.74	118.46
		Interest	52.13	5.75	57.88
	Cash Credit	Principal	31.43	-	31.43
		Interest	0.53	-	0.53
Central Bank of India	Term Loan	Principal	170.61	56.87	227.48
		Interest	109.47	31.54	141.01
ICICI Bank	Term Loan	Principal	110.95	36.98	147.94
		Interest	81.79	7.22	89.01
	Cash Credit	Principal	9.99	-	9.99
		Interest	1.10	-	1.10
IndusInd	Term Loan	Principal	9.37	1.54	10.91
		Interest	8.69	0.18	8.87
State Bank of Bikaner and Jaipur	Term Loan	Principal	20.77	-	20.77
		Interest	27.63	0.40	28.04
	Cash Credit	Principal	4.48	-	4.48
		Interest	0.29	-	0.29
Syndicate loan	Term Loan	Principal	44.35	14.79	59.14
		Interest	35.98	11.30	47.27
IDBI Loan	Term Loan	Principal	819.00	273.00	1,092.00
		Interest	511.27	58.32	569.59
J and K Loan	Term Loan	Principal	352.80	117.60	470.40
		Interest	215.35	19.10	234.46
Union Bank	Term Loan	Principal	210.81	70.27	281.08
		Interest	130.71	15.68	146.39
Axis Bank	Term Loan	Principal	574.01	95.62	669.64
		Interest	378.79	17.20	395.99
	Cash Credit	Principal	175.99	-	175.99
		Interest	14.90	-	14.90
SCB	Term Loan	Principal	69.24	23.08	92.32
		Interest	63.47	26.19	89.66
Yes bank	Term Loan	Principal	185.86	21.20	207.07
		Interest	21.89	-	21.89
State Bank of India	Term Loan	Principal	21.77	7.26	29.03
		Interest	20.04	2.09	22.13
	Cash Credit	Principal	52.49	-	52.49
		Interest	5.86	1.41	7.26
State bank of Patiala	Term Loan	Principal	240.31	-	240.31
		Interest	128.77	-	128.77
	Cash Credit	Principal	799.16	-	799.16
		Interest	39.24	-	39.24
DBS Bank	Term Loan	Interest	33.55	6.72	40.28

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Continuation Sheet

Default not rectified and existing at year end - Financial Institutions

(Amount in Rs. millions)

Particulars	Nature of Facility	Nature of Payment	Period of default		Total amount of default as on March 31, 2017
			Less than 1 Year	More than 1 Year	
External Commercial Borrowings	Term Loans	Principal	825.11	412.55	1,237.66
		Interest	247.75	620.47	868.22
Reliance Capital Limited	Unsecured Loan	Principal	-	12.00	12.00
		Interest	2.16	0.70	2.86
IBM Global Financing	Unsecured Loan	Principal	48.00	25.58	73.58
HP Financial Services	Unsecured Loan	Principal	52.61	26.04	78.65
		Interest	21.18	28.42	49.60

Defaults not rectified and existing as on March 31, 2017 in respect of Interest on Debentures

(Amount in Rs. millions)

Particulars	Period of default		Total amount of default as on
	Less than 1 Year	More than 1 Year	
Interest on Debentures	60.50	14.09	74.59

Defaults in respect of guarantees invoked during the year and not rectified as at March 31, 2017

(Amount in Rs. millions)

Particulars	Period of default		Total amount of default as on March 31, 2017
	Less than 1 Year	More than 1 Year	
Corporate guarantee invoked - given on behalf of Edu Smart Services Private Limited	-	223.82	223.82

* Refer Note 12.3 of Standalone Ind AS Financial Statements

Defaults in respect of guarantees invoked during the year and rectified during the year

(Amount in Rs. millions)

Particulars	Period of default		Total
	Less than 1 Year	More than 1 Year	
ICICI Bank- Corporate Guarantee Invoked*	1,200.00	-	1,200.00

* Refer Note 29 of Standalone Ind AS Financial Statements

HARIBHAKTI & CO. LLP NEW DELHI CHARTERED ACCOUNTANTS

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 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, 2017]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Educomp Solutions Limited ("the Company") as of March 31, 2017 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 over financial reporting 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Standalone Ind AS Financial Statements

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CHARTERED ACCOUNTANTS

in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

a) According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at March 31, 2017:

   1) The Company did not have an appropriate design in the internal control system for measuring impairment provision on trade receivables as per Expected Credit loss (ECL) model which could potentially result in the misstatement of trade receivables.

   2) The Company did not have an appropriate design in the internal control system for obtaining vendor confirmations, and their reconciliation with books of accounts at regular intervals which could potentially result in misstatement of trade payables.

   3) The Company's design of internal financial controls with respect to documenting the process of carrying out impairment on its investments in subsidiaries and associates and maintaining appropriate documentation for the same was not effective, which could potentially result in misstatement of its investments in subsidiaries and associates

b) According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

   1) The Company's internal financial controls with respect to reviewing recoverability of its receivable from one of its customer Edu Smart Services Private Limited ("ESSPL") were not operating effectively, which could potentially result in misstatement of its trade receivable. However, subsequent to year end, the Company has addressed the provisioning for the same.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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In our opinion, except for the possible effects of the material weaknesses described in para (a) above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting 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 issued by the ICAI, and except for the possible effects of the material weakness described in paras (a) and (b) above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 Standalone Ind AS Financial Statements of the Company, and these material weaknesses have affected our opinion on the Standalone Ind AS Financial Statements of the Company and we have issued an adverse opinion on the Standalone Ind AS Financial Statements.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

HARIBHAKTI & CO. LLP ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Raj Kumar Agarwal

Partner

Membership No. 074715

Place : New Delhi

Date : January 23, 2018

Educomp Solutions Limited
Balance Sheet as at March 31, 2017

Particulars	Notes	As at March 31, 2017 (in Rs. millions)	As at March 31, 2016 (in Rs. millions)	As at April 01, 2015 (in Rs. millions)
ASSETS				
Non-current assets				
Property, plant and equipment	3	115.23	103.53	116.52
Other intangible assets	4	269.34	414.13	544.97
Capital work-in-progress	5	20.81	21.98	38.72
Financial assets				
i) Investments	6.1	15,113.36	17,185.86	16,981.33
ii) Loans	6.2	9.73	6.09	7.06
iii) Trade receivables	6.3	-	-	2,487.17
iv) Other financial Assets	6.4	711.12	155.24	239.29
Income tax assets		148.06	170.59	173.74
Other non-current assets	7	3.69	48.20	44.03
Total		**16,391.34**	**18,105.62**	**20,632.83**
Current assets				
Inventories	8	68.05	119.97	253.63
Financial assets				
i) Loans	6.2	396.07	381.69	384.86
ii) Trade receivables	6.3	10,236.42	11,463.91	10,464.53
iii) Cash and Cash equivalents	6.5	385.98	316.25	540.95
iv) Bank balances other than (iii) above	6.6	12.87	27.85	28.70
v) Other Financial Assets	6.4	284.10	320.77	745.32
Other current assets	9	106.36	83.83	380.77
Total		**11,489.85**	**12,714.27**	**12,798.76**
Total Assets		**27,881.19**	**30,819.89**	**33,431.59**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	10	244.93	244.93	244.93
b) Other equity	11			
i) Equity component of compound financial instruments		524.45	502.72	330.51
ii) Reserves and surplus		(3,544.77)	843.20	3,956.68
Total Equity		**(2,775.39)**	**1,590.85**	**4,532.12**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i) Borrowings	12.1	188.65	960.15	8,064.09
Provisions	13	32.22	179.23	725.42
Other non-current liabilities	14	-	72.68	72.68
Total		**220.87**	**1,212.06**	**8,862.19**
Current liabilities				
Financial liabilities				
i) Borrowings	12.1	1,198.87	981.51	2,107.01
ii) Trade payables	12.2	1,327.02	869.75	982.09
iii) Other financial liabilities	12.3	27,097.92	25,088.61	15,937.65
Provisions	13	264.68	468.59	542.17
Other current liabilities	14	547.22	608.52	468.36
Total		**30,435.71**	**28,016.98**	**20,037.28**
Total liabilities		**30,656.58**	**29,229.04**	**28,899.47**
Total Equity and liabilities		**27,881.19**	**30,819.89**	**33,431.59**
Significant accounting policies	2			

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

HARIBHAKTI & CO. LLP ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Raj Kumar Agarwal
Partner
Membership No.: 074715

For and on behalf of Board of Directors of
Educomp Solutions Limited

Shantanu Prakash
Chairman and Director
(DIN: 00983057)

V. K. Choudhary
Independent Director
(DIN: 00203673)

EDUCOMP SOLUTIONS LIMITED NEW DELHI ★

Ashish Mittal
Chief Financial Officer

Yogesh Saluja
Company Secretary

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

Place: New Delhi
Date: January 23, 2018

Educomp Solutions Limited
Statement of Profit and loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
		(in Rs. millions)	(in Rs. millions)
Revenue from operations	15	1,774.77	1,863.39
Other Income	16	379.70	684.83
Total Income		2,154.47	2,548.22
Expenses			
Purchase of stock-in-trade	17	367.33	356.09
Changes in inventories of finished goods, work in progress and stock-in-trade	18	51.92	19.09
Employee benefit expense	19	1,116.94	1,185.11
Finance cost	20	2,536.99	2,565.72
Depreciation and amortisation expense	3	272.19	326.02
Other expense	21	1,046.83	1,201.71
Total expenses		5,392.20	5,653.74
Loss before exceptional items and tax		(3,237.73)	(3,105.52)
Exceptional items	22	1,517.86	129.11
Loss before tax		(4,755.59)	(3,234.63)
Income tax expense	23		
a) Current tax (Excess provision relating to earlier years written back)		-	(190.91)
b) Deferred tax		-	-
Loss for the year		(4,755.59)	(3,043.72)
Other comprehensive income			
-Items that will not be reclassified to profit or loss (net of tax)		24.32	0.23
Total comprehensive loss for the year		(4,731.27)	(3,043.49)
Earnings per equity share			
a) Basic		(38.83)	(24.85)
b) Diluted		(38.83)	(24.85)
Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.:103523W/W100048

HARIBHAKTI & CO. LLP
NEW DELHI
CHARTERED ACCOUNTANTS

Raj Kumar Agarwal
Partner
Membership No.: 074715

For and on behalf of Board of Directors of
Educomp Solutions Limited

EDUCOMP SOLUTIONS LIMITED
NEW DELHI

Shantanu Prakash
Chairman and Director
(DIN: 00983057)

V. K. Choudhary
Independent Director
(DIN: 00203673)

Ashish Mittal
Chief Financial Officer

Yogesh Saluja
Company Secretary

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

Place: New Delhi
Date: January 23, 2018

Educomp Solutions Limited
Statement of Cash Flows for the year ended March 31, 2017

Particulars	Year ended March 31, 2017 (in Rs. millions)	Year ended March 31, 2016 (in Rs. millions)
Cash flows from operating activities		
Loss before tax as per Statement of Profit and Loss	(4,755.59)	(3,234.63)
Adjustment for:		
Exceptional items - (profit)/ loss on sale of investments	(377.56)	275.00
Exceptional items - credit balance written back	(250.00)	(145.89)
Exceptional items - penalty under settlement	407.73	-
Exceptional items - Provision for diminution in the value of investments	1,737.69	-
Provision for doubtful debts/ advances	23.69	8.23
Provision for capital work in progress	-	9.15
Provision for Inventory	(4.83)	(12.53)
Provisions/credit balances written back	(33.39)	(19.71)
Loan liability written back	-	(148.98)
Bad advances written off	0.06	0.32
Depreciation	272.19	326.02
Net foreign exchange effects	151.22	247.59
Interest and other income	(297.88)	(480.24)
Finance costs	2,537.00	2,562.18
ESOP Amortisation cost/ (written back)	13.79	35.64
Interest on income tax written off	(9.75)	(9.10)
Profit on Sale of Fixed Assets (Net)	(0.18)	(0.55)
Operating loss before working capital changes	**(585.81)**	**(587.50)**
Decrease in trade receivables, loans, other financial assets and other assets	1,577.10	1,930.60
Decrease in inventories	56.75	146.19
Decrease in bank balances other than cash and cash equivalents (restricted bank deposits)	14.98	0.85
Decrease in trade and other payables, other financial liabilities, other liabilities and provisions	(350.15)	(304.06)
Cash generated from operations	**712.87**	**1,186.08**
Taxes refund	32.28	218.71
Net cash generated from operating activities (A)	**745.15**	**1,404.79**
Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress)	(137.98)	(8.84)
Proceeds from sale of fixed assets	0.24	0.94
Proceeds from sale of investment in subsidiaries	163.39	-
Proceeds from sale of investment in other companies	-	149.91
Interest received	8.03	9.26
Net cash generated from investing activities (B)	**33.68**	**151.27**
Cash flows from financing activities		
Proceeds of long-term borrowings	-	205.72
Promoter contribution received (including debt and equity component of compounded financial instruments)	30.00	230.00
Repayment of long-term borrowings	(307.17)	(408.90)
Financing against stocks/book debts (working capital)	-	1,070.80
Payment of dividend (including dividend tax)	(0.38)	(0.03)
Interest on borrowings	(648.91)	(1,752.85)
Proceeds/ (Repayment) of Short-term borrowings	(10.00)	-
Net cash used in financing activities (C)	**(936.46)**	**(655.26)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(157.63)**	**900.80**
Opening cash and cash equivalents	(643.26)	(1,544.06)
Closing cash and cash equivalents	**(800.89)**	**(643.26)**

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EDUCOMP SOLUTIONS LIMITED ★ NEW DELHI

Notes:

Reconciliation of components of cash and cash equivalents

	Year Ended March 31, 2017	Year Ended March 31, 2016
Balances with banks-on current accounts (Refer note 6.5)	380.21	313.67
Cash on hand (Refer note 6.5)	0.62	1.01
Cheques/draft on hand (Refer note 6.5)	5.15	1.57
Bank overdrafts (Refer note 12.1)	(1,186.87)	(959.51)
	(800.89)	**(643.26)**

Note: 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 **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.:103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.: 074715

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For and on behalf of Board of Directors of
Educomp Solutions Limited

Shantanu Prakash
Chairman and Director
(DIN: 00983057)

V. K. Choudhary
Independent Director
(DIN: 00203673)

EDUCOMP SOLUTIONS LIMITED NEW DELHI

Ashish Mittal
Chief Financial Officer

Yogesh Saluja
Company Secretary

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

Place: New Delhi
Date: January 23, 2018

Educomp Solutions Limited
Statement of Changes in equity for the year ended March 31, 2017

A.) Equity share capital

	(in Rs. millions)
As at April 01, 2015	244.93
Changes in equity share capital	-
As at March 31, 2016	244.93
Changes in equity share capital	-
As at March 31, 2017	244.93

B.) Other equity

(in Rs. millions)

Particulars	Equity Component of Compounded financial instruments	Other Comprehensive income	Reserves & Surplus: Capital Reserve	Reserves & Surplus: Security premium reserve	Reserves & Surplus: ESOP	Reserves & Surplus: General reserve	Reserves & Surplus: Retained earnings	Other Reserves: FCMITDA	Total
Balance as at April 01, 2015	330.51	-	411.66	10,240.32	125.23	948.98	(7,033.40)	(736.11)	4,287.19
Loss for the year	-	-	-	-	-	-	(3,043.72)	-	(3,043.72)
Other comprehensive income	-	0.23	-	-	-	-	-	-	0.23
Total comprehensive loss during the year	-	0.23	-	-	-	-	(3,043.72)	-	(3,043.49)
Employee stock compensation provided	-	-	-	-	35.64	-	-	-	35.64
Employee stock option forfeited	-	-	-	-	(84.30)	84.30	-	-	-
Foreign currency monetary item translation difference created during the year	-	-	-	-	-	-	-	(299.37)	(299.37)
Foreign currency monetary item translation difference amortised during the year	-	-	-	-	-	-	-	193.74	193.74
Equity component of compounded financial instruments issued during the period	172.21	-	-	-	-	-	-	-	172.21
Total Additions/(Deletions) during the year	172.21	0.23	-	-	(48.66)	84.30	(3,043.72)	(105.63)	(2,941.27)
Balance as at March 31, 2016	502.72	0.23	411.66	10,240.32	76.57	1,033.28	(10,077.12)	(841.74)	1,345.92

Particulars	Equity Component of Compounded financial instruments	Other Comprehensive income	Capital Reserve	Security premium reserve	ESOP	General reserve	Retained earnings	FCMITDA	Total
Balance as at April 01, 2016	502.72	0.23	411.66	10,240.32	76.57	1,033.28	(10,077.12)	(841.74)	1,345.92
Loss for the year	-	-	-	-	-	-	(4,755.59)	-	(4,755.59)
Other comprehensive income	-	24.32	-	-	-	-	-	-	24.32
Total comprehensive loss during the year	-	24.32	-	-	-	-	(4,755.59)	-	(4,731.27)
Employee stock compensation provided	-	-	-	-	13.79	-	-	-	13.79
Employee stock option forfeited	-	-	-	-	(28.11)	28.11	-	-	-
Foreign currency monetary item translation difference created during the year (Gain)	-	-	-	-	-	-	-	119.54	119.54
Foreign currency monetary item translation difference amortised during the year	-	-	-	-	-	-	-	209.97	209.97
Equity component of compounded financial instruments issued during the year	21.73	-	-	-	-	-	-	-	21.73
Total Additions/(Deletions) during the year.	21.73	24.32	-	-	(14.32)	28.11	(4,755.59)	329.51	(4,366.24)
Balance as at March 31, 2017	524.45	24.55	411.66	10,240.32	62.25	1,061.39	(14,832.71)	(512.23)	(3,020.32)

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.: 074715

For and on behalf of Board of Directors of
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Shantanu Prakash
Chairman and Director
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Ashish Mittal
Chief Financial Officer

Yogesh Saluja
Company Secretary

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

Place: New Delhi
Date: January 23, 2018

Educomp Solutions Limited

Notes to the Standalone Ind AS Financial Statements for the year ended March 31, 2017

Background

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 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 Company is listed on the BSE Limited and the National Stock Exchange of India Limited.

1. 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.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP).

These financial statements for the year ended 31 March 2017 are the first financial statements that are prepared in accordance with Ind AS. Refer to note 32 for information on how the transition has affected the financial position & financial performance & cash flows.

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 and Bankruptcy Code, 2016 ("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 Committee of Creditors ("CoC"). These financial statements have been prepared by the management of the Company and certified by Mr. Shantanu Prakash, Chairman and Director and Mr. Ashish Mittal, Chief Financial Officer. The RP has relied upon the assistance provided by the members of the board of directors/audit committee in review of these financial statements and certification, representation and statements made by Mr. Shantanu Prakash and Mr. Ashish Mittal in relation to these financial statements. These financial statements of the Company for the year ended March 31, 2017 have been approved by the RP on January 15, 2018 on the basis of and relying on the aforesaid certifications, representations and statements of the management of the Company.

b) Historical cost convection

The financial statements have been prepared under the historical cost convention on accrual basis, unless otherwise stated.

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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 Insolvency Code for CIRP. All these conditions has raised substantial doubt about the Company's ability to continue as a going concern.

On May 30, 2017, the Company's application for CIRP under the Insolvency Code has been approved by NCLT and accordingly CIRP proceedings has been initiated in case of the Company (for details refer note 1(a) above). As per the provisions of the Insolvency Code, under CIRP, 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 CoC, and thereafter by the NCLT. Currently, the RP is in the process of receiving expression of interests from resolution applicants who would be submitting their resolution plans for the potential revival of the Company.

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 is having sufficient fund balance to continue as going concern till March 31, 2018. Further, the management is also confident to agree on a resolution 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) Moratorium period

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 Code which is further extended to February 24, 2018 via COC meeting dated November 2, 2017. As per section 14 of the Insolvency Code, under the moratorium period, the Company ("Corporate debtor") is prohibited for 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.

e) Functional currency:

The financial statements are presented in 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.

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. However, operating cycle for the business activities of the Company 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.

2. 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 along with the chief financial officer assesses the financial performance and position of the Company, and makes strategic decisions. They together have been identified as being the chief operating decision maker. Refer note 27 for segment information presented.

Intersegment transfers:

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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 is not allocated to the segments.

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

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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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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.

On transition to Ind AS the Company has elected to continue with the carrying value of all the intangible assets recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

d) Capital work-in-progress/ intangibles under development

Capital work-in-progress (including intangible assets under development) represents expenditure incurred in respect of capital projects/intangible assets under development and 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 income on a straight line basis 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.

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The useful lives estimated by the management are as follows:

Particulars	Useful life (years)
Building	60
Furniture and fixtures	10
Office equipment	5
Vehicle	8
Computer equipment	3
Computer servers and networks	6

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 from fixed assets is provided for upto the date of sale, deduction, discardment as the case may be.

Cost of leasehold improvements is charged to income on a straight line basis over the period of lease, being 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

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 gets transferred to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added 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. Refer note 2.1 of the significant accounting policies.

Revenue from educational support services are recognised in the accounting period in which services are rendered.

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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.

Dividends

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

g) Investment and other financial assets

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.

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.

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3. Subsequent Measurement:

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.

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.

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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.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

4. Impairment of financial assets

The Company 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 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.

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

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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 an 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.

i) 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.

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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.

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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.

l) 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

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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.

The Company has availed exemption under Ind AS 101 (refer note 32) for the accounting of the exchange differences arising on the reporting of long term foreign currency monetary items. Therefore, the Company is continuing the policy adopted under previous GAAP on the same. Accordingly, the effect of 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 these loans.

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.

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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) Research and development costs

Research costs are expensed off as incurred. Development expenditure incurred on the individual project is recognized as an individual asset when the Company can demonstrate (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale, (ii) its intention to complete the asset, (iii) its ability to use or sell the asset, (iv)asset's ability to generate future economic benefits, (v) availability of adequate resources to complete the development and to use or sell the asset and (vi) its ability to measure reliably the expenditure attributable to the intangible asset during development.

q) 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.

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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.

r) 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.

s) Contingent liabilities, contingent asssets 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.

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t) 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".

u) 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.

v) 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.

w) 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 Goverment 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.

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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.

x) 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.

y) 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).

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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.

z) Recent accounting pronouncements

Applicable standards issued but not yet effective.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

aa) 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

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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).

- 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 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,

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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.

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Note 3 Property plant and equipment

(in Rs. millions)

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Balance as at April 01, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 01, 2016	Depreciation for the year	On disposals	Balance as at March 31, 2017	Balance as at March 31, 2017
Property, plant and equipment									
Freehold land	8.93	-	-	8.93	-	-	-	-	8.93
Building	78.77	5.46	-	84.23	3.75	3.65	-	7.40	76.83
Leasehold improvements	0.80	0.74	-	1.54	0.23	0.94	-	1.17	0.37
Office equipment	11.68	6.79	-	18.47	5.66	2.70	-	8.36	10.11
Furniture and fixtures	8.54	2.71	-	11.25	2.72	2.21	-	4.93	6.32
Computers and equipment	11.71	9.18	0.10	20.79	4.87	3.53	0.04	8.36	12.43
Vehicles	0.51	-	-	0.51	0.18	0.09	-	0.27	0.24
Sub total	120.94	24.88	0.10	145.72	17.41	13.12	0.04	30.49	115.23

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Balance as at April 01, 2015 (Deemed cost)*	Additions	Disposals	Balance as at March 31, 2016	Balance as at April 01, 2015	Depreciation for the year	On disposals	Balance as at March 31, 2016	Balance as at March 31, 2016
Property, plant and equipment									
Freehold land	8.93	-	-	8.93	-	-	-	-	8.93
Building	78.77	-	-	78.77	-	3.75	-	3.75	75.02
Leasehold improvements	0.07	0.73	-	0.80	-	0.23	-	0.23	0.57
Office equipment	11.85	1.16	1.33	11.68	-	6.74	1.08	5.66	6.02
Furniture and fixtures	8.91	0.27	0.64	8.54	-	3.32	0.60	2.72	5.82
Computers and equipment	7.48	4.72	0.49	11.71	-	5.27	0.40	4.87	6.84
Vehicles	0.51	-	-	0.51	-	0.18	-	0.18	0.33
Sub total	116.52	6.88	2.46	120.94	-	19.49	2.08	17.41	103.53

Note Company's fixed assets are part of security for various loan availed. As per MRA, the Company shall not sell any of its fixed assets save and except Identified Assets and Shares as permitted in terms of Approved CDR Package, without prior recommendation of Monitoring Committee and approval of CDR-EG. However, the Company shall sell its non-core assets, wherever applicable with prior approval of the Asset Sale Monitoring Committee.

*** The Company has considered previous GAAP carrying values as at March 31, 2015 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 32.A1.1).**

Note **4 Other intangible assets**

(in Rs. millions)

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Balance as at April 01, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 01, 2016	Depreciation for the year	On disposals	Balance as at March 31, 2017	Balance as at March 31, 2017
Software	1.46	1.63	-	3.09	0.56	0.56	-	1.12	1.97
Knowledge-based content (refer note i)	719.20	112.65	-	831.85	305.97	258.51	-	564.48	267.37
Sub total	**720.66**	**114.28**	-	**834.94**	**306.53**	**259.07**	-	**565.60**	**269.34**

	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Balance as at April 01, 2015 (Deemed cost)*	Additions	Disposals	Balance as at March 31, 2016	Balance as at April 01, 2015	Depreciation for the year	On disposals	Balance as at March 31, 2016	Balance as at March 31, 2016
Software	1.43	0.03	-	1.46	-	0.56	-	0.56	0.90
Knowledge-based content (refer note i)	543.54	175.66	-	719.20	-	305.97	-	305.97	413.23
Sub total	**544.97**	**175.69**	-	**720.66**	-	**306.53**	-	**306.53**	**414.13**

Note **(i) Knowledge based content includes internally generated asset:**

(in Rs. millions)

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation during the year	On disposals	Closing balance	Closing balance
For the year ended March 31, 2017	447.31	-	-	447.31	213.52	140.85	-	354.37	92.94
For the year ended March 31, 2016	281.17	166.14	-	447.31	-	213.52	-	213.52	233.79

*** The company has considered previous GAAP carrying values as at March 31, 2015 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 32.A1.I).**

Note Company's fixed assets are part of security for various loan availed. As per MRA, the Company shall not sell any of its fixed assets save and except Identified Assets and Shares as permitted in terms of Approved CDR Package, without prior recommendation of Monitoring Committee and approval of CDR-EG. However, the Company shall sell its non-core assets, wherever applicable with prior approval of the Asset Sale Monitoring Committee.

Note **5 Capital work in progress**

(in Rs. millions)

	2015-16				2016-17			
	Balance as at April 01, 2015	Additions	Capitalised during the year	Balance as at March 31, 2016	Balance as at April 01, 2016	Additions	Capitalised during the year	Balance as at March 31, 2017
Capital work in progress	58.72	180.46	188.05	51.13	51.13	139.37	140.54	49.96
Provision for Capital work in progress	(20.00)	(9.15)	-	(29.15)	(29.15)	-	-	(29.15)
Net block	**38.72**	**171.31**	**188.05**	**21.98**	**21.98**	**139.37**	**140.54**	**20.81**

Note Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost.

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Note 6.1 Non-current investments

(in Rs. millions)

Particulars	Number of shares/units as at March 31, 2017	Number of shares/units as at March 31, 2016	Number of shares/units as at April 01, 2015	Face value	Proportion of the ownership interest March 31, 2017	Proportion of the ownership interest March 31, 2016	Proportion of the ownership interest April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investments at cost (Un-quoted) ***										
a) Investment in subsidiaries in equity instruments										
Wheitstone Productions Private Limited	85,899	85,899	85,899	Rs. 10	51.00%	51.00%	51.00%	3.35	3.35	3.35
Savvica Inc., Canada	3,503,522	3,503,522	3,503,522	CAD 1	79.55%	79.55%	79.55%	150.72	150.72	150.72
Edumatics Corporation Inc, United States of America #	1,366,092	1,366,092	1,366,092	USD 1	100.00%	100.00%	100.00%	62.09	62.09	62.09
Educomp Learning Private Limited #	53,550	53,550	53,550	Rs. 10	51.00%	51.00%	51.00%	1.96	1.96	1.96
Educomp Infrastructure & School Management Limited ##	26,726,448	26,726,448	26,726,448	Rs. 10	83.38%	83.38%	83.38%	10,427.45	10,427.45	10,427.45
Educomp School Management Limited #	34,175	34,175	34,175	Rs. 10	68.35%	68.35%	68.35%	50.00	50.00	50.00
Educomp Asia Pacific Pte. Ltd., Singapore #	24,085,351	24,085,351	24,085,351	USD 1	100.00%	100.00%	100.00%	1,220.51	1,220.51	1,220.51
Educomp Professional Education Limited #	4,284,095	4,284,095	4,284,095	Rs. 10	100.00%	100.00%	100.00%	2,960.09	2,960.09	2,960.09
Educomp Intelliprop Ventures Pte Limited, Singapore (Formerly Educomp Intelprop Ventures Pte Limited) $	1,198,755	1,198,755	1,198,755	SGD 1	100.00%	100.00%	100.00%	39.30	39.30	39.30
Educomp Online Supplemental Services Limited #	904,056	904,056	904,056	Rs. 10	24.72%	24.72%	24.72%	14.56	14.56	14.56
Educomp Online Supplemental Services Limited - □ 5 paid up	4,351,675	4,351,675	4,351,675	Rs. 10	59.49%	59.49%	59.49%	502.62	502.62	502.62
Little Millenium Education Private Limited (formerly Educomp Child Care Private Limited # (refer note (iii) below))	-	16,110,239	16,110,239	Rs. 10		60.66%	63.53%	-	161.10	161.10
Educomp Investment Management Limited #	689,045	689,045	600,000	Rs. 10	100.00%	100.00%	100.00%	7.32	7.32	6.00
Educomp Global Holding W.L.L, Kingdom of Bahrain #	2,475	2,475	2,475	BHD 100	100.00%	100.00%	100.00%	29.61	29.61	29.61
Educomp Global FZE, United Arab Emirates #	1	1	1	AED 100,000	100.00%	100.00%	100.00%	1.46	1.46	1.46
Vidya Mandir Classes Private Limited *	-	48,776	48,776	Rs. 10	-	67.00%	67.00%	-	346.87	346.87
8% Cumulative Redeemable Non-convertible Preference Shares, in Edu Smart Services Private Limited (Equity component) **	-	-	-	-	-	-	-	394.18	394.18	394.18
b) Investment in associates in equity shares										
Greycells 18 Media Limited#	2,999,749	2,999,749	2,999,749	Rs. 10	25.78%	25.78%	25.78%	159.91	159.91	159.91
Little Millenium Education Private Limited (formerly Educomp Child Care Private Limited # (refer note (iii) below))	16,110,239	-	-	Rs. 10	48.29%	-	-	161.10	-	-
c) Investment in subsidiaries in preference shares										
0% Redeemable optionally fully convertible Preference shares, in Educomp Infrastructure & School Management Limited	79,857	79,857	79,857	Rs. 1000	83.38%	83.38%	83.38%	79.86	79.86	79.86
0.10% Non Cumulative optionally convertible Preference shares in Educomp Infrastructure & School Management Limited	20,327	20,327	-	Rs. 100	83.38%	83.38%	83.38%	347.33	347.33	-
0.10% Non Cumulative optionally convertible Preference shares in Educomp Professional Education Limited	1,150,772	1,150,772	-	Rs. 10	100.00%	100.00%	100.00%	269.98	269.98	-
8% Cumulative Redeemable Non-convertible Preference Shares, in Edu Smart Services Private Limited (Financial Liability portion) **	4,500,000	4,500,000	4,500,000	Rs. 100				121.72	109.66	98.76
d) Investments in units of trusts										
India Education Fund (refer note 22) #	-	-	425,000	Rs. 1000				-	-	425.00
Aggregate value of investments								17,005.12	17,339.93	17,135.40
Provision for impairment in the value of investment										
-Savvica Inc., Canada								(150.72)	(150.72)	(150.72)
-Wheitstone Productions Private Limited								(3.35)	(3.35)	(3.35)
-Educomp Asia Pacific Pte. Ltd., Singapore # (Refer Note 22)								(1,220.51)	-	-
-Educomp Online Supplemental Services Limited # (Refer Note 22)								(517.18)	-	-
Aggregate value of provision for diminution for value in investments								(1,891.76)	(154.07)	(154.07)
Net value of investments (Unquoted Investments)								15,113.36	17,185.86	16,981.33

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Aggregate amount of quoted investments at market and carrying value Rs. Nil (March 31, 2016 Rs. Nil, April 01, 2015 Rs. Nil)
shares are earmarked as per terms of Master Restructuring Agreement pursuant to CDR. (Refer note 12 (i))
51% shares are pledge to FCCB & ECB lenders and balance shares earmarked to CDR lenders of EISML. (Refer note 12 (i))
*During the year ended March 31, 2017, pursuant to a negotiated settlement entered into with ICICI Bank, the Company has divested its entire shareholding in Vidya Mandir Classes Limited (VMCL) (being 67% shareholding in VMCL), a subsidiary of the Company. In accordance with the share sale agreement, the Company has transferred the control in VMCL to the buyer. However, pending receipt of full consideration, the shares of VMCL proportionate to outstanding consideration continue to be in the name of the company and are held 'in trust'. These shall be transferred on a pro-rata basis as the consideration is received

These investments are pledged against loan taken by the subsidiary companies and the Company has sold the investment in agreement with the bank during the financial year 2016-17. Consideration of the same is receivable in two tranches, out of which money against second tranche amounting to Rs. 757.00 million is receivable. The Management believes that this amount is recoverable. (refer note 6.4)

**The Company has 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.

*** refer note 32A1.5 for details of exemption taken under Ind AS 101.

$ These investments are pledged against loan taken by the subsidiary companies.

Note (i) As per MRA, the Company shall not sell any of its investments save and except Identified Assets and Shares as permitted in terms of approved CDR Package, without prior recommendation of Monitoring Committee and approval of CDR-EG. However, the Company shall sell its non-core assets including investments, wherever applicable with prior approval of the Asset Sale Monitoring Committee.

Note (ii) 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 and associate and accordingly management has concluded that no impairment to the carrying value of its long term investments is required to be recorded in the financial year ended March 31, 2017 and March 31, 2016.

Note (iii) The holding of the Company has reduced to 48% from 61% and 64% as compared to March 31, 2016 and April 01, 2015 respectively. Accordingly it has been classified as an associate during the year ending March 31, 2017.

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Note 6.2 Loans

(in Rs. millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non current	Current	Non current	Current	Non current	Current
Unsecured, considered good						
Loans to employees	-	26.57	-	23.67	-	20.71
Security deposits	9.19	356.97	5.55	356.71	6.50	363.34
Earnest money deposit	0.54	12.53	0.54	1.31	0.56	0.81
Unsecured, considered doubtful						
Security deposits	-	1.35	-	1.35	-	1.35
Loans to employees	-	3.33	-	3.33	-	3.33
Earnest money deposit	-	9.93	-	9.93	-	9.93
Less: Allowance for Bad & Doubtful Loans	-	(14.61)	-	(14.61)	-	(14.61)
Total	**9.73**	**396.07**	**6.09**	**381.69**	**7.06**	**384.86**

For explanation on the companies credit risk management please refer note 25

Note 6.3 Trade receivables
(Unsecured)

(in Rs. millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Considered good						
Trade receivable	-	3,149.19	-	3,153.92	2,487.17	3,806.25
Receivables from related parties - refer (i) below	-	7,087.23	-	8,309.99	-	6,658.28
Considered doubtful						
Trade receivable	-	4,178.31	-	4,534.04	2.22	3,562.97
Receivables from related parties - refer (i) below	-	2,651.50	-	2,622.60	-	4,178.27
Less: Allowance for doubtful debts	-	(6,829.81)	-	(7,156.64)	(2.22)	(7,741.24)
Total receivables	-	**10,236.42**	-	**11,463.91**	**2,487.17**	**10,464.53**

(i) Trade receivables from related parties includes:-
For terms and conditions of transactions with related parties (refer note 28)

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Receivables from subsidiaries			
Little Millennium Education Private Limited (Formerly Educomp Child Care Private Limited)	0.26	0.26	0.33
Educomp Infrastructure & School Management Limited	0.09	-	12.81
Educomp School Management Limited	0.31	0.31	0.31
Educomp Learning Private Limited	-	0.48	0.37
Educomp Online Supplemental Services Limited	0.90	0.90	0.90
Savvica Inc. (provision for doubtful debts Rs. 5.3 million (March 31, 2016 Rs. 5.4 million, April 01, 2015 Rs.5.4 million))	5.30	5.57	5.40
Educomp Software Limited	0.01	-	-
Edu Smart Services Private Limited (provision for doubtful debts Rs. 2,646.20 million (March 31, 2016 Rs. 26,17.20, April 01, 2015 Rs. 4,172.87))	9,730.63	10,925.07	10,816.43
Other related parties			
Healthsetgo Services Private Limited	1.23	-	-
Total	**9,738.73**	**10,932.59**	**10,836.55**

(ii) No trade receivables are due from directors or other officers of the company either severely or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) For terms and conditions of transactions with related party refer note 28.

(iv) For explanation on the companies credit risk management please refer note 25

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Note 6.4 **Other financial assets**

(in Rs. millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non current	Current	Non current	Current	Non current	Current
Lease receivables (refer note 34)	3.50	12.30	28.22	96.89	123.44	117.69
Margin money (refer (i) below)	2.92	12.87	20.51	27.85	10.67	28.70
Interest accrued but not due	0.06	0.37	4.30	0.06	2.97	1.38
Unbilled revenue	-	47.61	-	-	-	7.61
Receivable against corporate guarantee (refer note (ii) below)	-	223.82	-	223.82	-	-
Receivable against investment sold (refer note 6.1)	602.43	-	-	-	-	-
Advances to related party (refer note (iii) below)	102.21	-	102.21	-	102.21	618.64
Total	**711.12**	**296.97**	**155.24**	**348.62**	**239.29**	**774.02**
Margin money in the form of bank balances other than cash & cash equivalents	-	(12.87)	-	(27.85)	-	(28.70)
Total	**711.12**	**284.10**	**155.24**	**320.77**	**239.29**	**745.32**

(i) Margin money deposit 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 includes following (for terms and conditions refer note 28):

(in Rs. millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non current	Current	Non current	Current	Non current	Current
Advance call money to Subsidiary/Loan to subsidiary						
Educomp Online Supplemental Services Limited (EOSSL)*	102.21	-	102.21	-	102.21	-
Advanced share application money to Subsidiaries						
Educomp Professional Education Limited	-	-	-	-	-	269.99
Educomp Investment Management Limited	-	-	-	-	-	1.32
Educomp Infrastructure & School Management Limited	-	-	-	-	-	347.33
	102.21	**-**	**102.21**	**-**	**102.21**	**618.64**

* The management of EOSSL has extended the date for first and final call, to be made, till March 31, 2019.
(iv) For explanation on the company's credit risk management please refer note 25

Note 6.5 **Cash and cash equivalents**

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance with banks			
- current account	380.21	313.67	398.06
Cash on hand	0.62	1.01	0.69
Cheques/drafts on hand	5.15	1.57	142.20
Total	**385.98**	**316.25**	**540.95**

Note 6.6 **Bank balances other than cash & cash equivalents**

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Margin money (refer (i) below)	11.79	26.39	27.20
Un-paid dividend	1.08	1.46	1.50
Total	**12.87**	**27.85**	**28.70**

(i) Margin money deposit given against borrowings, letter of credit and bank guarantees including to revenue authorities.

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Note 7 Other non-current assets

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Others			
Balance with statutory/government authorities	23.39	29.03	39.01
Prepaid expenses	1.17	22.68	8.53
Less: Provisions on government dues	(20.87)	(3.51)	(3.51)
Total	**3.69**	**48.20**	**44.03**

Note 8 Inventories (valued at lower of cost and net realisable value)

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Stock in trade*			
Technology equipment	106.16	162.91	219.40
Less: Provision for obsolescence	(38.11)	(42.94)	(55.47)
	68.05	**119.97**	**163.93**
Consumables	-	-	89.70
Total	**68.05**	**119.97**	**253.63**

* Write-downs of inventories to net realisable value is shown in the form of provision for obsolescence amounting to Rs. (4.83) million (March 31, 2016: Rs. (12.53) million, April 01, 2015 Rs. 30.29 million). These were recognised as an expense during the year and included in 'changes in value of inventories of stock-in-trade in statement of profit and loss. Any reversal in the above is shown as a reduction in the expense recognised as 'changes in value of inventories of stock in trade.' in statement of profit & loss.

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Note 9 Other current assets

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured considered good			
Advance to suppliers*	23.48	55.78	351.90
Prepayments	67.05	28.05	8.07
Government dues	15.83	-	-
Advance to Others	-	-	20.80
Unsecured considered doubtful			
Advance to suppliers	38.30	37.93	29.71
Less: Provisions	(38.30)	(37.93)	(29.71)
Total	106.36	83.83	380.77

***Includes for advances to related party as follows:**
(for terms and condition with related parties refer note 28)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Subsidiaries			
Educomp Investment Management Limited	0.91	0.91	0.90
Educomp Software Limited	0.86	0.86	0.76
Total	1.77	1.77	1.66

(i) For explanation on the companies credit risk management please refer note 25.

Note 10 Equity share capital

(in Rs. millions)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a)	**Authorized shares** 200,000,000 (March 31, 2016: 200,000,000, April 01, 2015: 200,000,000) equity shares of Rs. 2 each	400.00	400.00	400.00
b)	**Issued, subscribed and fully paid-up shares** 122,467,168 (March 31, 2016: 122,467,168, April 01, 2015: 122,467,168) equity shares of Rs. 2 each fully paid up.	244.93	244.93	244.93
	Total	244.93	244.93	244.93

c) **Movement in equity share capital**

	For the financial year 2016-17		For the financial year 2015-16	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	122,467,168	244.93	122,467,168	244.93
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	122,467,168	244.93	122,467,168	244.93

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**

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid-up				
Mr. Shantanu Prakash	44,315,205	36.19%	44,315,205	36.19%
A.P Eduvision Private Limited	7,284,600	5.95%	7,284,600	5.95%
MKCP Institutional Investor (Mauritius) II Ltd	-	-	-	-

	As at April 01, 2015	
	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid-up		
Mr. Shantanu Prakash	44,315,205	36.19%
A.P Eduvision Private Limited	7,284,600	5.95%
MKCP Institutional Investor (Mauritius) II Ltd	9,898,370	8.08%

f) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the periods are as follows:**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity shares fully paid up pursuant to contract(s) without payment being received in cash	-	-	-

g) **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 31)
For details of shares reserved for issue to lender banks as per CDR scheme, (refer note 12.1 (e))

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Note 11 Other Equity

(a) Equity component of compound financial instruments -refer note (i) & (ii) below

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity component of compound financial instruments	524.45	502.72	330.51
Total	524.45	502.72	330.51

(b) Reserves & Surplus (refer note 2 below)

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security premium reserves	10,240.32	10,240.32	10,240.32
General reserves	1,061.39	1,033.28	948.98
Employee stock option scheme	62.25	76.57	125.23
Capital reserves	411.66	411.66	411.66
Retained earnings	(14,832.71)	(10,077.12)	(7,033.40)
Foreign currency monetary items translation difference account	(512.23)	(841.74)	(736.11)
Other comprehensive income	24.55	0.23	-
Total	(3,544.77)	843.20	3,956.68

(i) Movement of Other Equity

1. Equity component of compound financial instruments

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	502.72	330.51
Add: Additions During the year (refer note 12.1(c) & 12.1(d))	21.73	172.21
Total	524.45	502.72

(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

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	10,240.32	10,240.32
	10,240.32	10,240.32

(ii) General reserve

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	1,033.28	948.98
Add: ESOP cost reversal on forfeiture	28.11	84.30
	1,061.39	1,033.28

(iii) Employee stock option outstanding account

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	76.57	125.23
Add: Employee stock compensation provided	13.79	35.64
Less: Employee stock compensation reversed	(28.11)	(84.30)
	62.25	76.57

(iv) Capital Reserve

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	411.66	411.66
	411.66	411.66

(v) Retained Earnings

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	(10,077.12)	(7,033.40)
Add: Loss for the year	(4,755.59)	(3,043.72)
	(14,832.71)	(10,077.12)

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(vi) Foreign currency monetary item translation difference account

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	(841.74)	(736.11)
Add: Addition during the year	119.54	(299.37)
Less: Amortisation during the year	209.97	193.74
	(512.23)	(841.74)

(vii) Other comprehensive income

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Balance	0.23	-
Add: Addition during the year	24.32	0.23
	24.55	0.23

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 31)

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'.

Foreign currency monetary item translation difference account (FCMITDA)

The Company 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. For details of exemption availed (refer note 32 A1.4).

General reserve

This represents appropriation of profit by the Company and is available for distribution of dividend.

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Note 12.1 Borrowings

(a) Non-current borrowings

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Secured			
Bonds and debentures			
13.25%, 100 Non Convertible Debentures of Rs. 1,000,000 each	100.00	100.00	100.00
13.50%, 350 Non Convertible Debentures of Rs. 1,000,000 each	350.00	350.00	350.00
10 Zero Coupon Foreign Currency Convertible Bonds of $ 1,000,000 each (refer note (c) below)	848.46	802.77	700.87
Term loans			
from banks	17,142.55	17,640.71	16,563.88
from others-External Commercial Borrowings	4,538.70	4,643.30	4,381.36
(ii) Unsecured			
Loan from related parties (refer note (d) below)*	188.65	157.38	83.68
Loan from other parties	349.64	400.71	624.93
Less: Current maturities of long term borrowings** (refer note 12.3)	(23,329.35)	(23,134.72)	(14,740.63)
Total	**188.65**	**960.15**	**8,064.09**

*Refer note 28 for terms and conditions of transaction with related parties
Refer note 12.1 (e) for details of security & terms of long term borrowings.

**During the years ended March 31, 2017 and March 31, 2016, the Company has defaulted in the payment of principal and interest in respect of its borrowings. As per agreements with the lenders, in case of defaults, the borrowings are repayable on demand. Accordingly, borrowings where defaults has occurred till balance sheet date has been disclosed under current maturities of long term borrowings.

(b) Current borrowings

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Borrowings repayable on demand			
-- Working capital loans from banks -secured	1,186.87	959.51	2,085.01
(ii) Other Loans			
-- Loans from other parties- unsecured	12.00	22.00	22.00
Total	**1,198.87**	**981.51**	**2,107.01**

Refer note 12.1 (e) for details of security & terms of long term borrowings.

Liability component of compounded financial instruments

(c) Foreign Currency Convertible Bond (FCCB)

The Company had issued 10, zero coupon foreign currency convertible bonds of $ 1000,000 each. These FCCB 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 convertible latest by July 24, 2017. These are to be converted at initial conversion price of Rs. 188.62 for each equity share at the applicable exchange rate (fixed). As on March 31, 2017 USD 10 million (March 31, 2016 USD 10 million, April 01, 2015 USD 10 million) FCCB are outstanding for conversion into equity shares of Rs. 2 each. Due date for redemption is July 24, 2017 and redemption price at maturity is 133.15% of par value.

(in Rs. millions)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity portion as at balance sheet date	50.03	50.03	50.03
Financial liability portion as on date (including 33.15% premium component)	848.46	802.77	700.87
	898.49	**852.80**	**750.90**

(d) Promoters contribution

The Promoters of the Company has provided interest free loans 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.

(in Rs. millions)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity component as on date	474.42	452.69	280.48
Financial liability component as on date	188.65	157.38	83.68
	663.07	**610.07**	**364.16**

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Note 12 (I) (e) Particulars of security, interest and terms of repayment of Loans

Particulars	Amount Outstanding as at *			Terms of repayment			Security		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
	(in Rs. million)								
Loan from Bank - CDR - Secured									
Term loan (a)	102.40	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	Repayment in 10 quarterly equal installments of Rs. 10.25 million commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2018	Repayment in 10 quarterly equal installments of Rs. 10.25 million commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2018			
Term loan (b)	216.59	216.59	216.59	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. installments / Amount per Inst. 1-2 / 93.29 3-14 / 150.84 15-30 / 174.82	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. installments / Amount per Inst. 1-2 / 93.29 3-14 / 150.84 15-30 / 174.82	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ending December 31, 2015 and ending in quarter ending March 31, 2023. installments / Amount per Inst. 1-2 / 81.31 3-14 / 125.97 15-30 / 152.46	- 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 Guarantee 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. F-65, Sector 56, Gurgaon, Haryana.	- 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 Guarantee 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. F-65, Sector 56, Gurgaon, Haryana.	- 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 Guarantee 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. F-65, Sector 56, Gurgaon, Haryana.
Term loan (c)	500.80	509.83	500.00						
Term loan (d)	204.07	225.37	250.00						
Term loan (e)	62.72	62.72	65.00						
Working capital term loan	2,857.53	2,882.22	2,548.67						
Funded interest term loan FITL (a)	910.54	915.62	890.40						
Term loan (f)	2,813.00	2,813.06	2,785.28	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. installments / Amount per Inst. 1-2 / 357.85 3-14 / 536.77 15-30 / 298.21	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. installments / Amount per Inst. 1-2 / 357.85 3-14 / 536.77 15-30 / 298.21	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ending December 31, 2015 and ending in quarter ending March 31, 2023. installments / Amount per Inst. 1-2 / 351.69 3-14 / 527.53 15-30 / 293.07			
Term loan (g)	4,530.00	4,530.00	4,556.00						
Term loan (h)	397.65	397.65	359.58						
Term loan (i)	1,960.00	1,960.00	1,960.00						
Term loan (j)	1,171.56	1,171.56	1,172.80						
Term loan (k)	947.83	947.83	890.86						
Working capital facility (a)	1,186.87	950.51	1,020.27	Payable on demand	Payable on demand	Payable on demand			

Particulars	Amount Outstanding			Terms of repayment			Security		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
	(in Rs. million)								
Loan from Bank - Others - Secured									
Term loan (l)		74.70	205.40	Not applicable	Repayable on December 31, 2016	Repayable on December 31, 2016	Not applicable	- First pari passu charge over all the current assets of the company including receivables from ESSPL and receivables bought from ESSPL, (after meeting obligation of respective banks) out of fresh corporate loans as also unencumbered receivables at ESSPL. - First pari passu charge over all the fixed assets of the company. - General charge on receivable from Government of Karnataka, Uttar Pradesh and Gujarat. - Pledge of all unencumbered shares of the company held by the promoters. - Pledge of shares of all the unencumbered investments held by ESL in its group companies. - Pledge of all unencumbered shares of subsidiaries of company held by Mr. Shantanu Prakash in its personal capacity. - Corporate guarantee of M/s. Edu Smart Services Pvt. Limited. - Personal guarantee of promoters. - First pari passu charge on one of the personal property of Mr. Shantanu Prakash.	- First pari passu charge over all the current assets of the company including receivables from ESSPL and receivables bought from ESSPL, (after meeting obligation of respective banks) out of fresh corporate loans as also unencumbered receivables at ESSPL. - First pari passu charge over all the fixed assets of the company. - General charge on receivable from Government of Karnataka, Uttar Pradesh and Gujarat. - Pledge of all unencumbered shares of the company held by the promoters. - Pledge of shares of all the unencumbered investments held by ESL in its group companies. - Pledge of all unencumbered shares of subsidiaries of company held by Mr. Shantanu Prakash in its personal capacity. - Corporate guarantee of M/s. Edu Smart Services Pvt. Limited. - Personal guarantee of promoters. - First pari passu charge on one of the personal property of Mr. Shantanu Prakash.
Funded interest term loan FITL (b)			113.70	Not applicable	Not applicable	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ending December 31, 2015 and ending in quarter ending March 31, 2023. installments / Amount per Inst. 1-2 / 2.51 3-14 / 3.47 15-30 / 4.54	Not applicable	Not applicable	- First pari passu charge over all the current assets of the company including receivables from ESSPL and receivables bought from ESSPL, (after meeting obligation of respective banks) out of fresh corporate loans as also unencumbered receivables at ESSPL. - First pari passu charge over all the fixed assets of the company. - General charge on receivable from Government of Karnataka, Uttar Pradesh and Gujarat. - Pledge of all unencumbered shares of the company held by the promoters. - Pledge of shares of all the unencumbered investments held by ESL in its group companies. - Pledge of all unencumbered shares of subsidiaries of company held by Mr. Shantanu Prakash in its personal capacity. - Corporate guarantee of M/s. Edu Smart Services Pvt. Limited. - Personal guarantee of promoters. - First pari passu charge on one of the personal property of Mr. Shantanu Prakash.

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Restructuring of existing facilities

During the year ended March 31, 2015, the Company entered into Restructuring Agreement subject to term and conditions set out in the facility letter and the master credit terms agreement, restructuring its existing facilities on August 29, 2014 with Standard Chartered Bank. Accordingly, the Company has accounted interest at revised rate of 12% with effect from September 01, 2014 for term loan (i) and April 01, 2013 for other facilities (PTL (b) and working capital facility (c)). The interest due with effect from April 01, 2013 till March 31, 2014 in revised rates amounting Rs. 113.70 million was converted into Funded Interest Term Loan (FITL (c)).

Particulars	Amount Outstanding			Terms of repayment			Security		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Term loan (a)	320.00	400.00	463.66	Balance repayable up to quarter ending September 30, 2017.	Balance repayable in 8 equal quarterly installments of Rs. 46.47 million starting quarter ended December 31, 2015 and quarter ending September 30, 2017.	Balance repayable in 10 equal quarterly installments of Rs. 46.47 million starting December 31, 2015 and 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	- 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	- 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 (b)	233.80	655.80	-	Repayable in 14 unequal quarterly installments commencing from quarter ended December 31, 2013 and ending in quarter ending March 31, 2018	Repayable in 14 unequal quarterly installments commencing from quarter ended December 31, 2013 and ending in quarter ending March 31, 2018	Not applicable	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.	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.	Not applicable
Working capital facility (c)	-	-	609.40	Not applicable	Not applicable	Payable on demand	Not applicable	Not applicable	- 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.
Working capital facility (c)	-	-	556.54	Not applicable	Not applicable	Payable on demand	Not applicable	Not applicable	First pari-passu charge over all the current assets of the company including receivables from ESSPL and receivables brought from ESSPL (after meeting obligations of respective banks) out of fresh corporate loans as also unencumbered receivables of ESSPL. - First pari-passu charge over all the fixed assets of the company. - General charge on receivable from Government of Karnataka, Uttar Pradesh and Gujarat. - Pledge of all unencumbered shares of the company held by the promoters. - Pledge of shares of all the unencumbered investments held by ESL in its group companies. - Pledge of all unencumbered shares of subsidiaries of company held by Mr. Shantanu Prakash in its personal capacity. - Corporate guarantee of M/s. Edu Smart Services Pvt. Limited. - Personal guarantee of promoters. - First pari-passu charge on one of the personal property of Mr. Shantanu Prakash.

Particulars	Amount Outstanding			Terms of repayment			Security		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
	(in Rs. million)								
Loan from Others - Secured									
Non Convertible Debentures	450.00	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 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.	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 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.	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 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.)	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.)	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	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.	Second charge on following assets - 51% of the fully paid up equity shares of EISML held by the Company.	Second charge on following assets - 51% of the fully paid up equity shares of EISML held by the Company.
External Commercial Borrowings (ECB)	4,538.70	4,643.50	4,380.36	Repayable in 11 half yearly equal installments of USD 6.36 million starting from January 15, 2016 and ending January 15, 2021.	Repayable in 11 half yearly equal installments of USD 6.36 million starting from January 15, 2016 and ending January 15, 2021.	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.	First charge on following assets - 51% of the fully paid up equity shares of the EISML held by the Company.	First charge on following assets - 51% of the fully paid up equity shares of the EISML held by the Company.
Loan from others-unsecured									
From others - unsecured (a)	355.20	412.20	424.95	There are two loans re-repayable in 20 & 45 unequal monthly installments as per their repayment schedules.	There are two loans re-repayable in 20 & 45 unequal monthly installments as per their repayment schedules.	There are two loans re-repayable in 20 & 45 unequal monthly installments as per their repayment schedules.	Not applicable	Not applicable	Not applicable
From others - unsecured (b)	12.00	22.00	22.00	Rs. 12.00 million is over due as on Balance Sheet date.	Of Rs. 22.00 million, Rs. 10.00 million is repayable on February 28, 2017, and Rs. 12.00 million is over due as on Balance Sheet date.	Of Rs. 22.00 million, Rs. 10.00 million is repayable on February 29, 2016, and Rs. 12.00 million is over due as on Balance Sheet date.	Pledge of shares of the Company held by Mr. Shantanu Prakash.	Pledge of shares of the Company held by Mr. Shantanu Prakash.	Pledge of shares of the Company held by Mr. Shantanu Prakash.
Finance lease	-	-	23.84	Not applicable	Not applicable	Balance to be repayable in 18 monthly installments	Not applicable	Not applicable	Not applicable
From others - unsecured (c)	Refer note 12.1(d) above	Refer note 12.1(d) above	Refer note 12.1(d) above	Interest free loan repayable after final settlement date as per CDR MRA.	Interest free loan repayable after final settlement date as per CDR MRA.	Interest free loan repayable after final settlement date as per CDR MRA.	Not applicable	Not applicable	Not applicable

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Notes:

(i) Term loan (a) to (k), working capital term loan, funded interest term loan (a), working capital facility (a) are at interest rate ranging from 10.00% to 13% p.a. (March 31, 2016 10.25% to 13% p.a. and April 01, 2015 10.25% to 13% p.a.)
(ii) Term loan (l) to (n) and working capital facility (b) and (c) are at varying rate of interest ranging from 9% to 13.40% p.a. (March 31, 2016 12% to 13.40% p.a. and April 01, 2015 12% to 15.40% p.a.)
(iii) Loans from others unsecured (a) and (b) are at varying rate of interest ranging from 12.50% to 18% p.a. (March 31, 2016 12.50% to 18% p.a. and April 01, 2015 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, 2016 4.5% p.a.+LIBOR and April 01, 2015 4.5% p.a.+LIBOR)
(vi) Non Convertible Debentures are at interest rate ranging from 13.25% to 13.50% p.a. (March 31, 2016 13.25% to 13.50% p.a. and April 01, 2015 13.25% to 13.50% p.a.)
(vii) Aggregate of loan amount guaranteed by promoters Mr. Shantanu Prakash and Mr. Jagdish Prakash Rs. [illegible] million (March 31, 2016 Rs. [illegible] million and April 01, 2015 Rs. [illegible] million)
(viii) Aggregate of loan amount guaranteed by Edu Smart Services Pvt. Ltd. Rs. [illegible] million (March 31, 2016 Rs. [illegible] million and April 01, 2015 Rs. [illegible] million)
(ix) Working capital facility (a) to (c) and loan from others unsecured (b) constitute short term borrowings.
(x) For Term Loan (c) during the year the Company has written back liability of Rs. 250.00 million and it has been shown as exceptional item for details refer note 22.
(xi) The Company has made default in making the repayment of installments as at the Balance Sheet date. The same has been shown as continuing default of loan as at March 31, 2017 under Note No.9 below. The default detail as under:

1. Term loan (a) to (e) and (g) to (k) six installment in default due during the period December 31, 2015 to March 31, 2017.
2. Term loan (d) three installment in default due during the period September 30, 2016 to March 31, 2017.
3. Term loan (e) and (f) five installment in default due during the period March 31, 2016 to March 31, 2017.
4. In case of funded interest term loan (FITL) (a) and Working interest term loan (WCTL) six installments are in default, due during the period December 31, 2015 to March 31, 2017 of SBI, ICICI, Syndicate, Canara, and SCB banks.
5. In case of (FITL) (a) and (WCTL) five installments are in default, due during the period March 31, 2016 to March 31, 2017 of [illegible] and Indusind banks.
6. In case of (FITL) (a) and (WCTL) four installments are in default, due during the period June 30, 2016 to March 31, 2017 of [illegible] banks.
7. In case of (WCTL) two installments are in default, due during the period December 31, 2016 to March 31, 2017 of [illegible] banks.

8. Corporate debt restructuring scheme:

The Company executed the Master Restructuring Agreement (MRA)/other definitive documents on March 20, 2014 with the majority of its lender banks, consequent to approval from Corporate Debt Restructuring Empowered Group (CDR EG) to restructure Company's existing debt obligations, including interest, additional funding and other loans (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 [illegible] million (FY 2015-16 Rs. [illegible] million and FY 2014-15 Rs. [illegible] million) as at March 31, 2017. 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 debt 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
(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. [illegible] million at March 31, 2016 and Rs. [illegible] million at 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.
(iii) The CDR scheme envisages monetization of certain assets of the Company and its subsidiaries.
(iv) The second charge in favour of lenders as per the terms of MRA, is pending registration.

Pursuant to approved CDR scheme and as terms of Master Restructuring Agreement, the Company had acquired trade receivable of Edu Smart Services Private Limited (ESSPL) amounting to Rs. Nil for the March 31, 2017 and March 31, 2016 (April 01, 2015 Rs. [illegible] million). To acquire these receivables the Company had been granted loan of Rs. Nil during the March 31, 2017 and March 31, 2016 (April 01, 2015 Rs. [illegible] million) (term loan (f) to (k)) 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 amounting to Rs. Nil for the March 31, 2017 and March 31, 2016 (April 01, 2015 Rs. [illegible] million). 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 the customers, as explained above. Due to the 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 15, 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 Bapas Loan or interest thereon or any combination thereof, accordingly CDR Lenders, Corporate loan lenders and/or the Additional Bapas 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. The number of shares and the share issue price shall be determined as per the guidelines of the CDR cell.

9. Details of continuing default in repayment of loan or interest as at March 31, 2017 is given below:

	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	1,135.17	760.43	1,919.86	1,229.14
Interest	626.21	502.47	982.59	958.74
	1,761.38	**1,262.90**	**2,902.45**	**2,187.88**
March 31, 2016				
Repayment of principal	974.38	433.97	65.59	86.70
Interest	613.78	129.24	170.85	333.02
	1,588.16	**563.21**	**236.44**	**419.72**
April 01, 2015				
Repayment of principal	16.50	195.40	-	12.00
Interest	237.04	25.09	168.17	123.64
	253.54	**220.49**	**168.17**	**135.64**

*the above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the borrowings at the reporting date.

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Note 12.2 Trade Payables

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Sundry creditors			
Trade Payables			
-due to micro and small enterprises (refer note 35)	7.90	2.58	0.95
-due to others	1,317.41	866.73	961.90
Trade Payables to Related Party*	1.71	0.44	19.24
Total	**1,327.02**	**869.75**	**982.09**

***Includes following related party trade payables (refer note 28)**

Subsidiaries			
Educomp Learning Private Limited	-	-	18.95
Other related parties			
DSK Legal	1.51	0.24	-
V. K. Dandona	0.20	0.20	0.29
	1.71	**0.44**	**19.24**

*Refer note 28 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.

Note 12.3 Other financial liabilities

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long term debts - ECB (refer note 12.1)	4,538.70	4,643.50	4,381.36
Current maturities of long term debts - FCCB (refer note 12.1)	848.46	-	-
Current maturities of long term debts - Term Loans(refer note 12.1)	17,142.55	17,640.71	9,734.34
Current maturities of long term debts - Non- Convertible Debentures (refer note 12.1)	450.00	450.00	-
Current maturities of long term debts - from other parties (refer note 12.1)	349.64	400.71	624.93
Current maturities of long term finance lease (refer note 34)	-	-	24.54
Payables against corporate guarantee (refer note 6.4)	223.82	223.82	-
Interest accrued and due	3,079.82	1,309.74	733.50
Interest accrued but not due	105.82	102.91	94.00
Employee related payables	355.76	315.12	342.65
Security deposits	1.27	0.84	0.83
Unpaid dividend	1.08	1.46	1.50
Retention money	1.00	-	-
Total	**27,097.92**	**25,088.61**	**15,937.65**

Note 13 Provisions

(in Rs. millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non current	Current	Non current	Current	Non current	Current
Provisions for employee benefits						
Provisions for gratuity (refer note 13.1 below)	31.66	1.18	62.78	1.77	59.83	1.74
Provisions for leave encashment (refer note 13.1 below)	0.56	2.36	1.00	5.04	3.96	6.14
Other Provisions						
Provisions for warranties (refer note 13.2 below)	-	261.14	115.45	461.78	661.63	534.29
Total	**32.22**	**264.68**	**179.23**	**468.59**	**725.42**	**542.17**

Note 13.1 Post employment benefits

(i) Gratuity

The Company 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.

(ii) Leave encashment

The employees are entitled for 18 days leave during the calendar year, which can be accumulated and no leave carried forward to next year. Privileged leaves can not be encashed during in service but encashed only at the time of departure.

a) Net employee benefit expense recognised

Particulars	Gratuity- Unfunded March 31, 2017	Leave benefit - Unfunded March 31, 2017	Gratuity- Unfunded March 31, 2016	Leave benefit - Unfunded March 31, 2016
Current service cost	5.36	0.29	12.42	0.53
Net interest cost	5.16	0.09	4.93	0.36
Total expenses recognised in the Statement of Profit and Loss	**10.52**	**0.38**	**17.35**	**0.89**
Remeasurement actuarial (gain) / loss from changes in financial assumptions	2.52	0.06	(0.42)	-
Remeasurement actuarial (gain) / loss from changes in demographic assumptions	-	-	-	-
Remeasurement actuarial (gain) / loss on arising from Experience Adjustment	(26.69)	(0.22)	4.49	(4.30)
Total amount recognised in the Other comprehensive income	**(24.17)**	**(0.16)**	**4.07**	**(4.30)**

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Expected contribution for the next annual reporting period:	March 31, 2017	March 31, 2017
	Gratuity	Leave benefit
Service Cost	6.44	0.32
Net interest cost	2.41	0.04
Net actuarial (gain)/loss	-	(0.08)
Expected expense	8.85	0.28

b) Reconciliation of opening and closing balance of defined benefit obligation.

Particulars	Gratuity-Unfunded Year ended March 31, 2017	Leave benefit - Unfunded Year ended March 31, 2017	Gratuity-Unfunded Year ended March 31, 2016	Leave benefit - Unfunded Year ended March 31, 2016
Present value of obligation as at the beginning of the year	64.55	1.07	61.57	4.56
Interest cost	5.16	0.09	4.93	0.36
Current service cost	5.36	0.29	12.42	0.53
Benefit paid	(18.07)	(0.68)	(18.45)	(0.08)
Actuarial (gain)/loss	(24.16)	(0.16)	4.07	(4.30)
Present value of obligation as at the end of the year*	**32.84**	**0.61**	**64.54**	**1.07**
Current	1.18	0.04	1.77	0.07
Non current	31.66	0.56	62.78	1.00

* excluding provision for casual leave for Rs. 2.31 million (March 31, 2016: Rs. 4.97 million, April 01, 2015: Rs. 5.55 million) being short term employee benefit.

Maturity Profile of Defined Benefit Obligation	March 31, 2017 Gratuity	March 31, 2017 Leave obligation	March 31, 2016 Gratuity	March 31, 2016 Leave obligation
a) April 2016- March 2017	-	-	1.77	0.07
b) April 2017- March 2018	1.18	0.04	1.57	0.02
c) April 2018- March 2019	0.50	0.03	1.76	0.02
d) April 2019- March 2020	0.49	0.01	1.17	0.02
e) April 2020- March 2021	0.71	0.01	1.27	0.02
f) April 2021- March 2022	0.53	0.01	1.39	0.03
g) April 2022 onwards	29.43	0.51	55.61	0.89
	32.84	**0.61**	**64.54**	**1.07**

c) Principal actuarial assumptions at the Balance Sheet date:

Particulars	**March 31, 2017**	**March 31, 2016**	**April 01, 2015**
Discounting rate	7.35%	8.00%	8.00%
Expected rate of increase in salary	8.00%	8.00%	8.00%
Demographic assumptions			
i) Retirement age (Years)	58	58	58
ii) Mortality table	**IALM (2006-08)**	**IALM (2006-08)**	**IALM (2006-08)**
iii) Ages	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Up to 30 Years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	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

Changes in the significant actuarial assumptions	Gratuity-Unfunded For the year ended March 31, 2017		Leave benefit -Unfunded For the year ended March 31, 2016	
Discount rate	Increase to 0.5%	Decrease to 0.5%	Increase to 0.5%	Decrease to 0.5%
Increase (decrease) in defined benefit liability	(2.00)	2.20	(0.05)	0.06
Salary growth rate	Increase to 0.5%	Decrease to 0.5%	Increase to 0.5%	Decrease to 0.5%
Increase (decrease) in defined benefit liability	2.17	(2.00)	0.05	(0.05)

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.

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Note 13. 2 Provision for warranties

Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. These claims are expected to be settled till the maturity of the contracts. Management estimates the provision based on historical warranty claim information and at any recent trends that may suggest future claims could differ from historical amount.

Reconciliation of opening and closing balance of provisions for warranties

(in Rs. millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Opening balance	577.22	1,195.93	5.00
Additions during the year	-	-	1,511.03
Utilised during the year	316.09	618.71	320.10
Closing balance	**261.13**	**577.22**	**1,195.93**

Note 14 Other liabilities

(in Rs. millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Advances from customers* (refer note (i) below)	-	529.41	72.68	588.28	72.68	449.81
Statutory dues	-	17.53	-	20.24	-	18.55
Security deposit	-	0.28	-	-	-	-
	-	**547.22**	**72.68**	**608.52**	**72.68**	**468.36**

(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, 2017. However as per the opinion taken by the Company from expert, such deposits are outside the purview of Section 2(31) and Section 73-74 of the Companies Act, 2013 read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014.

***Includes advances from related parties (refer note 28)**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Subsidiaries						
Educomp Global Holding W.L.L.	-	42.52	-	43.50	-	41.04
Edumatics Corporation Inc.	-	16.21	-	16.58	-	15.65
Wizlearn technologies Pte. Ltd	-	-	-	-	-	142.74
Orlando Builders Private Limited	-	110.95	-	111.50	-	-
Joint Venture of direct subsidiary						
Educomp Raffles Higher Education Limited	-	-	72.68	32.30	72.68	32.30
	-	**169.68**	**72.68**	**203.88**	**72.68**	**231.73**

* for terms and conditions for transaction with related party refer note 28.

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Note 15 Revenue from operation*

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of education products and technology equipment	502.58	345.18
Education and other services	1,272.19	1,518.21
	1,774.77	1,863.39

* for related party transactions and terms and conditions thereto refer note 28.

Note 16 Other income*

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income		
- on Fixed deposits	3.20	3.87
- Interest income on financial instruments measured at amortised cost	293.78	448.85
- other interest income	9.75	31.24
Provision no longer required written back	32.23	18.94
Other non-operating income	40.74	181.93
	379.70	684.83

* for related party transactions and terms and conditions thereto refer note 28.

Note 17 Purchase of stock-in-trade

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Technology equipments & accessories	363.21	347.46
Educational products	4.12	8.63
	367.33	356.09

Note 18 Change in inventory

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening -stock-in-trade (A)		
Technology Equipments	119.97	163.93
Less: transfer to FA/Repair	-	(24.87)
	119.97	139.06
Closing -stock-in-trade (B)		
Technological Equipments	68.05	119.97
Educational aid	-	-
	68.05	119.97
Change in inventory (A-B)	51.92	19.09

Note 19 Employee benefit expenses

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Employee benefit expenses		
Salaries wages and bonus	1,049.34	1,069.11
Contribution to provident and other funds*	48.12	58.35
Gratuity expenses	-	17.35
Employee stock option plan amortisation cost (refer Note 31)	13.79	35.64
Staff welfare expenses	5.69	4.66
	1,116.94	1,185.11

* Contribution to provident and other funds includes:

Defined contribution plan

(in Rs. millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Employer's contribution to provident fund (including admin charges)	40.06	56.69
Employer's contribution employee state insurance	6.77	0.22
Employer's contribution employee deposit linked insurance fund	1.23	1.44
Employer's contribution labour welfare fund	0.06	-
	48.12	58.35

Note 20 Finance cost

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on financial instruments measured at amortised cost	96.78	86.38
Interest expense	2,433.46	2,468.04
Interest on delay in payment of income taxes	0.11	3.95
Other borrowing costs	6.64	7.35
	2,536.99	2,565.72

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Note 21 Other expenses

(in Rs. millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Other expenses		
Lease Rent (refer note 34)	21.13	24.74
Rates and taxes	32.46	10.07
Travelling and conveyance	117.48	121.42
Recruitment and training	10.97	1.76
Legal and professional (refer note (i) below)	220.30	168.75
Communication	51.76	33.92
Printing and stationery	44.42	181.06
Repair and maintenance		
-Building	20.81	16.03
-Machinery	6.52	21.55
-Others	213.24	164.89
Power & Fuel	12.84	19.83
Insurance	1.52	2.11
Advertisement, publicity and business promotion	64.10	101.42
Freight and forwarding	40.49	42.49
Bank charges	1.39	1.09
Bad advances written off	0.06	0.32
Provision for doubtful debts/advances	23.69	16.07
Foreign exchange loss (net) (refer note (ii) below)	154.10	254.52
Loss on sale of fixed assets (net)	0.09	-
Miscellaneous expenses	9.46	19.67
	1,046.83	**1,201.71**

(i) Legal & professional fees includes payment to auditors:

Payment to Auditors		
As Auditors		
-for Statutory audit	2.66	3.46
-For limited review	2.50	2.48
for other services	-	-
-Certification fee	0.24	1.14
for reimbursement of expenses	0.54	0.90
	5.94	**7.98**

(ii) Foreign Exchange Fluctuation (net) comprises of:

Foreign exchange loss	185.83	257.61
Foreign exchange gain	(31.73)	(3.09)
Net foreign exchange loss	**154.10**	**254.52**

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Note 22 Exceptional items

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
		(in Rs. millions)
Exceptional Items		
Credit balance written back (refer note 1 below)	-	(145.89)
Loss on sale of investments (net) (refer note 2 below)	-	275.00
Penalty under settlement (refer note 3 below)	407.73	-
Profit on sale of investment (refer note 4 below)	(377.56)	-
Loan liability written back (refer note 5 below)	(250.00)	-
Provision for diminution in the value of investments (refer note 6 below)	1,737.69	-
	1,517.86	**129.11**

1 During the previous year, the Company sold one of its step down subsidiary i.e. Wizlearn Technologies Pte. Ltd. In respect of the said subsidiary, the Company had received Rs. 145.89 million as advance from subsidiary during earlier years. Pursuant to the sale, the Company has written back amount of advance received from subsidiary and the same has been shown as an exceptional item.

2 During the previous year, the Company received an amount of Rs. 150.00 million from redemption of all its units held in India Education Fund, against total carrying value f Rs. 425.00 million. Accordingly, during the year the Company has recorded a loss on redemption of units amounting Rs. 275.00 million and it has been shown as an exceptional item.

3 The Company had entered into an exclusive license and distribution agreement on August 1, 2015 with Digital Learning Solutions SDN BHD (DLS) for exclusive distribution post customization of the Company's learning and education software known as Smart class, in Malaysia. Digital Learning Solutions SDN BHD (the claimant) served a notice of arbitration on the Company in Kuala Lampur Regional Center for Arbitration (KLRCA) stating the issues arising from the Distribution agreement for non-providing of localize software for DLS's end users as per the contracted timelines. Under the aegis of KLCRA, a sole arbitrator was appointed by agreement of the parties. Sole arbitrator appointed by KLRCA has passed an award for damages on December 19, 2016 against the Company and accordingly the Company has recorded a liability of Rs. 407.73 million (USD 6 million) as "Judgment Debtors" and the same has been shown as an exceptional item.

4 During the year ended March 31, 2017, pursuant to a negotiated settlement entered into with ICICI Bank, the Company has divested its entire shareholding in Vidya Mandir Classes Limited (VMCL) (being 67% shareholding in VMCL), a subsidiary of the Company and conditional sale of Educomp Learning Hour Private Limited, a step down subsidiary of the Company. In accordance with the share sale agreement, the Company has transferred the control in VMCL to the buyer. However, pending receipt of full consideration, the shares of VMCL proportionate to outstanding consideration continue to be in the name of the company and are held 'in trust'. These shall be transferred on a pro-rata basis as the consideration is received.
The said "Share Purchase Agreement" (SPA) executed on 25th July 2016 was for sale of 67% equity shares equivalent to 48,776 numbers of shares its subsidiary "Vidya Mandir Classes Limited" (VMC).
As per clause 2.2 of the SPA, purchase and sale of shares shall be completed in two tranches in following manner:

S.No.	Particulars	No. of shares to be transferred	Consideration (In Rs. Millions)	Referred in the agreement as
1	On closing 1 i.e. execution date	9,688	163.39	Tranche A Shares
2	On or before March 31, 2019 (closing 2)	39,088	742.26	Tranche B Shares
	Total	**48,776**	**905.65**	

As per clause 2.3 of the agreement is reproduced here:
"The Sellers hereby acknowledge and understand that the Purchaser has agreed to purchase the sale shares on the basis of representation that all of sale Share shall be available to the Purchaser to acquire upto March 31, 2019. The Purchaser accordingly and based on its cash flows, has agreed to purchase all of Sale Shares in two tranches. It is clarified that though sale of all shares would be consummated in two tranches, interest of purchaser has been created in all sale shares no sooner Closing 1 takes place in terms of clause 8 of agreement."
Based on terms and conditions of SPA, an unconditional interest of purchaser has been created in all the shares upon transfer of tranche A shares. Further, all the nominee directors of the Company on the board of VMC was replaced by the nominees of the buyers to protect its "interest" created pursuant to this agreement. Hence VMC ceased to be subsidiary w.e.f. July 25, 2016, even though the shares mentioned in Tranche B are still in the name of company and pledged with ICICI Bank.
The intention of the parties was to sell/acquire the entire shareholding of VMC and this agreement was entered into as a deferred sale consideration agreement. Accordingly as soon as the closing of the first tranche was completed, the sale of the entire investment was recorded in the books of accounts along with the corresponding profit the first quarter of financial year 2016-17. Appropriate disclosure were made to the stock exchanges and in the quarterly Financial Statements published after limited review of Q1 of financial year 2016-17.
In line with the understanding in SPA, had the shares not been pledged with ICICI Bank the entire shareholding would have been transferred to the buyer.

5 During the year, the Company has written back liability discharged by Mr. Jagdish Prakash towards one of the lenders from his own sources amounting to Rs. 250.00 million in a continuing matter under section 138 of Negotiable Instrument Act. Mr. Jagdish Prakash has made the aforesaid payment in his personal capacity which was arranged by him from his own source and has waived his claim against Educomp Solutions Limited for payment of Rs. 250.00 million made to DBS Bank Limited on behalf of Educomp Solutions Limited. Accordingly, during the year the Company has recorded an income of Rs. 250.00 million and it has been shown as an exceptional item.

6 During the year the Company has carried out assessment in the value of its investments and recorded the provision for impairment in two of its investments in subsidiaries, (i) Educomp Asia Pacific Pte. Ltd. amounting to Rs. 1,220.51 millions since the subsidiary has gone into compulsory liquidation and (ii) Educomp Online Supplemental Services Limited amounting to Rs. 517.18 millions since its only operating asset i.e Educomp Learning Hour Pvt. Ltd. has filed an application under the Insolvency Code. Accordingly, provision for impairment has been provided in the books of accounts for the year ended March 31, 2017.

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Note 23 **Income tax expense**

(a) Income tax expense

(in Rs. millions)

Current tax	Year ended March 31, 2017	Year ended March 31, 2016
Current tax on the profits of the year	-	-
Tax relating to previous years (refer (i) below)	-	(190.91)
Total Current tax expense	-	**(190.91)**
Deferred tax		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax assets	-	-
Total Deferred tax expense/(benefit)	-	-

(i) During the year 2014-15, block assessment of the Company for assessment year 2007-08 to 2012-13 was completed by the Income Tax Authorities and additional demand of Rs. 190.91 million was raised on account of certain disallowances. The company preferred an appeal against the said demand and filed an application to the honourable ITAT, Delhi. Consequently, during the previous year the Company has received favourable final order of appeal filed with ITAT during the previous year and accordingly the company has written back the excess provision of Rs. 190.91 million.

(b) **Income tax expense is attributable to:**

	Year ended March 31, 2017	Year ended March 31, 2016
Profit from the continuing operations	-	(190.91)
	-	**(190.91)**

(c) **Reconciliation of tax expense and the accounting profit multiplied by the tax rate.**

	Year ended March 31, 2017	Year ended March 31, 2016
Loss before tax (A)	(4,755.59)	(3,234.63)
Income tax rate applicable (B)	30.90%	30.90%
Income tax expense (A*B)	(1,469.48)	(999.50)
Tax effects of the items that are not deductable (taxable) while calculating taxable income :		
Penalty paid	-	0.05
Interest on delay of income tax	0.03	0.12
Amount reversal on forfeiture under employee stock option scheme	8.68	26.05
Profit on sale of Long term Investments (net of preferential rate effect of long term capital gains)	(6.41)	(4.69)
Difference in loss reported as per Income Tax return and books (refer note below)	(68.78)	(45.08)
Others	0.04	1.26
Items on which no deferred tax asset was created	(1,535.92)	(1,021.78)
Income tax expense/(Reversal)	-	-

(d) (i) **Significant estimates**

The 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.

(d) (ii) Unused tax losses for which no deferred tax has been recognised

Assessment Year	Business Loss	Short term capital loss	Long term capital loss	Total Amount	Available for utilisation till
AY 2011-12	-	-	4.03	4.03	AY 2019-20
AY 2012-13	-	15.29	-	15.29	AY 2020-21
AY 2013-14	122.42	-	-	122.42	AY 2021-22
AY 2014-15	1,509.46	-	-	1,509.46	AY 2022-23
AY 2015-16	3,122.86	-	-	3,122.86	AY 2023-24
As at 01-04-2015	4,754.74	15.29	4.03	4,774.06	
AY 2016-17 (refer note below)	3,987.44	-	435.25	4,422.69	AY 2024-25
	8,742.18	15.29	439.28	9,196.75	
AY 2017-18 (refer note below)	1,596.37	-	-	1,596.37	AY 2025-26
	10,338.55	15.29	439.28	10,793.12	

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(e) **Unused deferred tax assets for which no deferred tax has been recognised**

(in Rs. millions)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Depreciation and amortisation	198.90	199.21	195.65
Provision for gratuity and leave encashment	10.15	19.95	19.03
Provision for warranty	80.69	178.36	369.54
Provision for doubtful debts	2,110.41	2,211.40	2,392.73
Expenditure allowed on actual payment basis	896.68	352.93	209.93
Tax losses carried forward (refer note below)	3,400.09	2,796.55	1,475.19
Others	825.15	227.76	302.30
	7,522.07	**5,986.16**	**4,964.37**

(f) During the year no amount of tax has been recognised directly into equity of the Company.

Note

The Company is in the process of filing revised return for the year ended March 31, 2016 and March 31, 2017 and accordingly the returned loss would be revised.

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Note 24 Fair valuation measurements

(in Rs. millions)

S.No.	Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised cost
	Financial assets									
1	Investments									
	In Preference shares	-	-	121.72	-	-	109.66	-	-	98.76
	In India education fund	-	-	-	-	-	-	425.00	-	-
2	Loans	-	-	405.80	-	-	387.78	-	-	391.92
3	Trade receivables	-	-	10,236.42	-	-	11,463.91	-	-	12,951.70
4	Other financial assets	-	-	995.22	-	-	476.01	-	-	984.61
5	Cash & Cash Equivalents	-	-	385.98	-	-	316.25	-	-	540.95
6	Bank balances other than cash & cash equivalents	-	-	12.87	-	-	27.85	-	-	28.70
	Total Financial Assets	-	-	**12,158.01**	-	-	**12,781.46**	**425.00**	-	**14,996.64**
	Financial Liability									
1	Borrowings (including current maturities)	-	-	24,716.87	-	-	25,076.38	-	-	24,911.73
2	Trade & Other Payables	-	-	1,327.02	-	-	869.75	-	-	982.09
3	Other financial Liabilities	-	-	3,768.57	-	-	1,953.89	-	-	1,197.02
	Total Financial Liabilities	-	-	**29,812.46**	-	-	**27,900.02**	-	-	**27,090.84**

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.

e) Fair value of Investment in India education fund units has been considered to be equivalent to the carrying value of the asset. These units have been sold during the year 2015-16. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Note 24A The company has valued the following investments in subsidiaries, associates and joint ventures at cost, as per Ind AS 27. (refer note 32.A1.5)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment in Equity shares (including equity component of compounded financial instruments)	14,294.47	16,379.03	16,377.71
Investment in Preference shares	697.17	697.17	79.86

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Note 25 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, 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:

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:

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.

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at March 31, 2017, March 31, 2016 and April 01, 2015 :

(in Rs. millions)

	Foreign currency	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payable	US$	834.27	455.50	429.75
	Euro	0.69	0.75	0.71
	GBP	0.28	-	0.17
Trade receivable	US$	22.37	22.89	21.60
	C$	5.30	5.57	5.40
Loans payable	US$	5,387.16	5,446.07	5,082.23
Interest accrued and due	US$	868.22	620.47	326.27
Interest accrued but not due	US$	56.01	52.93	44.35

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, 2017	Year ended March 31, 2016
INR/USD	5%	6%
INR/GBP	15%	11%
INR/EURO	10%	15%
INR/CAD	6%	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 volatility, then this would have had the following impact on profit/loss:

March 31, 2016		Profit and loss		Other Components of equity	
	Movement	Strengthening	Weakening	Strengthening	Weakening
USD Sensitivity	6%	69.11	(69.11)	325.30	(325.30)
GBP Sensitivity	11%	-	-	-	-
EURO Sensitivity	15%	0.11	(0.11)	-	-
CAD Sensitivity	7%	0.39	(0.39)	-	-

March 31, 2017		Profit and loss		Other Components of equity	
	Movement	Strengthening	Weakening	Strengthening	Weakening
USD Sensitivity	5%	89.04	(89.04)	268.70	(268.70)
GBP Sensitivity	15%	0.04	(0.04)	-	-
EURO Sensitivity	10%	0.07	(0.07)	-	-
CAD Sensitivity	6%	0.32	(0.32)	-	-

1(b) Price risk sensitivity

The Company does not have any financial asset or liability exposed to price risk as at reporting date.

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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, 2017, the Company is exposed to changes in market interest rates majorly through ECB borrowings and borrowings restructured under MRA (refer note 12.1).

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:

(in Rs. millions)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Fixed-rate borrowings (Refer note below)	3,337.95	20,552.29	20,504.68
Floating rate borrowings (Refer note below)	21,823.35	5,043.30	4,846.02
Total borrowings	25,161.30	25,595.59	25,350.70

Note:
1. As per the Master Restructuring Agreement(MRA), term loans covered under MRA are considered as fixed rate borrowings till March 31, 2016.
2. 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, 2016: +/- 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, 2017		Year ended March 31, 2016	
	Favourable change of 100 bp	Unfavourable change of 100 bp	Favourable change of 100 bp	Unfavourable change of 100 bp
Loan amount	21,823.35		5,043.30	
Effect on profit and loss after tax	218.23	(218.23)	50.43	(50.43)

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 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
Default rate	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

Particulars	Amount
Loss allowance on 1 April 2015	7,743.46
Changes in loss allowance	(586.82)
Loss allowance on 31 March 2016	7,156.64
Changes in loss allowance	(326.83)
Loss allowance on 31 March 2017	6,829.81

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.

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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.
The Company's objective is to maintain sufficient cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum.

As at end of reporting year, the Company's financial liabilities have contractual maturities* as summarised below :

	March 31, 2017				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings	24,546.65	-	-	614.65	25,161.30
Trade payables	1,327.02	-	-	-	1,327.02
Other financial liabilities	3,768.57	-	-	-	3,768.57
Total	**29,642.24**	**-**	**-**	**614.65**	**30,256.89**

	March 31, 2016				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings	24,127.72	883.22	-	584.65	25,595.59
Trade payables	869.76	-	-	-	869.76
Other financial liabilities	1,953.89	-	-	-	1,953.89
Total	**26,951.37**	**883.22**	**-**	**584.65**	**28,419.24**

	April 01, 2015				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings	16,704.01	3,248.78	2,402.48	2,995.43	25,350.70
Trade payables	982.09	-	-	-	982.09
Other financial liabilities	1,172.47	-	-	-	1,172.47
Total	**18,858.57**	**3,248.78**	**2,402.48**	**2,995.43**	**27,505.26**

*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 (refer note 1(a)), the future contractual interest payments has not been considered in above table.

The Company had access to Rs. Nil undrawn borrowing facilities at the end of the reporting period.

Note 26 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.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Net debt	24,330.89	24,760.13	24,370.78
Equity	(2,775.39)	1,590.85	4,532.12
Net Debt to equity ratio	(8.77)	15.56	5.38

(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 indebtness.

-- 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.

The Company has complied with all the above covenants throughout the reporting period. As during the FY 2016-17, no such new debt or equity instruments were issued and holding % of promoter Mr. Shantanu Prakash is same as at March 31, 2016 and March 31, 2017 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 year due to losses (March 31, 2016: Rs. Nil, April 01, 2015: Rs. Nil).

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Note 27 Segment Reporting

(i) The board of directors of the Company along with the chief financial officer assesses the financial performance and position of the Company, and makes strategic decisions. They together have been identified as being the chief operating decision maker.

The Company 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, "Segment Reporting" the Company has identified business segment as primary segment. As its Secondary segment, the Company 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

(iii) Segment Capital Expenditure

	For the year ended March 31, 2017	For the year ended March 31, 2016
HLS	-	-
SLS	127.92	160.73
K-12	-	-
OSG	-	-
Unallocated	10.06	5.10
	137.98	**165.83**

(iv) Segment depreciation

	For the year ended March 31, 2017	For the year ended March 31, 2016
HLS	-	0.01
SLS	263.17	316.54
K-12	-	-
OSG	-	0.03
Unallocated	9.02	9.43
	272.19	**326.01**

(v) Segment Revenue & Expenses (External)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Revenue	**Expenses**	**Results**	**Revenue**	**Expenses**	**Results**
HLS	104.97	6.54	98.43	19.72	8.91	10.81
SLS	1,658.33	2,230.32	(571.99)	1,819.18	2,298.89	(479.71)
K-12	-	-	-	-	-	-
OSG	11.47	17.86	(6.39)	24.49	41.28	(16.79)
	1,774.77	**2,254.72**	**(479.95)**	**1,863.39**	**2,349.08**	**(485.69)**
Less: Unallocable Expenditure			600.49			738.94
Less: Finance cost			2,536.99			2,565.72
Operating loss			**(3,617.43)**			**(3,790.35)**
Other Income			379.70			684.83
Exceptional Items			(1,517.86)			(129.11)
Loss before tax			**(4,755.59)**			**(3,234.63)**
Less: Tax expense						
-Current			-			-
-Deferred			-			-
-MAT Reversal			-			-
-Tax adjustment relating to earlier years			-			(190.91)
Net Profit			(4,755.59)			(3,043.72)

(vi) 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, 2017	As at March 31, 2016	As at April 01, 2015
Segment assets			
HLS	40.68	45.22	47.70
SLS	10,875.21	12,206.76	14,342.96
K-12	0.67	0.58	13.44
OSG	87.30	72.41	81.36
Total Segment assets	**11,003.86**	**12,324.97**	**14,485.46**
Unallocated corporate assets	1,763.97	1,309.06	1,964.80
Investments	15,113.36	17,185.86	16,981.33
Total assets as per the balance sheet	**27,881.19**	**30,819.89**	**33,431.59**

(vii) 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, 2017	As at March 31, 2016	As at April 01, 2015
HLS	0.03	105.88	105.52
SLS	1,776.17	1,974.74	2,491.53
K-12	110.95	111.50	-
OSG	45.46	54.97	195.26
Total Segment liabilities	**1,932.61**	**2,247.09**	**2,792.31**
Unallocated corporate liabilities	4,007.10	1,917.56	1,157.43
Current Borrowings	1,198.87	981.51	2,107.01
Non-Current Borrowings	23,518.00	24,082.88	22,842.72
Total liabilities as per the balance sheet	**30,656.58**	**29,229.04**	**28,899.47**

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(b) Geographical Segments

Revenue	For year ended March 31, 2017	For year ended March 31, 2016
India	1,774.77	1,863.39
Outside India	-	-
	1,774.77	1,863.39

Capital Expenditure	For year ended March 31, 2017	For year ended March 31, 2016
India	137.98	165.83
Outside India	-	-
	137.98	165.83

Non-current Assets*	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
India	15,670.49	17,944.29	17,899.31
Outside India	-	-	-
	15,670.49	17,944.29	17,899.31

*Non-current assets are excluding financial instruments and deferred tax assets.

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Note 28 Related party transactions

(a) List of related parties and relationships:

Subsidiary Companies (Direct and Indirect Holding)

S. No.	Name of Related Party
1	Whetstone Productions Private Limited
2	Edumatics Corporation Inc., USA
3	Educomp Learning Private Limited
4	Educomp Infrastructure & School Management Limited
5	Educomp School Management Limited
6	Educomp Learning Hour Private Limited
7	Educomp Asia Pacific Pte. Ltd., Singapore
8	Wiz Learn Technologies Pte. Ltd, Singapore*
9	Singapore Learning.com Pte. Ltd, Singapore*
10	Vidya Mandir Classes Limited**
11	Pave Education Pte Ltd, Singapore*
12	Wiz Learn Pte Ltd., Singapore*
13	Educomp Software Limited
14	Educomp Infrastructure Services Private Limited
15	Educomp Professional Education Limited
16	Learning Internet Inc., U.S.A.
17	Educomp APAC Services Ltd., BVI
18	Savvica Inc.Canada
19	Little Millennium Education Private Limited (Formerly Educomp Child Care Private Limited)***
20	Educomp Online Supplemental Service Limited
21	Educomp Intelliprop Ventures Pte. Ltd., Singapore (Formerly Educomp Intelprop Ventures Pte. Ltd.)
22	Educomp Investment Management Limited
23	Falcate Builders Private Limited
24	Newzone Infrastructure Private Limited
25	Rockstrong Infratech Private Limited
26	Revene Infratech Private Limited
27	Herold Infra Private Limited
28	Growzone Infrastructure Private Limited
29	Hidream Constructions Private Limited
30	Leading Edge Infratech Private Limited
31	Strotech Infrastructure Private Limited
32	Markus Infrastructure Private Limited
33	Orlando Builders Private Limited
34	Crosshome Developers Private Limited
35	Good Luck Structure Private Limited
36	Evergreen Realtech Private Limited
37	Zeta Buildcon Private Limited
38	Onega Infrastructure Private Limited
39	Grider Infratech Private Limited
40	Boston Realtech Private Limited
41	Modzex Infrastructure Private Limited
42	Virtual Buildtech Private Limited
43	Laservision Estates Private Limited
44	Knowledge Vistas Limited
45	Educomp Global Holding WLL
46	Educomp Global FZE
47	Edu Smart Services Private Limited

* ceased to be subsidiary w.e.f. October 22, 2015
** ceased to be subsidiary w.e.f. July 22, 2016
*** ceased to be subsidiary w.e.f. April 22, 2016

Associates

S. No.	Name of Related Party
1	Greycells18 Media Limited
2	Little Millenium Education Private Limited (w.e.f April 23, 2016)

Joint Venture of Direct Subsidiary

S. No.	Name of Related Party
1	Educomp Raffles Higher Education Limited

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

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Enterprises owned or significantly influenced by KMP or their relatives with whom transactions incurred during the year

S. No.	Name of Related Party
1	Millennium InfraDevelopers Limited
2	A P Eduvision Private Limited
3	DSK Legal (till March 28, 2017)
4	Shiksha Solution Trustee Pvt. Ltd.
5	Healthsetgo Services Private Limited

(b) **Interest in subsidiaries (refer note 6.1)**

	Country of Incorporation	Ownership interest held by the Company			Ownership interest held by non controlling		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment in Subsidiaries							
Wheitstone Productions Private Limited	India	51.00%	51.00%	51.00%	49.00%	49.00%	49.00%
Edumatics Corporation Inc, USA	USA	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Educomp Learning Private Limited	India	51.00%	51.00%	51.00%	49.00%	49.00%	49.00%
Educomp Infrastructure & School Management Limitec	India	83.38%	83.38%	83.38%	16.62%	16.62%	16.62%
Educomp School Management Limited	India	68.35%	68.35%	68.35%	31.65%	31.65%	31.65%
Educomp Asia pacific Pte Ltd., Singapore	Singapore	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Educomp Professional Education Limited	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Savvica Inc., Canada	Canada	79.55%	79.55%	79.55%	20.45%	20.45%	20.45%
Little Millenium Education Private Limited (Formerly Educomp Child Care Private Limited)*	India	48.29%	60.66%	63.53%	51.71%	39.34%	36.47%
Educomp Intelprop Ventures Pte. Limited	Singapore	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Educomp Online Supplemental Services Limited	India	24.72%	24.72%	24.72%	75.28%	75.28%	75.28%
Educomp Online Supplemental Services Limited - Rs. 5	India	59.49%	59.49%	59.49%	40.51%	40.51%	40.51%
Educomp Investment Management Limited	India	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Educomp Global Holding W.L.L.	Bahrain	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Educomp Global FZE	U.AE	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Vidya Mandir Classes Private Limited***	India	0.00%	67.00%	67.00%	100.00%	33.00%	33.00%
Edu Smart Services Private Limited**	India	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%

* The holding of the Company has reduced to 48.29% from 60.66% and 63.53% as compared to 2016 and 2015 respectively. Accordingly it has been classified as an associate in 2017 however, this has been included in the disclosure to represent correct comparatives.

**The Company has a controlling power on Edu Smart Services Private Limited and by virtue of Ind AS 110 it is to be consolidated in the consolidated financials of the Company and therefore the Company has included the same in the list of subsidiaries.

***These investments are pledged against loan taken by the subsidiary companies and the Company has sold the investment in agreement with the bank during the FY 2016-17, in two tranches, out of which money against second tranche amounting to Rs. 757.00 million is receivable. (refer note 6.4)

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(c) Transactions with related party

(i) Particulars	Subsidiary (in Rs. millions) Year ended March 31, 2017	Year ended March 31, 2016
Revenues [net of (sales return)] (Note 1)	9.21	10.63
Other income (Note 2)	1.10	146.96
Reimbursement of expenses paid by related party (Note 3)	-	0.06
Advance from customers /(return to customers) (Note 6)	(0.55)	111.50
Purchase of investments (Note 7)	-	618.64
Rent paid (Note 9)	0.04	0.17
Notional interest income on amortised valued investment in preference shares (Note 11)	12.06	10.90
	21.86	898.86

(ii) Particulars	Key Management Personnel (in Rs. millions) Year ended March 31, 2017	Year ended March 31, 2016
Expenses paid for services (Note 5)	2.70	2.25
Remuneration (Note 8)	-	0.45
Rent paid (Note 9)	-	0.83
Loan received (including debt and equity component of compounded financial instruments) (Note 10)	30.00	230.00
Notional interest expense on the amortised valued borrowings (Note 12)	23.01	15.90
	55.71	249.43

(iii) Particulars	Joint Venture of Subsidiary (in Rs. millions) Year ended March 31, 2017	Year ended March 31, 2016
Revenues [net of (sales return)] (Note 1)	104.97	-
	104.97	-

(iv) Particulars	Parties having significant Influence (in Rs. millions) Year ended March 31, 2017	Year ended March 31, 2016
Other income (Note 2)	1.07	-
Expenses paid for services (Note 5)	9.05	6.49
	10.12	6.49

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(in Rs. millions)

Notes	Year ended March 31, 2017	Year ended March 31, 2016
1 Includes Sales and services to/ (return) from:		
Edu smart Services Private Limited	9.12	10.63
Educomp Raffles Higher Education Limited	104.97	-
Educomp Infrastructure & School Management Limited	0.09	-
2 Includes other income from:		
Wiz Learn Pte Ltd.	-	145.89
Educomp Learning Private Limited	0.14	0.14
Edu smart Services Private Limited	0.96	0.93
Healthsetgo Services Private Limited	1.07	-
3 Includes expenses paid by:		
Little Millenium Education Private Limited (Formerly Educomp Child Care Private Limited)	-	0.06
4 Includes expenses paid on behalf of:		
5 Includes expenses paid for services		
DSK Legal	9.05	6.49
V. K. Dandona	2.70	2.25
6 Includes advance / (return) from/ to customers:		
Orlando Builders Private Limited	(0.55)	111.50
7 Represents investment made in:		
Educomp Infrastructure & School Management Limited	-	347.33
Educomp Professional Education Limited	-	269.98
Educomp Investment Management Limited	-	1.33
8 Remuneration:		
Mr. V. K. Dandona	-	0.45
9 Includes rent paid to:		
Educomp Learning Private Limited	0.04	0.17
Mr. Shantanu Prakash	-	0.83
10 Loan received from		
Mr. Shantanu Prakash	30.00	230.00
11 Notional interest income on amortised valued investment in preference shares		
Edu smart Services Private Limited	12.06	10.90
12 Notional interest expense on the amortised valued borrowings		
Mr. Shantanu Prakash	23.01	15.90

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(d) Details of balance with related parties:

(i) Particulars	Subsidiary		(in Rs. millions)
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment (including debt and equity portions of compounded financial instruments)*	14,792.35	17,025.95	16,396.42
Share application money	102.21	102.21	720.85
Trade receivables **	7,085.74	8,309.99	6,658.28
Loans and advances and other current assets	1.77	1.77	1.66
Trade and other payables	-	-	18.95
Advance received from Customers	169.68	171.58	199.43
Corporate guarantees (refer note 29)	14,183.30	14,214.68	14,886.10
	36,335.05	**39,826.18**	**38,881.69**
* net of provision for impairment	1,891.76	154.07	154.07
** net of provision	2,651.50	2,622.60	4,178.27

(ii) Particulars	Associates		(in Rs. millions)
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment (including debt and equity portions of compounded financial instruments)	321.01	159.91	159.91
Trade receivables	0.26	-	-
	321.27	**159.91**	**159.91**

(iii) Particulars	Key Management Personnel		(in Rs. millions)
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured Loan (including debt and equity portion of compounded financial instruments)	663.07	610.07	364.16
Trade and other payables	0.20	0.20	0.29
	663.27	**610.27**	**364.45**

(iv) Particulars	Joint Venture of Subsidiary		(in Rs. millions)
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance received from Customers	-	104.98	104.98
	-	**104.98**	**104.98**

(v) Particulars	Parties having significant Influence		(in Rs. millions)
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables	1.23	-	-
Trade and other payables	1.51	0.24	-
	2.74	**0.24**	**-**

(e) 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. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(iii) Hitherto, certain trusts were disclosed as related parties based on the applicable provisions of AS 18. The current Financial Statements are being prepared under IND AS for the first time. IND AS 24, deals with the disclosure for related parties transactions. The Company obtained expert view on requirements of the disclosures under IND AS 24 and concluded that the directors of the Company do not exercise significant influence and/or control over these trusts and hence have not been disclosed as related party under IND AS 24.

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29 Contingent Liabilities

The below mentioned details is based on the status provided by the Company till the date of approval of insolvency under the Insolvency Code i.e. May 30, 2017. Consequently, NCLT has declared the moratorium period as per the provision of section 13 (1) (a) of the Insolvency Code which is further extended to February 24, 2018 via CoC meeting dated November 2, 2017. Refer Note 1(d) for further details.

The Company has contingent Liabilities at March 31, 2017 in respect of:

(in Rs. millions)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Guarantees excluding financial guarantees (refer note 1 & 2 below)			
a) Corporate guarantee given to bank for secured loan and debenture to subsidiaries			
(a-i) Educomp Infrastructure & School Management Limited	9,371.69	9,371.69	9,371.69
(a-ii) Educomp Asia Pacific Pte. Ltd., Singapore	1,361.61	1,392.99	1,314.41
(a-iii) Educomp Learning Hour Private Limited	1,200.00	1,200.00	1,200.00
(a-iv) Edu Smart Services Private Limited	2,250.00	2,250.00	3,000.00
(ii) Other money for which the company is contingently liable			
(a-i) Taxes under adjudication/appeal (refer note 3 below)	-	25.46	25.46
(iii) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business the Company estimates contingent liability in relation to these Legal cases as under:			
- Civil Cases	86.81	-	-
- Consumer/labour related cases	98.58	-	-
- Arbitration	14.69	-	-

1. The loan outstanding to banks against the corporate guarantee in point no. (a) above as on March 31, 2017 is Rs. 9,288.42 million (March 31, 2016 Rs. 10,042.06 million, April 01, 2015 Rs.12,185.85 million).
2. Future outflows in respect of (a) will arise on crystallization and demand made by bank.
3. Taxes under adjudication/appeal represents Nil (March 31, 2016 Rs.25.46 million April 01, 2015 Rs. 25.46 million) under appeal under service tax. The Company has paid Nil (March 31, 2016: Rs. 16.98 million, April 01, 2015: Rs. 16.98 million) under protest against demands raised by tax authorities.

Note 30. Commitments

Capital commitments

Capital expenditure contracted but remaining to be executed at the end of the reporting period is as follows :

(in Rs. millions)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	880.00	880.00
Uncalled Liability on partly paid shares (net of advances)	400.41	400.41	400.41
Total	**400.41**	**1,280.41**	**1,280.41**

Note 31. Share based payment

(a) Employee option plan

The Company has seven 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 of the respective 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, 2017 the Company had 739000 (March 31, 2016: 1,050,000 and April 01, 2015: 1,053,562) 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, 2017 the Company had 551,500 (March 31, 2016: 805,550 and April 01, 2015: 905,550) number of shares outstanding for issue under the scheme.

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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, 2017 the Company had 596,600 (March 31, 2016: 1,082,800 and April 01, 2015: 1,209,800) number of shares outstanding for issue under the scheme.

Employees Stock Option Scheme 2010

Pursuant to shareholder's resolution dated March 18 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, 2017 the Company had 223,750 (March 31, 2016: 988,125 and April 01, 2015: 998,125) 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, 2017 the Company had 335,000 (March 31, 2016: 745,000 and April 01, 2015: 995,000) 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, 2017 the Company had 1,861,625 (March 31, 2016: 3,371,625 and April 01, 2015: 3,496,625) 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, 2017 the Company had 3,973,450 (March 31, 2016: 4,898,650 and April 01, 2015: 4,968,650) number of shares outstanding for issue under the scheme.

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The information concerning stock options granted, exercised, forfeited and outstanding at the year end is as follows:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of stock options	Weighted average price (Rs.)	No. of stock options	Weighted average price (Rs.)
Employee Stock Option Scheme 2006				
No. of shares under option				
Outstanding at the beginning of the year	1,050,000	36.06	1,053,562	43.20
Granted	-	-	662,000	13.50
Exercised	-	-	-	-
Forfeited/expired during the year	311,000	89.54	665,562	24.92
Outstanding at the end of year	**739,000**	**13.55**	**1,050,000**	**36.06**
Weighted average remaining contractual life (in years)	2.33 yrs		3.45 yrs	
Payment received against share allotted during the year	Nil		Nil	
Employee Stock Option Scheme 2007				
No. of shares under option				
Outstanding at the beginning of the year	805,550	37.06	905,550	35.74
Granted	-	-	68,000	13.50
Exercised	-	-	-	-
Forfeited/expired during the year	254,050	46.26	168,000	20.40
Outstanding at the end of year	**551,500**	**32.82**	**805,550**	**37.06**
Weighted average remaining contractual life (in years)	2.60yrs		3.69 yrs	
Payment received against share allotted during the year	Nil		Nil	
Employee Stock Option Scheme 2008				
No. of shares under option				
Outstanding at the beginning of the year	1,082,800	110.46	1,209,800	111.77
Granted	-	-	240,000	13.50
Exercised	-	-	-	-
Forfeited/expired during the year	486,200	29.87	367,000	51.37
Outstanding at the end of year	**596,600**	**176.13**	**1,082,800**	**110.46**
Weighted average remaining contractual life (in years)	3.31 yrs		3.31 yrs	
Payment received against share allotted during the year	Nil		Nil	
Employee Stock Option Scheme 2010				
No. of shares under option				
Outstanding at the beginning of the year	988,125	67.03	998,125	75.44
Granted	-	-	280,000	13.49
Exercised	-	-	-	-
Forfeited/expired during the year	764,375	66.02	290,000	44.28
Outstanding at the end of year	**223,750**	**70.50**	**988,125**	**67.03**
Weighted average remaining contractual life (in years)	1.97 yrs		3.46 yrs	
Payment received against share allotted during the year	Nil		Nil	
Employee Stock Option Scheme 2011				
No. of shares under option				
Outstanding at the beginning of the year	745,000	22.46	995,000	21.95
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited/expired during the year	410,000	21.87	250,000	20.45
Outstanding at the end of year	**335,000**	23.18	**745,000**	22.46
Weighted average remaining contractual life (in years)	2.51 yrs		3.52 yrs	
Payment received against share allotted during the year	Nil		Nil	

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Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of stock options	Weighted average price (Rs.)	No. of stock options	Weighted average price (Rs.)
Employee Stock Option Scheme 2012				
No. of shares under option				
Outstanding at the beginning of the year	3,371,625	29.77	3,496,625	32.37
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited/expired during the year	1,510,000	19.75	125,000	102.51
Outstanding at the end of year	**1,861,625**	37.89	**3,371,625**	29.77
Weighted average remaining contractual life (in years)	1.80 yrs		3.18 yrs	
Payment received against share allotted during the year	Nil		Nil	
Employee Stock Option Scheme 2014				
No. of shares under option				
Outstanding at the beginning of the year	4,898,650	14.86	4,968,650	14.86
Granted	-	-	130,000	13.50
Exercised	-	-	-	-
Forfeited/expired during the year	925,200	14.00	200,000	14.00
Outstanding at the end of year	**3,973,450**	15.06	**4,898,650**	14.86
Weighted average remaining contractual life (in years)	2.20 yrs		3.16 yrs	
Payment received against share allotted during the year	Nil		Nil	

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise Price (INR)	Share options March 31, 2017	Share options March 31, 2016	Share options April 01, 2015
1-Apr-07	30-Mar-14	25.00	-	-	455,562
23-Nov-07	21-Nov-14	204.60	-	19,000	19,000
1-Apr-08	31-Mar-15	204.60	-	3,800	3,800
4-Sep-08	3-Sep-15	763.00	-	6,000	6,000
14-Apr-09	12-Apr-16	408.80	6,600	6,600	31,600
15-Jun-09	13-Jun-16	609.88	75000	83,200	83,200
22-Sep-09	20-Sep-16	810.25	7,500	7,500	7,500
30-Oct-09	28-Oct-16	560.00	-	25,000	25,000
1-Jun-10	30-May-17	623.10	75,000	75,000	75,000
2-Jun-10	1-Jun-15	482.50	-	50,000	50,000
2-Jun-10	31-May-17	482.50	-	15,000	25,000
3-Jun-10	1-Jun-17	535.00	23,750	23,750	23,750
15-Sep-10	13-Sep-17	568.30	-	10,000	10,000
27-Jul-12	26-Jul-19	154.35	193,625	228,625	303,625
13-Aug-13	11-Aug-20	19.10	60,000	410,000	410,000
22-Nov-13	21-Nov-16	23.15	700,000	700,000	700,000
27-Dec-13	26-Dec-16	24.75	300,000	300,000	300,000
27-Dec-13	26-Dec-18	24.75	288,000	902,375	1,252,375
31-Mar-14	30-Mar-19	24.75	500,000	768,000	1,400,000
9-Apr-14	8-Apr-19	33.10	550,000	950,000	1,100,000
17-Oct-14	16-Oct-19	28.00	-	291,250	291,250
13-Feb-15	12-Feb-20	23.50	450,000	450,000	450,000
20-Mar-15	19-Mar-18	14.00	4,051,450	6,236,650	6,604,650
28-May-15	26-May-20	13.45	-	80,000	-
13-Aug-15	12-Aug-18	13.50	1,000,000	1,300,000	-
Total			**8,280,925**	**12,941,750**	**13,627,312**

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Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Company has not granted any options during the year ended March 31, 2017 however, the Company has granted employee stock options during the previous year at two different grant dates. The model inputs used for fair valution of the options granted includes:

(i) Grant date - May 28, 2015
Weighted average of fair value of the options granted as at grant date - 4.62

Particulars	Vesting periods				
	I	II	III	IV	V
Vesting propotion	**20%**	**20%**	**20%**	**20%**	**20%**
Share price at grant date	13.45	13.45	13.45	13.45	13.45
Exercise price	13.45	13.45	13.45	13.45	13.45
Expected price volatility of the Company's shares	50.00%	50.00%	50.00%	50.00%	50.00%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	7.61%	7.62%	7.65%	7.69%	7.72%
Fair value of the options granted	3.08	4.07	4.79	5.35	5.81

(ii) Grant date - August 13, 2015
Weighted average of fair value of the options granted as at grant date - 3.98

Particulars	Vesting periods		
	I	II	III
Vesting proportion	**33.33%**	**33.33%**	**33.34%**
Share price at grant date	13.50	13.50	13.50
Exercise price	13.50	13.50	13.50
Expected price volatility of the Company's shares	50.00%	50.00%	50.00%
Expected dividend yield	0.00%	0.00%	0.00%
Risk free interest rate	7.42%	7.57%	7.67%
Fair value of the options granted	3.08	4.08	4.79

(c) Expense arising from share-based payment transactions *

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	March 31, 2017	March 31, 2016
Employee share-based payment expense	13.79	35.64

*refer note 32.A1.2 for details of exemption taken under Ind AS 101.

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Note 32. **First-time adoption of Ind AS**

These are the first financial statements prepared in accordance with Ind AS by the Company.

The accounting policies set out in Note 2 have been applied in preparing financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet at April 01, 2015 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006(as amended) and other relevant provisions of the act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A1.1 Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property plants and equipment as recognised in the financial statements as the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

A1.2 Share-based payment transactions

A first-time adopter has the option to apply Ind AS 102, Share-based payment to equity instruments that vested before date of transition to Ind AS.
The Company has availed this exemption and has applied Ind AS 102 only to the options which are outstanding at the transition date.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A1.4 Long term foreign currency monetary items

As per Ind AS 101, a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period (i.e. foreign currency monetary items recognised before or on March 31, 2016) as per the previous GAAP.

Accordingly the Company for the purpose of Foreign currency convertible bonds and External commercial borrowings has elected to continue with its Indian GAAP policy of capitalising the foreign exchange difference to foreign currency monetary item translation difference account and amortising it over the period of the borrowings.

A1.5 Investment in subsidiaries/ Joint venture/ Associates

As per Ind AS 101 , If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(a) cost determined in accordance with Ind AS 27; or
(b) deemed cost. The deemed cost of such an investment shall be its:
 (i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or
 (ii) previous GAAP carrying amount at that date

Accordingly, the Company has availed the exemption and has measured these investments at previous GAAP carrying amount at the transition date.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

There is no such estimate which is changed while applying Ind AS. All the estimates as per previous GAAP is carried forward as in Ind AS transition balance sheet as at April 01, 2015.

Further, The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
- Investment in equity instruments carried at FVPL or FVOCI;
- Investment in debt instruments carried at amortised cost; and
- Impairment of financial assets based on expected credit loss model.

A.2.2 Derecognition of Financial Assets and Liabilities

As per Ind AS 101, an entity should apply derecognition requirement in IND AS 109, "Financial Instruments, prospectively for transaction accruing on or after the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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B. Reconciliations between previous GAAP and Ind AS

The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) **Reconciliation of financial position as at date of transition (April 01, 2015)**

		April 01, 2015		
	Note	Previous GAAP*	(Adjustments)	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	C.8	289.03	(172.51)	116.52
Intangible assets	C.8	548.92	(3.95)	544.97
Capital work-in-progress		38.72	-	38.72
Financial assets				
i) Investments	C.7	16,938.38	42.95	16,981.33
ii) Loans	C.11	7.75	(0.69)	7.06
iii) Trade receivables	C.4, C.8	-	2,487.17	2,487.17
iv) Other financial Assets	C.8	115.85	123.44	239.29
Income tax assets		173.74	-	173.74
Other non-current assets	C.2	72.37	(28.34)	44.03
Total non current assets		**18,184.76**	**2,448.07**	**20,632.83**
Current assets				
Inventories		253.63	-	253.63
Financial assets		-	-	-
i) Loans		384.86	-	384.86
ii) Trade receivables	C.4, C.8	13,568.53	(3,104.00)	10,464.53
iii) Cash and Cash equivalents		540.95	-	540.95
iv) Bank balances other than (iii) above		28.70	-	28.70
v) Other Financial Assets	C.8	628.40	116.92	745.32
Other current assets	C.2	385.66	(4.89)	380.77
Total current assets		**15,790.73**	**(2,991.97)**	**12,798.76**
Total Assets		**33,975.49**	**(543.90)**	**33,431.59**
EQUITY AND LIABILITIES				
a) Equity Share capital		244.93	-	244.93
b) Other equity				-
-Equity component of compound financial instruments	C.3, C.5	-	330.51	330.51
-Reserves and surplus		4,647.57	(690.89)	3,956.68
Total Equity		**4,892.50**	**(360.38)**	**4,532.12**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i) Borrowings	C.1, C.2, C.3, C.5	21,533.34	(13,469.25)	8,064.09
ii)Other financial liabilities		-	-	-
Provisions		725.42	-	725.42
Other non-current liabilities	C.3	184.04	(111.36)	72.68
Total Non Current Liabilities		**22,442.80**	**(13,580.61)**	**8,862.19**
Current liabilities				
Financial liabilities				
i) Borrowings		2,107.01	-	2,107.01
ii) Trade and other payables	C.10	847.33	134.76	982.09
iii) other financial liabilities	C.1, C.2, C.3, C.5	2,675.32	13,262.33	15,937.65
Provisions		542.17	-	542.17
Other current liabilities		468.36	-	468.36
Total current liabilities		**6,640.19**	**13,397.09**	**20,037.28**
Total liabilities		**29,082.99**	**(183.52)**	**28,899.47**
Total Equity and liabilities		**33,975.49**	**(543.90)**	**33,431.59**

*** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

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	Note	March 31, 2016 Previous GAAP*	(Adjustments)	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	C.8	208.90	(105.37)	103.53
Intangible assets	C.8	416.00	(1.87)	414.13
Capital work-in-progress		21.98	-	21.98
Financial assets				
i) Investments	C.7	17,132.02	53.84	17,185.86
ii) Loans	C.11	6.52	(0.43)	6.09
iii) Trade receivables	C.4, C.8	-	-	-
iv) Other financial Assets	C.8	127.02	28.22	155.24
Income tax assets		170.59	-	170.59
Other non-current assets	C.2	76.74	(28.54)	48.20
Total non current assets		**18,159.77**	**(54.15)**	**18,105.62**
Current assets				
Inventories		119.97	-	119.97
Financial assets				-
i) Loans		381.69	-	381.69
ii) Trade receivables	C.4, C.8	11,662.42	(198.51)	11,463.91
iii) Cash and Cash equivalents		316.25	-	316.25
iv) Bank balances other than (iii) above		27.85	-	27.85
v) Other Financial Assets	C.8	223.88	96.89	320.77
Other current assets	C.2	83.50	0.33	83.83
Total current assets		**12,815.56**	**(101.29)**	**12,714.27**
Total Assets		**30,975.33**	**(155.44)**	**30,819.89**
EQUITY AND LIABILITIES				
a) Equity Share capital		244.93	-	244.93
b) Other equity				
-Equity component of compound financial instruments	C.3, C.5	-	502.72	502.72
-Reserves and surplus		1,058.61	(215.41)	843.20
Total Equity		**1,303.54**	**287.31**	**1,590.85**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i) Borrowings	C.1, C.2, C.3, C.5	18,846.85	(17,886.70)	960.15
ii)Other financial liabilities				-
Provisions		179.23	-	179.23
Other non-current liabilities	C.3	234.77	(162.09)	72.68
Total Non Current Liabilities		**19,260.85**	**(18,048.79)**	**1,212.06**
Current liabilities				
Financial liabilities				
i) Borrowings		981.51	-	981.51
ii) Trade and other payables	C.10	851.10	18.65	869.75
iii) other financial liabilities	C.1, C.2, C.3, C.5	7,501.23	17,587.38	25,088.61
Provisions		468.59	-	468.59
Other current liabilities		608.51	0.01	608.52
Total current liabilities		**10,410.94**	**17,606.04**	**28,016.98**
Total liabilities		**29,671.79**	**(442.75)**	**29,229.04**
Total Equity and liabilities		**30,975.33**	**(155.44)**	**30,819.89**

*** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

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(ii) Reconciliation of total comprehensive income for the year ended March 31, 2016

	Note	March 31, 2016 Previous GAAP*	Adjustments	Ind AS
Revenue from operations	C.4, C.8	2,009.89	(146.50)	1,863.39
Other Income	C.4, C.7, C.8	221.00	463.83	684.83
Total Income		2,230.89	317.33	2,548.22
Expenses				
Cost of materials consumed				
Purchase of stock-in-trade		356.09	-	356.09
Changes in inventories of finished goods, work in progress and stock-in-trade		31.62	(12.53)	19.09
Employee benefit expense	C.9	1,150.03	35.08	1,185.11
Finance cost	C.1, C.2, C.3, C.5, C.10	2,471.21	94.51	2,565.72
Depreciation and amortisation expense	C.8	400.72	(74.70)	326.02
Other expense	C.2, C.3, C.10	1,181.65	20.06	1,201.71
Prior period items		134.76	(134.76)	-
Total expenses		5,726.08	(72.34)	5,653.74
Profit/ (loss) before exceptional items and tax		(3,495.19)	389.67	(3,105.52)
Exceptional items	C.10	129.11	-	129.11
Profit/ (loss) before tax		(3,624.30)	389.67	(3,234.63)
Tax expense				
a) Current tax (Excess provision relating to earlier years written back)		(190.91)	-	(190.91)
b) Deferred tax		-	-	-
Profit/ (loss) for the period		(3,433.39)	389.67	(3,043.72)
Other comprehensive income				
-Items that will not be reclassified to profit or loss	C.9	-	0.23	0.23
Total comprehensive income for the period		(3,433.39)	389.90	(3,043.49)

*** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

(iii) Reconciliation of Total equity as at March 31, 2016 and April 01, 2015

	Note	March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		1,303.54	4,892.50
Adjustment			
Borrowings-transaction cost adjustment	C.1	11.48	10.93
External commercial borrowings-transaction cost adjustment	C.2	(28.21)	(33.95)
Foreign currency convertible bond compounded financial instruments accounting	C.3	22.65	36.39
Fair valuation of long term debtors	C.4	(231.58)	(642.54)
Promoters loan- preferential interest rate adjustment	C.5	427.27	270.97
Employee stock option expense recognised based upon fair valuation	C.6	-	-
Fair valuation of Investment	C.7	53.84	42.95
Lease adjustment in respect of Appendix C to Ind AS 17	C.8	50.94	90.37
Prior period items settled off from the original period to which they belong	C.10	(18.67)	(134.76)
Fair valuation of security deposits		(0.41)	(0.74)
Total -Adjustments		287.31	(360.38)
		1,590.85	4,532.12

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(iv) Impact of Ind AS adoption on the standalone statement of cash flows for the year ended March 31, 2016

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	1,415.66	(10.86)	1,404.80
Net cash flow from investing activities	140.40	10.86	151.26
Net cash flow from financing activities	(1,780.77)	1,125.51	(655.27)
Net increase/(decrease) in cash and cash equivalents	**(224.71)**	**1,125.51**	**900.80**
Cash and cash equivalents as at April 01, 2015	540.95	(2,085.01)	(1,544.06)
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at March 31, 2016	**316.24**	**(959.50)**	**(643.26)**

(v) Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS:

	March 31, 2016
Cash and cash equivalents as per previous GAAP	316.25
Bank overdrafts	(959.51)
Cash and cash equivalents for the purpose of statement of cash flows	**(643.26)**

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C: Notes to first-time adoption:

Note C.1 a) Borrowings-transaction cost adjustment

Based upon Ind AS 109, financial liabilities in the form of borrowings have been accounted for at amortised cost using effective interest rate method, accordingly there is a decrease in outstanding borrowings due to upfront processing fees and simultaneous increase in finance cost.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in borrowings	(11.48)	(10.93)

Effects to the financial results

	March 31, 2016
Increase in notional interest income / (expense)	(10.93)

b) Borrowings - current portion of long term borrowings

During the years ended March 31, 2017 and March 31, 2016, the Company has defaulted in the payment of principal and interest in respect of its borrowings. As per agreements with the lenders, in case of defaults, the borrowings are repayable on demand. Accordingly, borrowings where defaults has occurred till balance sheet date has been disclosed under current maturities of long term borrowings.

Effects to the financial position	March 31, 2016	April 01, 2015
Reclassification from Non current borrowings to current portion of long term borrowings	17,600.51	13,270.61

Note C.2 External commercial borrowings-transaction cost adjustment

Based upon Ind AS 109, financial liabilities in the form of borrowings have been accounted for at amortised cost using effective interest rate method. Further unamortised amount of processing fees which used to be amortised over the period of loan under previous GAAP, has been charged off to the opening retained earnings as the same has been accounted under Ind AS 109 as explained above.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in prepaid expense	(28.21)	(33.95)

Effects to the financial results

	March 31, 2016
Increase/(decrease) in other borrowing cost	(6.06)

Note C.3 Foreign currency convertible bond compounded financial instruments accounting

Based upon Ind AS 32 and Ind AS 109 it is evaluated that these convertible bonds contain the features of compounded financial instruments. Therefore the debt and equity portion has been bifurcated, the unavoidable cashflows has been classified as debt and is valued at amortised cost, the balance portion has been classified as equity as the conversion terms meet the criteria of "fixed O' fix" and has been valued at cost only.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in foreign currency convertible bond (debt component)	189.47	125.00
Increase/ (decrease) in premium in FCCB bonds	(162.09)	(111.36)
Increase/ (decrease) in Equity component of compounded financial instruments	50.03	50.03

Effects to the financial results

	March 31, 2016
Increase in Interest income/ (expense)	(59.55)
Increase in foreign exchange income/ (expense)	(4.92)

Note C.4] Fair valuation of long term debtors

Based upon Ind AS 109, financial assets in the form of trade receivable having deferred payment terms have been valued at amortised cost accordingly reducing the value of trade receivable and increasing the notional interest income.

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Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in debtors	(231.58)	(641.54)

Effects to the financial results

	March 31, 2016
Increase/(decrease) in interest income	423.43
Increase/ (decrease) in sales	(12.46)

Note C.5 Promoters loan- preferential interest rate adjustment

Based upon Ind AS 32 and Ind AS 109, Promoters' loan has been considered to be a compounded financial instrument and the financial liability portion of the same have been accounted for at amortised cost , accordingly there is a decrease of outstanding borrowings and increase in notional interest due to the reason that promoter has facilitated this loan at interest free rate. The balance portion of loan has been considered as equity due to the interest of the promoters in the Company.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in loans from promoter	(427.27)	(270.97)
Increase/ (decrease) in Equity component of compounded financial instruments	452.69	280.48

Effects to the financial results

	March 31, 2016
Increase in interest income/ (expense)	(15.90)

Note C.6 Employee stock option expense recognised based upon fair valuation

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in employee stock option reserve	75.47	48.48

Effects to the financial results

	March 31, 2016
Increase/ (decrease) in Employee stock option expense	34.85

Note C.7 Fair valuation of Investment

Based upon Ind AS 32 and Ind AS 109, Investments in redeemable preference shares have been considered to be a compounded financial instrument and the investment in the debt portion have been valued at amortised cost (accordingly reducing the value of investment in redeemable preference shares (debt portion) and increasing the notional interest income) the balance amount has been considered as investment in equity.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in Investment in preference shares (debt component)	(340.34)	(351.24)
Increase/ (decrease) in Investment in preference shares (equity component)	394.18	394.19

Effects to the financial results

	March 31, 2016
Interest income/ (expense)	10.90

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Note C.8 Lease adjustment in respect of Appendix C to Ind AS 17

Under Ind AS any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met.
The Company has entered into an arrangement under "Smart classes" program where the Company transfers the ownership of the fixed assets to the schools after completion of tenure of services that are rendered under the same arrangement. the same are classified as lease under Ind AS 17.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in lease receivables	125.12	240.36
Increase/ (decrease) in fixed assets net of depreciation	(107.24)	(176.46)
Increase/ (decrease) in trade receivable	33.07	25.71

Effects to the financial results

	March 31, 2016
Increase/ (decrease) in revenue	(134.04)
Interest income/ (expense)	19.90
Increase/ (decrease) in depreciation	(74.70)

Note C.9 Remeasurement of post employment benefit obligation- transferred to other comprehensive income

Under Ind AS all actuarial gains and losses are recognised in other comprehensive income. Under the previous GAAP the Company recognised acturial gains and losses in profit and loss. However the same has no impact on the total equity or total comprehensive income. Acturial gain/ (loss) recognised through other comprehensive income Rs 0.23.

Note C.10 Prior period items settled off from the original period to which they belong

Based upon Ind AS 101 prior period errors has been affected from the original period to which they belong, accordingly prior period errors recognised to the statement of profit and loss for the year ended March 31, 2017 has been adjusted from the opening retained earnings. Further, the prior period errors pertaining to the year ended March 31, 2017 has been settled off from the statement of profit and loss for the year ended March 31, 2017.

Effects to the financial position

	March 31, 2016	April 01, 2015
Increase/ (decrease) in trade and other payable	18.65	134.76

Effects to the financial results

	March 31, 2016
Increase/ (decrease) in other expense	15.12
Increase/ (decrease) in finance cost	3.55
Increase/ (decrease) in prior period expenses	134.76

Note C.11 Discounting on account of security deposits

	March 31, 2016	April 01, 2015
Increase/ (decrease) in loan	(0.43)	(0.69)

Note 33 Loss per share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Calculation of loss for basic/diluted EPS		
Net loss attributable to equity shareholders	(4,755.59)	(3,043.72)
Loss after tax (before other comprehensive income)		
Nominal value of equity share (Rs.)	2	2
No of shares as at end of the year	122,467,168	122,467,168
No. of weighted average equity shares	122,467,168	122,467,168
Loss per share Basic/ diluted	(38.83)	(24.85)

*The Company is having potential equity shares as mentioned in note 10.g but these are not considered to be dilutive. Consequently, the basic and diluted EPS of the Company remains the same.

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Note 34. Leases

a) Operating lease

ai) 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.
- 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. 21.13 million (March 31, 2016 Rs.24.74 million). The future minimum lease rent payable (minimum lease payments) under non-cancellable operating leases are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Within one year	4.46	4.31	5.21
Later than one year but not later than five years	9.61	0.08	4.84
Later than five years	-	-	-
Total	14.07	4.39	10.05

aii) Assets given on sub lease
i) General description of lease terms:
- Assets are given on lease over a period of one to three years.
- Lease rentals are charged on the basis of agreed terms.
- The lease are renewable after expiry of agreement period.
- There are no escalations as per the lease agreement.

ii) The Company has given office space on sub lease. Other income includes income from operating lease of Rs. 4.84 million (March 31, 2016 Rs. 1.17 million). The future minimum sublease payment expected to be received are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Within one year	5.85	1.03	0.84
Later than one year but not later than five years	22.06	1.73	-
Later than five years	1.47	-	-
Total	29.38	2.76	0.84

b) Financial lease
bi) Assets taken on lease
i) General description of lease terms:
- Assets are taken on lease for a period of three to five years.
- Lease rentals are charged on the basis of agreed terms.
- The assets taken under finance lease are in the nature of technology equipments.**
- There are no escalations as per the lease agreement.

ii) Finance lease obligation of the company on different reporting dates are as follows:

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Future minimum Lease payments	Interest	Present Value	Future minimum Lease payments	Interest	Present Value	Future minimum Lease payments *	Interest	Present Value
Within one year	-	-	-	-	-	-	14.89	2.65	12.24
Later than one year but not later than five years	-	-	-	-	-	-	9.86	0.94	8.92
Later than five years	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	24.75	3.59	21.16

* During the year 2015-16, the Company had entered into a settlement agreement with the lessor with respect to the amount outstanding as on March 31, 2015. Pursuant to such agreement, the Company was required to pay one time settlement amount of Rs.12.12 million along with due rental for the month of February and March 2015 amounting to Rs 0.84 million for each month to the lessor.

** The net carrying amount of assets taken on finance lease is nil as the same has been sub leased and thereby derecognised from the books as per Ind AS 17.

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bi) Assets given on lease

i) General description of lease terms:
- Assets are given on lease over a period of two to five years.
- Lease rentals are charged on the basis of agreed terms.
- The lease are not renewable after expiry of agreement period.
- There are no escalations as per the lease agreement.

ii) The Company has sub leased various assets under BOOT smart class contracts. These contracts meet the criteria laid down under the appendix C of Ind AS 17, Total minimum lease receivables at the end of the reporting period are as follows :

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total Minimum lease payments receivables (net investment)	15.80	125.11	241.13
Total	**15.80**	**125.11**	**241.13**

iii) Gross investment in leased out assets showing total Minimum lease payments receivables for different periods is as follows

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	0 to 1 year	1 to 5 year	0 to 1 year	1 to 5 year	0 to 1 year	1 to 5 year
Total Minimum lease payments receivables (gross investment)	14.56	2.93	116.95	18.72	142.52	137.05

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Gross investment	17.50	135.67	279.57
Net investment	15.80	125.12	241.13
Unearned finance income	1.70	10.55	38.44

Note 35 **Suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
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			
Principal amount due to micro, small and medium enterprises	7.90	2.58	0.95
Interest due on above	-	-	-
Total	**7.90**	**2.58**	**0.95**
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	-	-	-
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.	-	-	-

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Note 36 Specified Bank Notes

(in Rs.)

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows:

	SBN's		Other denomination notes		Total	
	Denomination	Amount	Denomination	Amount	Amount	Amount
Closing balance as at November 8, 2016	2000	-	2000	-	2000	-
	1000	110,000	1000	-	1000	110,000
	500	30,000	500	-	500	30,000
	Others	-	Others	49	Others	49
Transactions between November 9, 2016 and December 30, 2016						
Add: Specified Currency Note deposited in bank accounts	2000	-	2000	110,000	2000	110,000
	1000	-	1000	-	1000	-
	500	-	500	30,000	500	30,000
	Others	-	Others		Others	-
Add: Withdrawal from bank accounts	2000	-	2000	200,000	2000	200,000
	1000	-	1000	-	1000	-
	500	-	500	100,000	500	100,000
	Others		Others		Others	-
Less: Paid for permitted transactions	2000	-	2000	250,000	2000	250,000
	1000	-	1000	-	1000	-
	500	-	500	90,500	500	90,500
	Others		Others	15	Others	15
Less: Paid for non-permitted transactions (if any)	2000	-	2000	-	2000	-
	1000	-	1000	-	1000	-
	500	-	500	-	500	-
	Others		Others		Others	-
Less: Deposited in bank accounts	2000	-	2000	-	2000	-
	1000	110,000	1000	-	1000	110,000
	500	30,000	500	-	500	30,000
	Others	-	Others		Others	-
Closing balance as at December 30, 2016	**2000**	**-**	**2000**	**60,000**	**2000**	**60,000**
	1000	**-**	**1000**	**-**	**1000**	**-**
	500	**-**	**500**	**39,500**	**500**	**39,500**
	Others	**-**	**Others**	**34**	**Others**	**34**

Note 37 The Company has the following provision for warranty liability in the books of accounts.

(in Rs. million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Opening balance	577.22	1,195.93	5.00
Additions during the year	-	-	1,511.03
Unlised during the year	316.09	618.71	320.10
Closing balance	**261.13**	**577.22**	**1,195.93**

Note 38 C.I.F. value of imports

(in Rs. million)

	Year ended March 31, 2017	Year ended March 31, 2016
Trading goods	2.88	3.06
Total	**2.88**	**3.06**

Note 39 Expenditure in Foreign Currency (on accrual basis)

(in Rs. million)

	Year ended March 31, 2017	Year ended March 31, 2016
Travelling and conveyance	2.02	1.34
Legal and professional expenses	59.64	27.57
Interest expense	275.19	280.94
Advertisement and business promotion	2.07	1.63
Repair & maintenance expenses	34.83	43.99
Communication expenses	29.40	41.97
Others	0.22	0.22
Total	**403.37**	**397.66**

Note 40 Earnings in foreign currency (on accrual basis)

(in Rs. million)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from sponsorship	-	-
Revenue from sale of hardware and educational products	-	-
Revenue from other services	-	-
Total	-	-

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EDUCOMP SOLUTIONS LIMITED ★ NEW DELHI

Note 41. Unhedged foreign currency exposures

(i) Unhedged foreign currency exposure relating to financial instruments - refer note 25

(ii) Unhedged foreign currency exposure relating to non-financial instruments :

	Foreign currency	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance to suppliers	US$	1.38	3.94	7.17
	GBP	-	0.52	-
	HKD	-	0.81	-
	SGD	0.38	4.38	-
Advance from customer	US$	59.31	60.68	57.25
	SGD	-	-	142.74

Note 42. The Company has appointed a firm of Chartered Accountants for conducting a transfer pricing study to determine whether the transactions with associate enterprises were undertaken at "arm's length basis". Adjustments, if any arising from the transfer pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. Transfer pricing certificate under Section 92E for the year ended March 31, 2016 has been obtained and there are no adverse comments requiring adjustments in these Financial Statements.

Note 43. The Company regularly undertakes Transfer Pricing Study for Specified Domestic Transactions (SDT) with its associate parties domiciled in India as stipulated in Section 92BA of the Income Tax Act, 1961, applicable in India, to determine whether such SDT with associate parties in India are being undertaken at "arm's length basis". The management is of the opinion that all transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and are at arm's length, and there will not be any impact on the Financial Statements as a consequence of the transfer pricing study to be taken by the Company for the current year. Transfer pricing certificate under Section 92E for the year ended March 31, 2016 has been obtained and there are no adverse comments requiring adjustments in these Financial Statements.

Note 44. 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, is 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 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 years ended March 31, 2014, March 31, 2015 and quarter ended June 30, 2015 in due course.

Note 45. The Company has initiated proceedings for recovery of outstanding amount from certain trade receivables amounting to Rs. 4,292.09 million (March 31, 2016 Rs. 3,601.17 million, April 01, 2015 Rs. 2,826.55 million), in respect of which the Company has created a provision of Rs. 3,589.27 million (March 31, 2016 Rs. 3,596.57 million, April 01, 2015 Rs.1,910.02 million), which in the opinion of the Company is adequate to mitigate the risk of any possible non recovery from such receivables. Further, 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.

Note 46. 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 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 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 company and RP is still in the process of receiving, collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims as per the Code.

Till date of issue of these financial statements, following claims has been filed against the Company by its creditors (financial and operational), workmen and employees.

(in Rs. millions)

	Claimed Amount	Admitted Amount	Not Admitted
Creditors (financial)	30,839.31	29,934.73	904.58
Creditors (operational)	163.00	10.58	152.42
Workmen and employees	23.12	21.10	2.02
	31,025.43	**29,966.41**	**1,059.02**

Note 47. The previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to current year's classification.

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

HARIBHAKTI & CO. LLP NEW DELHI CHARTERED ACCOUNTANTS

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date: January 23, 2018

For and on behalf of Board of Directors
Educomp Solutions Limited

EDUCOMP SOLUTIONS LIMITED NEW DELHI

Shantanu Prakash
Chairman and Director
(DIN: 00983057)

V. K. Choudhary
Independent Director
(DIN: 00203673)

Ashish Mittal
Chief Financial Officer

Yogesh Saluja
Company Secretary

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